



## SUMMARY REPORT

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**Agenda Date:** 6/2/2020

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**To:** Sonoma County Board of Supervisors

**Department or Agency Name(s):** Sonoma County Fair & Exposition, Inc.

**Staff Name and Phone Number:** Rebecca Bartling, 545-4218, Michael Margetts 545-4200

**Vote Requirement:** Majority

**Supervisory District(s):** All

**Title:**

Authorization to Implement Layoff Procedures with Sonoma County Fair & Exposition, Inc. (hereinafter "Fairgrounds")

**Recommended Action:**

- A) Authorize Sonoma County Fair & Exposition, Inc., in coordination with and oversight by the Human Resources Department, to administer layoff procedures in accordance with the SEIU MOU and to mitigate layoffs, to the extent possible.
- B) Adopt a resolution amending the 2020 Sonoma County Fair & Exposition, Inc. Position Allocation List to delete 19.75 full-time equivalent position allocations effective June 30, 2020.

**Executive Summary:**

On March 3, 2020 the Sonoma County Board of Supervisors ratified the declaration of a local health emergency and proclamation of local emergency due to the introduction of the novel coronavirus (COVID-19) in the County. To reduce potential exposure of the easily transmissible virus, the Public Health Officer has since issued a number of Health Orders that included the cancellation of mass gatherings of 250 individuals or more, and a Shelter-in-Place Order that directed the closure of non-essential businesses and services.

Due to the public health risks raised by COVID-19 and given that the Fair is not classified as an essential business, the Fair has cancelled the 2020 annual County Fair, and remaining major events to be held at the Sonoma County Fairgrounds during the 2020 calendar year. Cancellation of events has led to a projected \$8.9 Million decrease in budgeted revenues.

In an attempt to match available revenues to expenses, the Sonoma County Fair & Exposition, Inc. (Fair) is seeking authority to reduce its fixed payroll costs \$2.4 Million by eliminating 19.75 full time equivalent allocations effective June 30, resulting in 14 layoffs. The Fair is also requesting that the Board approve implementation of the layoff procedures.

**Discussion:**

Pursuant to Government Code 25905, the Board of Supervisors contracts with the Sonoma County Fair and Exposition, Inc. to operate the Sonoma County Fairgrounds. The current agreement between County and Fair

states that the Fair shall use its best efforts to maximize utilization of the Fairgrounds and revenues derived therefrom, by licensing the use of Fairgrounds' facilities which are revenue producing or which may be conducted for public benefit without loss to the Fair or County.

Additionally, all persons occupying permanent employee positions of Fair, which positions have heretofore been or may hereafter be approved and authorized as permanent employee allocations by the Board of Supervisors, are County employees in the unclassified service as provided in County's Ordinance No. 305A.

On March 17, 2020, the Sonoma County Public Health Officer issued Order No.C19-03 directing the County to Shelter-in-Place through April 7, 2020. This included the closure of all non-essential businesses and services. Subsequently, the Public Health Officer amended the Health Order extending the Shelter in Place Order through May 3, 2020, and on May 1, 2020 the Health Order was extended with no specific end date. The modified Order states that the Health Officer does not expect to permit private or public mass gatherings in the immediate future and the Health Officer will be continuing to assess whether mass gatherings are appropriate based upon infection rate and data related to the State's critical reopening indicators.

Following the issuance of the Health Order, the Fairgrounds took steps necessary to comply with the public health guidance and cancelled, or postponed events beginning in April, including the annual County Fair. With a great deal of sadness and regret, the Fairgrounds Board of Directors unanimously voted to cancel the 2020 Sonoma County Fair (August 5-16, 2020), on April 28, 2020. This is the first time, since WWII, that the Sonoma County Fair has been canceled.

As a result, the Fair is projecting an \$8.9 Million decrease in budgeted revenues during calendar year 2020. To align expenditures to available revenues, the Fair reduced \$3.9 Million in variable costs related to cancelled events, proposes to reduce salaries and benefits by \$2.4 Million, and plans to increase use in reserves by \$2.6 Million. The reduction in salaries and benefits includes the elimination of 19.75 full-time equivalent positions, identified in the table below, including approximately 5.75 vacant positions and up to 14 filled positions subject to layoff. This will result in a reduction of permanent full-time equivalent positions from 30.75 to 11.0.

To address some of the budget shortfall, the Fairgrounds Chief Executive Officer will be reducing her annual salary by 15% which will contribute to a savings of \$40,000.

