

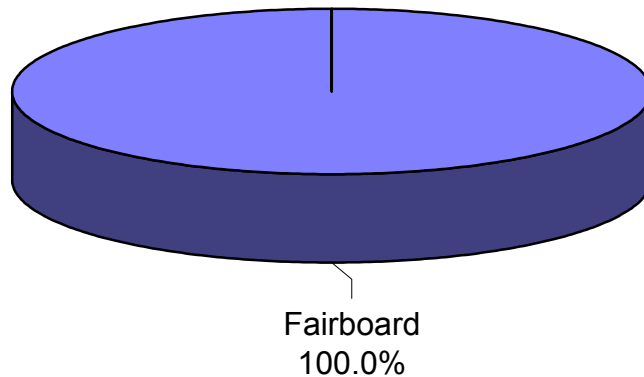
Fair Board

The Fair Board provides facilities for the annual Lane County Fair, 4-H/FFA Youth Fair, meetings, conventions and exhibitions year-round and livestock facilities during the dry weather period only. It also operates an ice skating arena and other sport venues.

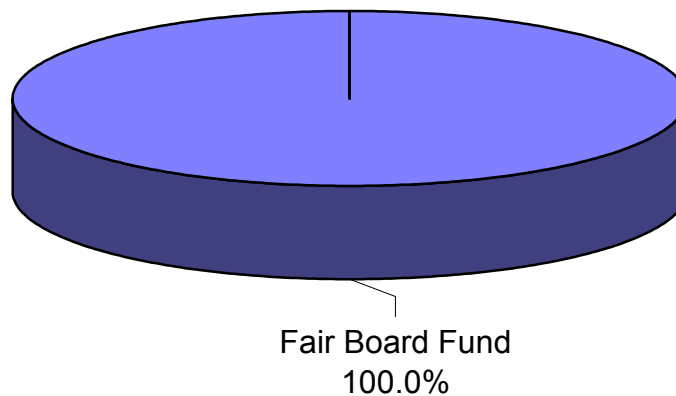
Total Expenditures

\$5,460,000

FY 05-06 Expenditures by Division



FY 05-06 Budget by Fund

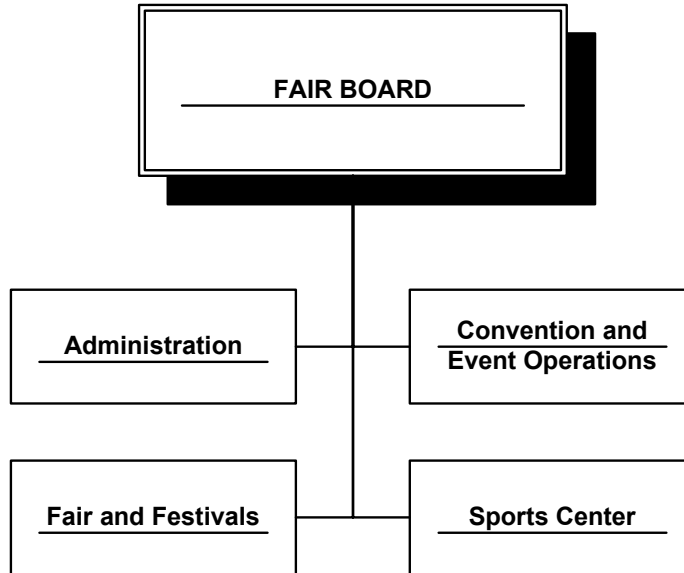


Warren Wong, Director
Fair Board
682-7341

Fair Board

Department Overview

The Lane County Fair Board is created by state statute and appointed by the Lane County Board of Commissioners. Board members are appointed for three-year terms and may serve two terms. The Board is charged with oversight of the management and operations of a 55-acre complex including a regional exhibition facility, indoor sports facilities, ice arena and celebration space. This venue has over 600 events and plays host to approximately a million visitors each year. Two major events each year are the County Fair and the 4-H/FFA Youth Fair. The operations are financed by rents, admissions and registrations and capital investment is supported by Transient Room Tax.



Key Accomplishments

- Continued and enhanced a public information and education program implemented at the 2003 Fair on animal transmitted diseases and a work program to place signage and wash stations at animal venues and food eating areas. Supported defense counsel in litigation over E coli cases from the 2002 Fair; lawsuits have been dismissed.
- Completed a second plot on the north bank of the Amazon Creek which traverses the Fairgrounds. This multi-year project entails the removal of invasive vegetation and planting native vegetation and trees along the entire north bank to provide shade to the Creek and to soften the back of the Fairgrounds to neighbors along 16th Avenue. This effort is a joint venture of the City of Eugene Stream Team, Jefferson Westside Neighbors and the Fair Board.
- Established an Operating Cash Reserve of \$182,935 in FY05, with an eventual target of \$500,000.
- Accelerated repayment of the Planetarium loan with the \$80,000 balance scheduled for payment in FY06.

