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22ND DISTRICT AGRICULTURAL ASSOCIATION
BOARD OF DIRECTORS MEETING

(TELECONFERENCE)

TUESDAY, APRIL 9, 2024

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Transcribed by:

QuickCaption, Inc.

3457 Arlington Avenue, Ste. 104

Riverside, CA 92506

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1 IN ATTENDANCE

2
3 22ND DISTRICT AGRICULTURAL ASSOCIATION BOARD OFFICERS:

4 FREDERICK SCHENK, PRESIDENT

5 MICHAEL GELFAND, 1ST VICE PRESIDENT

6 G. JOYCE ROWLAND, 2ND VICE PRESIDENT

7
8 22ND DISTRICT AGRICULTURAL ASSOCIATION BOARD DIRECTORS:

9 MARK ARABO

10 LISA BARKETT

11 PHIL BLAIR

12 KATHLYN MEAD [Via Zoom]

13 DON MOSIER

14 SAM NEJABAT

15
16 22ND DISTRICT AGRICULTURAL ASSOCIATION STAFF:

17 CARLENE MOORE, CHIEF EXECUTIVE OFFICER

18 MELINDA CARMICHAEL, CHIEF ADMINISTRATIVE OFFICER

19 KATIE MUELLER, CHIEF OPERATIONS OFFICER

20 TRISTAN HALLMAN, CHIEF COMMUNICATIONS OFFICER

21 DONNA O'LEARY, OFFICE MANAGER

22 HENRY RIVERA, PRODUCTION DIRECTOR

23

24

1 22ND DISTRICT AGRICULTURAL ASSOCIATION COUNSEL:

2 JOSHUA CAPLAN, OFFICE OF THE ATTORNEY GENERAL

3

4 OTHER PRESENTERS:

5 ASHLEY JONES, DEL MAR CITY MANAGER

6 AMANDA LEE, PRINCIPAL PLANNER, CITY OF DEL MAR

7 SARINA MORETTI, DIRECTOR OF PRIVATE EVENT SALES,

8 PREMIER

9 MARK WIGGINS, GENERAL MANAGER, PREMIER

10

11 PUBLIC COMMENTERS:

12 MIKE SCHAFER

13 MACK McAVANIA

14 ALAN

15 LAURA DEMARCO

16 MARTHA SULLIVAN

17 WHITNEY HODGES

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DEL MAR, CALIFORNIA

TUESDAY, APRIL 9, 2024 - 1:30 p.m.

PRESIDENT SCHENK: Good afternoon, everyone. We will get started. I want to welcome everyone in the room.

I want to welcome everyone to the April 9, 2024 of the 22nd District AG Board of Directors meeting. We will be taking some items out of order. We are going to start with roll call. And then we will, I will invite public comment on matters not on the agenda. And then we are going to go into executive session because we have a matter that needs to be taken care of and the certain people who will be joining us have a limited window of time available. To accommodate, we are going to take things a little out of order. But we will take public comment first in case that is a reason people are visiting with us this afternoon.

MS. O'LEARY: President Schenk?

PRESIDENT SCHENK: Here.

MS. O'LEARY: Vice President Gelfand?

MR. GELFAND: Here.

MS. O'LEARY: Vice President Rowland?

MS. ROWLAND: Here.

MS. O'LEARY: Director Arabo?

1 MR. ARABO: Here.

2 MS. O'LEARY: Director Barkett?

3 MS. BARKETT: Here.

4 MS. O'LEARY: Director Mead.

5 MS. MEAD: [Inaudible]

6 MS. O'LEARY: Director Mosier.

7 MR. MOSIER: Here.

8 MS. O'LEARY: Director Nejabat.

9 MR. NEJABAT: Here.

10 MS. O'LEARY: And Director Mead are you with us?

11 PRESIDENT SCHENK: She is not but we will recognize her when

12 she joins. With that, as I indicated we will be going into

13 closed session after I take public comment on matters not on the

14 agenda, which is the agenda item #4.

15 I do have two individuals who wish to speak who are remote,

16 but I'm going to start with people that are physically here in

17 the room. If there's anyone who wishes to address the board

18 regarding public comment on matters not on the agenda, please

19 queue up at the microphone and we will just go in order. And you

20 each have two minutes to address the board.

21 Then once those present are done, we will invite those that

22 are on the phone or remote access to speak to the board as well.

23 Good afternoon, sir.

24 MIKE SCHAFER: Hi, Mr. Chairman Schenk, I'm Mike Schafer

1 with the Board of Equalization in Sacramento. I have meetings
2 like this myself every month for a couple of days. Since we are
3 all in the same business in the State of California, I did want
4 to come by and pay my respects.

5 I want to tell you I've been doing business with this group
6 since the 1940s. I used to enter my chickens in the Del Mar Fair
7 every year and got my parking pass from my parents and free
8 tickets to the fair. I was good friends with a Board Member. I
9 was City Council in San Diego and that came with free tickets to
10 the Race Track. I have fond memories of meeting Mr. Hoover and
11 Jimmy Durante. I only had one concern today. There's an issue
12 bugging me up in Sacramento. Do you allow people to speak to you
13 anonymously, or not?

14 PRESIDENT SCHENK: We do.

15 MIKE SCHAFER: You do.

16 And then the, Utilities Commission and some other groups,
17 they don't say that on their agenda. They just say speakers who
18 want to speak, you know, are able to but they don't get into if
19 it's anonymous or not. If they want to be anonymous we
20 capitulate and allow them. Others say if you don't want to give
21 your name if you want to speak you don't have to.

22 I have a lawsuit pending in the superior court as to that
23 very issue because the statute, company called the cover, see
24 the issue speaks only of attendance, you have a right to attend.

1 It doesn't say anything about presentation. As you know from
2 frequent stories there are people who have used the "N" word and
3 other profanities.

4 MS. O'LEARY: Mr. Schafer, your time is up.

5 MIKE SCHAFER: Also I saw a story about -

6 PRESIDENT SCHENK: Sir, your time has elapsed.

7 MIKE SCHAFER: I just wanted to leave you the story in the
8 paper about the L.A. County Fair opening up in a couple weeks.

9 PRESIDENT SCHENK: Thank you, so much for visiting with us,
10 I appreciate it. I have seen some of those photographs. I missed
11 seeing your likeness next to Lucille's, I will have to look more
12 carefully next time. But thank you for joining us.

13 Thank you so very, very much. Good afternoon, sir.

14 MACK McAVANIA: My name is Mack McAvania. I'm here on behalf
15 of Narcotics Anonymous. I have distributed pamphlets who we are.
16 We would like to participate in what I believe is called a
17 community corner. We used to be an infield, since that shifted
18 we haven't participated for a reason I'm not sure of. But
19 anyhow, I started with Paul Blaney and passed onto Kathy Osden
20 to see about an application process, and haven't received an
21 answer yet. Since the weather was nice. That's all.

22 PRESIDENT SCHENK: Thank you so very much for what you do.
23 We will make sure you get to meet with the right people. Thanks
24 for your time.

1 MS. ROWLAND: That's Katie, by the way.

2 PRESIDENT SCHENK: That is Katie. Who is apparently
3 approaching you with some -

4 MS. ROWLAND: A card.

5 PRESIDENT SCHENK: A business card, perhaps. Thank you, sir.

6 ALAN: My name is Alan, I think I might need Christian's
7 support here. I sell Haagen-Dazs ice cream for a number of
8 years. I've been selling ice cream since 1982. A lot of our
9 brands came here through Albertsons at the time. Not to blame
10 everything on COVID. Since that happened, the last few years I'm
11 a San Diego resident, lived in Oceanside since 1986. We love the
12 Del Mar Fair. Best Fair in the country or the United States. I
13 was trying to inquire, who do I talk to to get Haagen-Dazs back
14 in the Fair? It's been missing. Thank you so much for your time.

15 PRESIDENT SCHENK: We look forward to seeing you at the San
16 Diego County Fair.

17 ALAN: Can I bring samples next time?

18 MS. BARKETT: Please don't.

19 PRESIDENT SCHENK: Wait until you have a contract. Don't
20 bribe us. Nice to visit with you. Thanks for coming.

21 LAURA DEMARCO: I love ice cream too. Anyway, the reason I'm
22 here, I just wanted to share with you a couple of really
23 important things about equestrian sports. Number one, because
24 San Clemente didn't follow through on their water remediation,

1 the water board told them in two weeks they are shut down. That
2 means every equestrian in Southern California is going to be
3 coming to Horse Park.

4 So right after the fair, I mean I'm sorry, that weekend,
5 there's going to be a horse show. So there will be 499 horses.
6 And anyway, HITS has said there's an issue about parking for the
7 fair because of the parking plan includes parking in the ebb and
8 flow arenas and other areas where there's over a million
9 dollars' worth of infrastructure that would either be damaged or
10 displaced.

11 There is a way to accommodate both uses. Great fair
12 parking, 2600 spaces, as well as all these equestrians coming
13 down here.

14 As you know, one of the things, this is a Hunter/Jumper
15 show. Horses are very sensitive to footing and everything.
16 There's not enough turnaround time to repair the arenas that
17 would be used for parking. And also provide the proper footing
18 and everything.

19 I would highly encourage your staff to work closely with
20 HITS to figure out a way to not displace or destroy that.
21 Because then it creates, it really interferes, I think,
22 personally with your insurance waivers.

23 So, as some you have seen, those Hunter/Jumper shows, they
24 are great. We really want everything to protect the horses and

1 riders. Thank you.

2 PRESIDENT SCHENK: Thank you very much. Are there any other
3 individuals who would like to speak to us who are sitting in the
4 room? All right. Then I'm going to turn to -- oh, Director
5 Mead has joined us. Would you kindly acknowledge your presence,
6 Director Mead?

7 MS. MEAD: Present.

8 PRESIDENT SCHENK: Thank you, you will be added to the roll
9 call as present. Any other members of the public who would like
10 to comment on matters not on the agenda that are in the room.
11 With that we will turn to those appearing remotely. And Ms.
12 Sullivan?

13 MARTHA SULLIVAN: Hello, this is Martha Sullivan.

14 PRESIDENT SCHENK: Good afternoon.

15 MARTHA SULLIVAN: Good afternoon, I wanted to share an
16 interview published in the L.A. Times last Friday of the CEO of
17 first racing and gaming which owns Santa Anita Park. The
18 question posed by John Sherwood of the L.A. Times said in what
19 world does it make sense to lose \$31 million over five years
20 sitting on valuable property and continue with that business,
21 end quote. Meaning horseracing. Butler's answer, the company is
22 a horseracing and wagering company. You have to look at our
23 total ecosystem, wagering co-production and content. It's a big
24 production but all reliant on the output of the track. If it's

1 just the Race Track then the conversation say short one. There
2 are many conversations than Santa Anita as the impact of
3 everything we do. Lucky for us we have very good businesses that
4 carry the water for us. Santa Anita is a stand-alone, it's
5 really underperforming. If we didn't have the total ecosystem we
6 would be in trouble. There's a lot more reliance on Santa Anita
7 than just Santa Anita, there's Amtote, Xpressbet, 1/ST Bet,
8 production, content, sales.

9 But if Santa Anita keeps underperforming then decisions
10 will have to be made. I just want to share with you that one of
11 the biggest days of the year this past Saturday, the Santa Anita
12 Derby Day wagering was down 12.5% from last year.

13 So Santa Anita keeps underperforming. And decisions will
14 have to be made. Which will affect Del Mar. Thank you.

15 PRESIDENT SCHENK: Thank you, Ms. Sullivan. I do see there
16 was a Mike Schafer who requested an opportunity to speak. Mr.
17 Schafer? Oh, that was the one in person? Okay, very good. All
18 right.

19 It was nice he showed up. Is there anybody else who would
20 like to speak to the board on public comment on matters not on
21 the agenda?

22 All right. Seeing none. We are going to take a break and go
23 into executive closed session. I don't think we will be more
24 than 30 minutes, hopefully. It's not a long agenda today but one

1 that has to be dealt with earlier rather than later.

2 We will be in recess and reconvene, hopefully in around 30-
3 40 minutes at the most. I will invite everybody to enjoy the
4 beautiful weather outside and the board will take five minutes
5 and then reconvene.

6 [Recessed to Closed Executive Session at 1:43 p.m.]

7 [Reconvened to Open Session at 2:50 p.m.]

8 PRESIDENT SCHENK: We are ready when you are. Kathlyn is on.
9 We will reconvene our meeting for the April 9th, 22nd DAA Board
10 of Directors meeting.

11 Let's turn and we have had a roll call. And we did add
12 Director Mead earlier. So let's turn to the consent calendar.

13 Director Mead, are you with us?

14 MS. MEAD: I think I am, but I'm looking at the top and my
15 video doesn't seem to be working. Are you hearing me?

16 PRESIDENT SCHENK: We hear you.

17 MS. MEAD: Okay, let me play around with trying to get
18 myself on screen.

19 I think what I'm going to do is to pop out and pop back in
20 and see if I can come in with the screen. Because it shows that
21 my video is on. But I'm getting just a black screen. So don't
22 let me interrupt. I will come out, continue, go out and I will
23 come back in.

24 PRESIDENT SCHENK: We will wait a few moments for you.

1 MS. MEAD: All right, I'll be right back.

2 PRESIDENT SCHENK: While we are doing that, let me, just for
3 the record, be clear. The Board of Directors considered the
4 advice of counsel on items listed on the closed session portion
5 of the agenda. And we have nothing further to report out.

6 Okay.

7 There we are. Well, welcome back. Are you able to hear us?

8 MS. MEAD: Hello. Can I hear you just fine.

9 PRESIDENT SCHENK: We can hear you. Great.

10 We will go onto item #3, the consent calendar.

11 Are there any questions or points of clarification by the
12 board? If not, we will go ahead and have you --

13 We do. I'm sorry, we do. Martha Sullivan. Well, let me ask,
14 is there anyone in the audience here who wants to comment on the
15 consent calendar? If not, we will go with Ms. Sullivan.

16 Ms. Sullivan, would you like to address the board with
17 regard to the consent.

18 MARTHA SULLIVAN: Yes, please. This is Martha Sullivan. I
19 would.

20 I have a comment about the sponsorship agreement, SPO24-004
21 with Sharp Business Systems.

22 I have to say, in this digital age, I find it really
23 implausible there's enough need for copiers and the supplies and
24 service thereof to justify. I mean they get freebees from the

1 thoroughbred club and the fair. It's four mission packs and one
2 parking pass and 25 single-day parking passes.

3 Skybox for a concert, four tickets to mutually decided upon
4 concerts and logo at each entrance. My first reaction is the
5 sponsorship agreement seems to be a cover for a sole source
6 contract.

7 But then my more urgent thought is again, in this digital
8 age, I find it really kind of amazing there's this much copying
9 going on. By either the fairgrounds or Del Mar Thoroughbred
10 Club. It just kind of boggles my mind.

11 I guess, in a way I would like to pull the contract and
12 actually discuss it. Because it just seems like a ridiculous
13 premise in this day and age.

14 PRESIDENT SCHENK: All right. Any other persons who wish to
15 address the board? All right. If not I will entertain a motion
16 to approve the consent calendar.

17 Motion has been made by Director Gelfand, seconded by
18 Director Barkett.

19 [Inaudible]

20 PRESIDENT SCHENK: I didn't hear her ask for that. I thought
21 she was making a point about it. Which is the purpose of the
22 public comment.

23 I didn't hear the request being made. I will ask. Ms.
24 Sullivan, were you asking that be taken out?

1 I'm not hearing her response.

2 MARTHA SULLIVAN: Yes, I asked this contract be pulled from
3 the consent calendar.

4 PRESIDENT SCHENK: Okay, I didn't hear that.

5 MARTHA SULLIVAN: And that the board discuss it.

6 PRESIDENT SCHENK: All right. We will pull that from consent
7 calendar. Aside from that -

8 MARTHA SULLIVAN: Thank you.

9 PRESIDENT SCHENK: Sure, of course. There's been a motion
10 and a second. Any discussion from the board?

11 We will take roll.

12 MS. O'LEARY: President Schenk?

13 PRESIDENT SCHENK: Aye.

14 MS. O'LEARY: Vice President Gelfand?

15 MR. GELFAND: Aye.

16 MS. O'LEARY: Vice President Rowland?

17 MS. ROWLAND: Aye.

18 MS. O'LEARY: Director Arabo?

19 MR. ARABO: Aye.

20 MS. O'LEARY: Director Barkett?

21 MS. BARKETT: Aye.

22 MS. O'LEARY: Director Blair.

23 MR. BLAIR: [Off Mic]

24 MS. O'LEARY: Director Mead?

1 MS. MEAD: Aye.

2 MS. O'LEARY: Director Mosier?

3 MR. MOSIER: Aye.

4 MS. O'LEARY: Director Nejabat?

5 MR. NEJABAT: Aye.

6 MR. CAPLAN: Point of clarification. Was there a motion and
7 second for the Consent Calendar?

8 PRESIDENT SCHENK: Yes there was. So should we deal with
9 that separate issue at that point? Okay. So there was a request
10 that we pull, and it was difficult for me to hear. Do we have
11 the section?

12 MS. MOORE: You can find the agreement starting on page 43
13 of your packet. The request was to pull sponsorship 24-004 with
14 Sharp Business Systems. This is an agreement for - and we have
15 several sponsorship agreements we do in partnership with the
16 Thoroughbred Club for the realized added value it can bring to
17 it.

18 So this is for the, I would say copier, but really all-in-
19 one machines. Printers and copiers that we use here at the
20 District, as well as for the Thoroughbred Club. This was after
21 going through an analysis what that would look like if we would
22 purchase or lease. It's been a sponsorship we have had for
23 several years now. And this is the renewal of it. After having
24 evaluated this is a better deal than us paying for those systems

1 without a sponsorship.

2 With that being said, as much as we also appreciate and
3 have been migrating to and work toward a digital world for
4 ourselves as well, we are not there yet. As a state institution,
5 the work that we have, such as even the books before you, does
6 require a fair amount of printing. This has reduced the number
7 of overall machines because of the changes we have made. But we
8 do still require them for use.

9 They also provide scanning capabilities, email, sorry, fax
10 capabilities, file storage, things of that nature. Not just
11 printing.

12 PRESIDENT SCHENK: All right. Thank you.

13 Just for purposes of the record is there need for
14 additional public comment? Ms. Sullivan has already spoken to
15 this, Mr. Caplan. But I want to make sure.

16 MR. RIVERA: Martha has her hand up, I just let her back in
17 the room.

18 PRESIDENT SCHENK: Ms. Sullivan, I will give you another
19 opportunity, if you would like, to speak to this particular line
20 item.

21 MARTHA SULLIVAN: Thank you. I appreciate CEO Moore
22 explaining it further.

23 One thing I would say is the responsibility of the sponsor
24 of paragraph 19 only refers to copiers. Supply and service

1 copiers and supplies for both the district and DNCC. If it's
2 more than copiers you better specify that in the agreement.

3 Two, you say that you had this for several years,
4 previously. And I appreciate that you have done some kind of
5 evaluation and are now considering renewing it.

6 But things really have changed. And I guess I would
7 seriously question, you know, how hard you look at your current
8 needs, and what exactly it is the District needs, you know, for
9 future.

10 I also want to say, if this is the kind of procurement that
11 can be fulfilled by local businesses, which this state should be
12 trying to provide business to.

13 On that basis as well, I really think the District should
14 reconsider this.

15 And at best you need to specify the equipment you are
16 actually expecting to get from Sharp in the sponsorship
17 agreement. Because right now it just says copiers.

