



OFFICE OF THE STATE AUDITOR



January 2, 2021

DIANNE E. RAY, CPA
STATE AUDITOR

COLORADO STATE FAIR AUTHORITY – STATUS REPORT

Members of the Legislative Audit Committee:

Attached is the status report from the Colorado State Fair Authority (Authority) within the Department of Agriculture, which provides an update on the implementation of recommendations contained in the Office of the State Auditor's *Colorado State Fair Authority Performance Audit*.

OSA REVIEW OF DOCUMENTATION

As part of the status report process, we requested and received supporting documentation from the Authority and its Board of Commissioners (Board) for each recommendation, including:

- Board Governing Policies and Bylaws.
- The 2020 Annual Report, strategic and financial planning documents, and related monitoring reports.
- Documentation related to the hiring and supervisory authority for the Authority's general manager.
- Fairground planning and use documents such as the Facilities Maintenance Plan and Facility Rental Business Plan.
- Fair marketing documentation such as the 2021 Fair Marketing Plan and contracted marketing services documents.
- Staffing documentation such as organizational charts and position descriptions.

Based on our review, the supporting documentation substantiates the Authority's reported implementation status.

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December 28, 2020

Dianne E. Ray, CPA
State Auditor
Colorado Office of the State Auditor
1525 Sherman St., 7th Floor
Denver, CO 80203

Dear Auditor Ray:

In response to your request, we have prepared the attached status report on the implementation status of audit recommendations contained in the Performance Audit of the Colorado State Fair Authority. The report provides a brief explanation of the actions taken by the Authority and its Board of Commissioners to implement each recommendation.

You will notice that we have made significant improvements organization wide, but some of our implementations have been delayed because of the public gathering restriction caused by COVID-19.

If you have any questions about this status report and our efforts to implement the audit recommendations, please contact Scott Stoller at (719) 404-2015 or scott.stoller@state.co.us.

Sincerely,

A handwritten signature in black ink that reads 'Scott Stoller'.

Scott Stoller
General Manager



AUDIT RECOMMENDATION STATUS REPORT

AUDIT NAME	Colorado State Fair Authority Performance Audit, October 2019
AUDIT NUMBER	1818P
AGENCY	Colorado State Fair Authority, Department of Agriculture
DATE OF STATUS REPORT	December 28, 2020

SECTION I: SUMMARY

REC. NUMBER	AGENCY'S RESPONSE FROM REPORT	ORIGINAL IMPLEMENTATION DATE	CURRENT IMPLEMENTATION STATUS	CURRENT IMPLEMENTATION DATE
1A	Agree	June 2020	Implemented	8/31/2020
1B	Agree	June 2020	Implemented	8/31/2020
1C	Agree	November 2019	Implemented	8/31/2020
1D	Agree	June 2020	Partially Implemented	7/1/2021
1E	Agree	December 2020	No Longer Applicable	N/A
2A	Agree	June 2020	Implemented	8/31/2020
2B	Agree	June 2020	Implemented	8/31/2020
2C	Agree	June 2020	Implemented	8/31/2020
2D	Agree	June 2020	Implemented	8/31/2020
2E	Agree	June 2020	Implemented	8/31/2020
3A	Agree	June 2020	Partially Implemented	3/31/2021
3B	Agree	June 2020	Implemented	8/31/2020
3C	Agree	June 2020	Implemented	8/31/2020
3D	Agree	November 2020	Implemented	10/30/2020
4A	Agree	December 2020	Implemented	9/30/2020
4B	Agree	December 2020	Implemented	9/30/2020
4C	Agree	December 2020	Implemented	8/31/2020
4D	Agree	December 2020	Partially Implemented	7/31/2021
5A	Agree	June 2020	Implemented	9/30/2020
5B	Agree	September 2020	Implemented	9/30/2020
5C	Disagree	N/A	N/A	N/A
5D	Agree	December 2019	Implemented	9/30/2020
5E	Agree	June 2020	Implemented	9/30/2020
5F	Agree	June 2020	Implemented	8/31/2020
6A	Agree	June 2020	Implemented	11/18/2020
6B	Agree	February 2021	Partially Implemented	11/30/2021
6C	Agree	February 2020	Partially Implemented	11/30/2021
6D	Agree	December 2020	Implemented	12/16/2020
6E	Agree	June 2020	Implemented	11/1/2020

