

#18-06: A Fair Review

The 2018-2019 Grand Jury conducted a review of the Agreement between the El Dorado County Fair Association and El Dorado County and related documents, providing for the annual County Fair and other related activities.

The Grand Jury has requested a response from the Board of Supervisors to all Findings and Recommendations. The El Dorado County Board of Supervisors is the only named respondent to this report.

FINDINGS

F1. The Agreement between El Dorado County and the El Dorado County Fair Association is outdated. Many of the provisions are no longer applicable and others are not enforced.

The Board of Supervisors agrees with this finding.

F2. El Dorado County does not appear to have a single point of contact responsible for administration, monitoring, and enforcing provisions of the existing Agreement.

The Board of Supervisors disagrees partially with this finding.

The agreement does not designate a single point of contact; however, in practice the Chief Administrative Office has operated as the point of contact for the El Dorado County Fair Association (the Fair Association).

F3. El Dorado County holds title to the property on which the El Dorado County Fair Association conducts the annual agricultural fair, as well as a variety of other events.

The Board of Supervisors agrees with this finding.

F4. The El Dorado County Fair Association was formed for the purpose of conducting the annual agricultural fair.

The Board of Supervisors agrees with this finding.

F5. By delegating to the El Dorado County Fair Association, the year-round management of the fairgrounds, El Dorado County has missed opportunities to receive revenue from events held on the fairground property.

The Board of Supervisors disagrees with this finding.

The Board of Supervisors reviews and approves the El Dorado County Fair Association's budget annually. Review of the El Dorado County Fair Association submitted budget for 2019 shows a

proposed net profit of \$752, before depreciation, for all fair operations including revenue from events held on the fairgrounds property. Results of current Fair operations do not demonstrate that year-round management of the fairgrounds by the County would result in the County receiving revenue from events. Additionally, it is possible that management of the Fair and related events by the County could result in increased operating costs as opposed to the current management agreement with the non-profit Fair Association.

F6. El Dorado County is inattentive to the El Dorado County Fair Association's management of the fair and fairgrounds.

The Board of Supervisors disagrees with this finding.

The Board of Supervisors and the Chief Administrative Office provide oversight to the El Dorado County Fair Association by appointing five members to the Fair Association's Board of Directors, through annual review and approval of the Fair Association's budget, and by attendance at the Fair Association's annual luncheon and presentation.

F7. El Dorado County Government has assumed liability for all fair activities and operations without any direct financial benefit.

The Board of Supervisors agrees with this finding.

The County understands that the fair activities and operations provide a valuable public benefit to the community in providing a place for community events and celebrations as well as open grounds for walking and recreation.

While the County agrees with this finding, it should be noted that contracting with the Fair Association to manage the day-to-day operations of the Fair and Fair properties allows for the County to not maintain a separate management and administration division dedicated to these activities. If the County were to assume the role of Fair management and administration, a new operating division would need to be created within County government and additional County positions would need to be added.

RECOMMENDATIONS

R1. The County should designate a specific department or person that is directly responsible for management of the agreement between the Association and the County.

Recommendation has not been implemented but will be implemented by September 1, 2019. An Analyst from the Chief Administrative Office will be assigned as the liaison between the Fair Association and El Dorado County.

R2. The County should decide how it wishes to move forward relative to the Fairgrounds with one of these options:

a) Assuming direct control of the Fairgrounds and Agricultural Fair or,

- b) Continuing the relationship with the Association and updating the agreement incorporating the changed conditions since the 2005 Agreement or,
- c) Modifying the relationship whereby the Association is only responsible for conducting the agricultural fair and the County assuming management of all other activities held on the Fairgrounds.

This recommendation has not been implemented, but will be implemented by April 1, 2020.

The Board of Supervisors intends to establish an Ad-Hoc Fair Committee, including representatives from the El Dorado County Fair Association and El Dorado County, to draft an amendment to the Fair Association agreement. The agreement will be revised before the next renewal of the agreement on April 1, 2020.

R3. In drafting a new agreement or assuming direct responsibility for operations of the fair and fairgrounds, the County should look into potential revenue opportunities for the County arising from activities outside the Agricultural Fair.

This recommendation requires further analysis.

As stated above, the Fair Association has not generated excess revenue from the activities outside the Agricultural Fair. El Dorado County staff will work with the Fair Association to conduct an analysis of the ability to generate additional revenue from the activities outside the Agricultural Fair. It is anticipated that this review will be reviewed by the Ad-Hoc Fair Committee by November 2019.