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Major Changes from Prior Year

No major service or financial changes. The budget basically carries forward the service system in existence during FY05. Revenues reflect modest increases based on the competitive market, quality of facilities and equipment available for rent and the general state of the local economy. Expenses include increases for inflation and adjustments determined by contract or law. Employee benefits increased greater than the inflation rate. Given the revenue base that supports the Fair Board, strong emphasis has been placed on using our limited resources optimally to ensure that our core services of the County and 4H/FFA Fairs, sports functions and renting of exhibition space and meeting facilities are achieved. Budgeted positions are maintained at 21 FTE.

Challenges & Opportunities

There are a number of significant issues facing the Fair Board in the next fiscal year and the intermediate planning horizon.

- Financial Stability – The Fair Board and County Commission have been routinely briefed on the Fair Board’s financial status. Staff has prepared forecasts which incorporate various revenue and expense assumptions that basically present a rather dire financial picture. The major factors are the costs of employee benefits and the difficulty in increasing revenue given the condition of the facilities, state of the economy and market competition.

Staff has taken major steps to address this issue including:

- o Outsourcing – Food and Beverage, landscaping and part of the maintenance function.
- o Rate and Fee Increases – Over the years, efforts have been made, wherever feasible, to marginally increase rates charged to clients and attendees.
- o Sponsorships – A concerted effort has been made to increase sponsorships for the County Fair and the overall Fairgrounds, with very strong results.
- o Staffing – The permanent staff deployment has been reduced to 21 FTEs from the high of 31 FTEs in FY03.
- o Expenses – Efforts have been made to curtail expenses, from energy and water conservation to using recycled material to not granting COLAs for several fiscal years to curtailing salary or hours.

The above initiatives, combined with many other efforts at reengineering business and operating systems and procedures, have positioned the Fair Board on the path toward financial stability. The threshold event that has solidified this effort was the approval by the Board of County Commissioners, at the recommendation of the Budget Committee, of Board Order 04-6-16-7. This Board Order authorized the Fair Board to use up to \$250,000 of the excess Transient Room Tax to 1) establish a cash reserve in the operating budget and 2) mitigate the impact of employee benefit expenses. In the FY06 Budget as well as long-term financial forecasts, the assumption has been made that this authorization will continue; and, if implemented, the Fair Board will be significantly closer to achieving its goal of financial stability in approximately three fiscal years.

Financial stability continues to be the paramount goal of the Fair Board and management. Significant strides have been made in this effort but the Board is far from financial stability. The Financial Measures Report provides a barometer against which to judge our progress. This assessment is corroborated by the External Auditor who indicates significant concerns about the viability of the Fair Board over the long-term.

- 2004 Fair Attendance and Financial Results – Attendance at the 2004 Fair was approximately 10,000 less than in 2003 and the Actual Net Revenue was approximately \$40,000 less. In an evaluation of

Fair Board

the 2004 Fair, it is unclear as to whether there is a single proximate cause for the attendance decline which, in turn, reflects in the Net Revenue from the Fair. It is clear, however, that the state of the local economy had an impact on attendees' spending patterns and that several Fair expense line-item increased significantly. Efforts are underway to return back to the historical trend for attendance and Net Fair Revenue for the 2005 Fair.

- Renewal of Transient Room Tax Commitment – In FY06, Board Order #02-1-9-4 calls for a review of the TRT commitment to the Fair Board. The current authorization expires in FY07. Continued infusion of this funding is critical to the viability of the Fairgrounds. Without this resource, the Fairgrounds will continue to deteriorate from an infrastructure and equipment perspective and its continued existence as a viable public entity in the community and convention business becomes problematic.

Objectives for FY 2005-06

- Continue to implement long-term strategy to achieve financial stability.
- Continue plan to replace obsolete equipment and furnishings in the various facilities.
- Increase marketing and “up-sale” of sponsorships of County Fair and Lane Events Center.

