

W. H. a.

DATE: May 28, 2004  
TO: Board of County Commissioners  
FROM: Fair Board  
SUB JECT: Financial Stability Recommendation

At the March 31, 2004, Joint Meeting of the Commission and Board, the Fair Board made the following recommendation to achieve financial stability:

- Convert Board Order #02-1-9-4 which authorizes the Excess TRT to a perpetual commitment to the Fair Board;
- Codify the formula to determine the Excess TRT and formalize the process for budgeting this allocation;
- Establish review points in FY07, FY10 and every three years hence forward;
- Rescind Board Order #03-06-19-1 which authorizes the establishment of a Fair "Rainy Day" Reserve and repayment of the Planetarium loan from Excess TRT;
- Authorize the equivalent of the "comparative disadvantage" of being a public entity in Excess TRT to be allocated to the Operating Budget each fiscal year, with the amount to be included in the Fiscal Year Budget Recommendation to the Budget Committee and County Commission;
- Authorize the balance of the Excess TRT to be allocated for capital projects; equipment; debt service associated with a capital project on equipment purchase; and, repayment of the Planetarium loan;
- Allow the Fair Board, in an emergency, to request the County Commission to reallocate a portion of the Capital allocation to Operating; and,
- Reaffirm that this is not a request for General Fund resources nor is it a request for more TRT than currently allocated to the Fair Board; but, it is simply a request to commit in perpetuity the Excess TRT and to expand its allowed uses to the Operating Budget.

The Commission directed that the Fair Board process this recommendation through the Budget Committee during the FY05 Budget deliberations.

The Fair Board presented its FY05 Budget and the above recommendation to the Budget Committee on May 13 and also met again with the Committee on May 20 specifically on the financial stability recommendation. The Budget Committee adopted the following recommendation to the Commission:

- Up to \$250,000 of the FY05 Excess TRT be allocated to the Operating Budget to establish a cash reserve and to cover any operating deficit.
- The balance of \$57,935 (\$125,000 - \$67,065) from the FY04 Fair "Rainy Day" Reserve is allocated to the FY05 Operating Budget to establish a Cash Reserve.
- A minimum of \$50,000 and a maximum of the balance of the loan is paid to the TRT Special Projects Account for the Planetarium loan.

- Report to the Budget Committee during the FY06 Budget process on the use of Excess TRT for operating and capital requirements.

The attached Board Order encompasses the recommendation of the Budget Committee.

The two key issues not addressed in the Budget Committee Recommendation are:

- Term of the Excess TRT
- Ongoing use of Excess TRT in the Operating Budget

The Board cannot overemphasize the necessity to have the Excess TRT to address capital requirements and the “comparative disadvantage” and, equally important, to be able to commit with assurance to clients that the Lane Events Center will be available for client and community use. The Board supports the work of the Tourism Infrastructure Task Team and hopes that an outcome will address the above two issues in addition to the long-term infrastructure issues facing the Fairgrounds.

We appreciate your continued support and are very pleased with the efforts made toward financial stability by actions of the Commission and Budget Committee.

ATTACHMENT -- 1

ORDER NO. 04-6- ) IN THE MATTER OF APPROVING THE  
 ) REIMBURSEMENT OF TRANSIENT  
 ) ROOM TAX SPECIAL PROJECT FUNDS  
 ) AND CERTAIN OPERATIONAL USE OF  
 ) ROOM TAX FOR THE FAIRGROUNDS

NOW, THEREFORE IT IS HEREBY ORDERED that the Board of County Commissioners approves the use of the excess transient room tax revenues described in Order No. 02-1-9-4 to reimburse the transient room tax revenues special projects fund under the Memorandum of Agreement with the Fair Board approved in Order No. 00-12-13-3 at a minimum of \$50,000 in FY 04-05 and a maximum of the remaining balance owed, the exact amount to be determined by the Fair Board, and it is further

ORDERED that the Board approves the use in FY 04-05 of up to \$250,000 of the excess transient room tax revenues described in Order No. 02-1-9-4 for operating purposes of the Fairgrounds, and it is further

ORDERED that the Board approves the transfer of the remaining balance of \$57,935 in the reserve to the Fair Board budget for operating uses in FY 04-05, and it is further

ORDERED that the Fair Board shall report to the Budget Committee next year the actual amount of the \$250,000 that is used in FY 04-05 for operational purposes, and the impact that had on the Fairgrounds Capital Improvement Plan.

DATED this \_\_\_\_\_ day of June, 2004.

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Bobby Green, Sr., Chair  
Lane County Board of Commissioners

APPROVED AS TO FORM

Date 5/26/04 Lane County

Jane S. [Signature]  
OFFICE OF LEGAL COUNSEL