



Board of Directors Agenda Report

MEETING DATE: DECEMBER 13, 2018 ITEM NUMBER: 9C

SUBJECT: Review and Approve 2019 OCFEC Operating Budget & Capital / Major Projects

DATE: December 7, 2018

FROM: Kathy Kramer, CEO

PRESENTATION BY: Kathy Kramer, CEO and Adam Carleton, VP Finance & Administration

RECOMMENDATION

Review and approve 2019 OCFEC Operating Budget and Capital / Major projects plan.

BACKGROUND

See attached.

**32nd D A A - OC Fair & Event Center
2019 Operating Budget**

	2017 Actuals	2018 Budget	2018 Forecast	2019 Budget	Budget Variance
OCFEC-PRODUCED EVENT REVENUE					
ADMISSIONS TO GROUNDS					
Gate Admissions	\$ 7,659,046	\$ 7,820,310	\$ 8,426,468	\$ 8,428,000	1,532
Advance Admissions	3,420,174	3,602,158	3,221,812	3,289,772	67,960
Subtotal	11,079,220	11,422,468	11,648,280	11,717,772	69,492
COMMERCIAL SPACE RENTALS	1,366,431	1,421,675	1,394,057	1,418,410	24,353
CARNIVAL & CONCESSIONS					
Carnival	3,676,213	3,871,050	3,920,463	4,086,571	166,108
Concessions	8,366,639	8,633,800	8,572,923	8,681,975	109,052
Subtotal	12,042,852	12,504,850	12,493,385	12,768,546	275,161
EXHIBITS REVENUE					
Entry Fees	80,127	80,127	86,622	87,085	463
Donations/Awards	4,616	2,766	3,878	3,878	-
Sales	20,589	19,192	27,476	26,882	(594)
Subtotal	105,332	102,085	117,976	117,845	(131)
ATTRACTIONS REVENUE	5,581,490	6,256,845	6,780,027	8,356,635	1,576,608
MISC OCFEC-PRODUCED EVENT REVENUE					
Parking	2,749,535	2,758,813	2,595,133	2,569,825	(25,308)
Sponsorships	1,642,276	1,803,000	1,853,625	1,819,150	(34,475)
Livestock Auction Receipts	291,846	292,000	308,629	288,595	(20,034)
Camping	95,178	98,000	95,940	99,700	3,760
Exhibitor Fees	45,890	40,700	41,625	39,700	(1,925)
Miscellaneous Other Self Produced Revenue	75,001	66,667	91,666	293,660	201,994
Subtotal	4,899,724	5,059,180	4,986,617	5,110,630	124,013
TOTAL OCFEC-PRODUCED EVENT REVENUE	35,075,050	36,767,103	37,420,343	39,489,838	2,069,495
RENTAL REVENUE					
RENTAL OF FACILITIES					
Facility Rental Fees	-	21,800	-	-	-
Grounds Wide Rentals	39,375	39,400	24,500	29,500	5,000
Building 10	350,750	367,500	333,050	373,000	39,950
Building 12	162,300	170,700	192,205	216,900	24,695
Building 14	122,780	122,900	123,200	131,000	7,800
Building 16	58,275	89,500	97,200	78,500	(18,700)
The Hangar	237,530	251,500	234,075	319,500	85,425
Parade of Products	92,725	106,800	102,067	104,100	2,033
Breezeway	34,493	54,300	52,300	38,700	(13,600)
Wine Courtyard	5,363	5,900	5,400	8,100	2,700
Silo Building	1,710	2,600	1,170	3,400	2,230
Memorial Gardens	800	3,600	5,700	-	(5,700)
Millennium Barn	2,250	4,100	2,300	8,300	6,000
Little Theater	10,475	11,400	5,600	10,100	4,500
Baja Blues Restaurant	12,500	6,400	7,600	16,100	8,500
Parking Lot	1,944,843	1,961,491	2,136,010	2,131,754	(4,256)
Lawns	8,750	11,900	15,350	23,700	8,350
Event Camping	84,215	58,700	74,885	76,200	1,315
Festival Grounds	35,575	33,000	38,300	44,400	6,100
Mall	53,250	51,200	51,600	68,200	16,600
Grandstand Arena	23,700	20,800	31,200	32,200	1,000
Trailer Rallies	3,490	1,700	400	400	-
Individual Camping	86,803	53,500	41,968	47,200	5,232
Pacific Amphitheater	67,075	52,800	26,000	19,300	(6,700)
Subtotal	3,439,026	3,503,491	3,602,080	3,780,554	178,474
OTHER RENTAL EVENT REVENUES					
Interim Admissions	317,483	287,600	292,052	515,100	223,048
Interim Parking	2,122,282	2,582,100	2,460,238	2,615,346	155,108
Revenue from Personnel Services	1,911,927	1,770,367	1,695,711	1,920,225	224,514
Equipment Rentals	830,284	798,000	848,721	889,525	40,804
Year-Round Concessions	1,080,836	1,016,600	1,107,779	930,800	(176,979)
Outside Caterers	265,149	237,600	262,229	296,100	33,871
Outdoor Signs	48,450	48,000	48,690	48,630	(60)
Subtotal	6,576,411	6,740,267	6,715,420	7,215,726	500,306

