

**MEMORANDUM
DEPARTMENT OF FACILITY SERVICES
COUNTY OF PLACER**

To: Honorable Board of Supervisors

Date: May 19, 2015

From: Ken Grehm, Facility Services Interim Director
By: Mark Rideout, Deputy Director

Subject: Placer County Fairgrounds Update and Annual Report

ACTION REQUESTED:

1. Receive an update and annual report on the Placer County Fairgrounds and the All American Speedway from the Department of Facility Services and the Placer County Fair Association.

BACKGROUND: The Placer County Fairgrounds (Fairgrounds) property is comprised of approximately 61 acres of land and improvements including the All American Speedway. The Fairgrounds is situated near the intersection of Washington and Junction Boulevards within the City of Roseville. Operation and management of the Fairgrounds is the responsibility of the Placer County Fair Association (Association) pursuant to Agreement No. 11520, as amended. The Association has rights to operate the Fairgrounds until December 31, 2015 or until a new operator is selected as a result of the County's Request for Proposals for Fairgrounds Operator (RFP) that is currently being advertised. The current Agreement allows the Association to license use of the Fairgrounds for interim events until December 31, 2015, and specifies they shall plan, manage and conduct the 2015 Placer County Fair. Among other provisions, the Agreement requires an annual report covering subjects including the annual budget, interim events, speedway operation, major maintenance, capital improvements, and proposed projections for the year ahead. Following Facility Services' presentation, Greg Hegwer, Association CEO, will present the Association's report for your Board's information.

Since Fall 2014, County staff has presented several Fairgrounds items to your Board and made progress on a number of initiatives to revitalize the Fairgrounds. Based on recommendations of the Fairgrounds Assessment and your Board's direction, staff solicited applications for the Fairgrounds Revitalization Committee (FRC) to provide ongoing advice to the County and assist with the RFP process. On January 6, 2015 your Board appointed eleven citizens with diverse backgrounds and expertise to the FRC (Exhibit A) and this body has held monthly meetings with County staff since January 27. The FRC selected a chair and vice chair, conducted a site visit of the Fairgrounds, and formed an ad-hoc RFP subcommittee that is now dissolved. With the FRC's input and assistance, staff released the RFP to the public on May 4, 2015 and specified a 6-week solicitation period. If a new operator is selected through this process, Procurement Services anticipates a contract may be recommended to your Board in Fall 2015.

The Association is preparing for the 2015 Placer County Fair, which is scheduled from June 25-28. This year's Fair is entitled "There's No Place like Placer" and will highlight local agriculture including food, wine, and beer production. It will continue the tradition of providing youth livestock judging and auctions, as well as forums to showcase crafts, floriculture, and home arts (e.g., baked and canned goods, homemade beer and wine, and clothing and textiles).

The 2015 Speedway schedule is now underway, following the opening night on April 11. A total of 21 race events are calendared throughout spring and summer, and the last event is the Vintage Classic to be held on October 25. In response to previous community suggestions, the Association continues to implement operating restrictions on the Speedway to mitigate impacts to the surrounding area, including race-free weekends.

The Association continues to raise a portion of its revenue through non-fair interim events, and projects these single and multi-day events will increase from 152 in 2014 to an estimated 164 in 2015. Many local service groups continue to utilize Fairgrounds facilities to raise money for charitable causes through events including crab feeds, small concerts, auto and motorcycle shows, craft fairs, and rummage sales.

The Association adopted the attached 2015 Budget at its December 2014 board meeting (Exhibit B). This Budget projects Total Expenses of \$1,266,096 and Net Ordinary Income of \$110,492. Overall, the Fair, Speedway, and non-fair interim events are the primary contributors to the Associations' projected net profit. Given the seasonal nature of Fairgrounds events, cash-flow issues were expected between January and May, and on February 24, 2015 your Board approved the loan of up to \$100,000 to support ongoing operations. To date, the Association has applied for \$30,000 to fund utility, insurance and Fair marketing expenses.

A current challenge not anticipated in the Association's 2015 Budget is the potential loss of revenues from the possible closure or modification of the Fairgrounds Recreational Vehicle Park (RV Park). In December 2014, the Association received a Notice of Violation from the California Department of Housing and Community Development (HCD) stating alleged non-compliance with HCD's permit requirement. The Association has been given six months from March 2015 to correct this alleged violation through inspections and modifications to the RV Park. The Association is working with County staff to determine the most efficient path to comply with HCD's requirements, which may include coordination with the California Fair Services Authority for inspection and modification.

