

## Fair Board

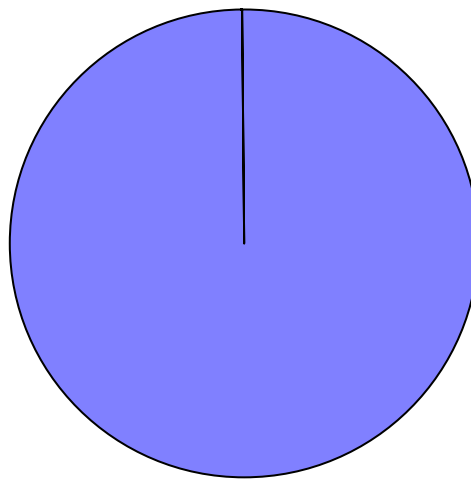
---

Lane County operates a “split” model operation of the Fairgrounds/Events Center in which operational responsibility is vested in a Fair Board for the Fair, and in the County for the remainder of the year. In addition to the annual Lane County Fair, facilities are also provided for the 4-H/FFA Youth Fair, various meetings, festivals and exhibitions year-round and livestock facilities during the dry-weather period. It also operates an ice arena for skating and hockey and venues for basketball and volleyball.

### Total Expenditures

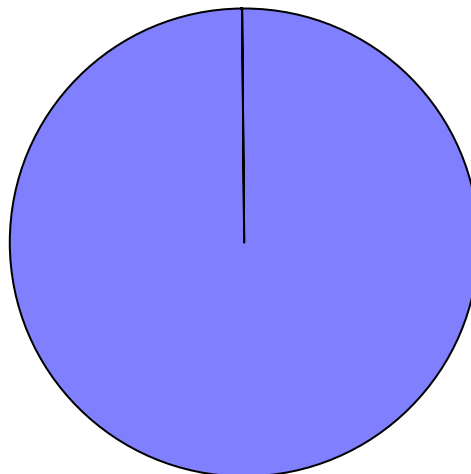
\$5,267,961

### FY 08-09 Expenditures by Division



Fairboard  
100.0%

### FY 08-09 Budget by Fund



Fair Board Fund  
100.0%

Val Major, Interim Director &  
Business Manager  
Fair Board  
682-4292

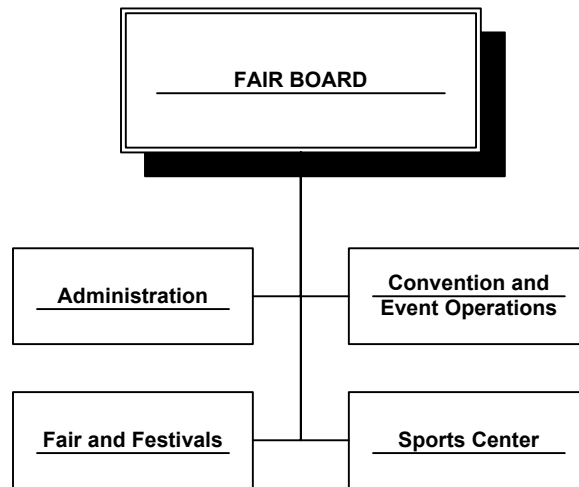
# Fair Board

---

## Department Overview

The Lane County Fair Board is created by state statute (ORS 565) and appointed by the Lane County Board of County Commissioners. Board members are appointed for three-year terms and may serve two terms. The Board is solely responsible for ensuring that a suitable Lane County Fair is planned, prepared and produced each year.

An Events Center Manager manages the 55-acre complex including a regional exhibition facility, indoor sports facilities, and ice arena and celebration space for the remainder of the year. This venue has over 400 events and plays host to approximately a million visitors each year. The operations and capital investments are financed by rents, admissions, registrations and Transient Room Tax (TRT).