**32nd D A A - OC Fair & Event Center
2019 Operating Budget**

	2017 Actuals	2018 Budget	2018 Forecast	2019 Budget	Budget Variance
EQUESTRIAN CENTER REVENUES					
Stall Rentals	144,345	138,000	137,592	138,580	988
Trailers/Misc	-	-	-	-	-
Subtotal	144,345	138,000	137,592	138,580	988
OTHER OPERATING REVENUES					
Discounts Earned	32,597	22,639	26,417	30,417	4,000
Miscellaneous	400,620	244,390	298,433	373,018	74,585
Subtotal	433,216	267,029	481,100	403,435	(77,665)
TOTAL RENTAL REVENUE	10,592,999	10,648,787	10,936,191	11,538,295	602,104
TOTAL OPERATING REVENUE	45,668,048	47,415,890	48,356,534	51,028,133	2,671,599
NON-OPERATING REVENUE					
Interest Earnings	374,189	407,000	727,519	959,633	232,115
Grants	159,423	153,804	96,088	41,087	(55,001)
Other Non-Operating Revenue	4,125	250,374	250,467	148,393	(102,074)
Prior Year Revenue	(12,794)	-	6,613	(591)	(7,204)
TOTAL NON-OPERATING REVENUE	524,943	811,178	924,435	1,148,522	224,087
TOTAL REVENUE	46,192,991	48,227,068	49,280,969	52,176,655	2,895,686
OPERATING EXPENSES					
Payroll and Related:					
Salaries/Wages - Permanents	5,678,432	6,431,371	6,249,132	6,875,757	(626,625)
Salaries/Wages - Overtime	113,228	66,618	104,265	72,027	32,238
Salaries/Wages - Temporaries	5,134,775	5,612,938	5,906,159	6,201,084	(294,925)
Employee Benefits	3,835,671	4,726,472	4,407,004	5,127,369	(720,365)
Capital Labor Offset	(9,733)	-	-	-	-
Travel Expense	65,545	124,066	97,536	131,155	(33,619)
Training and Recruiting Expense	81,003	71,687	88,055	99,704	(11,649)
Subtotal	14,898,921	17,033,152	16,852,150	18,507,096	(1,654,946)
Professional Services:					
Professional Services	4,776,036	5,447,713	5,308,884	6,783,899	(1,475,015)
Judges	36,470	35,315	41,853	42,351	(498)
Subtotal	4,812,505	5,483,028	5,350,737	6,826,250	(1,475,513)
Directors Expense:					
Directors Expense	10,161	11,597	6,490	3,040	3,450
Directors Mtg Expense	13,873	12,300	16,172	16,807	(635)
Subtotal	24,034	23,897	22,662	19,847	2,815
Insurance Expense	266,187	362,954	425,870	407,583	18,287
Telephone & Postage	196,875	185,791	189,240	190,815	(1,575)
Supplies and Equipment:					
Office Supplies	291,505	168,213	267,136	198,766	68,370
Signs/Banners	261,640	228,315	195,106	130,712	64,394
Decorations/Props	222,220	225,269	309,135	261,728	47,407
Small Equipment	54,669	72,833	38,997	50,029	(11,032)
Audio Visual	25,100	21,700	32,856	29,013	3,843
Software	43,377	54,601	23,672	21,975	1,697
Computer Hardware & Peripherals	44,380	39,704	37,914	33,400	4,514
Farm	85,757	73,788	82,588	82,950	(362)
Ticketing/Wristbands	48,929	58,334	103,932	101,589	2,343
Equipment Rental	2,454,403	2,107,039	2,635,789	2,083,551	552,238
Equipment Maintenance & Supplies	265,343	242,638	245,558	210,926	34,632
Uniforms & Laundry	100,021	92,808	124,633	114,217	10,416
Subtotal	3,897,345	3,385,242	4,097,317	3,318,856	778,461
Facility and Related:					
Maintenance of Buildings/Grounds	365,000	299,502	324,359	353,800	(29,441)
Utilities	1,250,084	1,204,741	1,289,361	1,259,655	29,706
Trash/Waste Removal	1,615,183	1,822,112	1,687,303	1,827,505	(140,202)
Rental of Facilities	-	1,000	-	800	(800)
Special Repairs	900,448	558,700	688,423	559,000	129,423
Subtotal	4,130,716	3,886,055	3,989,446	4,000,760	(11,314)

