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FAIR MANAGEMENT AGREEMENT
between
YAMHILL COUNTY FAIR BOARD
and
YAMHILL COUNTY, OREGON

This agreement (Agreement") is between the Yamhill County Fair Board, an agency of Yamhill County, hereafter called "Fair Board", and Yamhill County, a political subdivision of the State of Oregon, acting by and through its Board of Commissioners ("BOC"), hereafter called "County".

1. **PURPOSE.**

Pursuant to ORS 203.035 and ORS 565.230(4), the County and Fair Board enter into this Agreement for the purpose of clarifying the rules, policies and procedures to be used in the conduct of county fair activities and for other purposes described in ORS 565.230(4).

2. **GENERAL.**

The duties and responsibilities of the Fair Board are defined in ORS 565.210 through 565.447 and 565.610 through 565.650. Under ORS 565.230 the Fair Board has exclusive management authority over the county fair property and is entrusted and charged with the entire business management, financial and other affairs of the county fair. The Fair Board is subject to most laws applicable to public bodies. Nothing in this Agreement prohibits the Fair Board from contracting for services to manage the fair and Fair Board activities, when done in conformance with this Agreement and applicable laws and policies.

3. **THE FAIR BOARD.**

A. In accordance with Board Order 06-523, the Fair Board shall consist of three to five members appointed by the BOC to staggered three-year terms pursuant to ORS 565.210(2). Members of the Fair Board may be removed from office by the BOC as provided in ORS 565.210(5) and 565.225.

B. Pursuant to ORS 565.210(3), each member of the Fair Board is required to furnish a good and sufficient bond in favor of the County, conditional upon faithful performance of the duties of the office. Additionally, pursuant to ORS 565.220(3) the Fair Board secretary is also required to furnish a similar bond. The bond for each Fair Board member and the Fair Board secretary shall be no less than \$10,000.00. The bond(s), when approved by the BOC, shall be filed with the County Clerk. The premium on the bond(s) shall be paid by the Fair Board as a Fair Board expense.

C. Pursuant to ORS 565.220, the members of the Fair Board shall, as soon as their bonds have been filed and approved, meet and organize by electing a chair. A majority of the members of the Fair Board shall constitute a quorum for the transaction of all business at meetings. In the absence of the chair another member of the Fair Board shall perform the duties of the chair.

D. The Fair Board is a public body subject to requirements of the public meetings laws of the state as provided in ORS 192.610 through 192.710 and the Fair Board members are public officials subject to the government standards and practices provisions of ORS Chapter 244.

E. The Fair Board is subject to the public records laws of the state as set forth in ORS Chapter 192.

F. Throughout the term of this Agreement, the Fair Board shall maintain and periodically update, as necessary, a Yamhill County Fairgrounds Procedure Manual (the "Manual"). As of the date of this Agreement the Manual is under review and revision. The current review and revision of the Manual shall be completed over the course of the next six (6) months and submitted for review and approval by the BOC prior to December 31, 2014. Following approval, any future revisions to the Manual shall first be submitted for review and approval to the BOC.

4. PERSONNEL

A. Employees working at the fair are considered employees of the Fair Board and are not subject to Yamhill County bargaining unit agreements but they are subject to all other applicable state and federal laws, and are covered by County personnel policies and the County budget process. Salary and benefits of the Fair Board employees shall be determined by the Fair Board.

B. The Fair Board shall determine fair staffing and supervision, subject to review by the County Human Resources Department (HR). The Fair Board will involve County HR in staff recruitment and disciplinary issues.

C. County employees (HR Manager and staff) shall see that a bond or an irrevocable letter of credit is established, as required in Section 3 above.

D. Human resources and payroll services will remain with the County.

E. For other County employees to volunteer at the fair, under the Fair Labor Standards Act, those County employees must do jobs other than those they normally perform; they cannot volunteer to do their own job.

5. **BUDGET**

A. Pursuant to ORS 565.325, the County maintains a fair fund to record revenues and expenses of the fair and to use to promote and operate the fair. The fair fund is subject to the Local Budget Law (ORS Chapter 294). The fair fund is part of the regular County budget, and is subject to all County fiscal policies, procedures and auditing.