18 PRESIDENT SCHENK: All right. Thank you.

19 MARTHA SULLIVAN: Thank you.

20 MR. NEJABAT: I think we have a slight mistake as well, year
21 2025 is missing.

22 It's in the title.

23 MR. RIVERA: Can you make sure you get your microphones. We
24 aren't able to hear.

1 MR. NEJABAT: Item 1 is missing the year 2025 but it's in
2 the title. Slight oversight.

3 PRESIDENT SCHENK: I see that, that needs to be changed,
4 thank you, Director Nejabat.

5 There was an offer of a motion to be made, Director Blair
6 made that. Is there a second?

7 MR. MOSIER: Second.

8 PRESIDENT SCHENK: Director Mosier has seconded the motion.
9 Any other discussion by the board on this?

10 MS. ROWLAND: My understanding is they are providing copiers
11 and multi-functional printers?

12 MS. MOORE: Yes.

13 MS. ROWLAND: That's what they do?

14 MS. MOORE: Yes.

15 PRESIDENT SCHENK: Okay, any other questions or comments?
16 All right. We will --

17 MS. ROWLAND: By the way, I don't think anyone just supplies
18 just copiers any more. Even my printer at home has all of the
19 those functions you just described.

20 PRESIDENT SCHENK: It's business systems.

21 MS. ROWLAND: Copiers have those functions. It could be
22 clearer, but I think it's perfectly adequate.

23 PRESIDENT SCHENK: The motion before us is approval of SPO-
24 24-004 found on page 44 of our agenda packet.

1 MS. O'LEARY: President Schenk?

2 PRESIDENT SCHENK: Aye.

3 MS. O'LEARY: Vice President Gelfand?

4 MR. GELFAND: Aye.

5 MS. O'LEARY: Vice President Rowland?

6 MS. ROWLAND: Aye.

7 MS. O'LEARY: Director Arabo?

8 MR. ARABO: Aye.

9 MS. O'LEARY: Director Barkett?

10 MS. BARKETT: Aye.

11 MS. O'LEARY: Director Blair?

12 MR. BLAIR: Aye.

13 MS. O'LEARY: Director Mead?

14 MS. MEAD: Aye.

15 MS. O'LEARY: Director Mosier?

16 MR. MOSIER: Aye.

17 MS. O'LEARY: And Director Nejabat.

18 MR. NEJABAT: Aye.

19 PRESIDENT SCHENK: The motion carries unanimously. We will

20 move on to the executive report.

21 MS. MOORE: If I could, President Schenk, could we move to

22 General Business, specifically item A because we have members

23 from outside the organization to speak on that topic?

24 PRESIDENT SCHENK: Absolutely --

1 MS. MOORE: And given we went out of order.

2 PRESIDENT SCHENK: Absolutely. It will just be more
3 juggling, but we are animated, we can handle that.

4 We are going to go down and we will come back to the
5 executive report. But for now we will go onto, we will handle
6 all of general business and then come back to the executive
7 report.

8 6A Affordable Housing Committee report? Director Mead?

9 MS. MEAD: I'm going to ask Carlene if she would take this,
10 since I'm not in the room. Thank you, Carlene.

11 MS. MOORE: You are welcome. Just as an update, there is a
12 report in your packet beginning on page 99.

13 But with that, there were some questions that came up as we
14 were considering and approving the exclusive negotiating rights
15 agreement around some of the specificity of the City of Del
16 Mar's sixth cycle housing element. It's a mouthful to say.

17 We do have representatives here today. But I also wanted to
18 share with you that, this morning, I believe it was, the county
19 board of supervisors was considering a resolution at this
20 meeting in support of the ENRA. They held a press conference
21 here yesterday, with representatives from the Del Mar City
22 Council, the mayor, and this is being brought forward by
23 supervisor Terra Lawson-Remer. In addition to that we were
24 joined by our first Vice President, Michael Gelfand for that,

1 who was able to attend in the absence of our President Schenk.

2 So with that, and this is around the support and was
3 previously shared, the support that would be sought for the
4 submittal of the ENRA, the agreement between the District and
5 the city, with regard to their requirements.

6 So with that, I will have City Manager Ashley Jones come up
7 to help us understand the requirements around this, what the
8 city is facing.

9 And again, just as a reminder, the agreement - the
10 exclusivity is on our part of working with the city. Not that
11 the city couldn't be considering other options for housing,
12 which seems to be the big driving questions, just how many
13 affordable housing units is the assignment. With that, Ashley?

14 ASHLEY JONES: Thanks so much, Carlene. Good afternoon,
15 President Schenk and members of the Fair board. I'm Ashley
16 Jones, city manager for the City of Del Mar. We appreciate being
17 invited to share a little bit more about our housing element,
18 what is required.

19 First and foremost I want to start by thanking the board
20 for your collaboration and partnership. It's been wonderful to
21 work with your staff. We are really looking forward to working
22 on, as you all know, the effective date of the ENRA is April
23 15th which is next Monday. We are really excited to get started
24 on that process, which is a 24-month process, as you all know.

1 I'm joined by our assistant city attorney Ralph Hicks, our
2 planning and community development director, Karen Brindley, and
3 our principal planner Amanda Lee, all of which have been heavily
4 involved in not only the housing development but the ENRA and
5 will be heavily involved in that process moving forward, in
6 addition to myself.

7 We will start with Amanda providing a high-level overview
8 of our housing element, the programs that are really specific to
9 our RHNA and low-income housing units. And specific to the
10 fairgrounds. And we are happy to answer any questions. So I will
11 turn to over to Amanda.

12 AMANDA LEE: Thank you, Ashley. And thank you all for your
13 partnership in addressing this statewide priority. I will
14 quickly cover what the city had to do, what we did, and the next
15 steps. The city was assigned 175 units as its regional housing
16 needs allocation, housing element years 2021-2029. So 113 of
17 those 175 units are for lower income households.

18 The city has already satisfied the remaining 62 above-
19 moderate and moderate income units. Our housing element's
20 strategy focus is on lower income units which we know is
21 expensive to build, but it's much needed. And right now it's
22 running about \$600,000 to \$900,000 per unit. So this is going to
23 require many strategies.

24 Our plan for these 113 lower income units and 100

1 additional affordable units includes a variety of strategies. We
2 are using public land to create at least 61 lower income units
3 at the fairgrounds and at two of our city owned smaller
4 properties, that's about 54% of the overall commitment.

5 We anticipate at least 52 lower income units on private
6 properties through density bonus projects and other incentives
7 such as a new program allowing openers to build new market rate
8 units in exchange for restricting older apartment units as low
9 income. And density bonus project opportunities that have been
10 created along the commercial corridor. So that's along Camino
11 Del Mar and along Jimmy Durante Boulevard.

12 There are multiple site options to address the multiple
13 units needed. It's not just the fairgrounds.

14 The state partnership for the fairgrounds housing is a
15 priority program for the city. This is because it's the most
16 realistic and feasible location. It's one of very few locations
17 in Del Mar that is large enough to accommodate at least 50 units
18 which is the typical minimum that developers are seeking for
19 affordable housing projects.

20 There's also regional and state support which has been
21 mentioned.

22 So our fairgrounds housing program which is program 3A in
23 our housing element reflects these unique aspects. The ongoing
24 multi-agency coordination and all the other extra public

1 processing steps required of this type of project. That's been
2 recognized by HCD.

3 Our first commitment was completion of preliminary
4 feasibility studies, which we completed in 2022 and 2023. This
5 included studies that identified the financial feasibility for
6 housing at the fairgrounds and two potential sites studied in
7 the northeast and southeast locations on the fairgrounds
8 property.

9 We have architectural concepts that show this can generally
10 work anywhere, any developable one-acre site area on the
11 fairgrounds property.

12 The second part of that commitment was timely execution of
13 an agreement to demonstrate continued forward-progress toward
14 development of affordable housing on a fairground site that is
15 within the City of Del Mar boundary. The ENRA executed in March
16 2024 meets this commitment, which releases the city of its
17 contingency program in the housing element, meaning the city is
18 not required to rezone property on the north bluff or south
19 bluff because that was only contingent on timely execution of
20 the ENRA by April 2024.

21 The ENRA is a commitment to select an exact site on the
22 fairgrounds within two years. The housing element specifies the
23 next step is to complete negotiations, which will involve
24 coordination on feasibility studies to select the exact site,

1 and to execute a ground lease. And will be followed by developer
2 selection, CEQA review and permit processing per the standard
3 development processes.

4 The 2024 state budget has \$1.5 million in cycle 2 housing
5 acceleration program grant funds, that were already allocated to
6 this project by HCD and SANDAG and that's to cover feasibility
7 studies, which comes out of the region's REIT 2.0 funds which is
8 the same funding source for earlier studies on public sites,
9 including the fairgrounds studies that we completed as well as
10 private sites throughout the city.

11 The next set of studies includes supplemental site design
12 feasibility, economic studies, and assessments of transportation
13 access, environmental studies and infrastructure at the
14 fairgrounds.

15 This is critical for coastal development plans. And in June
16 we will be able to share with you details on flood adaptation
17 needs on both sides of the river banks to help with your
18 strategic planning and this public partnership.

19 Execution of the ENRA and these studies are in the grant
20 agreement. That's with the schedule and milestones for
21 construction of affordable units by June of 2031 which aligns
22 well with the current timing of where we are today.

23 The main take-away is the fairgrounds is much-needed to
24 create at least 61 lower income units. But in addition to the

1 fairgrounds housing, the other half of the lower income units
2 are still needed elsewhere, so it's not just all on the
3 fairgrounds. To do so the city already approved two projects
4 that will produce 12 lower income units, eight low income, and
5 four very low-income units once those permits are complete.

6 The additional 44 lower income units will need to come from
7 private development.

8 Some have misinterpreted another project as addressing this
9 in place of the fairgrounds. But that is not the case. That
10 particular applicant has not completed the application and
11 process.

12 A developer is requesting to develop 42 lower income units
13 on a coastal bluff in a larger mixed income project that's
14 mostly market rate units, and that would yield about 20 fewer
15 lower income units than what you would get out of the
16 fairgrounds project, which is 61, meaning it falls well short of
17 our affordable housing need. It's fairgrounds plus additional
18 units.

19 The reality is the city and the region very much need these
20 61 lower income units at the fairgrounds as well as private
21 sector development of low, very low, and extremely low-income
22 units.

23 And another point is that all development, including any
24 development at the fairgrounds is subject to protection of

1 coastal resources, which has been planned for in these projects.

2 We thank you for your time and we are available for
3 questions.

4 PRESIDENT SCHENK: Thank you. Any Board members have
5 questions?

6 MR. ARABO: I have a question.

7 PRESIDENT SCHENK: Director Arabo.

8 MR. ARABO: Thank you for coming. It was my understanding
9 when the board met to discuss the development, it was to
10 discuss, it was a study, and the board, correct me if I'm wrong,
11 did not make a decision if we are going to do housing or we are
12 not going to do housing. It was more, let's enter into an
13 agreement exclusively with Del Mar and let's study it.

14 PRESIDENT SCHENK: Right.

15 MR. ARABO: Recently with the press conference yesterday and
16 today, the sense I'm getting is we need it, we need it, let's do
17 it. As opposed to studying. I'm a big advocate and I believe we
18 need affordable housing all throughout the state. It's a crisis.

19 One thing I was surprised with is this letter from
20 SheppardMullin, I guess another development in the City of Del
21 Mar, for one reason or not it was approved or not approved.

22 My question is, I personally don't see items as mutually
23 exclusive. I know if one development can't get everything, why
24 not get a bunch of developments and put affordable housing

1 everywhere?

2 What's the view of the city on this specific development?

3 Because the idea was, let's put as many units or find a place to
4 do as many as we can. And for the city, or any other city to say
5 this is Del Mar, State Ag's issue, we need this property, my
6 personal opinion is we are happy to be part of the solution, but
7 not the total solution. I do feel that, based on our last Board
8 Meeting, was this is a study.

9 I just don't want everyone to get -- not just the press,
10 but the board of supervisors to get ahead of ourselves and to
11 really look at it, with the coastal commission, with the city,
12 with every other agency, because it's a really big deal.

13 PRESIDENT SCHENK: Right.

14 MS. JONES: I'm happy to respond. There was a lot in that,
15 I'm happy to unpack. As Amanda mentioned our singular focus is
16 not just the fairgrounds. We are trying to achieve these units
17 through all kinds of different programs and mechanisms.

18 The fairgrounds is one program of many programs.

19 I'm limited into what I can talk about related to the
20 Seaside Ridge project which you mentioned, and you have a letter
21 in your packet from the attorney that represents that project.
22 But what I can say is the development application has been
23 denied because it's incomplete. I think that's really one of the
24 most important points in that these are two very different

1 projects.

2 You have a project being pursued by a public agency with
3 another public agency as one of many strategies and programs to
4 achieve affordable housing units. You have a private development
5 project that's been submitted to the city and is being processed
6 and evaluated like any other project, that's being deemed
7 incomplete.

8 I want you to understand any projects that are viable
9 projects that follow the application process and meet the
10 requirements for development are being fairly considered by the
11 city. I really hope that's clear.

12 I also want to echo your comments and also your sentiments
13 about, you know, when we talk about what is envisioned at the
14 fairgrounds and where we are today with an exclusive negotiating
15 rights agreement, is that this is the very first step in a long
16 process.

17 This is that study process. It's looking at, and working
18 with the fairgrounds while you are doing your master planning
19 effort to figure out, where could this housing go? And what's
20 going to be involved with that? And doing site due diligence and
21 doing all the things necessary to come out of this two-year
22 process, with hopefully, I mean our hope, obviously with the
23 city, and what I'm hearing from the Fair Board is a willingness
24 to consider moving forward with a future housing development.

1 But this two-year process is really going to inform if that's
2 possible and how that may shape up moving forward.

3 PRESIDENT SCHENK: Right, this is a green light to go
4 forward, rather than saying we aren't interested and see you
5 later.

6 MR. ARABO: To follow-up that point, I just hope, and I
7 think I see it, the tenacity to build on the fairgrounds is the
8 same exact tenacity for every development that is proposed.
9 Because hopefully it's an all in - no stone is left unturned,
10 and we are all part of the solution together.

11 PRESIDENT SCHENK: It requires due diligence and active due
12 diligence on all sides.

13 MR. GELFAND: There's a comment made by the planner, I
14 didn't get your name, that implied that this is a done deal. The
15 only question is where it's going to be located. Can we get some
16 clarity on where we are in that regard?

17 MS. JONES: Yes, I think, and to clarify Amanda's comments,
18 I think Amanda was trying to layout the overall steps in a
19 process that would lead from consideration to ultimate
20 development of units, just so you have an understanding of the
21 different steps in the process and what needs to happen along
22 the way.

23 But the commitment that's been made as part of the ENRA is
24 really studying and understanding where, how, how many and when.

1 And whether or not this moves forward is really going to be what
2 comes out of this two-year negotiating process. And the
3 collaboration between the city and your team and what
4 ultimately what your board decides for your property.

5 PRESIDENT SCHENK: Director Blair?

6 MR. BLAIR: You talked about potential 52 on private land.
7 Is that the bluffs, is that the same - is that where the 54 are?
8 Or are there two issues, one is a bluff and another on private
9 land?

10 MS. JONES: Amanda gave you a couple different numbers. With
11 regard to, if you are asking specifically about the development
12 project that's been submitted for the North Bluff, is that what
13 you are asking about? Of the total, and don't quote me, it's
14 roughly around - anyone watching, I don't have all these numbers
15 in my head.

16 I think there's roughly 259 units proposed for that
17 project. Of those, 42 would be for low, very low and extremely
18 low. Those would be the affordable units in that much larger
19 project. So that's the number that Amanda was clarifying.

20 MR. BLAIR: Is there another project being considered that
21 has 54 units on private land? Or is that the same one?

22 MS. JONES: So the number, when you have heard 54 units,
23 part of that is what is in our housing element is that we have
24 to get a minimum of 54 affordable units here at the fairgrounds.

1 Amanda also mentioned we had done some early feasibility
2 studies. That looked at the fairground site and two small sites
3 owned by the city that could accommodate - one parcel could
4 accommodate three units, the other parcel could accommodate four
5 units.

6 It's looking like those are going to be very difficult to
7 develop. So anybody who knows about the development community,
8 when you are talking about very small-scale projects like that,
9 that's not very attractive for a developer, there's not a lot
10 for them to get out of that. A lot they put into it and not a
11 lot that comes out financially for them. That's why when we talk
12 about the fairgrounds, we are looking at trying to scope a
13 project that could yield 61 units in case we aren't able to get
14 those additional 7 units at those two smaller sites. We know
15 that is probably not going to be very feasible. That doesn't
16 mean we aren't trying.

17 To get back to the other board member's concern, we are
18 still moving forward with that. Exploring opportunities for
19 that. Looking at things we can do to try to achieve those units.
20 Maybe it's not going to be a traditional housing project. We
21 will look at different types of housing that could be developed
22 on those sites that could yield those units.

23 MS. LEE: I want everyone to be able to follow the math. You
24 took good notes there. Overall we have a commitment of 113 lower

1 income units. When you subtract out the 61 we are seeking on
2 public sites which Ashley covered, we have that gap of at least
3 52 additional lower income units we need to yield.

4 We have many, many sites we have identified. But they are
5 small sites, so what Ashley is alluding to, when we get a
6 project we are probably just getting one very low-income unit
7 out of that whole project. So it takes many projects to piece
8 together to get the 52. And that's just an initial target. HCD's
9 target is we go above and beyond and have 100 additional
10 opportunities. We can't be fine just at the 113. We followed the
11 math. That 52 bucket is all these private sites. So we are
12 welcoming any development applications that come in and we'll be
13 processing those produce affordable housing.

14 MR. BLAIR: Knowing Del Mar there's probably not a site you
15 will attract a builder, developer to put 52 or 54 on one site,
16 right?

17 MS. JONES: That's accurate. Most of you are very familiar
18 with Del Mar. We're a tiny little postage stamp of a town. We
19 have 2.2 miles, of that, I think 1.6 or 1.7 is buildable, and we
20 are a substantially built out community, there is very little
21 buildable land where you will be able to get the number of units
22 in a stand-alone project to really attract a development
23 partner.

24 What we are seeing on the private development side are

1 private development projects that have some affordable housing-
2 set aside units. To Amanda's point, it's still a very small-
3 scale development project, out of the overall development they
4 are required to include a couple of affordable units. This is
5 definitely going to be really scraping together our number
6 through a variety of different mechanisms.

7 MR. BLAIR: My point is not to belabor this, but as we go
8 down the path to 61, how are you going to get your other 52 or
9 54 with onesie, onesie, onesie? And what does that do if you get
10 61 and then only build 4 others?

11 MS. JONES: There's a couple of things. What we are required
12 to do - eventually you will say wrap up and leave, because we
13 can talk about this all day long. We are well versed in it, we
14 have all these different projects and programs, if you watch our
15 City Council meetings we are almost at every meeting talking
16 about rezoning and what that will do and how that's going to
17 incentivize development and how that will yield units.

18 At our upcoming City Council meeting on the 15th you will
19 hear about density bonus law and how we are going to update our
20 ordinance. And everything is all about incentivizing
21 development, trying to accommodate affordable units so we can
22 get as many as possible in town.

23 MR. BLAIR: Thank you.

24 MS. MEAD: Director Schenk? Kathlyn. This is Kathlyn Mead. I

1 would just like to add a bit a clarification. And maybe pile on
2 a little bit on Director Arabo's comments.

3 I continually hear that what you need is the 61, you will
4 have 54 or whatever the number is that remains, it's going to be
5 difficult.

6 But I just want to add the clarification that this board
7 has not decided on the 61.

8 And so, I look at it and think, you really ought to be
9 looking at 100 for 113. Because the way that I think I'm hearing
10 this is, you need us, you got us, you are expecting that you are
11 going to be looking for 50-something. But this really is 113-
12 something. Until we have really looked and studied this as part
13 of our master plan. That's the only thing I'm not hearing. Is
14 that you understand you are going to have to have a Plan-B to be
15 considered if this board makes a determination as part of our
16 master plan. That 61 units on this property aren't necessarily
17 going to work.