SECTION II: NARRATIVE DETAIL

RECOMMENDATION 1A

The Board of Commissioners (Board) of the Colorado State Fair Authority (Authority) should improve its governance to ensure that the Colorado State Fair and Industrial Exposition (Fair) fulfills its statutory purpose by: A. Expanding the bylaws, or working with Authority staff to implement written policies and procedures for the Authority and Board, that (1) include the processes and policies the Board will use to direct and supervise the Fair, such as setting goals, conducting planning, and overseeing the Authority's budget; and (2) address all applicable requirements of Section 24-3.7-102(1), C.R.S., such as setting parameters regarding staff's duties relative to the Board's.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
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AGENCY UPDATE

The Board addressed initial bylaw revisions in December 2019. The Board completed three days of governance and strategic planning retreats using inputs that included consultants, the Johnson Consulting Management Study, market demand & financial feasibility studies, the facilities master plan, and the performance audit. The Board, with advice from counsel, reviewed and further revised the bylaws and created policies to include creating and implementing processes and policies on directing and supervising the Authority (Governing Policies 1.0, 1.1, 1.2, and 2.0 – 3.9). This included setting goals, conducting planning, overseeing the Authority's budget, and addressing other requirements in Section 24-3.7-102(1), C.R.S.

RECOMMENDATION 1B

The Board of the Authority should improve its governance to ensure that the Fair fulfills its statutory purpose by: B. Revising the bylaws to accurately portray the Board's responsibilities as a Type 1 entity and its statutory authority.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
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AGENCY UPDATE

The Board revised its bylaws to accurately portray the Board's responsibilities as a Type 1 entity and its statutory authority.

RECOMMENDATION 1C

The Board of the Authority should improve its governance to ensure that the Fair fulfills its statutory purpose by: C. Developing processes for existing Board members to gain a full understanding of their role and responsibilities and working with the general manager to develop and provide new members training on the Board's statutory purpose and breadth of their authority and responsibilities.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
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AGENCY UPDATE

A Governance Committee has been established (Governing Policy 2.8.1), and it is responsible for conducting an orientation with new board members, recommending additional Board training opportunities, and periodically communicating with the Department of Agriculture to ensure training and statutory compliance.

Additionally, all board members are expected to attend the annual compliance training. The annual training includes but is not limited to statutes, Authority's Rules, Bylaws, Governing Policies, Organization Chart, Robert's Rules of Order, and conflicts of interest.

RECOMMENDATION 1D			
The Board of the Authority should improve its governance to ensure that the Fair fulfills its statutory purpose by: D. Seeking a legal interpretation of statutes from the Attorney General’s Office to clarify the Board’s and the Department’s responsibilities for hiring and supervising the Authority’s general manager.			
CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	7/1/2021
AGENCY UPDATE			
<i>The Board sought and received an informal opinion from the Office of the Attorney General. The Board will work with the Department of Agriculture to seek an amendment to its statute to clarify the various responsibilities. If clarifying legislation is not passed in the 2021 session, the Board will make a recommendation in its 2021 Annual Report to amend its statute to clarify the various responsibilities.</i>			

RECOMMENDATION 1E			
The Board of the Authority should improve its governance to ensure that the Fair fulfills its statutory purpose by: E. If the legal guidance provided in response to Part D results in a determination that the Board is responsible for hiring and supervising the general manager, revising the general manager’s position description to clarify that the position is an employee of the Board, implementing bylaws and/or written policies and processes for the Board to hire the general manager and evaluate their performance and eliminating the performance agreement between the general manager and the commissioner of agriculture.			
CURRENT IMPLEMENTATION STATUS	No Longer Applicable	CURRENT IMPLEMENTATION DATE	N/A
AGENCY UPDATE			
<i>Under current statute, the Board is not responsible for hiring and supervising the general manager, but the Board will work with the Department of Agriculture to seek an amendment to the statute to resolve any statutory inconsistencies to clarify the various responsibilities. See Recommendation 1D.</i>			