## Department Goals & Objectives

- Implement long-term strategy to achieve financial stability
- Replace obsolete equipment and maintain facilities
- Increase sponsorships of County Fair
- Increase client use of Lane Events Center facilities and site

## Key Accomplishments in FY 07-08

- 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. The Western Fairs Association and the International Fairs and Expositions Association have sponsored a number of seminars on E. Coli prevention and Board staff has attended those trainings. Lane County, and the Oregon Fairs Association, has been at the forefront of this training and education effort on E. Coli given the incident at the 2002 Lane County Fair.
- 2007 Fair Attendance and Financial Results – Attendance at the 2007 Fair was approximately 163,000, 7,000 less than the 2006 Fair but the Actual Net Revenue was slightly greater.
- Completed a fifth annual work project 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

## **Fair Board**

---

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 a Capital Reserve of \$150,000 in FY07, with an eventual target of \$300,000.
- Increased the Operating Cash Revenue to \$375,000 with the ultimate target being \$500,000.
- PERS Bond Liability – The Board, due to its financial condition, had not paid its assessment on the PERS Bonds for the first three years after issuance of the bonds and, at one point, this liability had grown to nearly \$250,000. The Board intends to pay off this liability completely in 07-08 and keep current on the future fiscal year assessments to service the PERS Bonds.

### **Changes, Challenges & Opportunities for FY 08-09**

The budget carries forward into FY 08-09 the service system in existence during FY 07-08. 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 increase faster than the inflation rate. Given the revenue base that supports the Fair Board, strong emphasis has been placed on using limited resources optimally to ensure that core services of the County and 4H/FFA Fairs, renting of exhibition space and meeting facilities and sports functions are achieved. This budget funds 21 FTE.

There are a number of significant issues facing the Fair Board for FY 08-09 and the intermediate planning horizon.

- Financial Stability – The County Commission has been briefed periodically on the Board’s financial status. Staff has prepared forecasts incorporating various revenue and expense assumptions that present a deficit position in the Operating Budget over the planning horizon. The major factors include the costs of employee benefits and the difficulty in increasing revenue given the condition of the facilities, state of the economy and market competition. The end-result is that the Operating Budget requires subsidization, and the Board has prepared the FY08-09 Budget with a \$1.1 million Excess Transient Room Tax subsidy.

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 must continue to work on achieving financial stability. The Quarterly 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. Staff has taken major steps to address this issue including:

- Outsourcing – Food and Beverage, landscaping, part of the maintenance function, personnel services and payroll have been outsourced.
- Rate and Fee Increases – Over the years, efforts have been made, wherever feasible, to marginally increase rates charged to clients and attendees.
- Sponsorships – A concerted effort has been made to increase sponsorships for the County Fair and the overall Lane Events Center, with very strong results.
- Staffing – The permanent staff deployment has been reduced to 21 FTEs from a high of 31 FTEs in FY 02-03.
- Expenses – Efforts have been made to decrease expenses, from energy and water conservation to using recycled material to not granting COLAs for several fiscal years to internet registration of Fair exhibitors.

## Fair Board

---

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 County Commission, at the recommendation of the Budget Committee, of Board Order #04-6-16-7. This Board Order authorized the Fair Board to use Excess TRT to 1) establish a cash reserve in the Operating Budget and 2) mitigate the Operating Budget deficit. In FY08-09, this practice continues with a TRT operating subsidy of \$1.1 million.

In the long-term financial forecasts, the Excess TRT subsidy continues and will increase over time. As long as the Fair Board delivers services as a public entity, the Operating Budget deficit will continue to exist and a subsidy will be required. It should be recognized that with this subsidy, the Board has achieved a relatively stable financial position. The Lane County Fair Board basically is no different than the majority of other Fair Boards in the state that require a subsidy to cover Operating Budget deficits. Further, Excess TRT is required to fund a minimal capital maintenance and improvement program. Board Order #07-5-9-7 extended the commitment of Excess TRT to FY22.

- 2007 Fair Attendance and Financial Results – Attendance at the 2007 Fair was approximately 7,000 less than the 2006 Fair and the Actual Net Revenue was slightly greater. Fair attendance seems to hold steady in the 160,000 – 180,000 range and the Net Revenue in the \$350,000 – \$450,000 range. In the long-term, the Board hopes that the attendance increases; but, the Board is not optimistic that the Fair Net Revenue can be maintained at its current level given mandatory expense increases and rising costs driven by the economy and legal requirements.
- Future of Site and Facility – There has been substantial discussion about the long-term viability of the current Fairgrounds and Lane Events Center. Directly correlated with that discussion is the fact that the buildings are aging and require substantial upgrade and/or replacement. The County Commission took action in June 2007 to undertake the following work plan on this issue:
  - Contract with a consultant to observe and critique the 2007 Fair.
  - Develop a set of policy issues regarding the current site or an alternative site and conduct a work session with the Commission for it to provide direction on these issues.
  - Survey Fair attendees and other Lane Events Center users.
  - Develop gross cost estimates to reinvest in current Fairgrounds facilities and site for fairgrounds at an alternative site.
  - Obtain an appraisal on the current site.