**32nd D A A - OC Fair & Event Center
2019 Operating Budget**

	2017 Actuals	2018 Budget	2018 Forecast	2019 Budget	Budget Variance
Publicity and Related:					
Photography	14,556	15,446	16,925	18,306	(1,381)
Newsletters	-	2,000	750	850	(100)
Contests	354	780	1,775	1,778	(3)
Printing	161,867	185,616	141,980	133,371	8,609
Advertising - Outdoor	252,980	255,889	263,817	251,502	12,315
Advertising - Radio	345,664	414,050	309,579	175,000	134,579
Advertising - TV	491,640	526,389	520,215	500,000	20,215
Advertising - Print	206,063	164,688	106,768	178,860	(72,092)
Advertising - Online	194,435	217,125	337,663	262,974	74,689
Promotional Expense	102,621	112,936	98,895	85,315	13,580
Brochure Printing	6,379	20,500	4,500	7,500	(3,000)
Buttons Printing	4,916	12,416	7,758	6,100	1,658
Media Relations	2,700	5,328	8,465	12,000	(3,535)
Public Relations Expense	106,662	115,449	63,462	112,053	(48,591)
Design & Production	6,238	8,700	400	1,200	(800)
Sponsorships	319,910	293,700	363,689	337,700	25,989
Special Projects	6,217	237,538	247,532	183,303	64,229
Subtotal	2,223,202	2,588,550	2,494,174	2,267,812	226,362
Self-Produced Events Attractions Expense:					
Arena/Hangar Acts	616,190	610,000	623,510	650,000	(26,491)
Grounds Acts	560,043	567,530	614,225	592,229	21,996
Major Acts	3,564,200	4,400,000	4,475,545	4,990,000	(514,455)
Attractions Expense	-	124,098	243,304	166,190	77,114
Subtotal	4,740,433	5,701,628	5,956,584	6,398,419	(441,835)
Other Self-Produced Event Expense:					
Competition Handbook	1,246	1,246	1,249	3,349	(2,100)
Jr. Livestock Auction Costs	277,238	277,138	298,738	298,738	0
Subtotal	278,484	278,384	299,987	302,087	(2,100)
Premium Expense:					
Cash Premiums	91,286	99,386	120,948	105,000	15,948
Trophies, Ribbons	20,985	11,268	31,811	29,738	2,073
Subtotal	112,271	110,654	152,759	134,738	18,021
Other Operating Expenses:					
Cash Shortages/(Overages)	12,232	18,693	35,484	17,330	18,154
Dues & Subscriptions	49,620	69,420	48,877	59,248	(10,371)
Bad Debt Expense	3,581	-	-	-	-
Bank Charges	403,567	364,748	418,841	375,748	43,093
Miscellaneous Expense	140,229	161,185	169,892	247,236	(77,344)
Subtotal	609,230	614,046	673,094	699,562	(26,468)
TOTAL OPERATING EXPENSE	36,190,202	39,653,381	40,504,021	43,073,825	(2,569,804)
Non-Operating Expenses					
Depreciation Expense	3,279,919	3,300,000	3,300,000	3,360,000	(60,000)
Major Projects	774,194	340,000	247,901	1,157,000	(909,099)
Net Pension Adjustment - GASB 68	(930,051)	900,000	900,000	900,000	-
Prior Year Expense	144,517	8,156	152,517	-	152,517
TOTAL NON-OPERATING EXPENSE	3,268,579	4,548,156	4,600,418	5,417,000	(816,582)
TOTAL EXPENSES	39,458,781	44,201,537	45,104,439	48,490,825	(3,386,386)
NET PROCEEDS	\$ 6,734,210	\$ 4,025,531	\$ 4,176,530	\$ 3,685,830	490,700