18 PRESIDENT SCHENK: Director Gelfand and then Director
19 Barkett?

20 MR. GELFAND: So there's discussions taking place about
21 potentially moving the railroad tracks from the bluffs at Del
22 Mar. What is the consideration, if any, about that land, were it
23 to happen? And could it free up property that could be used for
24 the development of affordable housing?

1 MS. JONES: So, as Amanda covered, we have - that is outside
2 the timeframe of this housing element. It's also owned by
3 another public agency, the North County Transit District. That
4 could certainly, I mean depending how the rail relocation
5 project ultimately shapes up and what the outcome that is,
6 looking in the future at how that land could be used and could
7 affordable housing be part of that future of that property,
8 absolutely.

9 But it wouldn't be something we could take into
10 consideration in the current housing element, which has already
11 been mapped out and targeted how we are going to achieve those
12 units.

13 MS. LEE: I wanted to point out, we are talking about a
14 coastal bluff that is open space, so it's not likely to be
15 feasible.

16 [Off Mic]

17 PRESIDENT SCHENK: We will have public comment. I'm sorry,
18 Lisa?

19 MS. BARKETT: No problem. Thank you for coming. I just want
20 to be enlightened. When did the process start? What year has
21 this started in, for the affordable housing? How far back does
22 this go?

23 MS. JONES: Well, we have been having discussions with the
24 fairgrounds for affordable housing at the staff level --

1 MS. BARKETT: From the state. The state mandate. When did
2 that first come? I'm foggy as to this.

3 MS. JONES: Affordable housing requirements by the state,
4 that goes back decades and decades and decades. Previously, oh
5 yeah, just to give you a little snippet of history is that, and
6 I have a background in this, prior professional life, working
7 for another city. But we used to have redevelopment through the
8 state. And that was something that was dissolved in 2012.

9 Prior to that, monies came back to local jurisdictions. You
10 formed a redevelopment agency, and a percentage of that money
11 was dedicated to developing affordable housing. In fact, you had
12 to produce that, you had to show how you were reinvesting those
13 monies, but it was also because you had the resources to do it.

14 Unfortunately what's happened is that the requirement to
15 continue to plan for and develop housing, has not only continued
16 but through different state legislation and mandates has really
17 ramped up. But there's no source of funding that is coming back
18 to these agencies to facilitate that, which I think, you will
19 hear from all the cities, I mean, in California, are saying we
20 need help. How do we do this? So that's an important part of it.

21 MS. BARKETT: Okay, and the feasibility studies just
22 completed, I believe you said in '21?

23 MS. JONES: Yes.

24 MS. BARKETT: Were there any other feasibility studies done

1 prior to that?

2 MS. JONES: No, that was specific to the fairgrounds. We
3 have been talking about this in concept for many, many years.
4 That was the first time and we used state housing acceleration
5 program monies, HAP monies, to pay for economic feasibility
6 studies and also some planning studies that looked at
7 conceptually what could you do on a one-acre site or 1.5 or 2.
8 How many units would that yield. What would the cost of that be,
9 and looking at potential sources of funding.

10 MS. BARKETT: Okay. Who completed, or who did the
11 feasibility study?

12 MS. JONES: It was completed by Kaiser Marson and
13 associates, are well known. The planning studies by Stephen
14 Dalton and associates. Those are available on the city's
15 website. So anybody has the opportunity to go and look at those
16 and review that information.

17 MS. BARKETT: Thank you. And then my last question.

18 So the above moderate housing has already been completed?

19 MS. JONES: Yes.

20 MS. BARKETT: Just a quick question, I think that would be
21 the most immediate to do. Were there any thoughts to doing the
22 low-income ones first? Because I would think the easier ones
23 would be, people would be biting at the --

24 MS. JONES: Yeah, the moderate and above moderate happen on

1 their own through natural development process. We don't really
2 have to do much. Fortunately those happen. Where you have
3 challenges as a local government entity is facilitating the low
4 and below because those require subsidy of some sort. And a lot
5 of work to bring forward.

6 So the private development community usually takes care of
7 the moderate and above. So for us, we have not spent time
8 focused on those. We have been spending all of our time focusing
9 on all the different programs and strategies to bring the low
10 income and below units forward.

11 MS. BARKETT: Okay, I do have one more question, sorry.

12 So in these meetings, have you thought about the fact that
13 Del Mar Fairgrounds is operational the whole year. And what
14 would be the ramifications of having residential units here and
15 people living in them and how would we govern that if we are
16 having functions and the traffic? Because it just seems like
17 obviously density would get worse. Traffic would get worse. So
18 has that already been studied within this feasibility study?

19 MS. JONES: At a very high conceptual level that's really
20 what we will be diving deep into and figuring out during the
21 next 24-month period.

22 MS. BARKETT: Right, and safety concerns.

23 MS. JONES: All of it, figuring out, to your point, that's
24 very different than what happens here. I think that will be a

1 huge consideration as far as ingress and egress. Where it could
2 be located on the site. How could it be buffered so people -
3 because we want to provide good quality of life for folks that
4 live in the housing. How to buffer them from fairgrounds
5 activities and how the fairgrounds could be buffered from
6 people's normal daily life activities that would be happening in
7 a housing development. That's very much something that Carlene
8 and I will be thinking about, talking about and looking at in
9 depth as part of this process.

10 MS. BARKETT: Excellent.

11 PRESIDENT SCHENK: Director Mosier?

12 MR. MOSIER: Thank you. I think in 2012 the City of Del Mar
13 and fairgrounds signed a memorandum of understanding about
14 affordable housing development. One of the incentives for the
15 fair board at that time, and I wasn't on the fair board at the
16 time, was that part of the housing would be dedicated to
17 fairground employees.

18 So if 61 units were to be developed and built on the
19 fairgrounds, does Del Mar get full credit if fairground
20 employees get precedence for using these units?

21 MS. JONES: That's a great question, Board Member Mosier.
22 There is state law that governs how you can provide for these
23 units. Absolutely, you can target this to be a workforce housing
24 development. And even what the scope of the development will be,

1 as far as will it be workforce, will it be family, will it be
2 senior? You know, what are the possibilities? All of that is
3 part of what we need to be looking at as part of this next 24-
4 month period.

5 So that's a good question. That's something we would have
6 to look at as far as with our respective legal counsel to
7 understand, could some of these units be specifically set aside
8 for fairground employees that meet the income qualifications or
9 not. Because it's really state law that makes that
10 determination.

11 PRESIDENT SCHENK: All right. Any other questions from Board
12 members?

13 [Off Mic]

14 PRESIDENT SCHENK: Exactly, but I wanted to complete this
15 part of it.

16 MS. ROWLAND: I do have one question, and it had to do with
17 a sentence in the SheppardMullin letter that someone wasn't
18 given access to participate in our last meeting. I would like to
19 get clarification on that, that seemed quite unusual to me.

20 MS. MOORE: There was a person from SheppardMullin last
21 month who signed up for public comment. It's a registration
22 process in terms of use of the software with permitted, they
23 were granted that access and dropped off. If you remember last
24 month's meeting was a lengthy conversation. They dropped out of

1 the queue prior to getting to that item on the agenda. But the
2 opportunity was afforded.

3 MS. ROWLAND: Because the language said they weren't
4 invited. We don't typically not invite people, that would be
5 unusual. And that's not the process of Bagley Keene, people come
6 into the meeting, even publicly or through the Zoom system.

7 MS. MOORE: This was through the Zoom system, they were not
8 here in person, but dropped out of the queue before that item on
9 the agenda.

10 MS. BARKETT: If we had knowledge about that, as Directors
11 we should have been given it.

12 MS. MOORE: Knowledge of what?

13 MS. BARKETT: Of this Shepherd Mullen information, at that
14 last meeting.

15 MS. MOORE: This letter was communicated out to you when we
16 received it. It was sent in a one-way communication. I'm letting
17 you know our last meeting there was a person who signed up and
18 they referenced that.

19 MS. BARKETT: Was there any Board communication prior to the
20 last meeting?

21 MS. MOORE: Prior to the last meeting? There was not. You
22 have the information.

23 MR. ARABO: I think what Director Barkett was mentioning
24 based on the letter, at the meeting we approved the study to

1 study this, people asked, are the other sites, because we all
2 want to solve the solution of affordable housing. It's a crisis,
3 we all have to put our hands together and solve it. I think the
4 question was asked, are the other sites Del Mar is looking at -
5 and at that time I don't remember anyone saying yes, there are
6 the opportunities. We said let's be a good neighbor, work
7 together and study it. It's a study.

8 Quick question about this mindset. When a developer comes,
9 in general, and says I want to do 250, 300 units with 40 as
10 affordable. Does the city come back and say we could approve the
11 300 if 120 are affordable?

12 Another question, because I know I'm multi-layering it. Has
13 the city thought of getting a local motel or hotel and
14 converting them into units for affordable housing? I think an
15 outside-the-box approach would be beneficial for everyone. I
16 wish, if this was the case we knew that Del Mar had other
17 opportunities to build, I would personally like to know that
18 before I made the vote for the study. We want to be part of the
19 solution. But we don't want all the pressure to be, well you are
20 the only solution to carry back what Director Mead, we should
21 have plans of where can we find 113? The fairgrounds could be
22 part of the solution, hopefully it is, but we have to study it.

23 MS. MOORE: Go ahead.

24 MS. JONES: I want to clarify, this is a private development

1 project, so the city doesn't control private development, we are
2 a regulatory body that reviews. This application has been
3 thoroughly reviewed. We have had a lot of communication back and
4 forth with the developer. And to date they have not submitted a
5 complete application for us to be able to continue processing
6 their project.

7 So I think it's really important to understand, at this
8 point, that isn't a viable development option because the
9 developer has not produced the information or a complete
10 application for us to continue processing it.

11 The concept of looking at and exploring opportunities at
12 the fairgrounds in addition to private development, such as a
13 Seaside Ridge project and lots of other programs are all
14 incorporated into our housing element. Regardless of whether
15 that project ultimately moves forward or not, we would still be
16 pursuing a project with the fairgrounds.

17 So that hasn't changed and won't change. And at the time
18 that you considered the ENRA, again, we have many private
19 development applications at the city, all of which we are
20 considering and processing. This particular project application
21 has been deemed incomplete.

22 PRESIDENT SCHENK: I think the concern is perhaps a sense of
23 misdirection. There wasn't full disclosure.

24 I don't think it is separate from - they are mutually

1 exclusive issues, right? You are addressing the overall
2 situation. There are independent entities that could make an
3 application.

4 I think our impression was otherwise. Just as you came to
5 the fairgrounds, that others might, that you might be going to
6 other sources for developing housing too.

7 I think we were under an impression that we were it.

8 MS. ROWLAND: I certainly was aware there were other
9 development projects being considered. It's actually quite well
10 publicized, it's been in local news. We even talked about it.

11 I certainly didn't feel like I had a lack of information on
12 that.

13 Especially that we weren't going to do something that would
14 be mutually exclusive. I don't feel the same way on that.

15 MR. ARABO: If we go back and read the minutes of the
16 meeting I'm pretty sure that someone asks are there other
17 options Del Mar has. My sentiment is we want to be part of the
18 solution, but what is the full picture. What other sites does
19 Del Mar have? I think it was said, there might be something but
20 might not be something. It was vague. I myself didn't know there
21 were other developments. I understand your position, of well,
22 the private developer could come and change.

23 I want to be part of the solution. But I want to be sure
24 that we look at everything in a very transparent way. And we see

1 what's viable and what's not.

2 PRESIDENT SCHENK: Carlene?

3 MS. MOORE: I'll provide some clarification around it. This
4 has been a long ongoing discussion with the city around this
5 request. And part of the reason of having them here today is to
6 provide further clarification. But for my knowledge to this
7 board we have been aware of the 113 assignment they had, but not
8 understanding the breakdown. It's previously been reported on by
9 the Affordable Housing Committee early on with this request.

10 At the meeting, which was in February, it was not even the
11 last meeting, it was actually the February Board Meeting where
12 the board was considering the ENRA. And as we shared and had
13 that discussion, the question was asked and it was answered that
14 yes, they do have others. What could not be answered in that
15 meeting was specificity, because we are not the city. We are not
16 the staff, nor the committee members. We are the right
17 representatives to be speaking to and addressing just all of
18 what the city has as opportunities, hence the reason for
19 inviting them here, to be able to, for us to understand better
20 that we are - the request before us is a consideration. And an
21 exploration. And that's all that we committed to. We have not
22 committed that it is going to happen here, and I think that's
23 even been clarified today. But for us to understand what those
24 numbers are. What is the city pursuing? It was 175, now 113. The

1 request of 61, I think, in part, because of the breakdown, we
2 talk about affordable housing but that is a broad and general
3 term. And then there are specificities: low, very low, extremely
4 low, moderately affordable and things like that. But I do want
5 to just clarify that that information has, I know Director Arabo
6 you only joined since September, and Director Blair has joined
7 since, but it is something that has been reported upon. I don't
8 know if perhaps the committee members might want to speak to
9 that as well.

10 MR. MOSIER: I want to clarify, on page 105 there's a
11 transcript of the February meeting with the housing committee
12 report. How many assignments the city had for low-income
13 housing, I estimated 113. That's in the transcript.

14 I said there were other sites to be identified. And you
15 know, I've been part of this process for many years. I think I
16 shared all of the information in previous housing committee
17 meetings. So I think some of the newer meetings have not been
18 aware of this, but it shouldn't have come as a surprise in
19 February. It was openly discussed before we took a vote.

20 MR. ARABO: If you read the minutes, and if you see the way
21 the flow is, you say 'I'm reluctant to comment because I don't
22 have the data.' What I'm saying is we have the specifics, this
23 is the number that Del Mar needs. In Del Mar these are the
24 proposals, these are the units, and they are looking to talk to

1 the fairground to see could we be the solution on this specific
2 thing. It's the data that drives.

3 PRESIDENT SCHENK: Director Mead?

4 MS. MEAD: Thank you. I just want to offer that as support
5 as well. We have not as the Affordable Housing Committee had
6 this specific detail as we had today.

7 And I really appreciate our guests today in sharing this
8 level of detail. And actually all of the clarification from all
9 of the parties, what we are entering into is a feasibility study
10 to look at the kind of detail that has come up during this
11 meeting for the request that is being made by the City of Del
12 Mar. So thank you, Carlene, for that additional clarification.
13 And my committee member as well, Director Mosier.

14 PRESIDENT SCHENK: Yeah, I want to comment on that. Director
15 Rowland your point is well taken. We have a great deal more
16 information today than we had in February. Whatever information
17 we had then, it certainly wasn't as well articulated and I'm
18 very grateful to our friends from Del Mar for sharing a lot more
19 detail. We didn't have this level of detail up until today. So I
20 think this clarifies it takes away some confusion that might
21 have been present. I offered Director Gelfand first.

22 MR. GELFAND: Just so I understand. Assuming this all goes
23 well from the perspective of the City of Del Mar, in two years
24 there's a site determined, and a deal structure worked out with

1 the fair, board, and then what? Will you need to have an EIR, a
2 CEQA process that is then undertaken, that is approved by the
3 city and then the coastal commission? Like after the two years?

4 MS. JONES: I will defer to Amanda to respond to that. What
5 we would do coming out of this process, let's just say all the
6 stars align and everybody is like we can make this happen, then
7 the next step is getting through the ground lease process and
8 working with DGS. There's a next step in the process, which
9 ultimately, if that's approved, that's really the key that we
10 would need in order to go out and do developer recruitment to
11 get development interest and have people in the development
12 community submitting proposals to develop this housing.

13 But you have to have a site situation identified, and a
14 ground lease in place, in order to move forward with that next
15 step. So I can let Amanda talk about EIRs and Coastal
16 Commission. That is part of the process.

17 MR. GELFAND: Amanda, there's a little bit of a chicken and
18 egg. Maybe it's a ground lease or option for a ground lease that
19 goes into place assuming the CEQA process and Coastal Commission
20 approvals take place. One other thing you could respond to,
21 because we are moving ahead with a master planning effort, do
22 you get into a Coastal Commission piecemealing problem because
23 you have this project and then we have a bigger project that we
24 are pushing toward?

1 MS. LEE: I think it works very well together because we are
2 at this due diligence collecting of information. So that will
3 contribute toward your strategic planning. It all dove tails
4 together. The same aspects Coastal Commission will be expecting
5 for a commercial development on your site, it's the same for a
6 housing development on the site. Think of the topics, you know,
7 they bring up for development, it's projected sea level rise,
8 what are you doing in terms of flood adaptation. These are
9 studies we already have in process we are ready to share with
10 you. In fact, in June, we will have information about what types
11 of infrastructure you are going to need to upgrade as part of
12 your process moving forward.

13 It's all things we can work together on. It's the initial
14 feasibility studies, as Ashley mentioned, when you are looking
15 for a developer, you need to provide this information. We have
16 to have a very clear concept of where that project is going at
17 that point, which is why it's structured this way.

18 The expectation is then working with the developer to
19 identify a project description and then you analyze, so that
20 CEQA document is the environmental analysis. And that's what all
21 gets submitted to the California Coastal Commission for
22 processing. They are the decision-maker on that project.

23 In that grant agreement we had to lay out a whole schedule
24 with milestones to explain. In terms of timing we are looking at

1 CEQA and entitlement phase in July 2027. So this all works
2 together. That's really the expectation of HCD. Another state
3 agency of how are you going to get this project done and
4 explaining those processing steps.

5 MR. GELFAND: Just out of curiosity, are you currently doing
6 soil analysis to figure out --

7 MS. LEE: That's part of the feasibility studies.

8 MR. GELFAND: So you are doing that now?

9 MS. LEE: We have the ability, the concept is state funds,
10 they already selected this is a project to give \$1.5 million.
11 That's one bucket of studies. A whole environmental assessment,
12 it's different - geologic, related to sea level rise projection.
13 Flood has there been mitigation, the soils. All kinds of things
14 related to the site we can share many for the fairgrounds for.

15 MR. GELFAND: Do you already have geologists that have done
16 some drilling on the property?

17 MS. LEE: No.

18 MR. GELFAND: Will you?

19 MS. LEE: We are working with Carlene's staff group to help
20 you, to spend that money most efficiently to get the projects
21 done that we need to that dove tail with your strategic plan and
22 this partnership.

23 PRESIDENT SCHENK: We are going to complete this through,
24 Director Barkett?

1 MS. BARKETT: She provided a lot more. So yeah, I get it.

2 PRESIDENT SCHENK: With that, I think we will move onto
3 public comment.

4 LAURA DEMARCO: Hi, I feel bad for new board members. The
5 reason we have that high of allocation for affordable housing
6 units is because SANDAG determined there were 4400 jobs in the
7 City of Del Mar. And guess what? Del Mar only has 3800 people in
8 population. So how does they get that many jobs? What they did
9 is they took every employer who gave a paycheck that had a Del
10 Mar zip code. That Del Mar zip code is the Race Track, the Del
11 Mar zip code is you guys, your parking attendants. The Del Mar
12 zip code is Premier Foods.

13 Basically I would say 70-80% of the 4400 jobs originated
14 here.

15 So when you talk about equity, this is our jurisdiction,
16 this is in the City of Del Mar, it's a state mandate. You are
17 20% of Del Mar's entire land mass. And I think the more
18 important thing is, where is the available land to develop? You
19 only have the bluffs. See that bluff up there? That bluff up
20 there, the reason why it's empty, if you go on the other side
21 there's wave action continually. That whole beach gets flooded.
22 There are sea caves there. I mean, this Coastal Commission is
23 requiring a 75-foot setback. Right. So then the only way you
24 could build on that land is to move it forward and up.

1 So it's going to be four stories high. You talk about
2 Coastal Commission issues and public views and all that other
3 stuff, that's the real problem. Was when you have sites like
4 that.

