



## 2013 BUDGET

October 25, 2012

TO: Honorable Board of Supervisors

FROM: Chris A. Carpenter

RE: 2013 Proposed Budget

**Recommendations:** Approve a resolution accepting the 2013 budget of the San Mateo County Exposition and Fair Association.

**Background and Highlights:** The Board of Directors and staff prepared the 2013 budget. At the Board Meeting on October 24, 2012 the Board reviewed and approved the proposed budget. We met with County Manager John Maltbie on October 25th to review 2012 and our proposed 2013 budget. After your approval on November 6th the budget will be sent to the State Division of Fairs & Expositions for their records.

I would like to acknowledge and thank all members of the Board for their time and input towards formulating this proposed budget. I also want to commend Diane Baumann and Dana Stoehr, as well as all SMCEC Managers, for the dedication and hard work they have put into the 2013 budget.

With the input of members of the Board, as well as staff, we recommend the 2013 proposed budget.

### 2013 Budget

As we discussed in a recent SMCEFA Board of Directors meeting, we are forecasting another good year for the San Mateo County Event Center, with sustained operating revenues and controlled expenses. In 2012 the SMCEC once again operated as a completely self-sustained operation, building our reserves to an estimated 26.4% of overall expenses, after reinvesting a substantial amount of money in the facilities and campus.

As stated above, in 2012 we invested a great deal of money in the SMCEC and will continue to do so in 2013. This includes ongoing maintenance of all facilities, capital improvements as well as the purchase of new equipment. We are also utilizing reserve funds to conduct a feasibility outlining potential future growth for the SMCEC.

We are pleased to report the Jockey Club satellite wagering facility is operating slightly above our initial estimates, hence the reason we only projected a 8% decrease in revenue. The \$900k loan that assisted us with the Jockey Club renovation in 2008 from San Mateo County will be paid in full in June 2013; five months ahead of schedule. We are also proud to report that the Jockey Club is still the most successful satellite wagering facility in Northern and Southern California, yielding the highest handle.

The 2012 San Mateo County Fair was a success, with increases in both competitive and commercial exhibits. We received positive feedback from patrons who attended the fair, along with suggestions for future enhancements. In addition, we experienced a substantial growth in attendance at both SMC Disaster Preparedness Day and Make it in America. We have, of course, provided projections for the 2013 SMC Fair in our budget, and planning for next year is under way.

The SMCEC team has once again raised the bar to challenge ourselves for the new year through increased bookings/activities, revenues and controlled expenses for the overall operation. As I mentioned earlier in this memorandum, in 2011 we began the process of reinvesting a substantial portion of our operating reserves into required ongoing maintenance, equipment replacement and capital projects. We will continue to do so in 2013.

I would like to thank the County Manager's office and Board of Supervisors for their support and guidance in our efforts toward the continued success of the San Mateo County Fair, Jockey Club and San Mateo County Event Center.