B. The BOC annually approves the fair fund budget and appropriates expenditure authority from the fair fund. The Fair Board acknowledges that it must comply with Oregon budget laws and annual appropriation limits established by the BOC for the fair fund. Furthermore, under ORS 565.325, all receipts from fairground activities must be deposited into the fair fund.

C. The Fair Board agrees to continue using the County financial and budget systems, policies and procedures.

D. The fair staff responsible for preparing the budget will follow current budget processes as established each year by the County Budget Officer. The Fair Board shall review and approve the budget as prepared by fair staff before it is submitted to the County.

E. Capital improvement projects, with estimated costs for each project, will be set by the Fair Board and submitted to the BOC by February 1 of each year for review and approval.

F. Each year, the BOC shall determine an amount of video lottery revenue, if any, to be included in the fair's budget; however no video lottery revenue shall be allocated to the fair until the list of capital improvement projects and estimated costs for each project for the upcoming fiscal year has been submitted to and approved by the BOC.

G. Fair Board will operate on the same fiscal year as the County, July 1 through June 30.

6. **FINANCE**

A. The County will provide the level of fiscal services necessary to maintain proper records of the Fair Board. The Fair Board will provide and assume responsibility for the accuracy of all financial activities and accounts which the BOC has the responsibility for including in the County accounting and auditing reports. The Fair Board acknowledges and agrees that it is solely and exclusively responsible for the accuracy of all information provided to County for inclusion in the final auditing and accounting reports.

B. In the exercise of its management authority and in accordance with ORS 565.315, the Fair Board has authority to execute contracts, subject to budget approval and in accordance with this Agreement.

C. The Fair Board has authority to make expenditures from its budget in accordance with ORS 565.315. The Fair Board shall comply with public purchasing laws and applicable County rules.

D. Pursuant to ORS 565.315, the Fair Board shall, once each year, file with the County Clerk a complete financial statement showing all funds received and disbursed. The Fair Board may include in the report such suggestions and recommendations, as in its opinion would make for the improvement and advancement of agricultural and related industries of the fair.

E. The Fair Board may establish and operate a petty cash account that is consistent with County petty cash policies and procedures. The Fair Board chair or the chair's designees who have been approved by the Fair Board may authorize expenditures from the petty cash account.

F. The Fair Board chair or the chair's designee, who has been approved by the Fair Board, or County staff, have authority to sign for approved expenditures.

G. Without limiting the generality and applicability of the above, the Fair Board agrees to follow the financial and fiscal procedures as described in the Manual.

7. CONTRACTING

A. The Fair Board chair or chair's designee approved by the Fair Board will have the same authority for contracts that have been approved by the BOC for other County departments. The Fair Board must follow applicable public contracting laws. The Fair Board agrees to use standard County contract language and processes.

B. Except as otherwise approved by County, all contracts entered into by the Fair Board chair or chair's designee approved by the Fair Board shall contain provisions addressing, (i) minimum types and amounts of required insurance coverage, (ii) indemnification of the Fair Board and County, (iii) voluntary waivers or releases, or (iv) other provisions addressing allocations of risk or risks of loss as deemed appropriate following consultation with County Counsel's office.

C. Periodically, but no less frequently than every three (3) years, the Fair Board and County Counsel's office shall review and update contract documents as necessary. The Fair Board agrees to immediately contact County Counsel's office prior to accepting or agreeing to any material modifications or changes to previously reviewed and approved contract documents.

8. **OPERATION OF FAIRGROUNDS**

A. All fair equipment and facilities are the property of Yamhill County. The Fair Board may contract with the County for maintenance or repair of vehicles, power equipment or facilities.

B. Source, scheduling and method of replacing equipment is a management decision of the Fair Board. Equipment originally purchased by the Fair Board can be disposed of as surplus in accordance with County surplus property procedures and the assets retained in the fair fund.

C. As provided herein, the Fair Board shall operate and manage the Fair. The Fair Board is responsible for recruiting bookings, scheduling, establishing standard facility and animal stall rental conditions and fees, general promotion, recruitment of event/marketing coordinators, recruitment of a security company, food service, concessions, maintenance and all other related operational activities, including contracts for these activities.

