

**CALIFORNIA EXPOSITION & STATE FAIR
FINANCE COMMITTEE
DECEMBER 2018**

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California Exposition & State Fair

Purchase Orders

From \$15,000 to \$99,999 (rounded) Requiring Notification

October 25, 2018 – December 10, 2018

Contractor	Amount
Pinnacle Petroleum <ul style="list-style-type: none">• Bulk Unleaded Regular Gasoline• Ordered as needed	\$22,000

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Service Contracts

From \$15,000 to \$99,999 (rounded) Requiring Notification

October 20, 2018 – November 28, 2018

Contractor	Amount
CoNetrix, LLC <ul style="list-style-type: none">Accounting and Human Resources Software Hosting and MaintenanceTerm: January 1, 2019 – December 31, 2019	\$80,000
Great Lakes Drone Company, LLC <ul style="list-style-type: none">2019 State Fair Drone Light Show ServicesTerm: December 1, 2018 – July 29, 2019	\$60,000
July 14, 2019 – Golden One Stage Concert <ul style="list-style-type: none">2019 State Fair Concert	\$60,000
July 16, 2019 – Golden One Stage Concert <ul style="list-style-type: none">2019 State Fair Concert	\$45,000

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Service Contracts \$100,000 and Over (rounded) Requiring Approval

October 20, 2018 – November 28, 2018

Contractor	Amount
Haas & Wilkerson Insurance <ul style="list-style-type: none"> • Liability Insurance Coverage and Loss Control Services • Term: January 1, 2019 – December 31, 2019 	TBD 2018 Contract \$538,009
Coulter Associates LLC <ul style="list-style-type: none"> • Amusement Ride Safety Inspections • Term: July 6, 2019 – August 1, 2021 (3 years) 	\$170,000 \$56,000 / 2019 \$56,000 / 2020 \$58,000 / 2021
ETIX, Inc. <ul style="list-style-type: none"> • Computerized Ticketing Sales System • Term: January 1, 2019 – December 31, 2021 (3 years) • Combines Online and On-Site Gate ticket sales into one consolidated system • Contract includes annual maintenance for \$24,000 + \$156,000 in ticket fees (reimbursed by the customer) 	\$540,000 \$180,000 / year
Infiniti Consulting – Amendment No. 3 <ul style="list-style-type: none"> • Information Technology Consulting Services • Extend Term through December 31, 2019 <p style="text-align: center; margin-top: 10px;"> \$608,742 is the overall cost of multi-year contract. Only approving \$188,957.83 for 2019 </p>	\$608,742.83 \$82,200 / 2019 \$75,000* / 2019 *[Special Projects, as requested] \$31,757.83 / 2018 [reimbursed by Grant funding]

Upcoming Solicitations

- Request for Proposal (RFP) for Janitorial Services
- Invitation for Bid (IFB) for Tables and Chairs Rental

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2019 PROPOSED BUDGET
as of 12/9/18