5 Or on the other side crest canyon where I live over and I
6 look at you guys.

7 MS O'LEARY: Ms. DeMarco, your time is up.

8 LAURA DEMARCO: So we are screwed.

9 PRESIDENT SCHENK: Thank you.

10 [Laughter]

11 Before I go to our online public comment, anybody else who
12 is not from the City of Del Mar who wishes to provide public
13 comment that is in the audience? All right, seeing none. Martha
14 Sullivan? Thank you for your patience, Ms. Sullivan.

15 MARTHA SULLIVAN: Hello, this is Martha Sullivan again. I
16 just wanted to clarify for the record because I think it was at
17 the last meeting, one of the public commenters opined that the
18 backstretch housing at the Race Track should count as affordable
19 housing for the City of Del Mar.

20 I don't think, I would hope that nobody believes that. But
21 I just want to say on the record, one, eight weeks of
22 substandard living space does not affordable housing make.

23 I just want to emphasize that, in case that lodged in
24 anyone's brain as a possible solution. Because it's not. Thank

1 you.

2 PRESIDENT SCHENK: Thank you, Ms. Sullivan. Whitney Hodges
3 is listed, there you go.

4 WHITNEY HODGES: Yes, thank you. Good afternoon, Directors,
5 I'm Whitney Hodges, I'm counsel for the applicant for the
6 Seaside ridge project. We were brought up a couple times today.
7 I'm happy to be here speaking with you guys. I think at the
8 onset it's important to note we support the City of Del Mar and
9 its quest to provide housing, particularly affordable housing to
10 satisfy its RHNA requirements. Accordingly we are pro-housing at
11 the fairgrounds. Which as proposed would cover about half the
12 affordable units the city is required to provide with the 6th
13 cycle. I want to take the opportunity to inform this board and
14 the public about the Seaside ridge project. It would include 259
15 apartments on site, located on the north bluff. 49% of its base
16 zoning would be affordable units. Two extremely low income, two
17 very low income, 38 low income and 43 moderate, it would include
18 amenities, including parking, public access to the bluffs for
19 the first time through a new pedestrian connection and passive
20 recreation area.

21 We discussed elsewhere, this property is included in Del
22 Mar's 6th cycle update as a candidate in its inventory site. As
23 a candidate site, it's eligible for up-zoning under the city's
24 housing element implementation overlay zone, which has been

1 approved by the city and the California Coastal Commission. It
2 should be underscored this project is ready to go and a full
3 application before the city as a by right project, housing
4 crisis and housing accountability act and housing element law.
5 There was discussion today that our application has been deemed
6 incomplete by the city. We vehemently disagree with that
7 assessment, and we filed litigation in order to --

8 MS. O'LEARY: Your time is up.

9 WHITNEY HODGES: Great, thank you. Happy to answer any
10 questions if there are any.

11 PRESIDENT SCHENK: Thank you, Ms. Hodges. You are always
12 welcome to come back and visit with us future board meetings,
13 either online or in person.

14 WHITNEY HODGES: Thank you, very much appreciated.

15 PRESIDENT SCHENK: So that's not an action item on our
16 agenda. So we will move onto the Audit & Governance Committee
17 report.

18 Thank you to our visitors who sat through a long agenda to
19 get to this. Thank you.

20 MS. MOORE: The Audit & Governance Committee was going to
21 meet but was unable to prior to this meeting.

22 I will take this one if you would like. There's a report
23 starting on page 112 with a red line that begins on page 113.
24 This is a recommendation to add to item H, sorry, it's a

1 recommendation to add to the, on page 113, that the board be
2 able to, I'm sorry, my notes are off on this one, let me go back
3 to 113. Is to add language, as the staff report said in the item
4 before you, to authorize the officers by, in essence, the board
5 by position the officers to be able to conduct bank transactions
6 on behalf of the District. Versus each year, and many banking
7 institutions allow for this, versus when the officers change, in
8 essence having to bring before you, such as what was included on
9 the consent item for the local agency investment fund. So it
10 would be adding this language.

11 In the course of this in the review it was noted that item
12 H, though not on the agenda for the consideration, so this will
13 be for future, but item H which could be found on page 115 to
14 provide more specificity that again with the Board Chair being
15 the authorized speaker on behalf of the board, that being the
16 same position that could specifically delegate to another Board
17 Member in the future.

18 Since it was not listed on the agenda we cannot take action
19 to include that piece of it in this update to the policy.

20 PRESIDENT SCHENK: So we will table that to the next
21 meeting.

22 MS. MOORE: Uh-huh.

23 PRESIDENT SCHENK: All right. Does anyone require
24 clarification before we open it up for public comment?

1 MR. ARABO: Is there a lot of changes, or just the red
2 lined?

3 MS. MOORE: It's simply the red lined, yes.

4 MR. ARABO: Okay.

5 PRESIDENT SCHENK: Anyone else?

6 All right. I don't have anyone online who is signed up to
7 speak to this. Is there anybody in the audience who would like
8 to speak to this?

9 All right, if not, I will entertain a motion.

10 MR. GELFAND: So moved.

11 PRESIDENT SCHENK: Director Gelfand, moved Director Rowland,
12 seconded, any discussion, comments from the board?

13 MR. BLAIR: What is the motion? To table this?

14 PRESIDENT SCHENK: Essentially instead of having a specific
15 named person who is a Board Member be authorized to sign for the
16 bank, it would be the role, the title.

17 MR. BLAIR: I thought we had to table this.

18 PRESIDENT SCHENK: No the part tabled is H. Authorizing the
19 Board Chair currently to designate persons to speak on my
20 behalf, where I would be the one, or whoever is the chair at the
21 time. That part is on page 115. That one is being tabled. Any
22 other questions or clarification? If not, we will take a vote.

23 MS. O'LEARY: President Schenk?

24 PRESIDENT SCHENK: Aye.

1 MS. O'LEARY: Vice President Gelfand?

2 MR. GELFAND: Aye.

3 MS. O'LEARY: Vice President Rowland?

4 MS. ROWLAND: Aye.

5 MS. O'LEARY: Director Arabo?

6 MR. ARABO: Aye.

7 MS. O'LEARY: Director Barkett?

8 MS. BARKETT: Aye.

9 MS. O'LEARY: Director Blair?

10 MR. BLAIR: Aye.

11 MS. O'LEARY: Director Mead?

12 MS. MEAD: Aye.

13 MS. O'LEARY: Director Mosier?

14 MR. MOSER: Aye.

15 MS. O'LEARY: Director Nejabat?

16 MR. NEJABAT: Aye.

17 PRESIDENT SCHENK: Motion carries. All right, moving onto
18 general business. Item C, community and government relations
19 report, Director Mosier?

20 MR. MOSIER: Yes, this committee met in person in March.
21 There were representatives from the City of Del Mar, City of
22 Solana Beach, in the Office of Senator Blakespear. We touched on
23 a number of issues including the ENRA, the exclusive negotiating
24 right, we talked about at length today.

1 A significant interest in tiny homes, at the tiny home
2 festival here which attracted a huge number of people. Lines to
3 look at tiny homes were sometimes an hour long. There was some
4 discussion of possibility of participating in a large-scale
5 solar project with the energy authority, embarking on small
6 scale projects at the moment.

7 And the City of Del Mar wanted to talk a little about the
8 CEQA lawsuit - or Solana Beach wanted to talk about that. I'm
9 amazed while we try to resolve the issues Solano Beach has, they
10 went ahead and filed suit anyways.

11 Also - from Senator Blakespear's office attended and he
12 indicated that the senator is very interested in seeing more
13 affordable housing.

14 And also appreciated the board's position on realignment of
15 LOSSAN corridor tunnel so it didn't go under the fairgrounds.

16 And we are going to have the next meeting in May,
17 virtually. That is the end of my report.

18 PRESIDENT SCHENK: Thank you. Any questions?

19 That's not an action item. So we will move onto - oh, there
20 was a public comment, I'm sorry.

21 Martha Sullivan?

22 MARTHA SULLIVAN: Hi, this is Martha Sullivan again. Just
23 briefly, I did want to point out, remind the board particularly,
24 inform the new Board members. We had comments from residents

1 from the surf and turf RV park last year when they were afraid
2 they were going to be evicted from rear-round residency there.
3 That there was at least one family who had moved in there
4 because of school. And that they could have their children
5 attend the very good schools in that area, where they couldn't
6 afford to live. And I say this in regards to when you are
7 thinking about the type affordable housing, that is really
8 needed in that area.

9 You know, think about that, that you are talking about
10 families. And you are talking about families that would like to
11 have their children go to those very good schools in that area.
12 The public school district. So thank you.

13 PRESIDENT SCHENK: Thank you.

14 Anyone else from the community like to address? Seeing
15 none, we will move onto the Fair Operations Committee report,
16 which I will speak to, and then we will have Tristan and Katie
17 join us for some interesting updates.

18 So, traditionally, the fair operates through the Fourth of
19 July. The Fourth of July is a day of the week is a moving
20 target. So typically we end on the fourth this year, this year
21 the Fourth of July is on a Thursday. So we will be running June
22 12-Sunday July 7th. As one looks at the board packet on page
23 117, we will be offering some recommendations for 2025 and 2026
24 that will be a day or two beyond the Fourth of July.

1 So to take advantage of the days of the week.

2 So with that, I would like to invite Tristan to come up and
3 address the board. And then Katie, are you going to follow?

4 Okay.

5 MR. BLAIR: Can I ask, when we go to July 7th, is that three
6 more days of the fair or the same?

7 PRESIDENT SCHENK: It will be the same, we will be dark on
8 Mondays and Tuesdays.

9 MR. BLAIR: The same number of days being open. This year.

10 PRESIDENT SCHENK: Yes.

11 MS. MOORE: If I could, oh it's here, if I could especially
12 for some of our newer Board members, please know, those who have
13 been here for a while, May tends to be all things fair-related.
14 We will have a lot of information with regard to the fair,
15 programming and things like that next month. So we wanted to
16 take this opportunity through Fair Ops to bring - dates for the
17 future not being this discussion, but it is the same number of
18 days we are looking at -but also to highlight because they will
19 be coming soon, potentially to neighborhoods around you, the
20 community banner program.

21 PRESIDENT SCHENK: Right, Tristan is our Chief
22 Communications Officer.

23 MR. GELFAND: Can I just add a comment, while the days are
24 the same this year, the Finance Committee has discussed this

1 topic, and it's not impossible that future fairs could be more
2 days than have been in the past.

3 PRESIDENT SCHENK: Right.

4 MS. MOORE: Would be going back to the past. It says in the
5 reports the dates being put forward are tentative based on
6 further analysis of the extension beyond the Fourth of July.

7 If you recall at the strategy session meeting on the 26th
8 there was some discussion about expanding the number of days, so
9 we will be coming back on that.

10 PRESIDENT SCHENK: All right, but for now we will be talking
11 about, Tristan will talk about the Community Banner Program and
12 Katie will be sharing with us themes and proposed dates for the
13 future. Tristan?

14 TRISTAN HALLMAN: Thank you very much, and thank you for
15 giving me the opportunity to get away from the doughnuts for
16 just a moment. I will try to be quick on this.

17 This is sort of a cornerstone of our community outreach
18 efforts. It's our annual community banner program, very excited
19 to talk about this.

20 Here is how it works. We invite, at the beginning the year
21 all communities in San Diego County to participate in this
22 program. What we ask is that if you are going to participate
23 that you provide us with the banner location. So we give
24 everything else, the props, we take the photos, Lourdes who was

1 here earlier has been taking the photos this year. Designs. We
2 go to the site that you select. And then we contract for the
3 banner installation.

4 So we just need the space, and we do everything else out of
5 the box, so to speak.

6 Each banner, which helps us promote the fair and promotes
7 the fair dates and website, features photos of that community's
8 residents. We partner with organizations or cities to put this
9 together.

10 This year our theme is, as you know, let's go retro. Last
11 year you may have seen a bunch of people, if you saw the banners
12 with camping gear forget out there. This year it's let's go
13 retro, we had costumes and props that reflected the styles back
14 then.

15 These are put on poles, so if you have been around the
16 fairgrounds we have them. I go running through Balboa Park,
17 there's those kind of banners on the streetlight poles. They are
18 highly visible. I think they are something people really enjoy.
19 After the fair is over, those banners have to go somewhere, so
20 we give them back. We give them to the people who had their
21 photographs taken. It's pretty cool, it's a keepsake for them.
22 Again, no cost.

23 This year we saw a marked increase, last year we had 17
24 communities, this year we will have 23, three new cities,

1 Oceanside, Solana Beach and Vista joined. In the city of San
2 Diego we partnered with neighborhood groups. You could see on
3 the presentation, I think blocked by the Zoom, but you could see
4 the logos thereof different area organizations that help us put
5 this on and donate the space. So neighborhood improvement
6 districts, that kind of thing. And we have marked the new ones
7 in San Diego there.

8 As a result of that increase, as you could see, some of the
9 banners that will feature this year, we are going to have 920
10 banners installed this year. That's up 11%. It's not just back
11 by popular demand. It's improving due to popular demand. So
12 pretty cool-looking design there, that our marketing team helped
13 put together. Our new graphic designer we hired this year has
14 been instrumental in this as well.

15 We had some special community collaborations this year,
16 Chula Vista, Oak Park and Otay Mesa had a little additional
17 help, and we are grateful to them. With that, if you have any
18 questions I would be happy to take them.

19 PRESIDENT SCHENK: Thank you.

20 MR. ARABO: Have we ever done travel communities, or
21 military bases? Like an outreach for tribes or military?

22 MR. HALLMAN: We make it open. We reach out to the ones who
23 did the previous year, but we do a press release and put it on
24 our website. We would be happy to have more participants. It's

1 not a problem for us, sometimes we have to amend contracts as
2 you will see on your agenda today to be able to accommodate
3 that, but it's also a question if they have that banner space
4 available in that area.

5 PRESIDENT SCHENK: I will tell you this, when I first came
6 on the board there were very few communities, I mean it was a
7 handful. So it's very impressive how this has grown and
8 continues to grow. I didn't count, hard to see reflecting. The
9 difference last year with five or six new ones.

10 MR. HALLMAN: We had a total of six new ones, I think we had
11 a San Diego neighborhood drop out. I forget which one, they
12 aren't part of the program any more so I guess we can forget
13 them. We added a few more.

14 MR. BLAIR: Solana Beach is new this year?

15 MR. HALLMAN: They haven't participated in previous years.

16 MR. BLAIR: They haven't, and they are right next door?

17 KATIE MUELLER: We have had this program for probably ten
18 years, though we had a little break during the pandemic. They
19 are new since last year. They didn't participate last year.

20 MR. BLAIR: Interesting.

21 PRESIDENT SCHENK: Director Gelfand?

22 MR. GELFAND: Can you go back to the banner examples
23 themselves that you showed?

24 So the purpose of this, there you go, the purpose is to

1 advertise the fair, right?

2 MR. HALLMAN: Yes.

3 MR. GELFAND: These are on streetlights, and you are in your
4 car driving by and they are maybe three feet high in scale?

5 MR. HALLMAN: Yes. Some of them are bigger than that.

6 MR. GELFAND: Okay, so the one on the left San Diego County
7 Fair 2024, I get that. The one that says let's go retro, I don't
8 know that people driving by will understand that has anything to
9 do with the fair. It's only the bottom that says SDFair.com.

10 MR. HALLMAN: There won't be stand alone, they are in a row
11 and alternate.

12 PRESIDENT SCHENK: And if we haven't gotten the message out
13 that our theme is "Let's go retro" and this guy is playing a
14 Rubick's Cube that is the size of a box of doughnuts. If it was
15 stand-alone it wouldn't give the message.

16 MR. HALLMAN: Right, it would just be a guy with a Rubik's
17 cube telling you to go retro. But in a row like that, it works.

18 PRESIDENT SCHENK: Retro for me is different than retro for
19 these girls, right? Right. So a Rubik's Cube is barely retro for
20 me. For me it's more doo-wop. Anything else or any questions or
21 comments by the board? This is not an action item. We will have
22 an action item coming up.

23 Why don't we get to that and then we will take comment.

24 I'm sorry, Director Arabo? Did you want to -

1 Do you want to talk about the banners? We are going to be
2 talking about -

3 [Off Mic]

4 PRESIDENT SCHENK: Yeah, we are going to get to it, no
5 worries. We will get to it. There's an order in which, hopefully
6 we will manage.

7 Now we will get to fair themes for '25 and '26 which will
8 be an action item, then we will get to board comments and public
9 comments as well.

10 MS. MUELLER: Good afternoon, Board members. The fair is in
11 the air. I don't know if you can feel it. But they started
12 putting up the k-rail for the garden show today, and I'm like
13 the fair is here, that always marks the hallmark when fair set
14 up begins. We will talk about 2024 in May. Like Carlene said, we
15 will have a full presentation to show you all the entertainment,
16 marketing, food, shopping, exhibits, everything we have going
17 on.

18 But before we do that we have a piece of business to take
19 care of. A couple of years ago, I think 2022, we started this
20 tradition of approving two years fair themes ahead. The reason
21 that's important is it allows our staff, our marketing team, our
22 programming team, our exhibits team to start planning the fair
23 in advance based on a theme. We can make purchases we can use
24 several years over. When we visit conventions and other fairs we

1 can start finding entertainment. Conversation start partnering
2 with organizations. If we don't have that much lead time it make
3 it's more challenging. Every August we have a fair debrief and
4 we spend an entire day with our staff, permanent and key
5 temporary supervisors talking about the fair, dissecting the
6 things that worked and didn't work. And then as part of that
7 debrief, we do a little brainstorming session about what would
8 make a good theme.

9 So we have a few criteria that we like to run the theme
10 through. We developed this a few years ago, and we share this
11 with our staff before we start the brainstorming process. But
12 just to remind everyone, a strong theme, it drives attendance,
13 first and foremost, it makes people want to come to the fair
14 because it's new and different.

15 It has broad appeal. The demographics of this fair are
16 extremely broad. It hits almost every age demographic,
17 socioeconomic status, racial status, you name it. So we want a
18 theme that has broad appeal. It also needs to make sense across
19 the region and with our Spanish-speaking population.

20 It's easily communicated and marketable. You don't have to
21 ask, "What does that mean?". It lends itself to promotion and
22 media coverage. It lends itself to exciting and interactive
23 theme exhibit. Every year we produce that exhibit from scratch.
24 Sometimes we can find pieces and parts we are able to rent and

1 bring in. Sometimes it's just our labor and our imaginations
2 creating the exhibit.

3 If there's potential for lots of partners and resources,
4 that always makes a great theme when we are able to find
5 partners in the community, organizations that support that
6 theme, that support our mission. That is a very successful
7 theme. It could be incorporated into various aspects of the
8 fair. Entertainment, competitive exhibits, food, you name it,
9 something we can really spread the theme out across the whole
10 fairgrounds not just the theme exhibit. It has to have a
11 connection to the district's mission, education, agricultural.
12 Just a quick reminder, our past ten themes we have had
13 everything from celebrations of super heroes, which you remember
14 a couple years ago. We had a great Alice in Wonderland theme,
15 Wizard of Oz, we did Where the West was Fun. How sweet it is,
16 the fab fair, all about the Beatles, really cool theme.

17 So this year, it's run through the filter of our marketing
18 departments, our creative departments, our ag and education. We
19 would like to propose the power of pets. And here is a little
20 bit of research that we have done behind that.

21 66% of American households own pets. There's generational
22 appeal. There's an emotional connection. There's communities
23 that form around pet ownership. People who own pets are happier
24 and healthier according to studies. And Americans spent \$136.8

1 billion dollars on their pets in 2022. Pets are marketable. We
2 all have been guilty of watching cat videos, or funny dog tricks
3 or any of those kinds of things on social media.

4 And animals are already a part of the fair. In fact,
5 surveys show that animals and livestock are the number two
6 reason, behind the food, that people attend the fair.