RECOMMENDATION 2A			
The Board of the Authority should implement written policies and procedures for strategic planning that include: A. Clear definitions of the roles of the Board and management in the process, such as the Board’s role in setting a tone to foster strategic planning and the general manager’s role in developing and implementing strategic plans.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
AGENCY UPDATE			
<i>The Board developed and implemented written Governing Ends/Priority Result Policies (Governing Policies 1.0-1.3). Based on the Governing Ends/Priority Result Policies the General Manager developed an Ends-Based Strategic Plan with senior Authority staff. The General Manager presented the Ends-Based Strategic Plan to the Board and this plan was accepted as a reasonable interpretation of the Boards Ends/Priority Result Policies. The Governing Policies Manual includes a monitoring schedule for all Ends/Priority Result Policies (Governing Policy 4.4).</i>			

RECOMMENDATION 2B			
The Board of the Authority should implement written policies and procedures for strategic planning that include: B. Procedures for assessing risk and the internal and external factors affecting the Authority to inform strategic planning.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
AGENCY UPDATE			
<i>The Board’s Governing Policy Manual defines what the Board job products are in relation to internal and external factors and risks (Governing Policy 2.2). These job products include Linkage, Performance</i>			

Standards, and Assurance of Organizational Performance. The Board’s Governing Policy Manual further established a process for them to monitor management constraints (Governing Policy 3.0), the Authority’s financial condition and activity (Governing Policy 3.3), asset protection, risk assessment, financial planning and budget (Governing Policy 3.4), emergency management succession (Governing Policy 3.7), awareness and support (Governing Policy 3.8), and Fairgrounds management (Governing Policy 3.9). Monitoring reports are completed at least once a year for each Ends/Priority Results Policy (Governing Policy 1.0 - 1.3) and Management Parameter Policy (Governing Policy 3.0 - 3.9). Monitoring reports are compiled by the General Manager on a defined annual schedule for each measured policy (Governing Policy 4.4) and include the General Manager’s interpretation and status update on each. The Board must review each monitoring report in advance of its monthly meeting and approve the report if it conveys (a) interpretations of the policy provisions that are reasonable and (b) that the report reasonably substantiates compliance with the policy provisions, consistent with the General Manager’s interpretations.

RECOMMENDATION 2C

The Board of the Authority should implement written policies and procedures for strategic planning that include: C. Procedures for developing and implementing the components that should be included in a strategic plan for the Authority, such as goals that reflect the vision, mission, and statutory purpose; objectives that are specific and measurable; and strategies to achieve the goals and objectives.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
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AGENCY UPDATE

The Board developed and implemented written policies and procedures for strategic planning. This includes policies and procedures for developing and implementing the components that should be included in the strategic plan for the Authority. The Board will maintain written performance standards, as set forth in its governing policies, addressing the broadest, and as appropriate, more defined levels of all organizational decisions and situations (Governing Policy 2.2.2). Performance standards are split into four categories: Ends, Management Parameters, Board Process, and Board-Management Delegation (Governing Policies 2.2.2.A-D). Ends (Governing Policy 2.2.2.A) define the strategic results priorities describing intended organizational impacts, benefits, outcomes, recipients and their relative worth (what results, for which recipients, at what cost/priority). The Ends/Priority Results (Governing Policies 1.0-1.3) define the Board’s goals that reflect the Authority’s vision, mission, and statutory purpose. The Board will systematically monitor General Manager’s job performance, determining the extent to which Ends are being achieved and whether operational activities fall within boundaries established in Management Parameters policies (Governing Policy 4.4).