ENVIRONMENTAL CLEARANCE: Your Board's receipt of this report and Association's 2015 Budget is not a project subject to the California Environmental Quality Act pursuant to Section 15378(b)(5) which excludes organizational or administrative activities that do not result in direct or indirect physical change in the environment.

FISCAL IMPACT: There is no new net county cost associated with your Board's receipt of this annual report. The attached Association Budget identifies \$25,000 in "Government/County," which represents the funding Placer County historically provided as a contribution for conducting the annual Placer County Fair and for upkeep of the property. Staff is preparing to again recommend this expense in the County's FY 2015-16 Proposed Budget.

ATTACHMENT: EXHIBIT A – FAIRGROUNDS REVITALIZATION COMMITTEE
EXHIBIT B – PLACER COUNTY FAIR ASSOCIATION BUDGET

KG/MR/LM/NT

CC: COUNTY EXECUTIVE OFFICE

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EXHIBIT A
FAIRGROUNDS REVITALIZATION COMMITTEE

<u>Seat</u>	<u>Name</u>	<u>Represents</u>	<u>Term</u>	<u>Appointed By</u>	<u>Expires</u>
1	Madeline Miller	District One	2-years	Board of Supervisors	01/01/2017
2	Dan Casillas	District Two	2-years	Board of Supervisors	01/01/2017
3	Jessica Trumbel-Pitel	District Three	2-years	Board of Supervisors	01/01/2017
4	Randall Wilson	District Four	2-years	Board of Supervisors	01/01/2017
5	William Hart	District Five	2-years	Board of Supervisors	01/01/2017
6	Joe Flores	At-Large	1-year	Board of Supervisors	01/01/2016
7	Douglas Dransfield	At-Large	1-year	Board of Supervisors	01/01/2016
8	Lee Bastien	At-Large	1-year	Board of Supervisors	01/01/2016
9	Vacant Seat	At-Large	1-year	Board of Supervisors	01/01/2016
10	David Henry	At-Large	1-year	Board of Supervisors	01/01/2016
11	Lisa Ann Worthington	At-Large	1-year	Board of Supervisors	01/01/2016

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Accrual Basis

Placer County Fair Association, Inc.
Profit & Loss Budget
January through December 2015

	AAS	Admin	Fair	Fun Run	Hoedown	JLA	July 4th	Maintenance	NON-Fair	TOTAL
Ordinary Income/Expense										
Income										
41000 · Revenue from Program Related										
41100 · Admissions	211,390.00		51,400.00							262,790.00
41200 · Concessions	51,100.00		108,000.00	630.00			400.00		41,200.00	201,330.00
41300 · Exhibits			1,375.00							1,375.00
41400 · Jr. Livestock Auction			200.00			219,200.00				219,400.00
41500 · Commercial Space			28,375.00							28,375.00
41600 · All American Speedway	30,200.00								120.00	30,320.00
41700 · Misc. Attractions			110.00							110.00
41800 · Parking			14,880.00	1,240.00			3,390.00		20,180.00	39,690.00
41850 · Commissions			610.00						620.00	1,230.00
41900 · Entertainment			1,470.00							1,470.00
Total 41000 · Revenue from Program Related	292,690.00	0.00	206,420.00	1,870.00	0.00	219,200.00	3,790.00	0.00	62,120.00	786,090.00
42000 · Revenue from Other Source										
42100 · RV-Park	150.00		1,295.00			50.00			134,500.00	135,995.00
42200 · Utilities Fees			50.00						5,820.00	5,870.00
42300 · Advertising	500.00									500.00
42800 · Misc. Revenue	3,700.00		2,200.00	161.00		15.00			50,800.00	56,876.00
Total 42000 · Revenue from Other Source	4,350.00	0.00	3,545.00	161.00	0.00	65.00	0.00	0.00	191,120.00	199,241.00
43000 · Revenue from Dues/Assn.										
43100 · Association Dues									620.00	620.00
Total 43000 · Revenue from Dues/Assn.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	620.00	620.00
44000 · Special Events										
44100 · Fundraising	245.00					5,310.00			1,100.00	6,655.00
Total 44000 · Special Events	245.00	0.00	0.00	0.00	0.00	5,310.00	0.00	0.00	1,100.00	6,655.00
46000 · Revenue From Investments										
46100 · Rentals Bldg/Grounds				7,360.00					260,450.00	267,810.00
46500 · Leases/Bldg/Grounds									52,170.00	52,170.00
46600 · Rental-Equipment									-922.82	-922.82
Total 46000 · Revenue From Investments	0.00	0.00	0.00	7,360.00	0.00	0.00	0.00	0.00	311,697.18	319,057.18
47000 · Revenue - Direct Contributions										
47100 · Sponsorship/Donations	50,500.00		8,625.00			350.00	5,200.00		250.00	64,925.00
Total 47000 · Revenue - Direct Contributions	50,500.00	0.00	8,625.00	0.00	0.00	350.00	5,200.00	0.00	250.00	64,925.00