7 Here are some things we just brainstormed really quickly.
8 I'm sure there's going to be a lot of great other ideas and the
9 good news is we will have a whole year to put these into action.
10 But some of the things we talked about is dog and cat breeds and
11 facts. These aren't just dogs and cats, birds are pets and
12 reptiles are pets and lots of other things we will be exploring.
13 We can talk about working dogs, the K-9s, working dogs. Hearinging
14 dogs. We will take a small dip in the water with a pet pavilion
15 in the infield where we will be inviting those types of groups
16 to come out and demonstrate. We can talk about Exotic and
17 unusual pets, education, being a good pet owner and tons of fun
18 pet idioms.

19 In the theme exhibit we are envisioning pets who have
20 become famous on social media. The silver screen pets, a ton of
21 them, a few on the screen. Pet health and grooming
22 demonstrations. I'm sure you have seen on social media, lots of
23 fun videos of grooming what people have done with their dogs.
24 Stupid pet tricks, everyone likes that. Even a kitten cafe

1 which is another popular thing.

2 I feel strongly about this theme, I've wanted to do this
3 theme for a while. We have wonderful organizations, humane
4 organization, we have had tremendous turn out. Over the years we
5 used to have what was called the pet care center and we would
6 invite a different pet rescue organization to come out, one day
7 it was labs and one day Rottweilers and Great Danes, and it was
8 one of the most popular features of our California grown exhibit
9 is when we had that pet care center.

10 Other ways we could incorporate into art, into our art
11 show. We could incorporate into our entertainment, we already
12 have this extreme dog show. But there's lots of others. Food,
13 shopping, you know, obviously tons of shopping opportunities
14 with pet products.

15 And then I mentioned some of the partners and resources.
16 But right next door the free flight Exotic bird sanctuary.
17 Veterinarians. There's some rescue FACE foundation, frosted
18 faces in Ramona, they rescue older dogs. It's really endless
19 when you start thinking about it. I think just the broad
20 demographic appeal begin is really going to be a winner for the
21 2025 fair.

22 So 2026 -

23 PRESIDENT SCHENK: Do you want to allow.

24 MS. MOORE: You skipped over the actual theme slide. It

1 didn't show.

2 MR. GELFAND: While you are looking for that, can I ask a
3 question?

4 MS. MUELLER: Oh, at the beginning, okay, I'm just going to
5 tell you. The theme we are proposing is pets, "Unleash the
6 Magic." Kind of a play on words with the unleashing. I think
7 also the magic is the fair is magical. We can incorporate all
8 kinds of things. We have been talking about bringing
9 illusionists, and that kind of show, Las Vegas-style magic shows
10 and things like that to maybe possibly the grandstand.
11 Definitely The Sound would be a lot of fun.

12 PRESIDENT SCHENK: We are on '25. I guess the slide dropped
13 down.

14 MS. MUELLER: It was supposed to be at the beginning of this
15 presentation, and I guess it dropped out.

16 MS. ROWLAND: So the theme isn't the power of pets, it's
17 Unleash the Magic.

18 PRESIDENT SCHENK: We are going to try to get Three Dog
19 Night if we can.

20 MS. ROWLAND: Long in the tooth there.

21 PRESIDENT SCHENK: Retro.

22 MS. ROWLAND: There you go.

23 MS. MUELLER: So there's a lot of fun things we can do.

24 MR. GELFAND: I think this is fabulous, it could be huge, so

1 many possibilities. Question and a comment. What is our policy
2 at the fair? Can people bring their pets to the fair?

3 PRESIDENT SCHENK: No.

4 MR. GELFAND: So we wouldn't be changing that.

5 PRESIDENT SCHENK: Well, service animals.

6 MR. GELFAND: Service animals, okay.

7 PRESIDENT SCHENK: We had a conversation about this in our
8 discussions in our fair-op, I asked the same questions, I
9 anticipated, Michael, that you would be the one asking those
10 questions.

11 MR. GELFAND: My dog is the cutest.

12 PRESIDENT SCHENK: I said Director Gelfand will be asking
13 this question. Sure enough.

14 MR. GELFAND: I mean, you know, dog shows. Maybe that could
15 be part of it also. We have competitions for roses. Okay. You
16 know there's this TV show, Sarah Silverman, Stupid Pet Tricks.
17 If that show is still on, you could bring her.

18 PRESIDENT SCHENK: There may be some opportunities. You
19 asked what is our general policy. But we may have a day or two
20 that may be an option, because as I said, I anticipated your
21 asking that question.

22 MR. ARABO: I think it's brilliant, I think it's great.

23 MS. MUELLER: We will move onto 2026 which we do have the
24 title slide. We are proposing "Happily Ever After" based on

1 story time.

2 This will be really celebrating literacy, bringing that
3 issue to the forefront, you know, providing opportunities. We
4 used to have a program called read and win, kids would read a
5 certain amount of books, have it signed by their teacher or
6 librarian, and they got a ticket to the fair. Bringing back
7 things like that.

8 It's educational, it's nostalgic and timeless. There's not
9 one single person who can't relate to a story time book of some
10 sort. Broad generational appeal. It's got the educational
11 mission that I mentioned. And access, sorry, I couldn't read
12 that word. Accessibility of books for children.

13 For the theme exhibit, what we would really like to do, we
14 were really successful with the Alice in Wonderland theme mad
15 about the fair, and really successful with the Wizard of Oz,
16 those books went into public domain. A lot of story books are in
17 public domain. Most interestingly this came about because the
18 story "Winnie the Pooh" came into public domain.

19 Of course we will also focus on others, but we can feature
20 local authors. We could have workshops. Take a book, leave a
21 book, like those little libraries, if you have seen those
22 around, I live in kind of a rural community, so we have little
23 libraries where people can take a book or leave a book. Books
24 impact on pop culture, drawing books, comic books, we could have

1 character visits. A popular thing a long time when we had the
2 sue centennial theme, celebrities, elected officials, local
3 people of notoriety, news anchors, they would come in and
4 actually have a story time where they would read with kids. It
5 was really, really popular.

6 I think that this theme has also a lot of potential. We
7 talked, when we were talking with Fred, we talked about
8 libraries and partnering with libraries and showing kids how
9 they could obtain a library card and that kind of a thing.

10 I think it will be very popular, I think we will get a ton
11 of support from our educational partners and community. I also
12 lend a lot of great things to offer in our educational exhibits,
13 like our student exhibits and our youth exhibits.

14 You know, this is just another list of possibilities that
15 we could talk about.

16 And again, the potential partners. We thought it would even
17 be fun, if you remember the scholastic book fairs. They come to
18 schools and set up shop. It would be fun to partner with them
19 and have a book fair kind of a feel as part of the exhibit.
20 Those are the two.

21 PRESIDENT SCHENK: Can we put them back up, unleash the
22 magic. Could you put that one back up so as we are talking
23 about.

24 MS. MUELLER: The title slide fell off this presentation.

1 PRESIDENT SCHENK: No, no the second one.

2 MS. MUELLER: The story time?

3 PRESIDENT SCHENK: Yeah. Right. One of the things we did
4 during the Sues fair theme, I don't know if this was mentioned,
5 Katie, the Directors were invited to have slots in the exhibit
6 hall to read to children. Not only were we invited but we
7 invited dignitaries and some celebrities to do the same.

8 I would expect, in my view, that would be an opportunity as
9 well to invite members of the community, Directors and others to
10 read to children, to others.

11 [Off Mic]

12 MS. BARKETT: She wrote two children's books. It would be
13 great to have celebrities maybe come for a day, and we could
14 really draw on that and announce it. Yeah.

15 PRESIDENT SCHENK: Anybody but Stephen King.

16 MS. MUELLER: That's why it's important if you have this
17 theme we know about it two years in advance, we have time to do
18 that outreach.

19 MS. BARKETT: Yeah, we could send out the ask for that.

20 PRESIDENT SCHENK: All right. Do you want to also offer
21 proposed dates?

22 MS. MUELLER: Yes. So the proposed dates, I believe are in
23 your packets. And these dates are really just bookmarks. It's
24 when the fair would start and when it would end. Upon further

1 analysis of the fair, having it extend beyond the Fourth of July
2 this year for the first time in quite a while, we will bring
3 back to the board some analysis, if we should extend our dates,
4 maybe not be closed every Monday-Tuesday. Maybe that kind of
5 thing. We will have that discussion later. At least this gives
6 us a start date and end date we could let our partners, and
7 everyone involved with the fair know about, so at least there's
8 a time frame.

9 PRESIDENT SCHENK: Is there anything else, Katie, you would
10 like to share with us? Thank you very much for these. If there
11 are any questions or request for clarification by the board
12 before we go to public comment. Katie, don't leave yet. I just
13 want to make sure if there are any questions of the board
14 needing some clarification on anything, this would be the time
15 to do that.

16 Anyone? With that, thank you very much. Tristan as well,
17 thank you for covering the banner program.

18 Now we will open for public comment. There is a process
19 here we are getting, we are getting better at it.

20 LAURA DEMARCO: With five kids I'm really looking forward to
21 happily ever after. I wanted to comment on the fair dates. I
22 think bookending it July 5th and July 6th is perfect. I would
23 encourage you to look very carefully at extending it beyond that
24 in 2027, because for one reason, look at that photograph during

1 the fair. You have a lot of parking using the Race Track. The
2 Race Track as a surface is incredibly important for the safety
3 of the horses and the riders. You need two weeks at least to get
4 that surface ready, get the training going, get the horses used
5 to everything. That's part of a whole safety protocol. Right now
6 when you close the fair and then opening day, you have 14 days.
7 You can't shut that, I mean, you can't narrow that window any
8 narrower. It won't work. And it's not safe for the horses. It's
9 not safe for the riders. And it's not in the best interest of
10 the community. Thank you.

11 PRESIDENT SCHENK: Thank you. Martha Sullivan, would you
12 like to address this item?

13 MARTHA SULLIVAN: Thank you very much.

14 All the presentations were informative and interesting, and
15 the theme for the next two years is interesting.

16 I will just say the "Happily ever after", you know, can be
17 a little triggering for people.

18 But I understand the attraction to it. Just bear in mind,
19 there's a lot of people for whom that isn't often the case. So
20 anyway.

21 Relative to the Race Tracking. The way things are going in
22 the Race Track industry and the horseracing industry, you may
23 not have to worry about this much longer.

24 You heard me talk about this a little bit earlier. You will

1 hear me talk about it a little bit later, probably.

2 So I wouldn't worry about it too much. Thank you.

3 PRESIDENT SCHENK: Thank you, Ms. Sullivan. I don't have
4 anyone else listed, having called in and wanting to speak on
5 this agenda item. Is there anyone else in the audience before we
6 entertain a motion?

7 So as chair, I can't do that, but I will entertain a motion
8 to approve the themes for 2025 and for '26, as was recommended
9 by staff.

10 MR. GELFAND: I will make that motion, but I want to make a
11 comment.

12 PRESIDENT SCHENK: That will be after. There's a motion
13 made, is there a second? Director Blair. Thank you. Open it up
14 for Director's comments.

15 MR. GELFAND: I happen to like both these themes, I think
16 they could be very successful. But it's interesting from a
17 process perspective, we aren't given options, you know, like you
18 could, the fair-ops committee could say here are 2-3 options for
19 2025, and here are 2-3 options for 2026 and we could choose. But
20 what we are faced with in this process is a thumbs up or thumbs
21 down, which is a little odd. But I think these can both be
22 successful.

23 PRESIDENT SCHENK: I can speak to that. That was the back-
24 room discussions we would be given 2-3 themes, but we ended up

1 with ones that staff recommended, because as we heard, they do
2 the analysis. I've come to realize, as fair-ops chair for a
3 number of years, for example, when it was the Fab Fair, that
4 theme actually came about one day because I was driving on the
5 freeway and listening to "Here Comes the Sun". I was driving and
6 started thinking 1964 was the year the Beatles came to the
7 United States. It was 2012 or 2013 when I had heard that song.
8 And I'm driving to the office and I'm thinking 50 years. And I
9 called our team, or I sent an email and said I have an idea for
10 a theme for the fair.

11 And we held it, you know, for a while before disclosing it.
12 My theme was different in the language. It was "Here Comes the
13 Fun". I know, wasn't that a great idea? Here comes the fun. But
14 it ended up being the Fab Fair because that probably was better.
15 I would have liked, you know, "Here Comes the Fun". It was
16 thematically similar. The point is there's a process and I
17 respect that process. And I think they make good judgments in
18 terms of coming to the right conclusion. That was the back story
19 in terms of how we get to places. Any other -- yes, Director
20 Rowland?

21 MS. ROWLAND: I think you should hold onto "Here Comes the
22 Fun". Everyone knows the fun in the sun. And where we are. You
23 are so right.

24 MR. BLAIR: A great tag line every year, happily ever after,

1 here comes the fun.

2 PRESIDENT SCHENK: You hear that Katie, I was right! Do you
3 remember that conversation?

4 MS. MUELLER: I do remember that conversation. And the
5 reason here comes the fun wasn't chosen is because the Fab Fair
6 is short and succinct, it fits on a sign, it fits on a TV ad, it
7 tells you right away it was about the Beatles.

8 PRESIDENT SCHENK: I agree. Thematically it was the 50th
9 anniversary of the Beatles. But one day would like to see that.

10 MS. ROWLAND: A couple things on that, I wasn't done yet,
11 Here comes the fun is four syllables, I am comfortable with
12 staff coming with a recommendation. I feel perfectly
13 comfortable, if we don't like it or if we think it's really bad,
14 which seems unlikely that we will turn it down. I feel like we
15 have the latitude we need, but from a governance perspective,
16 them coming with solid research. I feel good. Slightly different
17 take on it.

18 PRESIDENT SCHENK: Director Nejabat? No? Okay. Go to the
19 right side of the horseshoe. Any other comments? Questions? All
20 right.

21 MS. O'LEARY: Can I just clarify the motion is to approve
22 the 2025 and 2026 San Diego County Fair dates and themes?

23 PRESIDENT SCHENK: Recommended dates and themes for those
24 years, yes. Thank you. Let's take a vote.

1 MS. O'LEARY: President Schenk?

2 PRESIDENT SCHENK: Aye.

3 MS. O'LEARY: Vice President Gelfand?

4 MR. GELFAND: Aye.

5 MS. O'LEARY: Vice President Rowland?

6 MS. ROWLAND: Aye.

7 MS. O'LEARY: Director Arabo?

8 MR. ARABO: Aye.

9 MS. O'LEARY: Director Barkett?

10 MS. BARKETT: Aye.

11 MS. O'LEARY: Director Blair?

12 MR. BLAIR: Aye.

13 MS. O'LEARY: Director Mead?

14 MS. MEAD: Aye.

15 MS. O'LEARY: Director Mosier?

16 MR. MOSIER: Aye.

17 MS. O'LEARY: Director Nejabat?

18 MR. NEJABAT: Aye.

19 PRESIDENT SCHENK: Let the word go out, we have our themes
20 for '25 and '26.

21 MR. GELFAND: I think you could sell a lot of weddings at
22 the fair, with happily ever after.

23 MS. ROWLAND: Well that's interesting.

24 PRESIDENT SCHENK: I like that. All right. We will move onto

1 Finance Committee report. Director Gelfand?

2 MR. GELFAND: So the Finance Committee met, and we have
3 several action items. And I will turn them over to Carlene to
4 describe.

5 MS. MOORE: So before focusing on the action items, I do
6 want to draw attention to the year-end financial report which
7 was submitted. The finance report starts on page 118. But the
8 year-end financial report, otherwise known as the statement of
9 operations can be found starting on page 125.

10 This is the annual report that we are required to submit.
11 It is the Department of Food and Agriculture's form. We will
12 just leave it at that.

13 So with that, we had some discussion at our strategy
14 session around reserves, or rainy-day funds and things of that
15 nature. So at the end of, as you can see on the first page, page
16 125, at the end of 2023, our unrestricted reserves are 35%. But
17 I wanted to talk a little bit about it, just kind of to set some
18 framework for the board what that 35%. What does that mean?
19 Because I think as we look at, as the Finance Committee looks at
20 the bringing forward a policy with regard to reserves, or rainy-
21 day funds, really to think more of amount versus percentage the
22 way this is calculated. In essence, what this is, it's a
23 calculation of the net resources unrestricted. So sort of our
24 unencumbered cash divided by the operating expenditures.

1 So as a percentage, that's a good, you know, it's a good
2 number. And what's interesting is, outside of 2020, outside of
3 2021, this is a reserve of this size, I went back as far as
4 2015, it's more than double what we had seen pre-pandemic in any
5 year. And 2021, was a different kind of a year, and in part
6 because, while our percentage was around this same number, our
7 operating expenses were much lower and hence our cash position.

8 If you think about '21, that is also at the height of,
9 coming out of being in the pandemic, reduced staff and workforce
10 and things.

11 I just didn't want anyone to get caught up with this 35%,
12 this is a great mark, we have achieved. We should be looking at
13 it from the standpoint, and staff will bring analysis back to
14 the Finance Committee, what is that target cash amount for, and
15 to determine what period of time in which to be able to operate.

16 But it was a good year.

17 I also want to draw attention to schedule 4 which could be
18 found on page 128. Towards the bottom, you will see referred to
19 as the courtesy pass admissions. As a board you should be aware
20 that food and agriculture code, section 30.26, actually limits
21 the fair's and not just the DAA's but all of the fair's, limits
22 the ability, what is referred to as the courtesy pass
23 submission. These are the free admissions we provide that we
24 distribute where there is not an exchange of a good or service.

1 Those are considered a different type of credential. For
2 example, our fair for all program where we are providing tickets
3 into the community and through nonprofits and service
4 organizations for disbursement, that limit is 4% of the previous
5 year's paid number.

6 You will see that, in terms of in 2023, we are at 10.8%. We
7 are meeting internally to kind of review what made up that
8 number. Last year we were so proud at being at 4.4%, within it.
9 But I also want to set the table that even at 10.8% we are still
10 down from historically what that percentage was, looking at 2018
11 to 2019, it ranged as high as 23% during that time period to
12 about this same percentage.

13 So that you are aware as Board members, there's the food
14 and agriculture board that limits that ability for us. Which is
15 why we have programs that organizations apply for so we can then
16 determine and select and distribute those tickets and ideally,
17 if we have more requests than we can give, that we are also
18 changing up perhaps the organizations that we are contributing
19 to each year, so that we are spreading that around the community
20 over the course of a few years.

21 PRESIDENT SCHENK: According to the food and agriculture
22 code, we aren't supposed to exceed 4, but we are, what are the
23 implications?

24 MS. MOORE: The implications of that we get a slap on the

1 hand for having done it, we are reminded it's in the food and ag
2 code and to be in compliance with it. I think more importantly
3 it's awareness for this board and something to be monitoring.
4 It's one of those numbers to be aware of and be paying attention
5 to.

6 But there's not a penalty that comes with it. But we are
7 out of compliance with it.

8 MR. BLAIR: 81,000 you are suggesting for this coming year?
9 2023 statement of operations. You are on page 128.

10 MS. MOORE: So this year the number we would be working off
11 of is for what we will be able to provide in courtesy admissions
12 for 2024, will be up to 4% of the 862,081, the number of
13 tickets, total paid admissions.

14 MR. BLAIR: 4% of 781,000?

15 MS. MOORE: No look further down. Those are gate admissions
16 and other types of paid admissions, column, 862,081.

17 MR. BLAIR: So 4% is 35,000 or something?

18 MS. MOORE: About 38.

19 MR. BLAIR: What are you suggesting we do?

20 MS. MOORE: We have a program. So that is the limit as staff
21 we will be looking to be able to provide in terms of tickets.

22 MR. BLAIR: 38,000.

23 MS. MOORE: Uh-huh.

24 MR. BLAIR: You are suggesting we not go to 81 but stay at

1 38-ish.