RECOMMENDATION 2D

The Board of the Authority should implement written policies and procedures for strategic planning that include: D. Procedures for the Board to oversee execution of a strategic plan, be informed on the plan’s progress on a routine basis, and work with management to update it as a needed to keep it relevant.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
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AGENCY UPDATE

The Board developed and implemented written policies and procedures for strategic planning which include the Board’s oversight of strategic plan execution. The policy identifies the frequency of the review process and ensures the strategic plan is updated to stay relevant (Governing Policies 2.2.2.A, 2.3.2.E, 4.4, and Appendix A.4-5).

RECOMMENDATION 2E			
The Board of the Authority should implement written policies and procedures for strategic planning that include: E. Procedures for collecting and analyzing data to monitor the implementation of the strategic plan.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
AGENCY UPDATE			
<i>Governing Policy 4.4 outlines how the Board monitors Ends and Management Parameters. The Ends-Based Strategic Plan outlines collecting and analyzing data in numerous areas related to the Board's Ends Policies (Governing Policies 1.0-1.3). Additionally, the newly formed Governance (Governing Policy 2.8.1) and Community Linkage (Governing Policy 2.8.4) Committees have deliverables related to collecting data.</i>			

RECOMMENDATION 3A			
The Board of the Authority should manage the Authority in a strategic manner that is responsive to the challenges and risks the Authority faces by: A. Adopting a written vision for the Authority based on assessments of risk and the internal and external factors affecting the Authority. This should include assessing the viability, strengths, and weaknesses of each vision or a combination of visions proposed in the Master Vision Plan.			
CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	3/31/2021
AGENCY UPDATE			
<i>On August 31, 2020 the Board adopted Ends Policies (Governing Policies 1.0-1.3), which is included in its Governing Policy Manual and will help guide the Master Vision Plan. The Master Visioning Plan process has produced the Market Condition Assessment, which includes a SWOT analysis of the Authority and the market. The Board participated in three Master Visioning sessions in August and September of 2020. The Master Visioning process is behind schedule because of the meeting restrictions surrounding COVID-19, the Office of State Architect current schedule is to be completed by June of 2021. The final draft of the Master Plan and financial analysis is scheduled to be accepted by the Board at the March 31, 2021 meeting.</i>			

RECOMMENDATION 3B			
The Board of the Authority should manage the Authority in a strategic manner that is responsive to the challenges and risks the Authority faces by: B. Adopting a written plan in accordance with the policies and procedures developed for Recommendation 2.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
AGENCY UPDATE			
<i>The Board developed and implemented written Governing Ends/Priority Result Policies (Governing Policies 1.0-1.3). Based on the Governing Ends/Priority Result Policies, the General Manager developed an Ends-Based Strategic Plan with senior Authority staff. The General Manager presented the Ends-Based Strategic Plan to the Board, and this plan was accepted as a reasonable interpretation of the Board's Ends/Priority Result Policies. The Governing Policies Manual includes a monitoring schedule for all Ends/Priority Result Policies (Governing Policy 4.4).</i>			

RECOMMENDATION 3C			
The Board of the Authority should manage the Authority in a strategic manner that is responsive to the challenges and risks the Authority faces by: C. Including in its strategic plan a goal to operate an enterprise, as directed in statute, and identifying and implementing strategies to reach the goal.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020

AGENCY UPDATE			
<p><i>The Board accepted the Ends-Base Strategic Plan, with one of the stated goals as achieving enterprise status. As stated in the plan, the most feasible long-term solution for achieving Enterprise Status is growth of Authority-generated revenue (not decreasing expense). This can be accomplished by self-promoting year-round consumer shows and promoting higher-level concerts during the Fair.</i></p> <p><i>In future years, the spending authority that is set in the State Budget each fiscal year may need to increase. If this is needed, the Board would work with the Department to seek this spending authority through the regular budget process. In order for the Authority to grow its way into an enterprise, it will need to generate more revenue, but under even the most profitable scenarios, there still would be a need to increase spending. Currently the Authority's spending limit is set at around \$9 million annually and nearly 100% of this is currently used to help generate existing revenue.</i></p>			