ROW		COL. A 2018 APPROVED BUDGET	COL. B 2018 YE PROJECTION as of 12.7.18	COL. C 2019 BUDGET PROPOSED	COL. D COL C - COL B 2019 BUDGET DIFF FROM ACTUAL
1	STATE FAIR REVENUE	\$ 16,870,076	\$ 16,604,434	\$ 15,750,768	\$ (853,666)
2	INTERIM EVENTS REVENUE				
3	Expo Events	\$ 3,750,000	\$ 4,165,061	\$ 3,940,109	\$ (224,952)
4	July 4th	\$ 93,500	\$ 106,086	\$ 105,000	\$ (1,086)
5	Watch & Wager	\$ 100,000	\$ 106,028	\$ 97,550	\$ (8,478)
6	Raging Waters	\$ 390,000	\$ 405,265	\$ 400,000	\$ (5,265)
7	Papa Murphy's Park	\$ 160,000	\$ 137,760	\$ 137,760	\$ -
8	Rock & Brews	\$ 120,000	\$ 130,000	\$ 150,000	\$ 20,000
9	Simulcast	\$ 925,000	\$ 930,531	\$ 928,000	\$ (2,531)
10	Message Board Ads	\$ 330,500	\$ 325,500	\$ 325,500	\$ -
11	Cell Tower Leases	\$ 125,667	\$ 142,688	\$ 140,000	\$ (2,688)
12	RV Park/Trailer Park	\$ 850,500	\$ 1,027,622	\$ 1,058,451	\$ 30,829
13	ATM Commissions	\$ 60,000	\$ 53,000	\$ 50,000	\$ (3,000)
14	Miscellaneous	\$ 20,000	\$ 18,523	\$ 10,000	\$ (8,523)
15	TOTAL INTERIM EVENTS	\$ 6,925,167	\$ 7,548,064	\$ 7,342,370	\$ (205,694)
16	OTHER FUNDS				
17	Grants	\$ 20,000	\$ 898,904	\$ 802,000	\$ (96,904)
18	Reimbursements	\$ 2,506,156	\$ 2,700,611	\$ 2,662,802	\$ (37,809)
19	Interest Revenue	\$ 40,000	\$ 31,308	\$ 15,000	\$ (16,308)
20	TOTAL OTHER FUNDS	\$ 2,566,156	\$ 3,630,823	\$ 3,479,802	\$ (151,021)
21	TOTAL REVENUE	\$ 26,361,398	\$ 27,783,321	\$ 26,572,940	\$ (1,210,381)
22	EXPENSES				
23	Personnel & Benefits	\$ 14,253,069	\$ 12,851,452	\$ 13,294,197	\$ 442,745
24	Utilities	\$ 1,583,900	\$ 1,575,660	\$ 1,628,000	\$ 52,340
25	Insurances/Vehicle Assessment	\$ 1,624,160	\$ 1,682,669	\$ 1,849,000	\$ 166,331
26	ProRata	\$ 579,612	\$ 667,232	\$ 748,939	\$ 81,707
27	Audits	\$ 146,781	\$ 110,800	\$ 50,715	\$ (60,085)
28	DOJ/Legal	\$ 196,200	\$ 140,000	\$ 140,000	\$ -
29	Telephones/Nextels	\$ 175,570	\$ 189,922	\$ 170,000	\$ (19,922)
30	Other Operating Expenses	\$ 8,393,386	\$ 9,412,553	\$ 10,542,348	\$ 1,129,795
31	TOTAL OPERATING EXPENSES	\$ 26,952,678	\$ 26,630,288	\$ 28,423,199	\$ 1,792,911
32	OPERATING PROFIT / (LOSS)	\$ (591,280)	\$ 1,153,033	\$ (1,850,259)	\$ (3,003,292)
33	Prior Year Income	\$ -	\$ 102,502	\$ -	\$ (102,502)
34	Prior Year Expense	\$ -	\$ 24,262	\$ -	\$ (24,262)
35	Depreciation		\$ 1,615,000	\$ 1,600,000	\$ (15,000)
36	Minor Equipment	\$ 130,340	\$ 939,216	\$ 140,426	\$ (798,790)
37	Capital Projects / Major Equipment	\$ 1,455,380	\$ 496,485	\$ 400,000	\$ (96,485)
38	CHANGES IN RESERVES	\$ (2,177,000)	\$ (1,819,428)	\$ (3,990,685)	\$ (2,171,257)
39	ESTIMATED CHANGE IN CASH (P&L ITEMS)		\$ (204,428)	\$ (2,390,685)	
40	Deferring Payment - Prorata		\$ 500,000	\$ 750,000	
41	Deferring Payment - Vehicle Assessment		\$ 200,000	\$ 200,000	
42	Lump Sum Payouts / Leave Buy Back		\$ (248,656)	\$ (314,696)	
43	TOTAL ESTIMATED CHANGE IN CASH		\$ 246,916	\$ (1,755,381)	

CONFIRMED EXPENSE INCREASES FOR 2019:

- General Salary Increases / Minimum Wage
- Health Benefits
- PERS Retirement Contributions
- OPEB Pre-Funding
- SMUD Increases
- Property Insurance
- Vehicle Assessment
- Worker's Comp Insurance

