



Legislation Text

File #: 20-1139, **Version:** 1

Chief Administrative Office recommending the Board consider a request from the El Dorado County Fair Association to:

- 1) Approve relief or deferment of the Fiscal Year 2020-21 General Liability Loan payment, totaling \$22,808.70; and
- 2) Approve waiver or deferment of the monthly CalPERS Unfunded Accrued Liability Payment of \$5,811.58 (\$69,739 for FY 2020-21) beginning with the July 2020 payment.

FUNDING: General Fund and Risk Management Internal Service Fund.

DISCUSSION / BACKGROUND

El Dorado County owns the land and buildings known as the El Dorado County Fairgrounds. The fairgrounds property and buildings have been acquired, built, developed, and maintained over the past 80 years by the El Dorado County Fair Association. The County continued this relationship, at its March 29, 2005 meeting, when the Board of Supervisors entered into an agreement with the El Dorado County Fair Association, Inc., a general non-profit corporation, for the continued management of the County Fair and Fairgrounds.

As a result of the COVID-19 public health emergency and state orders restricting large events and gatherings, the Fair Association has cancelled the annual County Fair and the majority of interim revenue generating events. As a result, on August 10, 2020, the Fair Association submitted to the Chief Administrative Office a request to provide relief or deferment of payments for the Annual General Liability Loan Payment and the monthly CalPERS Unfunded Accrued Liability (UAL) payments.

General Liability

On September 12, 2017 with Legistar item 17-0490, the Board approved Amendment I to the agreement between El Dorado County and the El Dorado County Fair Association which amortized general liability allocated insurance charges over a ten-year period in order to lessen the budgetary burden on the Fair Association for 2017 and 2018. The Fiscal Year 2020-21 payment will be the fifth of the ten annual payments of \$22,808.70. The Fair Association is requesting a relief or deferment of this payment. There is no general fund impact to deferring the General Liability Loan payment for FY 2020-21 and adding an additional year to the term of the loan as the funds reside the Risk Management Internal Service Fund.

CalPERS UAL Payments

The El Dorado County Fair Association as a public agency as defined in Government Code 20057, has employees participating in CalPERS. The Fair Association is currently contributing to and participating in El Dorado County's CalPERS plan. As part of this participation the Fair Association makes a monthly payment for their share of the UAL payment. The UAL is a payment the county must make on a monthly basis, so any deferment or relief of payment will be backfilled with a general fund contribution.

ALTERNATIVES

The Board could choose not to approve the request by the Fair Association or approve a portion of the request.

PRIOR BOARD ACTION

04/21/20 Legistar item 20-0516 - Approval of funding to Water Agency for Fairgrounds Water runoff feasibility study

02/11/20 Legistar item 20-0043 - Funding for three fairgrounds capital improvement projects

01/07/20 Legistar item 19/1866 - Approval of 2020 Fair Association budget

07/23/19 Legistar item 19-1121 - Fair Presentation to Board

OTHER DEPARTMENT / AGENCY INVOLVEMENT

El Dorado County Fair Association.

CAO RECOMMENDATION / COMMENTS

CalPERS UAL Payments

The Chief Administrative Office recommends that the Board decline the request to provide relief or deferment for the CalPERS UAL payment. This is an obligated monthly payment, and any relief would result in backfill from discretionary general fund revenue.

General Liability

The Chief Administrative Office recommends the Board decline the request to provide relief of the General Liability loan payment as this action would result in backfill from discretionary general fund revenue. A deferment of the General Liability Loan payment does not have a general fund impact.

The Chief Administrative Office recommends that the Board approve the request to defer the General Liability payment and direct staff to include the waiving of the FY 2020-21 General Liability Loan Payment and the additional payment of \$22,808.70 in the eleventh fiscal year of the loan in an amendment or new agreement between the El Dorado County Fair Association and El Dorado County that staff will bring to the Board for approval before the Loan payment is due in June 2021.

FINANCIAL IMPACT

If relief of the monthly UAL payment is approved it will result in an increased general fund cost of \$5,811.28 a month. Attachment A from the Fair Association cites a monthly cost of \$5,481.25, however this is the FY 2019-20 amount and not the FY 2020-21 amount. If approved for the period of July 2020 through December 2020, the general fund impact is \$34,869.50. If approved for all of FY 2020-21, the general fund impact is \$69,739. These costs are not included in the FY 2020-21 budget, and if the Board were to approve this request staff will return to the Board with a budget transfer moving the approved funds from General Fund contingency.

If total relief of the annual General Liability Loan payment of \$22,808.70 is approved it will result in a general fund cost. These costs are not included in the FY 2020-21 budget, and if approved staff will return to the Board with a budget transfer moving the approved funds from General Fund contingency. Deferring this payment does not have a material fiscal impact to the County.

CLERK OF THE BOARD FOLLOW UP ACTIONS

None.

STRATEGIC PLAN COMPONENT

Good Governance

CONTACT

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