RECOMMENDATION 3D			
<p>The Board of the Authority should manage the Authority in a strategic manner that is responsive to the challenges and risks the Authority faces by: D. Improving public reporting, such as by using the strategic plan and related monitoring data to produce a descriptive annual report for the Authority that is submitted to the General Assembly, Governor, and other stakeholders.</p>			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/30/2020
AGENCY UPDATE			
<p><i>The Authority's Annual Report is due on October 31 of each year (Section 35-65-406(1), C.R.S.). The Authority released the 2019 Annual Report in late December of 2019, which was almost two months late. The 2020 Annual Report was released on October 30, 2020, one day in advance of the above-referenced statutory deadline. The Board established a Community Linkage committee in its new Governing Policies, which has the annual report as one of its deliverables (Governing Policy 2.8.4.A).</i></p>			

RECOMMENDATION 4A			
<p>The Authority should address its facility maintenance and capital construction needs by: A. Implementing a strategy and process for identifying, prioritizing, and completing maintenance and repair projects, including developing a comprehensive list of projects needed to restore all buildings on the Fairgrounds to a facility condition index of at least 85 percent; implementing a method to identify, track, and address the maintenance needs that would improve the customer experience; and setting goals and target dates for completion.</p>			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	9/30/2020
AGENCY UPDATE			
<p><i>The Board accepted the "Maintenance & Improvement Plan," which outlines funding sources, facility condition audits and reports, project classification, project selection and prioritization, and preventive maintenance. Based on the criteria in this plan, the Authority has developed a comprehensive master list of projects. Additionally, there is a section of the Ends-Based Strategic Plan titled, "Facilities/Capital Maintenance Planning," that includes success indicators.</i></p>			

RECOMMENDATION 4B			
<p>The Authority should address its facility maintenance and capital construction needs by: B. Working with the Office of the State Architect to implement a schedule to conduct facility condition audits or other appropriate assessment for utilized buildings on a rotating basis, such as every 5 years, and use the results of the audits to help prioritize maintenance and repair projects.</p>			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	9/30/2020

AGENCY UPDATE			
<p><i>The Facilities and Property Manager has met with the Office of the State Architect to develop the framework to conduct facility condition audits on the correct cycle of once every five years per structure. This meeting helped guide the Facility Condition Audits and Reports section of the Maintenance & Improvement Plan. This is also identified as a success indicator in the Authority's Ends-Based Strategic Plan.</i></p>			

RECOMMENDATION 4C			
<p>The Authority should address its facility maintenance and capital construction needs by: C. Implementing written policies and procedures to ensure that funds appropriated to the Authority for facilities maintenance are used directly for maintaining and improving the fairground facilities.</p>			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
AGENCY UPDATE			
<p><i>Governing Policy 3.3.10 states: "With respect to financial condition and activities, the General Manager will not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures from the Board's Ends priorities. Further, the General Manager will not: Operate without ensuring that funds appropriated to the Authority for facilities maintenance are used directly for maintaining and improving the Fairgrounds facilities."</i></p>			

RECOMMENDATION 4D			
<p>The Authority should address its facility maintenance and capital construction needs by: D. Identifying projects that may qualify for grants and other sources, and seeking funding from all available channels to achieve the strategy established in Part A.</p>			
CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	7/31/2021
AGENCY UPDATE			
<p><i>Per the Project Selection & Prioritization section of the Maintenance & Improvement Plan, Supplemental Funded Projects are the Authority's fourth highest priority. The Authority continues to work with the Office of the State Architect to complete the Master Vision Plan. The Master Vision Planning to date has produced the market demand & financial feasibility study. Additionally, the scope of work for the Master Vision Plan includes identifying funding sources for identified projects on the Fairgrounds. Work on the Master Visioning Plan will continue through July of 2021.</i></p>			