D. Pursuant to ORS 565.240, the Fair Board shall make and enforce all rules and regulations necessary for the proper conduct and management of the fairs and all activities conducted at the fairs.

E. Notwithstanding the above, the BOC shall maintain responsibility for negotiations and contracts relating to the occupancy, use, rental or lease of the fairground and related facilities (excluding stall rentals) for more than thirty (30) days, including but not limited to (i) all easements and licenses, (ii) the lease of fairgrounds space and track facilities to the Portland Karting Association or successor and (iii) the lease of fairgrounds space and facilities for any current or future cellular or communications tower.

9. **FEE SETTING**

The Fair Board will set prices of admission, licenses and all other fees as provided by ORS 565.230 and 565.630.

10. **INSURANCE AND BONDING**

A. The County currently pays all costs of property and liability insurance in a blanket policy. The costs of this blanket policy are prorated to departments and funds through a cost allocation plan. Each department or fund pays its share of the cost through this allocation system.

B. To the extent that insurance premiums can be directly attributed to the Fair Board, costs will be budgeted and paid accordingly. All administrative costs will be allocated through the cost allocation plan.

C. The Fair Board shall defend and indemnify the BOC and the County from liability arising out of personnel or contractual matters occurring under the Fair Board's direction, management or authority, to the extent permitted by law.

11. LAW ENFORCEMENT

A. If necessary, the Fair Board will contract for the presence of Yamhill County Sheriff's deputies and reserve deputies, Oregon State patrol officers, or McMinnville Police Department officers on the grounds during major events. The Fair Board can also contract with private firms for security services during fairs and major events.

12. CHARGES FOR SERVICES

A. Overhead costs will be determined and applied to the Fair Board budget, at the same rate and in the same manner as the County shall apply the costs to County departments.

B. Direct and overhead costs are determined as described below.

i. Users are assessed direct or overhead charges to pay for the cost of internally provided administrative services. Direct costs are at predetermined rates calculated to cover the cost of service, or when costs are identified specifically within an organizational unit. The Fair Board will continue to pay direct costs as billed, or it may seek alternative vendors. Current direct bill services include but are not limited to:

Telephone (voice mail, local and long distance calling)
Onsite internet services
Motor Pool (vehicles, vehicle maintenance, and certain power equipment)
Certain insurance and performance bonds
PC maintenance and replacement

ii. Overhead costs are for services where annual cost is established based on proportionate use. Services allocated in this manner include:

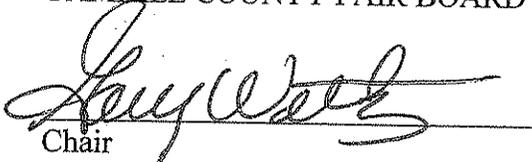
Human Resources (recruitment, benefits, labor relations)
Finance (accounting, auditing, payroll, contracting, purchasing, account payable)
Budget (financial & capital improvement planning and budgeting)
Information Systems services
Property/liability insurance
Risk management
Legal Counsel
BOC

13. This Agreement may be modified, amended or repealed by the mutual written agreement of the parties.

14. This Agreement will be reviewed by the parties every three (3) years. The parties will negotiate in good faith whenever they review this Agreement or seek to renew it for additional three (3) year periods.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate as of the 17th day of July, 2014.

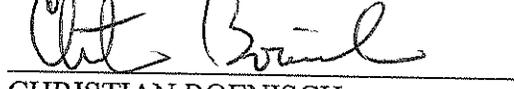
YAMHILL COUNTY FAIR BOARD

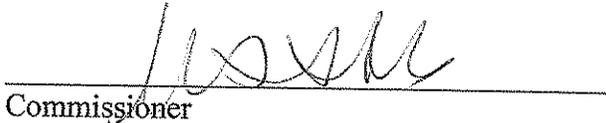

Chair

YAMHILL COUNTY BOARD OF
COMMISSIONERS


Chair

APPROVED AS TO FORM:


CHRISTIAN BOENISCH
Yamhill County Counsel


Commissioner

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Commissioner