

**Chirila, Myra E.**

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**Sent:** Saturday, February 03, 2018 3:04 PM

**To:** Hannigan, Erin <EHannigan@SolanoCounty.com>; Brown, Monica E. <MEBrown@SolanoCounty.com>; Spering, Jim P. <JPSpering@SolanoCounty.com>; Vasquez, John M. <JMVasquez@SolanoCounty.com>; Thomson, Skip <SThompson@SolanoCounty.com>

**Subject:** Agenda item 18-75 Approval of the Solano County Fair Association's CY2018 budget

Good Afternoon,

I have great concerns about the 2018 Solano County Fair Assoc. budget I see is up for approval this week. As a 35yr resident of Solano County, and a long time guest of the annual fair and events held there, I ask that you please **VOTE NO** on this budget.

It is my understanding the Fair Association is a non-profit organization under agreement with the County to operate the fairgrounds on a year round basis, which includes providing us with an annual Fair. For many years, the Fair Association has done just that, with relative success. However, this year, the CEO/Secretary/GM Stephen G. Hales, submits an initial budget, not only with increased expenses over last year, but requests additional taxpayer dollars and a loan to meet revenue requirements. Thank you all for sending him back to the drawing board! Yet, now he returns, with another budget that eliminates our traditional Fair to a 2-day event, apparently with no carnival, no concessions, no vendors, no concerts, no fun! I guess he's showing us; "you don't give me money, I won't give you a Fair!!" Well, based on their agreement with the County, they would be in violation of their Agreement; sections: 1. A. (i)...failure to operate the Annual Solano County Fair, and B. ...failure to operate and conduct the County Fair. Please push back on this and send him with his tail wagging for another attempt at a budget that meets expectations.

I looked at the 2 budgets he has proposed and I shake my head. The CEO/Secretary/GM of the Fair Assoc. did a poor job of managing last years Fair, which resulted in lower attendance and revenues. Now he wants to be rewarded with a bigger budget, and holds the Annual Fair hostage if we don't acquiesce? So, instead of looking for reductions in expenditures, he cuts services (the Annual Fair), something he is required by Agreement to provide. I've attached a short spreadsheet using the information from the 2 budgets he has submitted to come up with a budget where Expenditures are less than anticipated Revenues and includes our annual Fair. I used the higher Facility Rental revenue from his 2nd budget, then pretty much tossed the rest of that budget as it doesn't include our annual Fair.

First I reduced his anticipated revenue for 2018 to what he was able to achieve in 2017. He showed last year he can't meet expected revenues, why would we think he could meet even higher ones? I also increased Facility Rentals revenue to the amount he has in his 2nd budget. This would put their Revenue projections at 3,134,369. Their proposed expenses are 3,181,426; a \$47,057 loss. To make that up, he'll need to find expenditure cuts. He can't reduce services (Annual Fair) so he should look at Wages and Professional Services. His budget proposes a 7.4% increase in Wages over last year and a 15% increase in Professional Services. My suggestion instead is a 5% cut in Wages and a 5% cut in Professional Services over last year. This results in savings in Expenses from his proposed budget of \$192,243! So with Revenues at 3,134,369 and Expenses now at 2,989,183, the result is he is under budget and \$145,186 goes back into reserves next year!

Cuts to Wages are difficult, and it would probably mean laying off, or eliminating a Manager type position, as well as cuts to employee hours throughout the year. Looking at their website, the Business Development Manager position should be eliminated as a start, especially when you don't have the money to fund that position. The CEO/Secretary/GM should have the time to assume those duties/responsibilities. The GM should already be a member of the local cities Business and Visitors/Convention groups, attending mixers, meetings etc. networking to expand events at the fairgrounds.

Thank you for taking the time to look at this, and again, please **VOTE NO** and send the 2018 Fair Association proposed budget back to the drawing board!

Revenues	Actual 2016	Budget 2017	2016 Actual % +/-	Actual 2017 (projected)	Prop. 2018 by Fair	2017 Actual % +/-	Suggested 2018	2017 Actual % +/-
Admissions to grounds	204,212	214,700	.051	155,592	175,900	.130	155,592	0.0
Fair parking, RV space rental	98,080	99,700	.016	84,187	88,500	.051	84,187	0.0
Fair concessions/ carnival	167,309	166,935	-0.002	144,038	137,500	-0.045	137,500	-0.045
Commercial space	48,295	44,000	-0.088	39,550	34,000	-0.140	34,000	-0.140
Entry fees	10,407	10,000	-0.039	9,233	9,250	.001	9,233	0.0
Facility rentals revenue	938,143	870,200	-0.070	925,026	1,116,000	.206	1,116,000	.206
Satellite wagering	563,190	513,800	-0.876	548,720	524,000	-0.045	524,000	-0.045
Lease revenues	748,995	752,214	0.004	777,919	790,318	.015	790,318	.015
Sign revenue	128,237	120,000	-0.064	117,418	125,000	.064	125,000	.064
Sponsorship/ silent auction revenue	119,613	94,200	-0.212	85,252	89,500	.049	85,252	0.0
Atlas Fire LAE-donations/ reimb.	-	-	-	<126,710>	-	-	-	-
Miscellaneous	5,452	5,000	-0.082	3,528	3,000	-0.149	3,000	-0.149
State Allocation	32,487	32,487	0.000	30,552	32,487	0.063	32,487	0.063
Other non-operating revenue	12,216	29,240	1.393	28,794	-	-	-	-
County contributions (taxpayer!)	-	-	-	-	-	-	-	-
Interest revenue	2,417	100	-0.958	704	300	-0.573	300	-0.573
.33 funds	44,469	40,356	-0.092	39,932	37,500	-0.060	37,500	-0.060
Total Revenues	3,123,520	2,992,932	-0.041	2,990,445	3,163,255	.014	3,134,369	.048

Expense reduction suggestions	Actual 2016	Projected 2017	2016 Actual % +/-	Proposed 2018 by Fair	2017 Actual % +/-	Suggested 2018	2017 Actual % +/-	Prop. 2018	2017 Actual % +/-	Savings Total from Prop 2018
Wages/ payroll tax	1,047,469	1,043,342	-0.004	1,120,681	0.074	991,175	-0.05	-0.115	-0.115	129,506
Professional Services	399,932	310,015	-0.224	357,252	0.152	294,515	-0.05	-0.175	-0.175	62,737
Total Savings				1,477,933		1,285,690		-0.130		192,243

Budget	Revenues	Expense	Profit/(Loss)	Notes
2018 Proposed (1 <sup>st</sup> draft)	3,163,255	3,181,426	(18,171)	Revenue w/o County \$, Facility rentals \$ from 2 <sup>nd</sup> draft
2018 Suggested	3,134,369	2,989,183	145,186	Expenses incl. 5% cut to Wages and Prof. services