RECOMMENDATION 5A			
<p>The Authority should take steps to increase production of revenue through facility rentals when they are not in use by the Fair by: A. Implementing written policies and procedures that define how and when discounted rates may be given to specific types of customers and how the discounts should be calculated. The policy should require Authority staff to document the amount of discount applied to each rental and rationale for doing so.</p>			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	9/30/2020
AGENCY UPDATE			
<p><i>The Board accepted the "Facility Rental Business and Marketing Plan" at its September 30, 2020 meeting. In this plan, there are sections that outline rates, discounting, and the rationale of when discounts are offered. A section of the plan outlines methods to correct current recurring rentals that are not paying full rate. Additionally, there is a section of the Ends-Based Strategic Plan titled Develop Business & Marketing Plan for Facility Rentals that includes success indicators. Internal accounting procedures now require the General Manager to sign a form declaring the reason for deviation from published rate prior to any contract being generated.</i></p>			

RECOMMENDATION 5B

The Authority should take steps to increase production of revenue through facility rentals when they are not in use by Fair by: B. Seeking a renegotiation of the contract with 4-H to establish reasonable limitations on the use of fairground facilities, and revising the contract rate with the goal of increasing the Authority’s ability to generate revenue.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	9/30/2020
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AGENCY UPDATE

Per the Board accepted “Facility Rental Business and Marketing Plan,” the Authority has an annual contract with Pueblo County 4-H for the use of facilities throughout the year for group meetings and events. This rental contract also provides use of the Fairgrounds every July for the Pueblo County Fair. The General Manager negotiates this rate because of its connection to the Authority’s Ends/Priority Results (Governing Policies 1.1-1.3) and as defined by the Authority’s Fairgrounds Management (Governing Policy 3.9). The 2020 contract was renegotiated, as recommended. Because of COVID-19, Pueblo County 4-H has used the Fairgrounds in an extremely limited capacity for the current term. Despite this limited use, the rent has been paid at the previously agreed upon rate in a timely manner. For this reason, through the General Manager’s negotiations, the 2021 contract will be at the same rate with the same terms. Current rental terms restrict use of the Fairgrounds on all state-observed holidays, from August 1 through September 20 because of the annual Fair, and other dates previously contracted by renters. Rate increases will be negotiated for the 2022 contract as long as things begin to normalize by then. The Master Visioning Plan will also be used to guide the General Manager on any restrictions that should added into the 2022 contract.

RECOMMENDATION 5C

The Colorado State Fair Authority (Authority) should take steps to increase production of revenue through facility rentals when they are not in use by the Colorado State Fair and Industrial Exposition by: C. Seeking a renegotiation of the contract with the Pueblo School District 60 (District) to establish limitations on the Districts use of the Events Center and update the rental rates with the goal of increasing the Authority’s ability to generate revenue that is commensurate with market conditions.

The Department disagreed with this audit recommendation.

RECOMMENDATION 5D

The Authority should take steps to increase production of revenue through facility rentals when they are not in use by the Fair by: D. Creating written contracts with the City of Pueblo and Pueblo County that define the arrangements, including the number of days each entity may use fairground facilities, the specific facilities they may use, and the rates to be charged based on the market value of the rentals and in consideration of donation.

CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	9/30/2020
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AGENCY UPDATE

The “Facility Rental Business and Marketing Plan” outlines the current rates and all allowed discounts including those for the City of Pueblo and the County of Pueblo. In this Plan, the only discounts that can be made for the City and County of Pueblo (aside from Pueblo County 4-H that is discussed in Recommendation 5B) are monthly rentals, the Pueblo County Clerk’s Election operations, Emergency Services Trainings, and Emergency Support. All other Fairgrounds uses would be charged the Authority’s normal rates. The Board approved this plan on September 30, 2020, and because of public gathering restrictions due to COVID-19, the only relevant rental that we hosted was with the Pueblo County Clerk’s Election operations, who paid the rate that is defined in our “Facility Rental Business and Marketing Plan.” All normal and discounted events scheduled on the Fairgrounds after September 30, 2020 will be required to have a fully executed contract prior to their event date. The 2020 Election operation did not have a contract because it was scheduled prior to September 30, 2020.