Markin Consulting out of Maple Grove, Minnesota was engaged to observe and critique the 2007 Lane County Fair and to survey vendors at the Fair. His report was submitted in November and was generally positive on the conduct, appearance and ambiance of the Fair. He had minor suggestions for improvement to the Fair. The University of Oregon Community Planning Work Shop was engaged to conduct a survey of Fair attendees; and, this survey, which has been conducted for the past eight years, also resulted in generally positive reviews for the Fair.

PIVOT Architecture working with County Facilities Management and Fair Board staff prepared high-level concepts and costs estimates on the Fairgrounds/Lane Events Center remaining at the current site or moving to a new site. For the option of remaining at the 13<sup>th</sup> Street location, a minimum of \$13.5 million would be required to simply upgrade the facility and replace obsolete equipment and infrastructure. To upgrade the facility and expand its available venue footage, approximately \$65.3 million would be required. If the facility were moved to a different site, presumably ready-to-built and replicating the current covered square footage and parking, approximately \$145.5 million would be required. The latter estimate does not include land

## Fair Board

acquisition costs, utility infrastructure and transportation improvements if required by the specific site. An informal appraisal was obtained, and subject to ultimate zoning by the City of Eugene, could range from \$10 - 43 million.

Subsequent to a November 2007 Work session with the County Commission, four Focus Groups have taken place with the general public and Fairgrounds/Lane Events Center clients. A public meeting was also held on March 12, 2008 to obtain additional feedback. As of the writing of this narrative, the Commission has not provided further direction on this issue.

### **Performance Management**

The Lane County Fair is challenged by rising costs of labor, entertainment and attractions, which is outpacing growth in revenue streams. Admission and ride fees are among the highest of the Oregon County Fairs. As a family-oriented event, families of all income levels are challenged by the increased costs for carnival rides, midway games, food, concerts and admissions. Despite pricing challenges, however, visitors who come to the Fair seem to enjoy their experience (75%), and return each year (80%). Demographic data on Fair visitors point toward serving a growing percentage of middle to higher income families. The satisfaction rating has decreased slightly with more people commenting on the increased prices for rides and admission. Survey respondents (65%), however, still feel that for the dollars spent, they receive a good value in terms of entertainment and educational opportunities at the Fair when compared to other leisure alternatives in the community. Without growth in attendance to fuel the Fair's revenue streams to counter rising production costs, the net revenues will continue to decline.

To have an impact on net revenues, the Fair must continue to provide high quality entertainment and educational attractions for families at a reasonable price to motivate people to attend the Fair, while finding creative strategies to contain costs. This may require instituting an aggressive volunteer training program. Other cost containment measures will be explored.

<b>FAIR PERFORMANCE MEASURES</b>						
<b>Performance Measures Annual County Fair</b>	<b>2005 Fair</b>	<b>2006 Fair</b>	<b>2007 Fair</b>	<b>2007 Fair Target</b>	<b>2007 Perf Index</b>	<b>2008 Fair Target</b>
Fair Revenue	\$2,081,082	\$2,148,739	\$2,010,936	\$2,150,000	Near Target	\$2,114,500
Fair Net Revenue	\$270,199	\$385,512	\$414,031	\$512,000	Below Target	\$372,000
Repeat Visits/loyalty rating	75%	82%	80%	75%	Above Target	80%
Satisfaction /expectation rating	81%	83%	75%	80%	Near Target	80%
Value rating	74%	68%	65%	70%	Near Target	75%
Attendance	165,825	169,373	162,500	170,000	Near Target	170,000
Percent of commercial vendor slots filled	95%	95%	95%	95%	On Target	95%
Percent of food vendor slots filled	100%	100%	100%	100%	On Target	100%
Community participation/exhibit entries	7,048	7,598	7,100	7,600	Near Target	7,600

## Fair Board

The Lane Events Center has experienced an increase in the number of events and repeat booking in FY 07-08. The mid-week discount the Board established in FY05-06 is available to current and potential user groups. This, unfortunately, has not driven any increase in mid-week bookings as most events require or prefer weekend dates. The Fair Board will continue to seek creative ways to increase revenue and events held at the Lane Events Center.

