

Jefferson County Fairgrounds Advisory Committee Meeting, January 21, 2020
Green Mountain Conference Room, Jefferson County Fairgrounds, 7:00 PM

Notes by Frank J. Blaha, JCHC Board Member

Don Davis, the Jefferson County (Jeffco) Manager, was scheduled to address the Fairgrounds Advisory Committee this evening about budget shortfalls for the County, and the recently identified possibility of closing the Fairgrounds as a cost-saving measure.

Mr. Davis came with a few PowerPoint slides prepared for the Advisory Committee that I could not actually read, but he stated that the County is looking at \$12.5 million shortfall in 2021 funding, and that the Fairgrounds are projected to cost the County \$1.8 million. He felt that closing the fairgrounds was an option to ease the county budget problems. He especially views this as appropriate since he considers the Fairgrounds to be a “non-essential” government service. He feels that the county budget should be more focused on “essential government services” such as law enforcement/prosecutions – functions that only the government can engage in. It was stated that the Fairgrounds employed approximately 10 Full Time Equivalents (FTEs) at a salary of approximately \$780K per year.

This idea of “closing the fairgrounds” was an idea that was first articulated late on Thursday January 16, and first communicated to the full Advisory Committee on Friday January 17th. As this meeting on the 21st broke up, Mike Skelton (also a JCHC Board member) stated that while there had been extensive budget discussions with the County and the Advisory Committee for the past year, this idea of closing the fairgrounds had never been previously brought up. Mike was not sure why such a sudden and severe change in direction had been made. Mike had posed a question to Mr. Davis during the Advisory Committee Q&A as to why so little time was allowed for the Committee to consider such a major change in thinking? Mr. Davis replied that this was the earliest notice he could give of this idea, and that it allowed months for alternative ideas for the Fairgrounds to be considered before the final county 2021 budget had to be finished in the fall of 2020.

Word about the possibility of closing the Fairgrounds had reached the public through social media, and many people came to this meeting to hear what was being proposed and to offer comments and input. I did not try to count the people in attendance, but they initially filled the room and packed the doorways to the meeting room, maybe 150 or so people. The Advisory Committee had a sign-in sheet for the public, and most people did sign in. Following a briefing by the County Manager to the Advisory Committee, and then a Question and Answer session between the Advisory Committee and the County Manager lasting maybe 40 minutes, the meeting was opened to public comment.

The public, however, had more questions for the County Manager than comments. The Advisory Committee and the County Manager agreed to allow the public and the County Manager to engage in a question and answer dialogue as well for the public to provide comments. These Q&A/comment discussions were generally held to three minutes per person. There ensued over two hours of combined Q&A/Comments, ending about 10:30 PM. Many excellent comments and questions were posed.

The public in attendance was generally very supportive of continued operations of the Fairgrounds. This included the focus on support and education of the county youth with a more agriculturally and equine-

oriented focus as had been established in the Fairgrounds re-do of the mid-1990s. Many people from or affiliated with 4H, Future Farmers of America (FFA), the Jefferson County Horse Council, and Westernaires were in attendance and provided comments or posed questions to Mr. Davis.

Mr. Davis stated that the Fairgrounds support from the county must come from the County "General Fund." The General Fund is approximately \$220M per year, out of a total County budget of approximately \$600M per year. The General Fund is based on property taxes, and approximately 24% of the property tax goes to the County General Fund, most of the property tax money goes to the schools. Most of the County budget must go to certain expenditures that simply do not include the Fairgrounds, so the Fairgrounds support must come from the General Funds.

Mr. Davis stated that the Fairgrounds used to have approximately 48% cost recovery, but recently had fallen to 28% cost recovery, but in some projections – with various changes – that he had been working with along with the Advisory Committee cost recovery could be raised to 57%. There was a discussion in the public Q&A session (that I was not clear on) that even if the Fairgrounds increased cost recovery substantially this would still not be helpful to the County due to TABOR limits. Mr. Davis made these statements at least twice, so perhaps a careful review of TABOR would be helpful to the understanding of this discussion.

