





November 13, 2018

TO: Board of Supervisors

FROM:  Dana Stoehr, CEO and David Alves, Controller 

RE: 2019 Proposed Budget

Recommendations: Approve a resolution accepting the 2019 budget of the San Mateo County Exposition and Fair Association as presented.

Background and Highlights: At the Board Meeting on October 24, 2018, the Board reviewed and approved the proposed budget.

Budgeted 2019 total operating revenue of \$12,047,200 and represents a 7% or \$914,426 decrease compared to 2018 forecast. SMCEC takes a conservative approach to revenue estimation as many revenues are event dependent and contracts are finalized after the budget process is complete.

Facility revenue is projected at a 3.4% or \$178,123 decrease compared to 2018 forecast due to actual existing contracts that have been executed versus expected new business. The Facilities Department expects to exceed forecasted revenues.

Food and Beverage revenue is projected at a 21% or \$608,195 decrease compared to 2018 forecast due to existing contracts that have been executed versus expected new business. Food and Beverage staff expects to exceed budget based on new business opportunities developed in the Facilities Department and estimates revenues conservatively based on business currently booked for 2019.

Fair revenue is expected to increase 3.5% or \$58,151 compared to 2018 forecast with expected increases in attendance generated through new programming.

Satellite Wagering revenue is projected to decrease 8% or \$206,148 due to decline seen annually beginning in 2015. Staff is evaluating and concentrating efforts to decrease expenses within the department.

Other 2019 Departmental expenses are projected near 2018 actuals and staff has been instructed to seek out costs saving measures within each department.

We would like to thank SMCEC Management Staff for their contributions to the 2019 budget, as well for their dedication and hard work.

We would like to thank the County Manager's office, Board of Supervisors and the San Mateo County Exposition and Fair Association Board of Directors for their support and guidance in our efforts toward the continued success of the San Mateo County Event Center, Fair operations.

We respectfully request approval of the proposed 2019 budget.