The addition of the ARC of Lane County Winter Festival, several Hispanic Celebration Events, a large BBQ, Spa & Hot Tub Sales and numerous fund raising banquets cite just a few examples of the type of events the Fair Board focused on booking this past year to increase revenue. The return of BMX indoor racing to the underutilized Livestock Building this past fall has been a plus. Staff continues to receive very favorable client satisfaction feedback due primarily to the emphasis placed on providing good customer service, which is demonstrated with repeat annual shows. Our level of customer service provides an added value that offsets the rental rate increases and aging facility issues we are faced with.

<b>EVENT CENTER PERFORMANCE MEASURES</b>						
<b>Performance Measures Lane Events Center</b>	<b>2005-06 Actual</b>	<b>2006-07 Actual</b>	<b>2007-08 Actual</b>	<b>2007-08 Target</b>	<b>2007-08 Perf. Index</b>	<b>2008-09 Target</b>
Annual rental revenue	\$880,460	\$824,200	\$1,152,300	\$893,667	Exceeded Target	\$1,200,000
# of events booked	202	175	216	205	Above Target	225
# of booked user days	465	420	507	470	Above Target	520
Event production costs as a percent of rental revenue	90%	90%	90%	90%	On Target	90%
Satisfaction rating by renters	90%	86%	89%	95%	Improved	95%
# of repeat bookings	185	145	155	185	Below Target	175
% of weekends booked	90%	91%	95%	90%	Above Target	95%

## Fair Board

<b>DEPARTMENT FINANCIAL SUMMARY</b>						
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>\$ Chng</b>	<b>% Chng</b>
	<b>Actual</b>	<b>Actual</b>	<b>Curr Bgt</b>	<b>Adopted</b>	<b>Fr Curr</b>	<b>Fr Curr</b>
<b>RESOURCES:</b>						
Property and Rentals	4,458,873	4,210,273	3,019,421	3,850,641	831,220	27.53%
State Revenues	46,456	46,456	47,000	49,000	2,000	4.26%
Fees and Charges	62,993	131,465	345,300	212,820	(132,480)	-38.37%
Interest Earnings	13,932	29,198	21,400	55,500	34,100	159.35%
<b>Total Revenue</b>	<b>4,582,254</b>	<b>4,417,392</b>	<b>3,433,121</b>	<b>4,167,961</b>	<b>734,840</b>	<b>21.40%</b>
Resource Carryover	(358,087)	(164,693)	64,471	0	(64,471)	-100.00%
Fund Transfers In	1,034,797	1,152,974	1,000,000	1,100,000	100,000	10.00%
<b>TOTAL RESOURCES</b>	<b>5,258,964</b>	<b>5,405,673</b>	<b>4,497,592</b>	<b>5,267,961</b>	<b>770,369</b>	<b>17.13%</b>
<b>EXPENDITURES:</b>						
Personnel Services	1,400,374	1,519,514	877,925	1,594,974	717,049	81.68%
Materials and Services	3,537,394	3,340,793	2,084,667	2,241,783	157,116	7.54%
Capital Expenses	337,364	274,772	1,000,000	776,391	(223,609)	-22.36%
Fiscal Transactions	148,526	90,123	0	94,813	94,813	100.00%
Total Resrvs & Conting.	0	0	535,000	560,000	25,000	4.67%
<b>TOTAL EXPENDITURES</b>	<b>5,423,658</b>	<b>5,225,202</b>	<b>4,497,592</b>	<b>5,267,961</b>	<b>770,369</b>	<b>17.13%</b>
<b>Total FTE</b>	<b>21.00</b>	<b>21.00</b>	<b>21.00</b>	<b>21.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>EXPENDITURES BY FUND</b>						
Fair Board Fund	5,423,658	5,225,202	4,497,592	5,267,961	770,369	17.13%
<b>Funds Total</b>	<b>5,423,658</b>	<b>5,225,202</b>	<b>4,497,592</b>	<b>5,267,961</b>	<b>770,369</b>	<b>17.13%</b>