Approval of this item will provide the Fairgrounds with the authority necessary to delete 19.75 allocations from its calendar 2020 budget:

<b>Job Classification</b>	<b>FTE (Vacant)*</b>	<b>FTE (Filled)*</b>	<b>FTE (Total)*</b>	<b>FTE (Reduction)</b>	<b>FTE (Remaining)</b>
Accounting Technician	1.00	1.00	2.00	2.00	
Building Mechanic II	1.00	3.00	4.00	1.00	3.00
Deputy Fair Manager		1.00	1.00		1.00
Fair Financial Services Officer		1.00	1.00		1.00
Fairgrounds Building Superintendent		1.00	1.00		1.00

Fair Manager		1.00	1.00		1.00
Fairground Premium Exhibit Assistant		1.00	1.00	1.00	
Fairgrounds Maintenance Worker	2.00	2.0	4.00	4.00	
Heavy Equipment Technician		1.00	1.00	1.00	
Interim Events Coordinator		1.00	1.00	1.00	
Marketing and Promotions Coordinator		1.00	1.00	1.00	
Premium and Exhibit Coordinator		1.00	1.00		1.00
Secretary		2.00	2.00	2.00	
Senior Fairgrounds Maintenance Worker		6.00	6.00	5.00	1.00
Senior Office Assistant		1.00	1.00		1.00
Senior Simulcast Assistant	1.00		1.00		1.00
Simulcast Attendant	0.75		0.75	0.75	
Storekeeper	1.00		1.00	1.00	
<b>TOTAL</b>	<b>6.75</b>	<b>24.00</b>	<b>30.75</b>	<b>19.75</b>	<b>11.00</b>

\* As of May 18, 2020

The positions remaining are essential to maintain the Fairgrounds' infrastructure and fiscal readiness to resume operations, as restrictions are relaxed by State and local governments.

#### **Authorization to Administer Layoff Procedures**

Due to the necessity to eliminate filled positions, the Fairgrounds is requesting authorization to work in coordination with and oversight by Human Resources to begin implementing layoff procedures. As the employees of the Fairgrounds are in the unclassified service, as provided in County's Ordinance No. 305 A, they do not fall under the purview of the Civil Service Rules. Therefore, the procedures that will be utilized are those outlined in the Memorandum of Understanding with Service Employees International Union Local 1021 (SEIU).

The SEIU MOU also requires that SEIU receive notification at least 30 days in advance of a department seeking authorization from the Board of Supervisors to initiate layoff procedures. The Fairgrounds notified SEIU of their intent on May 1, 2020, in accordance with requirement.

If approved, the Board's action today will authorize the Fairgrounds, in coordination with the Human Resources Department, to finalize a timeline, distribute seniority lists, draft layoff notices, and engage employee organizations in the meet and confer process. Timely action is critical to ensure the Fairgrounds meets the requirement to provide formal notice of 21 calendar days to affected employees prior to the June 30, 2020 effective date.

For the past several weeks, Human Resources has also been informally engaged in mitigation efforts for Fairgrounds employees. Today's action will formalize those efforts as Human Resources continues monitoring vacancies closely for opportunities to mitigate layoffs to the maximum extent possible.

**Prior Board Actions:****FISCAL SUMMARY**

<b>Expenditures</b>	<b>CY 2020</b>	<b>CY 2021</b>	<b>CY 2022</b>
Budgeted Expenses	-\$2,400,00		
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>-\$2,400,00</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other	-\$2,400,000		
Use of Fund Balance			
Contingencies			
<b>Total Sources</b>	<b>-\$2,400,000</b>		

**Narrative Explanation of Fiscal Impacts:**

The Fair is projecting an \$8.9 Million reduction in gross revenues in calendar year 2020. To address this budget deficit, the Fair has reduced variable expenses associated with cancelled events by \$3.9 million, will eliminate 19.75 FTEs further reducing costs by \$2.4 Million and will increase use in reserves by \$2.6 Million to balance the budget.

<b>Staffing Impacts:</b>			
<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>
Accounting Technician	\$4,299.47 - \$5,226.50		(2.0)
Building Mechanic II	\$5,711.75 - \$6,941.41		(1.0)
Fairgrounds Maintenance Worker	\$3,570.71 - \$4,341.21		(4.0)
Fairgrounds Premium Exhibit Assistant	\$4,094.23 - \$4,977.78		(1.0)
Heavy Equipment Technician	\$5,329.11 - \$6,477.03		(1.0)
Interim Events Coordinator	\$6,685.74 - \$8,127.59		(1.0)
Marketing and Promotions Coordinator	\$6,951.85 - \$8,449.36		(1.0)
Secretary	\$4,033.36 - \$4,902.99		(2.0)
Senior Fairgrounds Maintenance Worker	\$4,334.25 - \$5,268.24		(5.0)
Simulcast Assistant	\$3,737.68 - \$4,541.23		(0.75)
Storekeeper	\$3,661.16 - \$4,450.78		(1.0)

**Narrative Explanation of Staffing Impacts (If Required):**

Approval of this item will authorize the Fairgrounds, in coordination with and oversight by the Human Resources Department, to administer layoff procedures in accordance with the SEIU MOU and to mitigate layoffs, to the extent possible.

**Attachments:**

Resolution amending the 2020 Sonoma County Fair & Exposition, Inc. Position Allocation List

**Related Items “On File” with the Clerk of the Board:**