2 MS. MOORE: Yes, we will be working toward bringing that
3 number down and toward compliance.

4 MR. BLAIR: In this one year? You are suggesting 2024 be the
5 38,000?

6 MS. MOORE: No. I guess what I'm saying, is staff, we are
7 going to be working toward this. Understanding that 4% is the
8 limit and we will be working toward it. We haven't seen yet what
9 our applications and things like that look for, for our Fair for
10 All programs. We have a program that nonprofits and service
11 groups can apply to for those free tickets.

12 MR. BLAIR: I think you said you will work down to that 4%,
13 or go to it?

14 MS. MOORE: The reason I say working down, is because there
15 are also some other programs and things, and without having gone
16 through the data to see what got us to 10% this year, there may
17 be some tickets in there for example, that don't count as
18 courtesy admissions, perhaps they should have been credentialed
19 admission because there was an exchange for services or an
20 exchange for goods. I'm trying to think of an example. Sponsors
21 for example, are a credentialed admission, because we are
22 receiving compensation, and we are giving them tickets.

23 One of the things we will be doing is looking at what
24 comprised this number that we got to this year to make sure.

1 MR. BLAIR: 81,000 sounds like a lot to be giving away to
2 nonprofits.

3 MS. MOORE: Much lower than it has been in the past.

4 PRESIDENT SCHENK: It's also fewer days than in years past.
5 We used to have a run of about six or seven days more than we
6 currently have.

7 MS. MOORE: But with that, the limit still being there, in
8 terms of admissions. What we have actually seen in the last two
9 years is our paid admissions have been increasing, where the
10 number hasn't increased on the complimentary, in essence
11 promotional tickets.

12 MR. GELFAND: Once they are here they are spending money on
13 food and rides and everything else.

14 MR. BLAIR: That's certainly the trade-off. I'm not going
15 to mention name, a friend of mine said I got, he made it sound
16 like it was thousands of tickets, I will give you four. I think
17 I can buy my own four. Too many tickets to some organizations
18 might - I'm not insinuating, but -

19 MS. MOORE: We have been working to clean up our ticket
20 distribution program. And to target it more for organizations
21 and things that are need-based, so people who might not
22 otherwise have the opportunity to come and enjoy the fair have
23 that opportunity.

24 MR. BLAIR: Great idea.

1 PRESIDENT SCHENK: Sometimes there are organizations that
2 will ask for donations that they then auction off, so the funds
3 raised go to very worthy, 501(c)(3)s but they are getting the
4 tickets they auction off.

5 MR. BLAIR: And we are getting the visibility of buying
6 tickets to the fair. I understand all of that.

7 PRESIDENT SCHENK: Okay.

8 MS. ROWLAND: My question is slightly different, for the
9 types of organizations you want to support and the applications
10 that are coming in, is the 4% adequate for our broad community,
11 given the territory and given the range that we have where
12 people attend from. If it's not, what is the process for
13 changing the code?

14 I don't want to assume that 4% came down from the mountain
15 on the tablets. It did not.

16 It came from somewhere. And they had some logic associated
17 with it, which we don't know anything about. And I'm certainly
18 not for spreading tickets to the wind. But I want to make sure
19 we are meeting kind of a social, you know, commitment that is
20 there.

21 MS. MOORE: It's a really good question and we will
22 definitely look into that.

23 PRESIDENT SCHENK: Any other questions, comments?

24 So this is an action item.

1 MS. MOORE: No, that wasn't. That was the informational
2 piece about it, in terms that it is included in your packet. In
3 terms of the action items that you have before you, first up is
4 with regard to insurance. We would need an action for this. So
5 this request, we have had for a number of years now. It's not
6 due to lack of notice or inquiring to get insurance quotes. For
7 whatever reason our insurances, outside our general liability
8 and workers compensation expire at the end of April, and would
9 need to be renewed before May 1st. Though we contacted the
10 Department of General services, Office of Risk and insurance
11 management, a year ago, they have still not been able to provide
12 us timely quotes. At the time they said that was too much time,
13 come back in October. We came back in October. We have been back
14 multiple times since. So with that, what we would need is a
15 motion to delegate authority to Vice President Gelfand he did
16 last year to consult with staff to select and procure so we can
17 bind the necessary policies. And this is everything from
18 property, earthquake, cybercrime, and perhaps even a few others.
19 We are current when we return to the California Fair Service
20 Authority risk pool, general liability and workers compensation,
21 run for five years. We're not at risk on those. But without
22 this, we would be at risk for a lapse in coverage. Which as many
23 you know, you don't want that when it comes to insurance.

24 MR. BLAIR: I will move what you just said.

1 PRESIDENT SCHENK: Let's do this. I don't see any public
2 comment on my screen. But is there anybody who wishes to offer
3 public comment? All right. Seeing none. There's been a motion
4 made. Is there a second? There's a motion and second.

5 MR. RIVERA: Martha has her hand up.

6 PRESIDENT SCHENK: I don't see it.

7 MR. RIVERA: It just came up.

8 PRESIDENT SCHENK: Sure. Ms. Sullivan?

9 MARTHA SULLIVAN: Hello, I thought I signed up to speak on
10 the 6E Finance Committee report online. My comment -

11 PRESIDENT SCHENK: Go right ahead.

12 MARTHA SULLIVAN: Okay, my comment is about the income
13 statement that page 123. I guess it was kind of a flag for me,
14 the full 2024 budget for concessions and beverages, I think is
15 listed as \$53.1 million. And looking at the statement of
16 operations for last year, page 126, it's only \$26 million. So I
17 just wonder was this, is this an error in the income statement
18 for the 2024 for concessions? Or are you expecting a much better
19 year?

20 MS. MOORE: So the Department of Food and Agriculture
21 statement of operations on page 126, the question is that our
22 full year budget calls for 50, let me flip back to it, \$53
23 million in concessions revenue. And yet, on page 126, last
24 year's concessions is listed at \$26 million. The Department of

1 Food and Agriculture statement of operation, the first handful
2 of accounts, from admission to horse show is based on fair time
3 revenues. It is a form that to my knowledge has looked like this
4 for more than 30 years, more than 35 years at this point. That's
5 just the time I've been in the industry. So it doesn't
6 necessarily equate to how items that are budgeted outside of the
7 fair. So then the portion of concessions, for example, from non-
8 fair events on their form will fall into other areas such as
9 miscellaneous non-fair programs and others. With that being
10 said, we are also anticipating more activity at The Sound than
11 we had previously last year that would also result in that, and
12 we have the Breeders Cup returning. So from a budget number
13 figure that we have, that's why it's so far off from 2023.
14 Increases at The Sound, not necessarily the fair and the
15 Breeders Cup.

16 PRESIDENT SCHENK: There's been a motion and a second. Any
17 other?

18 MS. ROWLAND: I would say, an additional reminder, this
19 statement of operations is not our document. Maybe we can use it
20 to compare to other fairs in some respects but it's not one that
21 drives anything for us. It doesn't drive our budgeting process,
22 et cetera. It's something that is put together by the
23 department.

24 PRESIDENT SCHENK: Any other comments?

1 MR. RIVERA: Martha's still in the Zoom room.

2 PRESIDENT SCHENK: Ms. Sullivan, did you want to -

3 MARTHA SULLIVAN: That's fine, thank you. I appreciate the
4 explanation.

5 PRESIDENT SCHENK: Thank you. We'll take a vote.

6 MS. O'LEARY: President Schenk?

7 PRESIDENT SCHENK: Aye.

8 MS. O'LEARY: Vice President Gelfand?

9 MR. GELFAND: Aye.

10 MS. O'LEARY: Director Rowland?

11 MS. ROWLAND: Aye.

12 MS. O'LEARY: Director Arabo?

13 MR. ARABO: Aye.

14 MS. O'LEARY: Director Barkett?

15 MS. BARKETT: Aye.

16 MS. O'LEARY: Director Blair?

17 MR. BLAIR: Aye.

18 MS. O'LEARY: Director Mead?

19 MS. MEAD: Aye.

20 MS. O'LEARY: Director Mosier?

21 MR. MOSIER: Aye.

22 MS. O'LEARY: Director Nejabat?

23 MR. NEJABAT: Aye.

24 PRESIDENT SCHENK: Motion carries. We will move onto item

1 E2. Who would like to address that?

2 MS. MOORE: So we are very excited to be sharing this
3 program. I want to invite up the team from Premier Food
4 Services. Private event sales program, another way to think this
5 is an out bound sales program for us. This really is a proactive
6 redevelopment of the event, this is a segment that really has
7 not returned to us post-pandemic, so with that we have Sarina
8 here to present on this program.

9 I also want to -

10 [Off mic]

11 Also, as a reminder, when we had our strategy session,
12 there was some discussion around new revenue sources and new
13 businesses and things. And so, while we would love for you to
14 think, wow, staff really did that in a couple of weeks, this has
15 been a program that has been in the works, so we are really
16 excited to bring it forward to you, and here is Sarina to tell
17 you more about it.

18 SARINA MORETTI: Thank you, Carlene. I'm Sarina Moretti, the
19 Director of Private Event Sales at Premier Food Services, whose
20 parent company is ASM Global.

21 So, today I want to talk to you about the Private Sales
22 Program that we are ready to bring to market by looking at our
23 strategic sales program for the year.

24 So, to give you a little overview of what we're going to be

1 talking about, the goal of Del Mar Premier Events, which is the
2 brand name we put around this program, is to increase the
3 revenues for the district by adding a critical line of business
4 that offers year-over-year growth and ongoing financial
5 stability.

6 So, we will meet this goal by focusing on winning business
7 via Outbound Sales at the highest standard of excellence by
8 providing start-to-finish event planning services and support
9 for each client. And by adopting this program, you're going to
10 receive the full support of DSM Global, which has a national
11 private event sales program that already exists and is
12 successful and proven across 22 other venue locations,
13 nationwide.

14 So, here is an overview of what we'll be talking about. And
15 getting to know Del Mar Premier Events a little more, so diving
16 into what it is.

17 So, this will be a full-service management of our Private
18 Events on the property, using a trackable roadmap that the ASM
19 Global/Premier has provided. It's a distinctly separate line of
20 business in the existing expo and consumer shows that are
21 already happening on the property. Because this is not ticketed
22 to the public. These are considered private functions. And we do
23 have a specific go-to-market strategy that is proven successful
24 across the ASM portfolio, as I've already said.

1 And it perfectly ties in with being run by our catering
2 team on property, our food and beverage concessionaire here,
3 because these are food-focused events to reinvest in public
4 assets to serve the community for generations to come.

5 Typically, the catering element is a major component.

6 So some of the benefits of bringing this program on is you
7 will receive ASM support. So that includes national exposure,
8 and different initiatives throughout the year that are provided
9 from a corporate level and tracked.

10 We've got all sorts of initiatives throughout the year that
11 we receive extra support. So it's not just me on the team, it's
12 also our corporate marketer, it's our, you know, social media
13 team. So there's all these different elements of the team, our
14 VP of Sales that helps along the way. It's a fully supported
15 team, even though on site it will just be the typical people at
16 Premier Food Services you are used to working with. So that
17 familiarity is nice as well.

18 Typically there's low risk. There's minimal investment to
19 start up this program. It naturally integrates in with what is
20 already happening with our catering sales team. And it really
21 just adds an additional element that helps us excel at our job
22 and drive more revenue for catering.

23 So this also, it looks like it will be tracking for year-
24 over-year growth. So while Year one, the program will be just

1 ramping up, there's huge potential in the San Diego market and
2 regionally to warrant more and more business for private events.

3 And the partner incentive, it's great because ASM is able
4 to hire commissioned-based sellers and is able to have a
5 strategy of outbound sales, specifically going out to win new
6 clients and business that may have been unconsidered in the
7 past.

8 And lastly, it's also community focused.

9 So, here you can see an ad campaign of our first ad that we
10 put together to kind of highlight what private events might be
11 like on property.

12 And then I will talk to you about opportunities.
13 Opportunities of how this will drive revenue. We can win new
14 business using outbound sales I touched on a little, we will
15 reestablish the fair group sales vertical, which is a really
16 important piece of business that includes the ancillaries like
17 ticket sales and admissions and other pieces that happen.

18 For example, we have the Group Edco that is over 2,000
19 attendees that will be coming on one day for a private event
20 during the fair. That's what we mean by those Fair Group Sales.
21 Employee appreciation kind of events.

22 Next we will generate additional revenue during non-peak
23 season. So it's just kind of a win/win to have more business on
24 property when there's, it's not our fair or racing seasons.

1 Next, there's an opportunity to upsell by providing a
2 turnkey event services support.

3 So this is one of those key factors that differentiates it
4 from the Expos and ticketed events segment. With private event
5 sales we are able to offer our buying power and our support with
6 local vendors and things like that to sort of handhold with
7 these clients that aren't always professional planners. So they
8 need a little extra support and it's an opportunity for us to
9 provide a more full-service experience. So be thinking about a
10 wedding. It might be their very first time doing a large event.

11 And this seamlessly can integrate with what's happening at
12 the Sound. I'm able to also book that room as well and support
13 the show count there for private events, to be clear.

14 And lastly, there's big opportunity to secure annuity
15 business that's going to be clients that want to return every
16 single year. So that's when we are talking about really being
17 able to build the program. Having that backbone of clients that
18 want to come back every year to produce [Off Mic].

19 So this dives into the scope of work just so you can
20 understand what all is included with the Del Mar premier events
21 program.

22 So I won't read through all of it, but you can look. So we
23 will be doing client relationship management. Assisting with
24 actually facilitating the private event agreements. Fulfilling

1 the catering orders, which integrates with what premier food
2 service already does.

3 So I think it really makes for a clean operating procedure
4 where the client stays with us from start to finish. And just
5 has one point of contact which makes it, just a nice user
6 experience.

7 And then also something important to point out on here is
8 that we will be meeting measurable goals and following the
9 annual sales strategy that is set forth by ASM Corporate. So
10 there is that tracking component and ability to really measure
11 up against other venues in the portfolio and also just receive
12 guidance to make sure we stay on track.

13 So, our go-to-market plan. So in year one, specifically,
14 this is looking at how, how will we do it?

15 Our target verticals in year one are local corporate,
16 national corporate, nonprofit, and key media events that might
17 be good partnerships.

18 So I list out some of the ways that we can partner with
19 them. One really important one is the CVB, the San Diego Tourism
20 Authority, we already paired up with them. And just any key
21 players in the meeting and events industry in San Diego, I'm
22 actively going out and building relationships with them to talk
23 about referring business to the property.

24 So now we get into the fun stuff. We did some market

1 research to compare the fairground's rates against other
2 industry competitors we would consider comps because they have
3 large facilities that operate for ticketed public events, and
4 they also have private event sales programs.

5 So these are the numbers pulled for their private event
6 sales programs, to be clear.

7 So you can just look across-the-board and see that we are
8 currently, if you are looking at our Expo and ticketed event
9 rates, those are significantly priced lower than what you would
10 see for private event programs.

11 And I can talk about what some of those differences are and
12 why the price is different. But like I said, it's more of that
13 full turnkey service experience that requires, on our end, a
14 little more cost and also just more of an all-in-one wrapped up
15 experience for private events.

16 So for example, if you were just to look at the paddock,
17 right now it's priced at \$2,860. And then if you look over at
18 Snapdragon that has an equivalent-sized space, it's priced
19 competitively at \$12,500. So this is when ASM Global did this
20 assessment and is making a recommendation to bring up our
21 pricing for just private events for Del Mar Premier Events to be
22 more in line with what's competitive in our market now that we
23 have really researched it.

24 So the results on average, district private events are

1 currently tracking at \$30,000 less than market average.

2 In year one alone with a potential of 12 event bookings
3 with \$30,000 under market average that means we are currently
4 planning to turn down at least \$360,000 in additional revenue
5 that would be available on events just this year alone.

6 So it's business that's already coming to us, so being
7 competitively priced in the market does really pay dividends.

8 So we have a proposed plan that will bring us up to market
9 standard and really showcase this piece of the live event
10 industry that is a separate and distinct business model from the
11 existing ticketed and consumer Expo business.

12 So now you can take a look at ASM Global and Premier's
13 recommendation about each room's rental fee. And so we assessed
14 this based on a couple of different criteria. The why for the
15 assessment, it's a separate line of business. More things need
16 to be included. And just the gold standard looking at all the
17 venues nationwide in the ASM portfolio and in our market. That's
18 how we came up with these numbers.

19 Even to drill down a little further these numbers also
20 factor in certain rooms on property take a little more cost to
21 operate. Or to prepare to open doors, for example, paddock green
22 might need landscaping to be factored in and we have to talk to
23 the Del Mar Thoroughbred Club. So considering those factors that
24 are involved with each room.

1 And I would also like to note there's still a sliding scale
2 rental fee reduction that would be applied based on higher food
3 and beverage spends and the intention is to just keep it the
4 status quo we see on property.

5 And I will also note that we've priced - we have received
6 pricing from Belly Up Entertainment for The Sound. So that
7 pricing is set by them.

8 Should I move on?

9 MS. MOORE: This page is included in your packet on page
10 143, so you have the proposed rate sheet.

11 MS. MORETTI: Yeah, that's helpful. Thank you.

12 You can take a look at that, and I'll proceed through the
13 rest of this.

14 PRESIDENT SCHENK: Why don't we have some questions?

15 MS. MORETTI: Sure.

16 MS. BARKETT: The rent increases are high.

17 MS. MORETTI: Uh-huh.

18 MS. BARKETT: Really high. You know, I mean, we have been in
19 business for so long. If somebody, if we have a return client -

20 MS. MORETTI: Uh-huh.

21 MS. BARKETT: What are they going to say about these price
22 increases? Are we going to lose their business?

23 MR. RIVERA: Microphone please?

24 MS. BARKETT: It's on.

1 MS. MOORE: You might have to lean in.

2 MS. BARKETT: It's on. Hello? Okay, thank you. Do you want
3 me to repeat?

4 MS. MOORE: Yeah, so the question is, I think the public
5 might not have, so the question is, yes, how the rent increases,
6 in terms of any new business, what will clients -

7 MS. BARKETT: What will past business, return client, is
8 where I'm concerned here because the jump is significant.

9 MS. MORETTI: Uh-huh.

10 MS. BARKETT: And you know, you have to really weight
11 balance of your past clients and, you know, I would love to know
12 what our staff thinks, in terms of the increase.

13 MS. MOORE: I was just going to answer that. One thing to
14 note is when it comes to the rates that we have on our
15 buildings, there's a two-day minimum requirement on those.

16 With the private events, because of the type of events they
17 are, most aren't a weekend, they are one night, one day, one
18 evening. And the service that comes with that. So comparably, in
19 terms of what our published rates are, you have to double that
20 because of the two-day requirement. And with that there's a lot
21 more service provided. In the past, there was the fee with
22 regard to the fairgrounds for it. Then there was, they were
23 handed off, in essence to Premier. So this really being again
24 that turnkey service for it. And I think that already we are

1 seeing and hearing from, because we have reached out to people
2 who have been here in the past that are signing up, aware of
3 these rates.

4 One big difference is the sliding scale being offered based
5 on food, meaning rent could come down because of the food and
6 beverage value that they are purchasing with it.

7 MS. BARKETT: So even the food and beverage has gone up, the
8 minimum. So that's - I mean I know, I have held major events
9 here. I mean, I have just you know even the Paddock, now we
10 didn't have that many in the Paddock, 2500, but you know, that
11 is a repeat business that comes back, that particular group.
12 Looking at that price, they would say there's just no way.

13 MS. MUELLER: So one thing to note is that we haven't had a
14 return of our private event business. So after the pandemic, you
15 know, it decimated all mass gatherings. Our consumer shows came
16 back. And those are professionals that were literally going,
17 here is the building, let us know when your event is over. We
18 are providing little support because that's what they do for a
19 living.

20 With these private event sales, they need a lot more
21 handholding. You know, they need resources for vendors to bring
22 in tents, to bring in decorating, furniture, all of these kinds
23 of things to make their event special.