<b>DIVISION FINANCIAL SUMMARY</b>						
	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>\$ Chng</b>	<b>% Chng</b>
	<b>Actual</b>	<b>Actual</b>	<b>Curr Bgt</b>	<b>Adopted</b>	<b>Fr Curr</b>	<b>Fr Curr</b>
Fairboard Administration	5,423,658	5,225,202	4,497,592	5,267,961	770,369	17.13%
<b>Total Expenditures</b>	<b>5,423,658</b>	<b>5,225,202</b>	<b>4,497,592</b>	<b>5,267,961</b>	<b>770,369</b>	<b>17.13%</b>

# Fair Board

---

## DEPARTMENT POSITION LISTING

### **Fair Board**

- 1.0 Fairgrounds Managing Director
- 1.0 Business Manager
- 1.0 Accounting Clerk II
- 1.0 Sales and Events Manager
- 1.0 Public Relations/Marketing Manager
- 2.0 Administrative Assistant
- 1.0 Fairgrounds Operations Manager
- 1.0 Fairgrounds Operations Supervisor
- 1.0 Fairgrounds Maintenance Supervisor
- 1.0 Fairgrounds Maintenance Worker
- 3.0 Fairgrounds Operations Worker
- 1.0 Ice Arena Manager
- 2.0 Ice Arena Cashier
- 3.0 Ice Arena Maintenance
- 1.0 Sports Center Coordinator

**21.0 Department FTE Total**

## Fair Board

<b>DEPARTMENT REVENUE SUMMARY</b>						
<b>Revenue Accounts</b>	<b>FY 05-06 Actual</b>	<b>FY 06-07 Actual</b>	<b>FY 07-08 Curr Bgt</b>	<b>FY 08-09 Adopted</b>	<b>\$ Chng Fr Curr</b>	<b>% Chng Fr Curr</b>
Miscellaneous Sales	0	156,160	0	0	0	0.00%
Admissions	2,715,154	2,373,197	749,500	1,121,151	371,651	49.59%
Concessions	0	0	484,300	414,000	(70,300)	-14.52%
Amusements	624,676	634,499	650,000	620,000	(30,000)	-4.62%
Exhibitor Fees	0	0	9,200	11,000	1,800	19.57%
Rent - Other Properties	1,119,043	1,046,417	1,126,421	1,684,490	558,069	49.54%
<b>PROPERTY AND RENTALS</b>	<b>4,458,873</b>	<b>4,210,273</b>	<b>3,019,421</b>	<b>3,850,641</b>	<b>831,220</b>	<b>27.53%</b>
Fairs Tax	46,456	46,456	47,000	49,000	2,000	4.26%
<b>OTHER STATE REVENUES</b>	<b>46,456</b>	<b>46,456</b>	<b>47,000</b>	<b>49,000</b>	<b>2,000</b>	<b>4.26%</b>
Miscellaneous Svc Charges	62,993	131,465	140,500	72,820	(67,680)	-48.17%
Miscellaneous Internal Services	0	0	204,800	140,000	(64,800)	-31.64%
<b>FEES AND CHARGES</b>	<b>62,993</b>	<b>131,465</b>	<b>345,300</b>	<b>212,820</b>	<b>(132,480)</b>	<b>-38.37%</b>
Investment Earnings	13,932	29,198	21,400	55,500	34,100	159.35%
<b>INTEREST EARNINGS</b>	<b>13,932</b>	<b>29,198</b>	<b>21,400</b>	<b>55,500</b>	<b>34,100</b>	<b>159.35%</b>
Fund Balance	(358,087)	(164,693)	64,471	0	(64,471)	-100.00%
Transfer Fr Sp Rev Funds	1,034,797	1,152,974	1,000,000	1,100,000	100,000	10.00%
<b>FISCAL TRANSACTIONS</b>	<b>676,710</b>	<b>988,280</b>	<b>1,064,471</b>	<b>1,100,000</b>	<b>35,529</b>	<b>3.34%</b>
<b>TOTAL RESOURCES</b>	<b>5,258,964</b>	<b>5,405,673</b>	<b>4,497,592</b>	<b>5,267,961</b>	<b>770,369</b>	<b>17.13%</b>