California Exposition & State Fair
Notes to Accompany the 2019 PROPOSED BUDGET

OVERALL BUDGET ASSUMPTIONS

Closed Mondays during State Fair
 Applying FLSA to all staffing starting July 1 (AB 1499)
 Mariachi Competition
 Gaming Exhibit
 Makers Exhibit
 Silent Disco
 Selfie Exhibit
 Revamp Counties Program
 Remove Livestock Nursery, add Goat Mountain
 Most temp staff starting in April done in August
 Hiring Freeze - Not Replacing Vacated Positions
 Addition of Convention Center events in late 2019
 Hold on all Deferred Maintenance items (until we receive 2018/2019 \$15 million Deferred Maintenance funding)
 Did not budget for SB84 in 2019

UNIT	UNIT NAME	NOTES
100	Administration	Holds budget for Mariachi competition \$60K (does not include Big Name act)
106	Marketing	ADA Website Configuration \$10K Cut Advertising Buy \$200K No coupon book printing Needs additional \$200/month to host website for ADA compliance
110	Cash Control	Reduce Sonitrol monitoring amount Added \$5K to complete minor "Sonitrol" fixes in-house
140	Business Services	Holds budget for all Nextels Added \$6K for Nextel conversion Holds budget for all office supplies
155	Grants	\$200K of CA Grown grant expenses should be in 420 Other confirmed grants - totaling \$602K
160	Computer Operations	Include Mood Pandora - moved from unit 710 Cyber Security Audit "fixes" - held in unit 900 Grant funded projects to be budgeted in unit 155
210	Box Office	Only doing (1) Groupon run Box Office open on Mondays 12-4 during the fair Remove \$2500 for Nexus barcodes - savings due to new ticketing system
250	Parking & Admissions	Evaluated bus rental - cut \$7K in expenses
255	Ticket Control	Cut credit card rental Staffing during fair- (2) night employees + (1) full time staff No morning staff member during fair Ticket stock reduction - waiting on pricing Buy receipt paper instead of thermal - waiting on pricing
234	Sales	Holds budget for all tent rentals during fair Cut baby barn tent - \$5000 of DG tent Reduce Brewfest tents No coupon book Reducing expense in Building C Exhibitor Lounge Need Fence Rental for new RV promoter
410	Big Name Entertainment	Reduce entertainment by 10% (no Mondays)
411	Grounds Entertainment	Drone \$60K plus hotel rooms No Fair fireworks Reduced Grounds Entertainment \$50K
420	Competitive Programs	Need to add money for staff to set up walls - reduced unit 715 by \$3K Building #8 closed Combining kids/adults crafts + photo/fine art Cut outdoor grill No banners for Fur and Feathers (took 46 hours of 420 labor) Add \$15K for Wine to Glass improvements \$200K of CA Grown grant expenses should be in unit 420

**California Exposition & State Fair
Notes to Accompany the 2019 PROPOSED BUDGET**

UNIT	UNIT NAME	NOTES
430	Ag Programs	\$100K cut to Counties premiums (only \$50k total) No baby barn at all (remove all contracts) Add \$10-15K for Goat Mountain Cut ribbons costs - need amount from Jay Cut 2018 Farm entertainment Add \$8K for kids area in farm
505	Racing, Simulcast	Reduce Sonitrol monitoring amount
600	Police Department	Vehicle repairs/smog checks still being paid by PD Unit 735 to complete minor fixes (batteries, etc) on police vehicles
700	Maintenance	Includes \$100K contingency for repairs in Maintenance/Event Services Holds all copier expenses for Maintenance/Event Services
710	Electric Shop	Moved Mood Pandora to unit 160 Added \$2K for minor equipment Includes 10% increase to Command/temp labor to accommodate minimum wage increase
715	Carpenter Shop	\$3K savings in Command staff for 420 putting up walls Includes 10% increase to Command/temp labor to accommodate minimum wage increase
720	Plumbing Shop	Includes 10% increase to Command/temp labor to accommodate minimum wage increase
725	Paint Shop	Includes 10% increase to Command/temp labor to accommodate minimum wage increase
735	Garage	Added \$5K to complete some of the repairs on police vehicles in-house Includes \$200K for vehicle assessment Total Labor + Benefits = \$110K per Samantha
740	Monorail	Budgeted Monorail contractor \$150K
760	Event Services	Moved \$1500 to 700 for copier expense Removed tent budget Includes 10% increase to Command/temp labor to accommodate minimum wage increase
900	Departmental	Holds budget for all overtime/arduous \$444K (per AB1499) Increase Workers Compensation by \$89K