The 2019 County books close out in April, and the 2021 budget must be set by October or November of 2020. Mr. Davis cited that the county expenditures have been rising at 4.6 or 4.7% each year, but the formulas in TABOR only allow an approximate 3.1% increase in revenues. Given this disparity, the county has emptied its reserve funds requiring more drastic measures for 2021.

Mr. Davis pointed out that the discussions this evening were informational, no decision had been made yet, and that the decision would be made by the County Commissioners, and that he would initially brief the Commissioners on Tuesday, February 4th. At that meeting, however, there will be no opportunity for public comment. Some options identified to explore in the near future, amongst many, include:

- Closing the Fairgrounds completely;
- Closing the Fairgrounds for a day or two or more per week;
- Turning the Fairgrounds into an Enterprise Zone – in which case it cannot be supported with more than 10% tax revenue (as required by TABOR);
- Having a 501c3 non-profit organization become responsible for running the Fairgrounds;
- Engage in a public-private partnership (P3) to run the Fairgrounds;
- Approaching Jefferson County Open Space about taking over ownership/operations of the Fairgrounds (Open Space has a 1/10th of 1% sales tax applicable in Jeffco to fund Open Space – this tax was voted in by the county residents in 1972 and is the primary revenue source for Jeffco Open Space – so separate from the General Fund that is the concern in these discussions);
- Creating a ballot initiative (which obviously would need to be voted on and pass) for a separate fund specific to the Fairgrounds, and,
- Getting support from the Jefferson County School District to help (or fully?) support the Fairgrounds given the youth educational orientation of activities at the Fairgrounds.

Some of these options would include different structures and various amounts of legal changes for the Fairgrounds. Many of these ideas were brought up during the extensive question and answer session.

Things committed to or established as part of these discussions were:

- That no decision has yet been made on this issue. This was the beginning of a dialogue on this issue.
- The County Commissioners would make the final decision, and it's possible that they could completely reject any changes at the Fairgrounds.
- The Fairgrounds have had a special lower rate for facility rental for non-profit youth-oriented educational groups like 4H as opposed to private or for-profit groups that were less aligned with the Fairgrounds Charter.
- While the long-term fate of the Fairgrounds land was of concern to many people, Mr. Davis stated that his focus was strictly on the Fairgrounds operational budget, he had not considered nor had any focus on potentially selling the Fairgrounds lands at this time.
- The Advisory Committee had identified some approaches that were capable of saving \$100K that had not been acted on, and these ideas would be re-considered.
- There would be some specific written recommendations made by the County Manager, with budgets and background that could be reviewed and reacted to.
- The economic impact of the Fairgrounds would be reviewed and considered in the decision-making and related discussions.
- Operations of the Fairgrounds in CY 2020 will not be impacted by these discussions.
- The daily costs and savings associated with closing the Fairgrounds for a day or two a week would be evaluated and quantified, as would the savings associated with closing the Fairgrounds on a more permanent basis.
- Consideration would need to be given to alternative evacuation options, and related costs, for housing animals that would otherwise come to the Fairgrounds in the case of a wildfire or other natural disaster with the Fairgrounds closed.
- The Jefferson County Fair has been canceled for 2020, partly because it has lost money the last few years. However, various people had various figures about how much the Fair cost and how much it lost. Mr. Davis stated early on that the Fair lost on the order of \$70K to \$80K per year.
- In response to public comment, Mr. Davis committed to providing a written description of the problem and the solutions under consideration.

Towards the end of the meeting it was made clear that the need to submit comments to the County Commissioners was critical since the Commissioners will be the deciders of this issue. The Jefferson County website (www.Jeffco.us) has provisions for providing comments to the County on the Financial/Budget pages, and Mr. Davis urged people in attendance to submit comments to the website and to submit comments to the County Commissioners. The Jefferson County website also has some tutorials on TABOR as well as tutorials on the county budget ("Budget 101") and Property Taxes that would be helpful to review to gain an improved understanding of the taxing and budgeting framework we must work within.

The meeting adjourned about 10:30 PM.