24 And I think one of the things, you know from what we heard

1 at the discussion about strategic planning is how could we bring
2 new revenues to this facility? And when you look across the
3 board at all of these other venues in our market, we are way,
4 way behind the curve in private event sales. And if we want to
5 bring more revenue to this facility, it's not consumer shows,
6 because we are busy every single weekend. We don't have any more
7 buildings available for consumer shows. It's going to be in the
8 private event space.

9 PRESIDENT SCHENK: Director Gelfand?

10 MR. GELFAND: A couple things. My company actually operates
11 a business like this in Newport Beach.

12 And these prices, to me, are really reasonable. They are
13 low, if anything. In terms of what the market is.

14 If there's a past customer, you know, I'm sure they would
15 work with them to keep them as a customer. So there's that.

16 I have some questions. The action item in the agenda refers
17 to the approval of the rates. So I'm assuming that our contract
18 with ASM requires that we approve the rates for these kinds of
19 things? Is that the case?

20 MS. MOORE: Actually, your responsibility as Board members
21 is to set rates. So all of our rental rates are ticket/admission
22 rates and would consider this to be setting those rental rates
23 as well.

24 MR. GELFAND: Okay. The only other question I have, is

1 because we have a contract with ASM that goes on for, how many
2 more years?

3 MS. MOORE: The current contract goes through December 31st,
4 2026. And it has one remaining five-year option that could
5 extend it as far as 2031.

6 MR. GELFAND: And that's our option?

7 MS. MOORE: Yes.

8 MR. GELFAND: Okay. So what would happen with the database
9 of all these customers at the end of the contract with ASM?

10 MS. MOORE: So we as the District actually have to issue the
11 contracts. The database is ours.

12 MR. GELFAND: Perfect. Thank you.

13 PRESIDENT SCHENK: We will go around this way. Joyce?

14 MS. ROWLAND: One of our core values around accessibility,
15 which as we know is not just physical accessibility, but
16 accessibility based on pricing, cost.

17 And I don't know if there is like a sliding scale for
18 nonprofits, or, I mean, I just am a little concerned. This is a
19 lot of information for us to absorb, in terms of approving the
20 rates.

21 I understand what we are saying about market comparability,
22 but, you know, where is the thought about the accessibility?
23 We're not supposed to be at market comparability, as far as I'm
24 concerned. We're supposed to - I have a little bit of a

1 different sentiment about it. I might feel that way about a
2 small local business. I just don't know what thinking has gone
3 into it, relative to that issue of accessibility.

4 PRESIDENT SCHENK: Director Blair?

5 MR. BLAIR: First of all, I think the concept is great. That
6 we have any dead time, and we could sell it is a huge win.

7 My private sector life says, what's our profit split here?
8 Because that hasn't been mentioned. And you are on commission or
9 something. So if I - and I want to go to this event. The
10 Director's Room is \$2,000. And you have to spend a minimum of
11 \$20,000 on food and beverage. That's a good party.

12 So there's \$22,000 in sales between the room and the thing.
13 What take do you guys get and what take do we get?

14 Do we just get our normal profit off food and beverage?

15 MS. MOORE: No.

16 MR. BLAIR: There's just going to be more of it?

17 MS. MOORE: I will address that.

18 MR. BLAIR: I love the idea. I'm just trying to understand.

19 MS. MOORE: Right, so our agreement with Premier Food
20 Services and ASM Global is a profit-share agreement. It's not
21 the typical concession style of agreement. It's just a
22 percentage of gross.

23 And the way that it works, at the end of the day in terms
24 of profit, the end of the year, it's an 87.5% of the profit goes

1 to the district, 12.5% goes to Premier. That's after all
2 expenses, all revenues come to us, and then we reimburse Premier
3 for all expenses associated with the food and beverage program,
4 the split on that is 87.5 to the district, 12.5 to Premier.

5 Anticipated in terms of this program that the average event
6 through this is about a - if I recall correctly is about a 50%
7 profit. Now, keep in mind, what that takes into account is cost
8 of goods and labor for that particular event. Not the overhead
9 costs of the overall operations.

10 So that's not necessarily the net on each event. But at the
11 end of the year, we keep 87.5% of the profit.

12 MR. BLAIR: So if you have an event in the Director's Room
13 and sales are \$22,000 do you know -

14 MR. RIVERA: Microphone, please?

15 MR. BLAIR: How much you made on that -

16 MS. BARKETT: Microphone.

17 MR. BLAIR: It just goes into a huge pot and at the end of
18 the year we get 87.5%?

19 MS. MOORE: We do on an individual event basis, we track
20 that. The split happens - the ending split happens at the end of
21 the year. So we're not trading checks by each event. Uh-huh.

22 MR. BLAIR: Could we leave here understanding that of that
23 \$22,000 event, I just picked Director's because it's easy, but
24 that's a lot of food for 100 people. We would get - of the

1 profit on that event, so made 20% profit, whatever that \$4,000
2 dollar - we would get 87.5% of that \$4,000?

3 MS. MOORE: If that was the profit at the end of it, yes. I
4 just - I don't know. Mark, perhaps you can come up and speak in
5 terms of the overhead operational costs of Premier. It's not
6 quite the gross numbers that we are talking about. So the
7 average cost, the average labor.

8 MARK WIGGINS: Yeah, if we have an event and it's \$22,000 -
9 usually it's about a 50% flow-through to the bottom line. You
10 might look at the profit being \$11,000 and we would keep 12.5%
11 of that and 87.5% would go back to the State.

12 PRESIDENT SCHENK: Except there's a little overhead of that
13 \$11,000 -

14 MR. WIGGINS: Yeah, every event we have we do a small P&L to
15 see which events are profitable where we might not have spent
16 too much money on decorations and things like that. So the
17 yearly and monthly we do the split because we have insurance, we
18 have other things we don't track per event.

19 MR. BLAIR: We're starting a new little business, and as I
20 said, I love this idea. But I'm just trying to understand how
21 profitable this is for us? Right, a little selfish here.

22 MR. WIGGINS: Right.

23 MR. BLAIR: Because you could load on all sources, right?
24 Like the commission sales people, would they come out of my

1 \$22,000?

2 MR. WIGGINS: Right.

3 MS. MOORE: So if we can actually go, I think it's to the
4 next slide, if I recall. That's for Group Sales, sorry, or
5 there's one previously that spoke to, so in the first year of
6 this, what we are anticipating to the bottom line, if I recall
7 correctly is about \$360,000.

8 MS. ROWLAND: No it's there, we saw it.

9 MS. MOORE: It is in the staff report.

10 MS. ROWLAND: Wasn't that just around existing business
11 coming off the market rates?

12 MS. MOORE: That's for this particular program with
13 approximately, sorry, let me go to the report that's -

14 MR. BLAIR: I don't want to belabor, I mean I love the idea.
15 It may be at the next meeting we can come back with some - your
16 Edco example.

17 Do we eat into our own ticket sales. They buy 2,000
18 tickets. Would they have bought them anyway?

19 MS. MOORE: So we retain the portions that would have been
20 the district. So the ticket sales, though Premier will be
21 implementing and carrying forward the program, we would retain
22 100% of those ticket sales. What we split - and the parking. And
23 even the room rental. What we split with Premier is simply on
24 the F&B portion of it.

1 MR. BLAIR: Even in my example, the 2,000 -

2 MS. MOORE: Would have come to us.

3 MR. BLAIR: We are only talking food and beverage?

4 MS. MOORE: Yes.

5 MR. WIGGINS: Right.

6 MR. BLAIR: And some overhead expenses that are layered on
7 top of that profit, right? I mean.

8 MS. MOORE: Yeah, so -

9 MR. BLAIR: We can throw everything in there, that's
10 overhead, right?

11 PRESIDENT SCHENK: Phil, when you are done, I want to make
12 sure everyone gets a chance to ask questions.

13 MR. BLAIR: That's the thing I don't think we understand
14 right now.

15 MS. MOORE: So the missing piece is understanding, when we
16 talk about the relationship with Premier ASM, it isn't just the
17 food and beverage, meaning the cost of the goods for that and
18 the labor for that. It is their overhead costs as well. Their
19 insurance costs. Their -

20 MS. ROWLAND: Indirect allocations and all of that?

21 MS. MOORE: I'm sorry? Yes. And equipment that has to be
22 repaired. And that has to be brought in. So that's the
23 additional overhead that we are referring to. So on the one hand
24 there's an event P&L of cost of goods and labor for it. But then

1 an allocation of the percentage of, as we know, right? We have
2 administrative expenses just to be able to operate as a
3 business. In our relationship with them, again, 100% of the
4 revenue actually comes to the district. We, then, pay Premier.
5 We reimburse them for the expenses associated with it. Our
6 accounting team and Katie meet with them on a monthly basis. And
7 we do a deep dive into their P&L for holding accountable and
8 ensuring that they're working at that. So, that's why we keep
9 saying - there's, it's not quite - oh it's a 50/50 split on
10 that, because really the calculation of split will come at the
11 end of the year on the profit - overall profit margin of all of
12 the food and beverage operation. What we are anticipating from
13 this is that in year one, a net income to us, meaning after we
14 split, they have gotten their 12.5%, that our 87.5 on this would
15 be \$345,000, just in year one.

16 PRESIDENT SCHENK: Let's go around. Director Arabo, do you
17 have any questions?

18 MR. ARABO: Yeah, but Director Blair covered a lot of them.
19 I agree with Director Barkett and Director Rowland about rates.
20 I know that rates, market rates, their venues are much lower
21 right now. But accessibility is a big deal. So maybe we can find
22 some type of sweet spot.

23 MR. WIGGINS: I think that gives her ability to be able to
24 lower those rates too. Those are the top rates that we do.

1 And of course if we have past clients, we have to take that into
2 consideration. So we are going to have to listen to them and
3 explain to them what other service we are providing with that,
4 that's an additional to what they might have not got previously.

5 MR. ARABO: I think it's an amazing idea. Congratulations -
6 I mean great job. More revenue. It's like every day something
7 isn't rented it's like an airplane taking off without passengers
8 on it. Maximizing is an important thing. For 2023, to Director
9 Blair's point, do we know, it might not be in front of you, how
10 much revenue - if we look at '23, how much food and beverage
11 revenue we made, I mean it's total. And what was the District
12 share? Just from that you kind of get an idea.

13 MS. MOORE: I don't have that in front of me, but I can
14 bring it, bring that back.

15 PRESIDENT SCHENK: Director Mosier?

16 MR. MOSIER: Yes, I think this is a good idea and we should
17 move forward. My recent experience, planning the rehearsal
18 dinner for my son's wedding next month, and it's 60 people in a
19 restaurant and it's going to be over \$5,000, at least. If
20 somebody brings someone it will be more. I just think these
21 prices are still below market. I also planned some events for
22 nonprofits locally. Some at the Hilton, some at the local
23 country clubs. And again even the nonprofits are paying more
24 than this, you know, per person, so. I think that, you know, as

1 long as you have some flexibility and pricing, and you, you know
2 when you bring in some nonprofits - you can do it, but I think
3 these rates are still below market.

4 MR. WIGGINS: I think we will open up to a lot more
5 nonprofits. Because she'll have the experience where a lot of
6 the smaller nonprofits don't have a person that's planning those
7 events, that she will be able to make it kind of a cookie-cutter
8 kind of an event for them where they won't have to have that
9 person doing it for them. She will be hand-in-hand walking them
10 through their event.

11 MR. MOSIER: I just want to add the recent nonprofit events
12 we have had the last couple of years, we've had trouble getting
13 staff, so we had very inexperienced staff and not one of them
14 has come off without a few hitches.

15 So if Premier provides experienced staff that knows how to
16 handle these events, that's again a big plus.

17 PRESIDENT SCHENK: Thank you.

18 MS. BARKETT: Just to reiterate, to go from \$2,860 to
19 \$10,000 just to rent, if I were to bring that past client back,
20 they're not coming back, it's too much.

21 PRESIDENT SCHENK: Director Gelfand - oh, did you have
22 anything more?

23 MS. BARKETT: No.

24 PRESIDENT SCHENK: Director Mead? I don't know if she is

1 with us.

2 MS. MEAD: I am with you, and I had my hand up. Thank you.
3 I'm just a little taken aback with this, unless I missed
4 something that this didn't go through the Finance Committee. We
5 do a lot of our work in this sort of level of adjudication that
6 we're going through as a Board whether it is the pricing and
7 scenario planning. What happens if you move from -- and the
8 elasticity of the pricing from \$2,600 to \$5,000 to \$7,500. What
9 if you have tiered levels? All of those kinds of things, it kind
10 of surprises me that we're kind of adjudicating all of this at
11 this Board level. So if I heard Director Joyce, if I heard Joyce
12 correctly, I'm wondering whether we make a decision now, or if
13 we ask the Finance Committee to review this and come back to us
14 with a recommendation. Having dug into some of these questions
15 and comments that have come up today.

16 MR. NEJABAT: Yeah, we've done that prior to this meeting,
17 Michael and myself, on the Finance Committee.

18 MS. MEAD: Okay, so this is coming with your -- with the
19 Finance Committee's recommendation? Approval?

20 MR. NEJABAT: Correct. Looking for approval.

21 MS. MEAD: Okay, so I missed that. Thank you.

22 MR. GELFAND: I don't know if there are other questions.

23 PRESIDENT SCHENK: Yeah, I haven't asked mine yet.

24 MR. GELFAND: Go ahead.

1 PRESIDENT SCHENK: No, no, finish up.

2 MR. GELFAND: I was going to make a comment.

3 PRESIDENT SCHENK: So I have a question, last month or maybe
4 two months ago we approved a price plan for all of our different
5 venues. I'm assuming that was staff-approved, that was staff-
6 assessed, staff-analyzed. What happens to that?

7 MS. MOORE: That still stays in place for the, again the
8 consumer shows, the ticketed events, the public events that we
9 have. That's our standard building rent.

10 PRESIDENT SCHENK: That isn't how it was presented though.
11 It wasn't presented as just being for public. That was the room
12 rates, the Paddock rates, all of the rates were told to us,
13 that's what it's going to be regardless of who the customer is.
14 We are being told something different now. So. What happened?

15 MS. MORETTI: Also if you do look at that recommendation
16 from that particular meeting, it said in there at the bottom
17 that it does not include private events, banquet events or
18 Premier food service events.

19 PRESIDENT SCHENK: So that's limited to, what then? What
20 were we voting on two months ago.

21 MR. GELFAND: It's like the two-day.

22 MS. MOORE: Right, so what we were voting on is our standard
23 building and facility rental rates, which are primarily the
24 consumer-driven shows. What we are bringing forward to you today

1 is a new program. And a new program that the recommendation is a
2 different pricing structure for that, because it's not the
3 typical. These types of programs do require more staff time,
4 more dedication of resources, as compared to the Goodguys types
5 of events, even the Foodielands, which are professional,
6 traveling shows that take place, where this is what they do and
7 as Katie described, are more of the turn-key type of events. So
8 we describe them as trade shows, consumer shows, expositions,
9 and things of that nature. So that's why we are bringing
10 forward, you know, separately, this pricing for a different
11 aspect of business.

12 PRESIDENT SCHENK: So those will stay in place?

13 MS. MOORE: Those will stay in place. This will not replace
14 those.

15 MS. MUELLER: Can I mention one other thing we haven't
16 talked about yet? That is, prior to 2019 when we had banquet
17 events we never had an active sales program. We as the State of
18 California civil service cannot pay commissions to sales people.
19 And so what we're talking about here is them actively taking
20 this program over and recruiting business for the district,
21 instead of just passively taking a phone call.

22 So, this program has huge potential, because of that.

23 PRESIDENT SCHENK: So that we are all clear, the multi-day
24 events will be structured as we voted in a month or two ago. And

1 those facility rental rates are not changing?

2 MS. MORETTI: No. Those will stay in place. And there
3 shouldn't be any stepping on toes of business, it's a distinctly
4 different business as defined by private, non-open to the public
5 events, versus open to the public events. So that's what would
6 kind of be the distinguishing factor of whether a client goes in
7 my direction or goes in the expo and consumer show direction.

8 PRESIDENT SCHENK: And does that mean that you won't be
9 overseeing the expo-type events?

10 MS. MORETTI: Correct, I'm not going to be involved in that.

11 MS. MOORE: That will stay in-house. What I would say the
12 other distinguishing - distinguishment, these are food and
13 beverage forward events, that's kind of the driver behind it, as
14 opposed to the more ticketed, broader market. Those events,
15 those rates that were previously approved would still have food
16 and beverage support, but food and beverage not being the major
17 focus of it. It's more of the concession-types of sales and
18 things that would happen. That will still be handled in-house by
19 our team.

20 PRESIDENT SCHENK: Okay.

21 MR. GELFAND: So one clarification. So you've got, you know,
22 like a consumer show, like a gun show, but we don't do gun
23 shows.

24 MS. ROWLAND: Pick a different example.

1 MR. GELFAND: Bad example. It's open to the public, so we
2 get the parking and get a piece of whatever - bring in. This is
3 a proactive sales-based program, which is food and beverage-
4 driven.

5 If someone simply wanted to rent The Sound for a night
6 without food and beverage, where does that fall?

7 MS. MOORE: Well, now you're talking about the Belly Up.

8 [Laughter]

9 MR. GELFAND: Okay, bad example. Let's say they want -
10 Let's say they want to rent the Director's Room -

11 MS. BARKETT: There's The Sound right there.

12 MR. GELFAND: No, but there's a food and beverage thing. But
13 if somebody just wanted to rent the Director's room to have a
14 meeting -

15 MS. MOORE: Uh-huh, that would be with our staff. Yes.

16 MR. GELFAND: Okay, perfect. All right.

17 MS. BARKETT: And is there a requirement of food and
18 beverage minimum?

19 MS. MOORE: Correct.

20 MR. GELFAND: Exactly.

21 MS. ROWLAND: I have a related question, go ahead.

22 MR. GELFAND: Well, go ahead and then I'll come back.

23 MS. ROWLAND: I think my related question is they want to
24 rent the room, they don't need all the extra services, but they

1 want to have food. Does Premier - is that somewhere in the
2 middle of it?

3 MR. GELFAND: If there's food it has to be Premier.

4 MS. ROWLAND: I understand that part of it, but there's
5 Premier now and Premier here. Someone would rent a room and pay
6 a room rental fee and then there would be costs associated with
7 food from Premier, if they want to have food?

8 MS. MOORE: Yes.

9 MS. ROWLAND: And now they have to have, it's like a package
10 where they have to have this full set of services, which
11 naturally costs more, but what if they don't want that, or need
12 a full set of services, it's just a meeting with food? I mean, I
13 just, you know.

14 MS. MOORE: I guess that's - we haven't come across that,
15 because that's not the business, that's not the requests that
16 we're getting in terms of space. What we get, I think Katie
17 described it really well, it's just the inbound calls and it's
18 from promoters looking for a large space to conduct larger,
19 larger events and things. We don't really get the calls for, I
20 want to have just a meeting and then have some food with it.
21 This is really a program of proactively going out to source that
22 business and bring it to us.

23 MR. GELFAND: And generally speaking, if someone wanted to
24 rent the Director Room for a meeting, and it wasn't food, but

1 they wanted some coffee or whatever, they can't bring in outside
2 food. They can't bring in some Starbucks pitchers of coffee,
3 they theoretically have to go through Premier?

4 MS. MOORE: No.

5 MR. GELFAND: No, they don't?

6 MS. MOORE: No.

7 [Laughter]

8 They are bringing in the Starbucks or whatever.

9 MR. GELFAND: Another comment I want to make, some of your
10 concerns still. This is a new business that they will
11 proactively be going out and creating, which is great. Because
12 we have the facility to accommodate. And part about the fair and
13 the income thing as an example, if they have a thousand people
14 from Edco coming, maybe 200 of those people might have come to
15 the fair, but you have this other 800 we are getting ticket
16 sales from. And the parking associated with it. So they're
17 generating a lot of revenue that they don't get a piece of.