PLACER COUNTY FAIR ASSOCIATION BUDGET
EXHIBIT B

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Accrual Basis

Placer County Fair Association, Inc.
Profit & Loss Budget
January through December 2015

	AAS	Admin	Fair	Fun Run	Hoedown	JLA	July 4th	Maintenance	NON-Fair	TOTAL
Total Income	347,785.00	0.00	218,590.00	9,391.00	5,660.00	224,465.00	3,790.00	0.00	566,907.18	1,376,588.18
Gross Profit	347,785.00	0.00	218,590.00	9,391.00	5,660.00	224,465.00	3,790.00	0.00	566,907.18	1,376,588.18
Expense										
51000 - Personal Related Expenses										
51100 - Wages/Salaries-FT	35,000.00	48,000.00						50,000.00		133,000.00
51200 - Wages/Salaries-PT	0.00	50,000.00	547.00			292.00		50,000.00		100,839.00
51300 - Wages/Salaries-Seasonal	43,700.00	10,040.00	2,440.00			610.00		7,650.00	1,200.00	65,640.00
51400 - Payroll Expenses	8,000.00	14,000.00	820.00			480.00		8,500.00	3,970.00	35,770.00
51500 - Workes Comp Insurance	5,000.00	6,000.00	205.00			75.00		6,000.00	7,685.04	24,965.04
51600 - Employee Benefits	2,000.00	9,700.00						5,000.00	0.00	16,700.00
51900 - Unemployment Expense		1,250.00						1,250.00		2,500.00
Total 51000 - Personal Related Expenses	93,700.00	138,990.00	4,012.00	0.00	0.00	1,457.00	0.00	128,400.00	12,855.04	379,414.04
52000 - Professional Services										
52100 - Contractors			2,500.00						5,720.00	8,220.00
52200 - Accounting		3,810.00							1,520.00	5,330.00
52400 - Computer Related	800.00	360.00							675.00	1,835.00
52500 - Fundraising Contractor					400.00					400.00
52000 - Professional Services - Other	200.00		5,800.00						1,300.00	7,300.00
Total 52000 - Professional Services	1,000.00	4,170.00	8,300.00	0.00	400.00	0.00	0.00	0.00	9,215.00	23,085.00
53000 - Facility & Equipment Expenses										
53100 - Repairs/Maint. Bldg/Grounds	4,000.00		705.00					9,940.00	5,355.00	20,000.00
53200 - Repairs Maint/RV									211.00	211.00
53300 - Repairs/Maint. Equip.						270.00		1,745.00	1,470.00	3,485.00
53350 - Gas / Oil / Etc								3,000.00	3,000.00	6,000.00
53400 - Utilities			150.00						120,000.00	120,150.00
53500 - Rental Equipment	5,800.00	2,617.00	7,881.00					140.00	3,565.00	20,003.00
53600 - Office Sec. System									905.00	905.00
Total 53000 - Facility & Equipment Expenses	9,800.00	2,617.00	8,736.00	0.00	0.00	270.00	0.00	14,825.00	134,506.00	170,754.00
54000 - Program Expenses										
54100 - Cash Awards	1,020.00		1,265.00							2,285.00
54150 - Payout	114,640.00									114,640.00
54200 - Prizes/Trophies/Medals/Ribbons	8,875.00		1,240.00			1,940.00				12,055.00
54300 - Payments to Seller						200,340.00				200,340.00
54400 - Nascar Conf./Sancttion	1,200.00									1,200.00
54450 - Entertainment			25,200.00							25,200.00

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Placer County Fair Association, Inc.
Profit & Loss Budget
January through December 2015