Fair Board

DEPARTMENT AND DIVISION FINANCIAL SUMMARY						
	FY 02-03	FY 03-04	FY 04-05	FY 05-06	\$ Change	% Chng
	Actual	Actual	Curr Bgt	Proposed	Fr Curr	Fr Curr
RESOURCES:						
Property and Rentals	4,164,954	4,096,001	4,480,545	4,111,000	(369,545)	-8.25%
State Revenues	42,000	35,141	42,000	42,000	0	0.00%
Fees and Charges	127,169	94,459	382,500	323,000	(59,500)	-15.56%
Interest Earnings	4,148	2,297	2,000	4,000	2,000	100.00%
Total Revenue	4,338,271	4,227,898	4,907,045	4,480,000	(427,045)	-8.70%
Resource Carryover	0	0	(353,714)	0	353,714	-100.00%
Interfund Loans	290,000	140,000	180,000	80,000	(100,000)	-55.56%
Fund Transfers In	611,895	800,000	900,000	900,000	0	0.00%
TOTAL RESOURCES	5,240,167	5,167,899	5,633,331	5,460,000	(173,331)	-3.08%
EXPENDITURES:						
Personnel Services	1,218,121	1,108,078	1,450,000	1,450,000	0	0.00%
Materials and Services	2,647,974	2,613,433	3,043,331	3,030,000	(13,331)	-0.44%
Capital Expenses	1,078,213	330,973	900,000	900,000	0	0.00%
Fiscal Transactions	800,098	1,089,366	240,000	80,000	(160,000)	-66.67%
TOTAL EXPENDITURES	5,744,406	5,141,849	5,633,331	5,460,000	(173,331)	-3.08%
Total FTE	31.00	21.00	21.00	21.00	0.00	0.00%
EXPENDITURES BY FUND						
Fair Board Fund	5,744,406	5,141,849	5,633,331	5,460,000	(173,331)	-3.08%
Funds Total	5,744,406	5,141,849	5,633,331	5,460,000	(173,331)	-3.08%

DIVISION FINANCIAL SUMMARY BY PROGRAM						
	FY 02-03	FY 03-04	FY 04-05	FY 05-06	\$ Change	% Chng
Programs	Actual	Actual	Curr Bgt	Proposed	Fr Curr	Fr Curr
Fairboard Administration	5,744,406	5,141,849	5,633,331	5,460,000	(173,331)	-3.08%
Total Expenditures	5,744,406	5,141,849	5,633,331	5,460,000	(173,331)	-3.08%

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DEPARTMENT POSITION LISTING

Fair Board

1.00 Managing Director
1.00 Business Manager
1.00 Accounting Clerk II
1.00 Sales & Events Manager
1.00 Public Relations/Marketing Manager
2.00 Administrative Assistant
1.00 Fairgrounds Operations Manager
1.00 Fairgrounds Operations Supervisor
1.00 Fairgrounds Maintenance Supervisor
1.00 Fairgrounds Maintenance Worker
3.00 Fairgrounds Worker
1.00 Ice Arena Manager
2.00 Ice Arena Cashier
3.00 Ice Arena Maintenance
1.00 Sports Center Coordinator
21.00 Department Total FTE

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Exhibition Facilities

Purpose: Maintain or increase number of days exhibition facilities are rented.

Indicator	Prior Year Actuals		Current Estimate	Future Estimate
	2002-2003 Actual	2003-2004 Actual	2004-2005	2005-2006
Output:				
Annual rental revenue	805,178	883,054	875,100	880,460
# of events booked	202	205	200	202
# of booked user days	460	477	460	465
Efficiency:				
Event production costs as a percent of rental revenue	92%	89%	90%	90%
Service Quality:				
Satisfaction rating by renters	80%	83%	90%	90%
Outcome:				
# of repeat bookings	190	185	180	185
% of weekends booked	83%	85%	90%	90%

Lane County Fair

Purpose: Maintain or increase Fair Net Revenue.

Indicator	Prior Year Actuals		Current Estimate	Future Estimate
	2002-2003 Actual	2003-2004 Actual	2004-2005	2005-2006
Output:				
Fair revenue	1,708,321	1,712,293	1,819,000	1,748,075
Efficiency:				
Fair net revenue	480,035	407,080	377,991	410,175
Service Quality:				
Repeat visits/loyalty rating	71%	73%	75%	75%
Satisfaction/expectation rating	85%	85%	90%	90%
Value rating	65%	72%	70%	70%
Outcome:				
Attendance	170,112	170,618	161,452	180,000
Percent of commercial vendor slots filled.	95%	97%	100%	100%
Percent of food vendor slots filled	100%	100%	100%	100%
Community participation/exhibit entries	8,583	8,214	8,000	8,500

