



Legislation Text

File #: 24-0174, **Version:** 1

Chief Administrative Office recommending the Board:

- 1) Approve and authorize the Chair to sign the Calendar Year 2024 El Dorado County Fair Association Budget in the amount of \$1,675,116, as approved by the El Dorado County Fair Association (Association) Board of Directors at its December 6, 2023, meeting; and
- 2) Receive a presentation on and file the following documents, as outlined in Agreement 6269 between the County and the Association: a financial review of the Association for calendar year 2022, an update on progress towards the five-year Strategic Plan for the period of 2021-2026, and expenditures from the Heritage Foundation from Fiscal Year 2022-23 from the Association's Chief Executive Officer.

FUNDING: 79% Fair Association Raised Funds, 1.5% State Funds, and 19.5% County Allocated American Rescue Plan Act Funds.

DISCUSSION / BACKGROUND

Since 1939, the El Dorado County Fairgrounds have operated at 100 Placerville Drive in Placerville. The fairgrounds property is owned by the County but is managed by the El Dorado County Fair Association, a general non-profit corporation. On January 4, 2022, with Legistar item 22-0027, the Board approve Agreement 6269 with the El Dorado County Fair Association for the continued use, possession, and management of the fairgrounds property and annual county fair for an initial term ending June 30, 2026, with automatic extensions of one year occurring every April 1.

The Association has prepared a Calendar Year 2024 Budget in the format as prescribed by the California Department of Food and Agriculture for fairs and expositions operating in California. The Association's Board of Directors approved the budget on December 6, 2023. The Association budget is being brought to the Board for approval in compliance with Government Code section 25905, which states that the Association "shall submit an annual budget to the Department of Food and Agriculture, showing the estimated revenues and the proposed expenditures from all sources during the ensuing calendar year, which budget shall first be approved by the county board of supervisors."

Included in the 2024 Budget is an estimate of actual revenues and expenditures in 2023 as of December 2023, when the Budget was prepared. The Estimated 2023 figures reflect \$1,977,349 in unrestricted net resources available for operations in 2024. Another successful Fair in 2023 contributed to the unrestricted net resources for use in 2024.

The proposed 2024 Budget estimates \$1,675,116 in operating expenditures and \$1,963,700 in revenue, with an additional \$535,170 County American Rescue Plan Act (ARPA) funds that will be used for the Board of Supervisors-approved improvements to the fairgrounds including the Water Agency-assisted project to improve the culvert into the Fairgrounds. The net of operating revenue and expenditures is a gain of \$18,584 before depreciation. The proposed 2024 Budget includes a land purchase of \$450,000. The Fair Association Board of Directors has prioritized acquiring additional property for parking in their 2021-2026 Strategic Plan. A donor has generously offered to assist in this purchase. In 2024, the Fair Association would like to explore all reasonable property

options around the fairgrounds that could be used for expanded parking. In order for the Fair Association to utilize this new property as part of the fairgrounds property covered under Agreement 6269 between the County and the Association, the Association would need to negotiate an amendment to Agreement 6269 and likely donate the property to the County in order to be in compliance with Government Code section 25905. The new property would not be purchased before an amendment to Agreement 6269 has been negotiated between the Fair Association and the County. Once the proposed budget is approved, County staff will schedule a meeting between the Fair Association and the Fair Ad Hoc Committee to begin these discussions.

Presentation and receipt of documents per Section 20 of Agreement 6269.

The Association's Chief Executive Officer (CEO) has submitted an updated 2021-2026 five-year strategic plan, an Accountant's Financial Review of the 2022 Association Financial Statements, and a summary of the Heritage Association fundraising and expenditures in Fiscal Year 2022-23. Section 20 of the agreement states that the Board of Supervisors can request annually (a) an annual balanced budget for approval, (b) a Statement of Operations for the prior year, (c) a Financial Review or Audit performed by an independent, qualified outside accounting firm, (d) an updated five-year strategic plan, and (e) funding raised by the Heritage Foundation. The submitted documents have been attached to this item and the CEO is prepared to give a brief presentation.

ALTERNATIVES

The Board could choose not to approve the budget and provide direction on the budget. Staff would return to the Board after working with the Association to meet the Board's direction.

PRIOR BOARD ACTION

01/24/2023 Legistar item 23-0169 - Fair Association 2023 Budget Approval.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

El Dorado County Fair Association

FINANCIAL IMPACT

There is no direct financial impact associated with approving the Fair Association Budget.

CLERK OF THE BOARD FOLLOW UP ACTIONS

Obtain the Chair's signature on two copies of the calendar year 2024 Budget and forward one copy to the Chief Administrative Office for processing.

STRATEGIC PLAN COMPONENT

The approval of the budget supports the Economic Development priority of "promote and expand agriculture, recreation, and tourism and their related businesses" and the infrastructure priority of "analyze need, coordinate and plan for County facilities, parks, and trails including ongoing maintenance, operations, and replacement."

CONTACT

Emma Owens, Principal Management Analyst