	AAS	Admin	Fair	Fun Run	Hoedown	JLA	July 4th	Maintenance	NON-Fair	TOTAL
54500 · Judges						4,500.00				4,500.00
54550 · Meals-Sponsors,Buyers,ETC.						1,320.00			75.00	1,395.00
54600 · Concessions	12,620.00		13,620.00	580.00	1,520.00				23,300.00	51,640.00
54650 · Pageant			1,700.00							1,700.00
54700 · Ambulance	11,785.00		1,755.00							13,540.00
54750 · Security	4,615.00		17,914.00	162.00	76.00		189.00		20,935.00	43,891.00
54800 · Non-Profit Payouts			6,240.00						515.00	6,755.00
54900 · Misc Other Expenses	8,850.00		8,925.00	1,080.00	170.00	6,630.00			2,535.00	28,190.00
54000 · Program Expenses - Other	105.00									105.00
Total 54000 · Program Expenses	163,710.00	0.00	77,859.00	1,822.00	1,766.00	214,730.00	189.00	0.00	47,360.00	507,436.00
55000 · Operations										
55100 · Office Supplies/Expense		2,050.00	680.00			210.00			1,065.00	4,005.00
55200 · Supplies and Exp.	3,805.00	635.00	140.00	45.00	70.00	265.00		6,500.00	5,900.00	17,360.00
55300 · Telephone		90.00							6,500.00	6,590.00
55400 · Dues and Subscriptions		480.00							3,400.00	3,880.00
55500 · Office Equipment Rental									3,615.00	3,615.00
55600 · Freight and Shipping Costs		20.00	260.00			30.00			120.00	430.00
Total 55000 · Operations	3,805.00	3,275.00	1,080.00	45.00	70.00	505.00	0.00	6,500.00	20,600.00	35,880.00
56000 · Other Expenses										
56100 · Advertising	1,975.00	140.00	30,000.00	175.00	250.00				3,400.00	35,940.00
56200 · Education		225.00						100.00		325.00
56300 · Insurance										
56350 · Hall or Vendor - Kaliff									1,350.00	1,350.00
56300 · Insurance - Other	43,710.00	2,805.00	455.00						21,035.00	68,005.00
Total 56300 · Insurance	43,710.00	2,805.00	455.00	0.00	0.00	0.00	0.00	0.00	22,385.00	69,355.00
56600 · Interest Exp.	200.00	5,710.00							390.00	6,300.00
56800 · Fundraising Exp				240.00						240.00
56900 · Other Expenses	3,500.00	319.00	-26.00			5,815.00			10,870.00	20,478.00
56000 · Other Expenses - Other									145.00	145.00
Total 56000 · Other Expenses	49,385.00	9,199.00	30,429.00	415.00	250.00	5,815.00	0.00	100.00	37,190.00	132,783.00
57000 · Travel & Meeting										
57300 · Meeting Expenses			1,000.00							1,000.00
Total 57000 · Travel & Meeting	0.00	0.00	1,000.00	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
58000 · Business Expenses										
58100 · Tax/License/Permits	1,050.00	30.00	810.00	25.00	25.00	440.00	25.00		2,250.00	4,655.00

EXHIBIT B
PLACER COUNTY FAIR ASSOCIATION BUDGET

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Placer County Fair Association, Inc.
Profit & Loss Budget
 January through December 2015

	AAS	Admin	Fair	Fun Run	Hoedown	JLA	July 4th	Maintenance	NON-Fair	TOTAL
58200 · Bank Fees	25.00	1,140.00	-30.00			-30.00			-85.00	1,020.00
58300 · Merchant Fees						1,750.00			6,355.00	8,105.00
58600 · Bad Debt	0.00		610.00			600.00			450.00	1,660.00
58800 · Cash Over/Under	-25.00		350.00		-5.00		-1.00		-15.00	304.00
Total 58000 · Business Expenses	1,050.00	1,170.00	1,740.00	25.00	20.00	2,760.00	24.00	0.00	8,955.00	15,744.00
Total Expense	322,450.00	159,421.00	133,156.00	2,307.00	2,506.00	225,537.00	213.00	149,825.00	270,681.04	1,266,096.04
Net Ordinary Income	25,335.00	-159,421.00	85,434.00	7,084.00	3,154.00	-1,072.00	3,577.00	-149,825.00	296,226.14	110,492.14
Other Income/Expense										
Other Income										
60100 · Interest Income		20.00				10.00			15.00	45.00
62000 · Revenue-Gov't. Agencies/Grants										
62100 · Government/County									25,000.00	25,000.00
Total 62000 · Revenue-Gov't. Agencies/Grants	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25,000.00	25,000.00
Total Other Income	0.00	20.00	0.00	0.00	0.00	10.00	0.00	0.00	25,015.00	25,045.00
Net Other Income	0.00	20.00	0.00	0.00	0.00	10.00	0.00	0.00	25,015.00	25,045.00
Net Income	25,335.00	-159,401.00	85,434.00	7,084.00	3,154.00	-1,062.00	3,577.00	-149,825.00	321,241.14	135,537.14

PLACER COUNTY FAIR ASSOCIATION BUDGET
 EXHIBIT B

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