RECOMMENDATION 5E			
The Authority should take steps to increase production of revenue through facility rentals when they are not in use by the Fair by: E. Implementing a marketing strategy for facility rentals.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	9/30/2020
AGENCY UPDATE			
<i>Authority management and the Board developed the year-round “Facility Rental Business and Marketing Plan”. The market demand & financial feasibility study, governing policies, and the ends-based strategic plan were resources that guided the development of this plan.</i>			

RECOMMENDATION 5F			
The Authority should take steps to increase production of revenue through facility rentals when they are not in use by the Fair by: F. Implementing a performance monitoring program that includes setting targets for facility utilization, accurately tracking utilization, and monitoring trends in rentals to identify areas of potential improvement.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	8/31/2020
AGENCY UPDATE			
<i>The Authority is now accurately tracking facility utilization and monitoring trends in rentals, and short-term and long-term goals and objectives are reported to the Board annually. The Authority has the stated objective of growth in year-round targeted utilization of its venues for public and private events (Governing Policy 1.3, 1.3.A, and 1.3.B). From information gained through the Master Visioning Plan’s Market Assessment, the Authority learned that the most potential net revenue can be realized by focusing on three segments: full-grounds rentals, consumer shows, and equine/livestock events. While other types of events will be hosted, priority scheduling and all marketing efforts will be focused on these three segments with a long-term goal of hosting 40 per year. Short-term goals are year-to-year growth of 10% in targeted utilization and revenue, annually rebooking 60% of targeted events, and communications with at least 24 potential clients in the targeted three segments. Short-term goals, long-term goals, and objectives are reported to the Board annually when the General Manager submits his monitoring report on Governing Policy 1.3 - The Pueblo and Southern Colorado communities have a “Gathering Place” (Governing Policy 4.4). Additionally, the Authority’s Sales and Marketing Coordinator will complete the two-year “Certified Venue Professional” educational program offered by the International Association of Venue Managers. This was supposed to start in June of 2020, but all 2020 in person education programs were cancelled. Once the Sales and Rental Coordinator completes this certification process, then they will continue involvement in the organization to maintain relevant industry knowledge and contacts.</i>			

RECOMMENDATION 6A			
The Authority should ensure that its marketing for the Fair is strategic and cost-effective by: A. Developing a comprehensive marketing plan for the Fair that reflects the Authority’s strategic plan and includes strategies for targeting both traditional and digital advertising; a status analysis; defined target audiences; and objective, specific, measurable, and realistic marketing goals and tactics.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	11/18/2020
AGENCY UPDATE			
<i>The Authority staff developed a comprehensive Fair Marketing Plan and an Ends-Based Strategic Plan with specific and measurable goals based on analysis of the 2019 Fair and related data. The Marketing Plan includes strategies for targeting both traditional and digital advertising, defines target audiences, and objectives. These plans are monitored per Governing Policy 4.4.</i>			

Both of these plans were completed after what would have been the 2020 State Fair, but because of public gathering restrictions resulting from COVID-19, the Authority was not able to have a traditional Fair and all of its marketing efforts were through earned media. As a result, the Authority will have to measure the 2021 Fair against the 2019 Fair because there was not a traditional Fair in 2020.

RECOMMENDATION 6B

The Authority should ensure that its marketing for the Fair is strategic and cost-effective by: B. Regularly updating members of the Board on marketing, seeking their input in planning and implementing the marketing strategy, and providing the members with a comprehensive evaluation of marketing effectiveness.

CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	11/30/2021
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AGENCY UPDATE

The Board developed and implemented written Governing Ends/Priority Result Policies for the annual Fair (Governing Policies 1.0-1.1). Based on the Governing Ends/Priority Result Policies, the General Manager developed an Ends-Based Strategic Plan with senior Authority staff. The Ends-Based Strategic Plan outlines the General Manager’s Vision of Success and Success Indicators for the annual Fair. Marketing efforts are included in multiple sections. The General Manager presented the Ends-Based Strategic Plan and the Marketing Plan to the Board and the Board approved these plans as a reasonable interpretation of the Board’s Ends/Priority Result Policies. The Governing Policies Manual includes a monitoring schedule for all Ends/Priority Result Policies (Governing Policy 4.4) and the annual State Fair is reported on at the annual November meeting. The Board will systematically monitor General Manager’s job performance, determining the extent to which the Ends are being achieved and whether operational activities fall within boundaries established in Management Parameters policies (Governing Policy 4.4). The primary role of the Authority’s Board in this process is setting/adjusting the Ends/Priority Results (Governing Policies 1.0-1.2), approval of the annual Marketing Plan prior to each Fair, and the review of the monitoring reports after each Fair.

RECOMMENDATION 6C

The Authority should ensure that its marketing for the Fair is strategic and cost-effective by: C. Implementing a process for evaluating the impact and effectiveness of marketing in drawing people to the Fair by identifying potential data sources, collecting and analyzing the data, and using it to inform advertising purchases. As part of this, the Authority should identify cost-effective means of surveying Fair attendees and use survey data to inform its marketing.

CURRENT IMPLEMENTATION STATUS	Partially Implemented	CURRENT IMPLEMENTATION DATE	11/30/2021
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AGENCY UPDATE

During the 2019 Fair, an in-person survey was conducted. In the Ends-Based Strategic Plan there is a strategy to begin tracking the net promoter score for different portions of the annual Fair. These different portions included exhibitors, concert-goers, and general patrons. A handful of net promoter score surveys were conducted for the 2020 Fair, however, because this was an abbreviated version of the annual Fair, the Authority was not able to fully implement this strategy in 2020. Additionally, the Authority is using zip code data from credit card purchases to learn about the different tapestry segments and geographic regions that attended the State Fair. The 2021 State Fair Marketing Plan is guided by the 2019 survey and zip code data, and this plan will be modified with the help of our new marketing partner (See Recommendation 6D). Our new marketing partner will merge the Authority’s database with their database and we will collaborate on a revised 2021 Fair Marketing Plan for the Board’s review at the March 31, 2021 meeting.

RECOMMENDATION 6D			
The Authority should ensure that its marketing for the Fair is strategic and cost-effective by: D. Renegotiating the current primary marketing contract or issuing a Request for Proposal for this contract, which requires the successful bidder to provide new ideas to improve marketing outreach and Fair attendance and track and report on the impact of its services; specifies the additional types of information the contractor should report to the Authority; and includes measures to assess contractor performance in fulfilling the terms of the contract.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	12/16/2020
AGENCY UPDATE			
<i>A comprehensive marketing Request for Proposal was released on October 19, 2020, and the Board awarded the contract to AdPro 360 from Colorado Springs at the December 16, 2020 meeting. AdPro 360's successful proposal outlines new ideas to improve marketing outreach and Fair attendance and track and report on the effect of its services. The proposal includes a cycle of developing a marketing plan, implementing the plan, and then measuring the success of that plan for future Fair marketing plans.</i>			

RECOMMENDATION 6E			
The Authority should ensure that its marketing for the Fair is strategic and cost-effective by: E. Increasing staff resources devoted to marketing by using existing vacancies to hire staff with marketing experience or assigning responsibility for marketing oversight to existing staff and training them in the marketing skills they need.			
CURRENT IMPLEMENTATION STATUS	Implemented	CURRENT IMPLEMENTATION DATE	11/1/2020
AGENCY UPDATE			
<i>The Sponsorship program was converted to the Marketing and Sponsorship program. The position description for this program manager has been modified to include supervision of marketing, sponsorship, and communication. The comprehensive marketing Request for Proposal included aspects to help this position better manage this work. In addition, the budget for this program includes funding to hire experienced seasonal staff to assist with the marketing plan.</i>			