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DEPARTMENT REVENUE SUMMARY						
Revenue Accounts	FY 02-03	FY 03-04	FY 04-05	FY 05-06	\$ Change	% Chng
	Actual	Actual	Curr Bgt	Proposed	Fr Curr	Fr Curr
Bond Sales	622,926	624,382	0	0	0	0.00%
Admissions	1,745,092	1,678,212	1,209,831	1,100,000	(109,831)	-9.08%
Concessions	0	0	825,000	750,000	(75,000)	-9.09%
Amusements	562,836	559,418	675,000	650,000	(25,000)	-3.70%
Exhibitor Fees	0	0	11,000	11,000	0	0.00%
Rental	1,079,175	1,079,175	0	0	0	0.00%
Equipment Rental	154,925	154,814	0	0	0	0.00%
Rent - Other Properties	0	0	1,759,714	1,600,000	(159,714)	-9.08%
PROPERTY AND RENTALS	4,164,954	4,096,001	4,480,545	4,111,000	(369,545)	-8.25%
Department of Revenue	42,000	35,141	0	0	0	0.00%
Fairs Tax	0	0	42,000	42,000	0	0.00%
OTHER STATE REVENUES	42,000	35,141	42,000	42,000	0	0.00%
Miscellaneous Fees/Reimbursement	127,169	94,459	0	0	0	0.00%
Miscellaneous Svc Charges	0	0	167,500	153,000	(14,500)	-8.66%
Miscellaneous Internal Services	0	0	215,000	170,000	(45,000)	-20.93%
FEES AND CHARGES	127,169	94,459	382,500	323,000	(59,500)	-15.56%
Investment Earnings	4,148	2,297	2,000	4,000	2,000	100.00%
INTEREST EARNINGS	4,148	2,297	2,000	4,000	2,000	100.00%
Fund Balance	0	0	(353,714)	0	353,714	-100.00%
Interfund Loan Received	290,000	140,000	180,000	80,000	(100,000)	-55.56%
Transfer Fr Sp Rev Funds	611,895	800,000	900,000	900,000	0	0.00%
FISCAL TRANSACTIONS	901,895	940,000	726,286	980,000	253,714	34.93%
TOTAL RESOURCES	5,240,167	5,167,899	5,633,331	5,460,000	(173,331)	-3.08%

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DEPARTMENT EXPENSE SUMMARY						
Expenditure Accounts	FY 02-03 Actual	FY 03-04 Actual	FY 04-05 Curr Bgt	FY 05-06 Proposed	\$ Change Fr Curr	% Chng Fr Curr
Permanent Operating Salaries	1,218,121	1,108,078	1,450,000	1,450,000	0	0.00%
PERSONNEL SERVICES	1,218,121	1,108,078	1,450,000	1,450,000	0	0.00%
Professional & Consulting	0	0	1,062,510	1,050,000	(12,510)	-1.18%
Refuse & Garbage	0	0	35,000	35,000	0	0.00%
Light, Power & Water	0	0	300,000	300,000	0	0.00%
Telephone Services	0	0	35,000	35,000	0	0.00%
Purchased Insurance	0	0	150,000	150,000	0	0.00%
Maintenance of Equipment	0	0	75,000	75,000	0	0.00%
Maintenance of Structures	0	0	140,000	140,000	0	0.00%
External Equipment Rental	0	0	100,000	100,000	0	0.00%
Mail Room Charges	0	0	9,000	9,000	0	0.00%
Direct/Information Services	0	0	1,990	0	(1,990)	-100.00%
County Overhead Charges	6,644	0	9,831	23,041	13,210	134.37%
Office Supplies & Expense	0	0	24,000	24,000	0	0.00%
Membrshp/Professional Licenses	0	0	4,000	4,000	0	0.00%
Printing & Binding	0	0	22,000	22,000	0	0.00%
Advertising & Publicity	0	0	150,000	150,000	0	0.00%
Institutional Supplies	0	0	600,000	600,000	0	0.00%
Special Supplies	0	0	125,000	125,000	0	0.00%
Agricultural Supplies	0	0	5,000	5,000	0	0.00%
Business Expense & Travel	0	0	20,000	20,000	0	0.00%
Miscellaneous Payments	2,641,330	2,613,433	175,000	162,959	(12,041)	-6.88%
MATERIALS & SERVICES	2,647,974	2,613,433	3,043,331	3,030,000	(13,331)	-0.44%
Improvements	1,078,213	330,973	0	0	0	0.00%
General and Miscellaneous	0	0	900,000	900,000	0	0.00%
CAPITAL PROJECTS	1,078,213	330,973	900,000	900,000	0	0.00%
Bond Principal Retirement	547,546	757,346	0	0	0	0.00%
Bond Interest Retirement	42,553	42,020	0	0	0	0.00%
FISCAL TRANSACTIONS	590,098	799,366	0	0	0	0.00%
Prin Pd Interfund Loan	210,000	290,000	240,000	80,000	(160,000)	-66.67%
FUND TRANSFERS	210,000	290,000	240,000	80,000	(160,000)	-66.67%
TOTAL EXPENDITURES	5,744,406	5,141,849	5,633,331	5,460,000	(173,331)	-3.08%

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