



November 19, 2021

TO: San Mateo County Board of Supervisors

FROM: Dana Stoehr, CEO and Diane Baumann, Controller

RE: 2022 Proposed Budget

Recommendations: Approve a resolution accepting the 2022 budget of the San Mateo County Exposition and Fair Association as presented.

Background and Highlights: At the Board Meeting on November 17, 2021, the Board reviewed and approved the proposed budget.

The budget is conservative and shows a modest operating profit of \$1,345 for 2022. Revenues are forecast at \$11,286,693 which represents an 11% or \$1,418,425 decrease compared to the 2021 estimated budget forecast. Expenses are budgeted at \$11,285,348 an increase of 5% or \$641,995.00. The increase in expenditures reflects improvements to the property and rebuilding staff after shutdowns in 2020 and 2021.

COVID has fundamentally changed the way the Association generates revenues to be self-supporting. However, unlike many venues, San Mateo County leadership consistently found needs that the Event Center could meet during this crisis. The Event Center, in turn, offered its services and staff and provided resources to the County at lower than market rates, saving considerable dollars to San Mateo citizens. We are thankful for the collaborative relationship we have with San Mateo County leadership.

Event Sales and Services, which includes Food Service profit, is estimated to decrease 22% or \$970,220 from 2021 estimated. This is attributable to COVID causing uncertainty for the 1st and second quarters of 2022 in hosting large-scale events.

Satellite wagering is projected to increase by 18% or \$230,041 compared to 2021. We do not anticipate any closures or attendance limitations in 2022. Changes in operating days and staffing levels have caused a decrease in expenses, improving overall financial performance. Although horse racing in California remains in decline, our operation remains strong.

Our signature event, the Annual San Mateo County Fair, will show a modest profit. Changes made in programming in 2021 due to COVID restrictions were successful and implemented in planning for the 2022 Fair, including all concerts being held outdoors.

Other functions include the financial impact of the COVID programs, which we provide staffing and assistance to the County of San Mateo and Administrative and Maintenance Operations. In addition, we are budgeting \$900,000 in non-capitalized equipment and improvements in 2022 and a robust capital expenditure program to improve the property. We have included our capital expenditure plan in this packet for your review and approval.

We want to thank our SMCEC Board of Directors, management, and staff for their support and contributions to the 2022 budget and their dedication and hard work during the pandemic.

Most importantly, we want to thank the Board of Supervisors and the County Manager's office for their distinguished leadership, support, and guidance during this pandemic, saving many lives by their actions. We are proud to support the County with their COVID-19 response services and any emergency affecting San Mateo County citizens