



## Legislation Text

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**File #:** 25-0074, **Version:** 1

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Chief Administrative Office recommending the Board:

- 1) Approve and authorize the Chair to sign the Calendar Year 2025 El Dorado County Fair Association Budget in the amount of \$1,819,807, as approved by the El Dorado County Fair Association (Association) Board of Directors at its December 4, 2024 meeting;
- 2) Receive a presentation on and file the following documents, as outlined in Agreement 6269 between the County and the Association: a financial audit of the Association for calendar year 2023, and a five-year Strategic Plan for the period of 2024-29 from the Association's Chief Executive Officer; and
- 3) Provide direction to staff and the Fair Association on the presentation, documents, and budget, if needed.

**FUNDING:** 97.9% Fair Association Raised Funds and 2.1% State 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 file 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 2025 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 4, 2024. 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 2025 Budget is an estimate of actual revenues and expenditures in 2024 as of December 2024, when the Budget was prepared. The Estimated 2024 figures reflect \$1,752,028 in unrestricted net resources available for operations in 2025. Successful Fairs in 2023 and 2024 contributed to the unrestricted net resources for use in 2025.

The proposed 2025 Budget estimates \$1,819,807 in operating expenditures and \$1,827,778 in revenue. The net of operating revenue and expenditures is a gain of \$7,971 before depreciation. The proposed 2025 Budget includes an increase in rates, which is increasing revenue projections. Prior to the coronavirus pandemic, the Fair Association employed 8 full-time equivalent (FTE) employees. The proposed 2025 Budget brings staffing up to 7.75 FTE. The proposed 2025 Budget includes a land purchase of \$500,000 that is being carried over from 2024. The Fair Association Board of Directors has prioritized acquiring additional property for parking in their 2024-2029 Strategic Plan. A donor has generously offered to assist in this purchase. In 2025, the Fair Association will continue 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. The new property would not be purchased before an amendment to Agreement 6269 has been negotiated between the Fair Association and the County.

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

The Association's Chief Executive Officer (CEO) has submitted a 2024-2029 five-year strategic plan and an audit of the 2023 Association Financial Statements. 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 on all items outlined in Section 20 of the Agreement.

Possible major maintenance or capital projects per Section 21 of Agreement 6269.

Section 21 of Agreement 6269 states, "21. No major maintenance or capital improvements may be undertaken by Association without prior approval of the Contract Administrator. "Major maintenance or capital improvements" as used herein shall be understood to mean any construction or installation of permanent structures, facilities, buildings, or improvements to the County Fairgrounds that (a) are in excess of \$50,000, or (b) will substantially change the current conditions and operations in the County Fairgrounds, regardless of the amount." The Chief Administrative Officer is the Contract Administrator for the Agreement. To increase transparency and keep the Board informed, the Fair Association has listed their Infrastructure Goals in their Strategic Plan. This includes some projects that would be considered major maintenance or capital projects. The priority major maintenance or capital projects that may occur in the next year are the Armory Road gate revision, barn painting, or remodel of the Forni Building kitchen. The completion of the projects is dependent upon funding availability and the costs of the projects. The Board can provide feedback and direction on the proposed projects.

**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**

Legistar file 24-0174 - January 23, 2024 - Fair Association 2024 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 2025 Budget and forward one copy to the Chief Administrative Office for processing.

**STRATEGIC PLAN COMPONENT**

N/A

**CONTACT**

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