## Fair Board

<b>DEPARTMENT EXPENSE SUMMARY</b>						
<b>Expenditure Accounts</b>	<b>FY 05-06</b>	<b>FY 06-07</b>	<b>FY 07-08</b>	<b>FY 08-09</b>	<b>\$ Chng</b>	<b>% Chng</b>
	<b>Actual</b>	<b>Actual</b>	<b>Curr Bgt</b>	<b>Adopted</b>	<b>Fr Curr</b>	<b>Fr Curr</b>
Permanent Operating Salaries	1,400,374	1,519,514	818,245	986,404	168,159	20.55%
Employee Benefits	0	0	0	552,345	552,345	100.00%
PERS Bond	0	0	59,680	56,225	(3,455)	-5.79%
<b>PERSONNEL SERVICES</b>	<b>1,400,374</b>	<b>1,519,514</b>	<b>877,925</b>	<b>1,594,974</b>	<b>717,049</b>	<b>81.68%</b>
Professional & Consulting	0	0	480,410	479,520	(890)	-0.19%
Refuse & Garbage	0	0	21,700	22,200	500	2.30%
Light, Power & Water	0	0	361,800	382,400	20,600	5.69%
Telephone Services	0	0	28,000	25,008	(2,992)	-10.69%
Purchased Insurance	0	84,000	172,956	4,439	(168,517)	-97.43%
Maintenance of Equipment	0	0	47,800	39,150	(8,650)	-18.10%
Maintenance of Structures	0	0	115,235	50,750	(64,485)	-55.96%
External Equipment Rental	0	0	111,759	103,000	(8,759)	-7.84%
Mail Room Charges	0	0	3,770	5,400	1,630	43.24%
Direct/Information Services	0	0	240	0	(240)	-100.00%
County Overhead Charges	23,041	7,910	4,289	9,577	5,288	123.29%
Office Supplies & Expense	0	0	54,000	22,633	(31,367)	-58.09%
Membrshp/Professional Licenses	0	0	1,110	1,650	540	48.65%
Printing & Binding	0	0	20,200	21,000	800	3.96%
Advertising & Publicity	0	0	98,270	124,100	25,830	26.28%
DP Supplies And Access	0	0	0	240	240	100.00%
Institutional Supplies	0	0	169,389	567,250	397,861	234.88%
Special Supplies	0	0	64,500	61,350	(3,150)	-4.88%
Agricultural Supplies	0	0	5,000	5,000	0	0.00%
Business Expense & Travel	0	0	7,550	17,099	9,549	126.48%
Miscellaneous Payments	3,514,353	3,248,883	316,689	300,017	(16,672)	-5.26%
<b>MATERIALS &amp; SERVICES</b>	<b>3,537,394</b>	<b>3,340,793</b>	<b>2,084,667</b>	<b>2,241,783</b>	<b>157,116</b>	<b>7.54%</b>
Miscellaneous	337,364	0	0	0	0	0.00%
<b>CAPITAL OUTLAY</b>	<b>337,364</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Improvements	0	274,772	0	0	0	0.00%
General and Miscellaneous	0	0	1,000,000	776,391	(223,609)	-22.36%
<b>CAPITAL PROJECTS</b>	<b>0</b>	<b>274,772</b>	<b>1,000,000</b>	<b>776,391</b>	<b>(223,609)</b>	<b>-22.36%</b>
Bond Principal Retirement	77,147	66,439	0	84,193	84,193	100.00%
Bond Interest Retirement	26,802	23,684	0	10,620	10,620	100.00%
<b>FISCAL TRANSACTIONS</b>	<b>103,949</b>	<b>90,123</b>	<b>0</b>	<b>94,813</b>	<b>94,813</b>	<b>100.00%</b>
Prin Pd Interfund Loan	44,577	0	0	0	0	0.00%
<b>FUND TRANSFERS</b>	<b>44,577</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>
Operational Reserves	0	0	350,000	375,000	25,000	7.14%
Reserves - Future Projects	0	0	185,000	185,000	0	0.00%
<b>TOTAL RESERVES</b>	<b>0</b>	<b>0</b>	<b>535,000</b>	<b>560,000</b>	<b>25,000</b>	<b>4.67%</b>
<b>TOTAL EXPENDITURES</b>	<b>5,423,658</b>	<b>5,225,202</b>	<b>4,497,592</b>	<b>5,267,961</b>	<b>770,369</b>	<b>17.13%</b>