

## Responses to Council Questions and Comments

2/24/2025

### **Item #7: Adoption of a Resolution Approving an Amendment to the License Agreement between the 4th District Agricultural Association and the City Winding Down and Terminating the License Effective July 15, 2025 and Update from the City Manager Regarding a Professional Services Agreement between the City and the 4th District Agricultural Association for Contract Services for Agricultural Events at the 2025 Petaluma Fair, Including Livestock Shows, Junior Horse Shows, Farmers' Day, Sheepdog Trials and Stills Exhibits**

- **Question: Does the discussion for a license to provide for agricultural at the fair include discussions of beyond 2025?**
  - **Response:** Currently, the personal services agreement is for services provided for the 2025 Fair. We will continue to be in conversations with the 4<sup>th</sup> DAA on possibilities for future years' fairs and exploring ways to reduce costs while providing an exceptional fair.
- **Question: What is the expected net cost of the 2025 Fair, independent (exclusive) of property improvements?**
  - **Response:** Net costs are estimated at \$450,000 for the four-day event. As a comparison, the four-week Lumalce event is estimated to be equal to or less than this cost to produce.
- **Question: What was the profit/loss of the 2024 Fair?**
  - **Response:** While the City is not in receipt of their 2024 fair-only costs, based upon previous years financials provided by 4<sup>th</sup> DAA, a four-year average indicates an approximately \$140,000 deficit for fair operations annually. Per our most recent correspondence from the DAA, they stated that they are experiencing a \$50,000/month shortfall and anticipate a \$600,000 annual deficit.
- **Question: What is the basis for fees paid to the DAA under the License? Is there a labor schedule or markup agreement?**
  - **Response:** Please see attachment #3 with estimated costs for each activity provided by the 4<sup>th</sup> DAA.
- **Question: Is it intentional to pay \$1,000 for a poultry supervisor, when chickens and cows are not allowed due to bird flu concerns?**
  - **Response:** These are estimated costs provided by the 4<sup>th</sup> DAA, who are required to follow state requirements on current ban on California Poultry and Dairy Exhibitions at Fairs and Shows. If the ban stays in place, this activity will not occur and not be included in the expense.