CASH / NON-CASH ITEMS

ProRata (Deferred Payment)
Vehicle Assessment (Deferred Payment)
OPEB (Balance Sheet Item)
Comp Abs (Accrual of increase balances, and reduction of lump sum cash out - Balance Sheet Item)
Sponsor Tickets (Expense/revenue on books)
SB 84 (Balance Sheet Item)

2018 FULL TIME VACANCY SAVINGS

UNIT	UNIT NAME	POSITION TITLE	STATUS	BUDGET SAVINGS
106	Marketing	Marketing Manager	never filled	\$ 97,584
155	Grants	Associate Governmental Program Analyst	retired - May	\$ 47,360
420	Competitive Programs	Exhibit Supervisor	retired - June	\$ 34,526
600	Police Department	Chief of Police	retired - June	\$ 69,283
600	Police Department	Staff Services Analyst	vacant - July	\$ 26,281
600	Police Department	Lead Security Guard	vacant - February	\$ 32,985
600	Police Department	Security Guard	vacant - September	\$ 10,267
700	Maintenance	Maintenance & Operations Supervisor	retired - April	\$ 46,760
710	Electric/Sound Shop	Audio-Visual Equipment Tech	vacant - April	\$ 40,923
715	Carpenter Shop	Building Maintenance Worker	never filled	\$ 42,192
760	Event Services	Satellite Wagering Facility Janitor	never filled	\$ 26,856

\$ 475,017 SALARIES

\$ 712,526 SALARIES + BENEFITS (estimate)

California Exposition & State Fair
Cash Flow
as of 12/10/18

QUARTER	YEAR	ACTUAL (A) / PROJECTION (P)	CASH BALANCE AVAILABLE FOR OPERATIONS**	QUARTERLY CHANGE	ANNUAL CHANGE
			\$ 6,920,662		
Quarter 1	2016	A	\$ 5,057,612	\$ (1,863,050)	
Quarter 2	2016	A	\$ 1,448,480	\$ (3,609,132)	
Quarter 3	2016	A	\$ 7,938,646	\$ 6,490,166	
Quarter 4	2016	A	\$ 6,210,347	\$ (1,728,299)	\$ (710,315)
Quarter 1	2017	A	\$ 4,140,121	\$ (2,070,226)	
Quarter 2	2017	A	\$ 736,496	\$ (3,403,625)	
Quarter 3	2017	A	\$ 5,730,096	\$ 4,993,600	
Quarter 4	2017	A	\$ 3,966,966	\$ (1,763,130)	\$ (2,243,381)
Quarter 1	2018	A	\$ 2,111,805	\$ (1,855,161)	
Quarter 2	2018	A	\$ (550,570)	\$ (2,662,375)	
Quarter 3	2018	A	\$ 5,261,021	\$ 5,811,591	
Quarter 4	2018	P	\$ 3,787,690	\$ (1,473,331)	\$ (179,276)
Quarter 1	2019	P	\$ 1,747,013	\$ (2,040,677)	
Quarter 2	2019	P	\$ (1,181,600)	\$ (2,928,613)	
Quarter 3	2019	P	\$ 4,048,832	\$ 5,230,432	
Quarter 4	2019	P	\$ 2,428,168	\$ (1,620,664)	\$ (1,359,522)
Quarter 1	2020	P	\$ 285,457	\$ (2,142,711)	
Quarter 2	2020	P	\$ (2,789,586)	\$ (3,075,043)	
Quarter 3	2020	P	\$ 2,179,324	\$ 4,968,910	
Quarter 4	2020	P	\$ 477,627	\$ (1,701,697)	\$ (1,950,541)

** Cash Balance if all Current Liabilities were paid and all Accounts Receivables were collected