18 I think there's a lot of, you know, peripheral benefits to
19 this.

20 MS. MOORE: And actually, I want to point out a big
21 difference between the consumer, the trade show, lower building
22 rentals is, what we get off of that, often time is parking
23 revenue, the building - I'm sort of looking to Katie. There's
24 ancillary income that comes with that, hence being able to offer

1 lower rates.

2 Often times with private events, they're looking for
3 something that is all-in. And that's where, and I think
4 approaching from the standpoint of this is like a maximum level
5 of charge. And based off of really what their food and beverage
6 buy is, what they are needing, because if we are charging for
7 parking, for example, parking buyouts and things like that,
8 there's room for negotiation within it. But understand we get
9 more, right? A Goodguys, like for example, this weekend and the
10 revenue that is also driven from parking, you don't necessarily
11 get with 100-person events, or that ancillary.

12 MR. GELFAND: You're not going to charge parking for a
13 wedding?

14 MS. MOORE: Only if that's the only thing happening. I
15 remember the only thing happening. But anyhow, just understand
16 there are other sources of income that we derive off of those
17 larger events, hence being able to have our facilities for that
18 marked at a lower rate. Because - and we don't split that
19 profit, or that, for example, the parking with the promoters.

20 PRESIDENT SCHENK: So I have a question about comparing
21 apples-to-apples and oranges here. You used some comparisons.
22 Our facilities are somewhat long in the tooth, many consider it.
23 And so, what kind of improvements, renovations are you proposing
24 be made if we want to be competitive with hotels, other

1 locations that, you know, may have a different kind of quality
2 of appearance? Or are we just going to be keeping the space as-
3 is and then trying to upsell to be competitive in pricing?

4 MR. WIGGINS: Do you want to go?

5 MS. MORETTI: People are very excited to be able to host
6 their events here, exactly as it is.

7 PRESIDENT SCHENK: That's your response?

8 MS. MORETTI: People are, it's a very desirable space. And
9 part of the full service is bringing in the nicer decorating
10 companies, if they request that, because they want the space to
11 look their specific theme. Or bringing in furniture that's to
12 their liking. And so sourcing all of that for the client, you're
13 really able to, in the event space transform any room into
14 anything. And I think a big selling point here is actually the
15 flexibility of having a lot of different spaces that a hotel
16 doesn't necessarily have a great outdoor and indoor and breakout
17 space all in one.

18 We have, just we have different strengths and selling
19 points.

20 MS. ROWLAND: Some of those places like the Paddock can be
21 pretty spectacular.

22 PRESIDENT SCHENK: The Paddock, yes.

23 MS. MOORE: Plaza de Mexico.

24 [overlapping speakers]

1 MR. WIGGINS: They get a little tired of the hotel, just a
2 banquet room, they have something with character, and a little
3 bit different. Having someone like Sarina here that can show
4 them what they can get. And a lot about that, we have done a lot
5 of those events already here, so we have a lot of photos to show
6 people what the Paddock could look like when it is decked out to
7 the nines. Or what, we just did an event with Kaiser out in the
8 Plaza de Mexico, which they loved, and we had great reviews from
9 the client on that.

10 PRESIDENT SCHENK: Was that on the new pricing or the old
11 pricing?

12 MR. WIGGINS: That's on the current approved pricing.

13 PRESIDENT SCHENK: The old pricing?

14 MR. WIGGINS: Yeah.

15 PRESIDENT SCHENK: I'm ready for a motion. Unless there's
16 any other comments.

17 PRESIDENT SCHENK: Oh. We haven't done public comment.
18 Martha Sullivan?

19 Ms. Sullivan?

20 Ms. Sullivan, it's your turn.

21 MARTHA SULLIVAN: Thank you for the opportunity, I don't
22 have anything to add.

23 PRESIDENT SCHENK: Okay, thank you, Ms. Sullivan. I
24 appreciate that. All right, is there anybody else who wishes to

1 address our public comment? Seeing none. We will take a vote.

2 You got to get the motion made.

3 MR. GELFAND: I move that we approve the rental rates for
4 the Del Mar Premier Events Private Events Sales Program.

5 PRESIDENT SCHENK: A motion has been made. Seconded by?
6 Director Blair. I saw two hands go up at the same time.

7 All right. Motion has been made, seconded. We will take a
8 vote.

9 MS. O'LEARY: President Schenk?

10 PRESIDENT SCHENK: Aye.

11 MS. O'LEARY: Vice President Gelfand?

12 MR. GELFAND: Aye.

13 MS. O'LEARY: Vice President Rowland?

14 PRESIDENT SCHENK: Rowland?

15 MS. ROWLAND: Oh, I heard.

16 MS. O'LEARY: I'll come back.

17 MS. ROWLAND: Aye.

18 MS. O'LEARY: Director Arabo?

19 MR. ARABO: Aye.

20 MS. O'LEARY: Director Barkett?

21 MS. MOORE: She is in the restroom.

22 MR. GELFAND: She told me can I vote for her.

23 [Laughter]

24 PRESIDENT SCHENK: Director Barkett, aye, nay or abstain?

1 The pricing.

2 MS. BARKETT: Aye.

3 PRESIDENT SCHENK: The vote is aye.

4 MS. O'LEARY: Director Blair?

5 MR. BLAIR: Aye.

6 MS. O'LEARY: Director Mead?

7 MR. RIVERA: She is no longer in the meeting.

8 MS. O'LEARY: Director Mosier?

9 MR. MOSIER: Aye.

10 MS. O'LEARY: And Director Nejabat?

11 MR. NEJABAT: Aye.

12 PRESIDENT SCHENK: The motion carries. Good luck and do well
13 at this, please.

14 MS. MORETTI: Thank you very much.

15 PRESIDENT SCHENK: All right. We are not done with our
16 agenda. Okay, moving along.

17 We are now on the Hacienda Room renovation project.

18 MS. MOORE: So you mentioned in terms of space here at the
19 fairgrounds, and again, there's a report in your packet on pages
20 144-145. Hopefully you had the opportunity to read that, because
21 one of the things we need to do is find a home for off-track
22 betting. And that would be the Hacienda Room. Which the
23 renovation - so the item before you is to approve, in essence
24 the addition to our capital expenditures budget. Not to exceed

1 \$100,000 for the renovations necessary to that room, to
2 basically get it to where we can climate control it.

3 This is a room that is within the grandstands, right off
4 Plaza de Mexico. It would be the home to off-track betting.

5 And that allows us to have Mission Tower, the full building
6 which could be divided up, available for the out bound sales
7 program.

8 MR. GELFAND: [Off Mic] Can you show us on the map?

9 MS. MOORE: Where that room is? This is Plaza de Mexico.
10 Administration building, the fountain space. Mission Tower. And
11 then right here [Off Mic]

12 MS. MOORE: The Grandstand is a relatively open-aired
13 building. And hence the inability to control the air conditions
14 in it, both for heat as well as cool. So this would be creating
15 that space.

16 So it would be closing it in - so it's enclosed on the
17 front of the length of the room, but not the sides of the room.
18 It would be enclosing that in, and then adding some like small
19 units to it to be able to heat and cool it. And temperature
20 control the space. It's where we currently move off-track
21 betting to in the spring. And then it has been moving then into
22 Mission Tower for the winter months. So with this, and we
23 anticipate just in the Mission Tower rental alone, being able to
24 recruit, more than recruit - recoup that fee, that \$100,000

1 investment in the first year of the outbound sales program.

2 MS. ROWLAND: So you think you can do that with like three
3 mini splits?

4 MS. MOORE: Uh-huh, yes, yes. We have already taken a look
5 at the project and have gotten estimations on it.

6 PRESIDENT SCHENK: Does anyone else have any questions for
7 clarification? All right, if not, we will entertain a -

8 MR. GELFAND: Public comment.

9 PRESIDENT SCHENK: All right, we will entertain a motion
10 after that. Martha Sullivan, would you like to speak to this?
11 You are indicated as - no? Martha?

12 MR. RIVERA: She's in.

13 PRESIDENT SCHENK: Okay, thank you. Ms. Sullivan, you're up.
14 Should you wish.

15 MR. RIVERA: There she goes.

16 MARTHA SULLIVAN: Hello, this is Martha, I'm sorry.

17 PRESIDENT SCHENK: Nothing to be -

18 MARTHA SULLIVAN: Hello?

19 PRESIDENT SCHENK: Would you like to speak to us on the
20 Hacienda Room -

21 MARTHA SULLIVAN: The main thing I wanted to ask is that
22 people use their mic because I missed maybe a third of the last
23 discussion.

24 PRESIDENT SCHENK: Okay, that's a good - we try to be

1 mindful of that, even between ourselves here, we push each other
2 button on the microphone device to make sure that we are all in
3 the green rather than the red. But I appreciate your reminding
4 us. Please go ahead, though.

5 MARTHA SULLIVAN: The only thing I would say is, I
6 understand, I think it's very good that you are looking to free
7 up the Mission Tower space for your new outbound sales program.

8 And keep the off-track betting in the Hacienda Room. On the
9 one hand I hope you aren't throwing good money after bad, given
10 the state of the horseracing industry. But then again, I
11 understand your motivation and going in the right direction. So.
12 Good luck with that, thank you.

13 PRESIDENT SCHENK: Thank you.

14 All right. With that.

15 MR. GELFAND: Yeah, and given the fact that having HVAC-
16 based space, no matter what, is always going to be a good thing
17 for us. I would move that we approve the Hacienda Room
18 renovation project.

19 PRESIDENT SCHENK: Motion has been made by Director Gelfand.
20 Is there a second? Director Barkett, thank you. Any further
21 comments? Hearing none.

22 MS. O'LEARY: President Schenk?

23 PRESIDENT SCHENK: Aye.

24 MS. O'LEARY: Vice President Gelfand?

1 MR. O'LEARY: Aye.

2 MS. MOORE: Vice President Rowland?

3 MS. ROWLAND: Aye.

4 MS. O'LEARY: Director Arabo?

5 MR. ARABO: Aye.

6 MS. O'LEARY: Director Barkett?

7 MS. BARKETT: Aye.

8 MS. O'LEARY: Director Blair?

9 MR. BLAIR: Aye.

10 MS. O'LEARY: Director Mosier?

11 MR. MOSIER: Aye.

12 MS. O'LEARY: And Director Nejabat.

13 MR. NEJABAT: Aye.

14 PRESIDENT SCHENK: Motion carries. We are moving onto E4.

15 Consideration and vote on the 2024 operating budget, adjustment

16 to authorize additional civil service position openings, which

17 is important. Who would like to speak to that?

18 MS. MOORE: So again, you have a report on pages 146 and

19 through 148 of your packet. So past practice has been for DAA

20 board to approve the line detail of the classifications. And

21 while that might work in normal years, it really hasn't been

22 working in terms of new growth meets post-pandemic. We have

23 shrunk to such a small size and working to grow back. This

24 request is to have greater flexibility to open up more

1 classifications, but working within, not to exceed the budget
2 amount. So you had approved a budget of \$8,034,125 and give the
3 opportunity of let's open it up. Because what we are seeing is
4 there are, when we've got a couple of years of experience with
5 this now, there's some classifications that are just much more
6 difficult to fill for a variety of reasons. And we are holding
7 that space, in essence, because that's what was approved in the
8 budget.

9 Whereas, and then we have opportunity where we have a
10 position and for example, we might have it where, okay, we are
11 adding one this year, and we anticipate having two of that in
12 the following year. But we've got really two great candidates
13 right now. Wouldn't it be great to take advantage of that and
14 fill it with the talent that we are seeing for those positions.

15 Additionally, it would also allow for the flexibility that
16 as retirement or departures are announced, the opportunity to
17 take that moment to restructure, or for implementing that future
18 plan. So again, the request is to provide for the flexibility
19 around the classifications but staying within the budget that
20 was already approved.

21 PRESIDENT SCHENK: Director Rowland?

22 MS. ROWLAND: Last year, how - with respect to the labor
23 budget that was proposed, and what you actually came in at
24 labor, how big was the gap?

1 MS. MOORE: If I recall correctly, the gap on the full-time
2 services, it was about a \$2.5 million gap.

3 MS. ROWLAND: Right. Yeah. So I know we have had this
4 conversation before, about how many staff up for and what you
5 think realistically you can fill and the lag times as you are
6 waiting for the jobs to be filled. There's a lot of cushion in
7 there.

8 MS. MOORE: Yes, the cushion that's in there, and in part
9 the reason we don't hit it is because we didn't get the
10 applicants, or they didn't meet the minimum qualifications -

11 MS. ROWLAND: Oh, I understand.

12 MS. MOORE: That's why we are trying to expand that to try
13 to get that filled and take advantage of our budget and really
14 be able to support our staffing needs.

15 MS. BARKETT: I have a quick question. Are these
16 classifications already in there? The ones that are -

17 MS. MOORE: Yes, this is what was already approved in the
18 budget.

19 MS. BARKETT: We didn't add a classification name? You can't
20 do that, right? You have to go through CDFA.

21 MS. MOORE: Right, so the classifications are set by CalHR.
22 These are the qualifications of the hundreds that are available,
23 that we have chosen to utilize, there are other classifications
24 as well and that's where we may look to expand. And then the

1 number of positions.

2 PRESIDENT SCHENK: Any other questions?

3 MS. ROWLAND: Yeah, but the additional civil service
4 classifications beyond those originally approved, are they,
5 they're not on here.

6 MS. MOORE: They're not on here. What I'm asking for is the
7 flexibility to utilize - to, because there may be some
8 classifications, again, that weren't considered in this. But as
9 we are looking at where our goal was to be two years from now, I
10 think this by and large does capture 95-98% of the
11 classifications.

12 But in areas where, for example, where we struggle, and the
13 State of California struggles to fill even that classification,
14 we want to be able to look at, is there another classification
15 that perhaps makes better sense here, that also fits within it
16 and leads to that pool of candidates.

17 MS. ROWLAND: So you're going to take this list that's on
18 148, you're going to expand the number of classifications that
19 are on it and do some math around that, but the bottom line is
20 still going to be \$8 million?

21 MS. MOORE: Yes. And part of that, not only adding
22 classifications but it might also be the number of positions
23 within it. Yes. But not exceeding the \$8 million dollar budget.

24 PRESIDENT SCHENK: Okay, any other questions?

1 All right.

2 >> [Off Mic] Public comment?

3 PRESIDENT SCHENK: I'm going to that right now. I don't see,
4 Ms. Sullivan, if you've listed yourself on here. But Ms.
5 Sullivan, if you would like to speak? Ms. Sullivan?

6 Okay, Ms. Sullivan you're up.

7 MARTHA SULLIVAN: Thank you. I don't have anything to add
8 here, thank you very much.

9 PRESIDENT SCHENK: Okay, thank you for letting us know. We
10 will entertain a motion.

11 MR. GELFAND: I would move that the, that we authorize - how
12 do I word this? That we give staff the authority to authorize
13 additional civil service position categories, or
14 classifications.

15 MS. MOORE: Or openings.

16 MR. GELFAND: Openings. CEO Moore, instead of staff.

17 PRESIDENT SCHENK: Why don't you state it clearly so they
18 can have it for the record.

19 MR. GELFAND: Okay, I move that we authorize CEO Moore to
20 open additional civil service classifications beyond those
21 originally approved in the 2024 operating budget.

22 PRESIDENT SCHENK: All right. That's the motion, is there a
23 second?

24 MS. MOORE: But I'm sorry, I would add to it, to not exceed.

1 MR. GELFAND: To not exceed the budget.

2 PRESIDENT SCHENK: Do you accept the language?

3 All right.

4 I just want to make sure. Do we have that? Okay. We have

5 the motion and it's correctly articulated and, is there a

6 second?

7 MS. BARKETT: Second.

8 PRESIDENT SCHENK: Director Barkett. Any further

9 communication, comments? Thoughts? Seeing none, hearing none,

10 let's vote.

11 MS. O'LEARY: Okay, President Schenk?

12 PRESIDENT SCHENK: Aye.

13 MS. O'LEARY: Vice President Gelfand?

14 MR. GELFAND: Aye.

15 MS. O'LEARY: Vice President Rowland?

16 MS. ROWLAND: Aye.

17 MS. O'LEARY: Director Arabo?

18 MR. ARABO: Aye.

19 MS. O'LEARY: Director Barkett?

20 MS. BARKETT: Aye.

21 MS. O'LEARY: Director Mosier?

22 MR. MOSIER: Aye.

23 MS. O'LEARY: And Director Nejabat?

24 MR. NEJABAT: Aye.

1 PRESIDENT SCHENK: Well, thank you, all. And yes, God speed.

2 All right, moving onto F, Strategic Planning Committee report.

3 Again, Director Gelfand?

4 MR. GELFAND: The committee met this month, and there's
5 progress being made. The one thing I would mention is that at,
6 hopefully the next month meeting, we'll be, hopefully talking
7 about sort of a time table, and path for the master planning
8 process. That's being developed as we speak. And with that,
9 Carlene will take over from there.

10 MS. MOORE: Yeah, well I think it was last month that we
11 met. But we had our strategy session then on the 26th. And so
12 the executive team will be meeting with our consultant from that
13 later this month, as you recall, she is on her honeymoon. So
14 bringing that back to the committee, or with the committee, when
15 it did meet had been talking about, is this communications plan,
16 especially around the master plan. So we do anticipate that
17 information next month.

18 PRESIDENT SCHENK: Okay. Any comments or questions?

19 That is not an action item.

20 We will open it up to public comment. It appears Ms.
21 Sullivan - would you like to address the board?

22 Ms. Sullivan? You have the floor.

23 MARTHA SULLIVAN: Thank you. I don't really have anything to
24 add. I just recall, there won't be Board meetings in June and

1 July, if I'm remembering that right. So we won't really hear
2 anything on strategic planning until like in August. Is that
3 correct?

4 PRESIDENT SCHENK: We do not have planned a Board Meeting
5 for July, that is correct.

6 MARTHA SULLIVAN: And how about June?

7 PRESIDENT SCHENK: Likely not.

8 MARTHA SULLIVAN: Okay, in reality -

9 [overlapping speakers]

10 Some kind of a time line in May, but there won't be
11 anything further until August, at the earliest?

12 Am I understanding this right?

13 PRESIDENT SCHENK: We're having a table discussion here to
14 make sure that we are responding to you properly.

15 MARTHA SULLIVAN: Thank you.

16 MS. MOORE: I think in terms of the Board meetings are May
17 and August. But in terms of the committee meeting and continuing
18 to move things forward, along with other committees, business
19 will still continue to be conducted between the Board meetings.

20 PRESIDENT SCHENK: Right -

21 MARTHA SULLIVAN: I get that, but those aren't public
22 meetings.

23 PRESIDENT SCHENK: Right, there won't be any reporting out,
24 if that's what you are asking.

1 MARTHA SULLIVAN: Yeah.

2 PRESIDENT SCHENK: In June and July they won't be reporting
3 out, but as you can well understand there will be business as
4 usual -

5 MARTHA SULLIVAN: I get that.

6 PRESIDENT SCHENK: Okay.

7 MARTHA SULLIVAN: I'm just trying to get a sense of when we
8 are going to hear something a little more substantive, perhaps,
9 about strategic planning.

10 PRESIDENT SCHENK: In due course.

11 MARTHA SULLIVAN: And it sounds like it really should be
12 August.

13 PRESIDENT SCHENK: I don't want to take your time away from
14 you, but this is a time for you to make comment, not to have a
15 dialogue.

16 MARTHA SULLIVAN: Thank you.

17 PRESIDENT SCHENK: Okay, nothing further?

18 MS. ROWLAND: I was going to say, it's theoretically
19 possible the board may want to have a meeting. I didn't want to
20 foreclose that opportunity.

21 PRESIDENT SCHENK: Correct, that's why I said none planned
22 right now. Okay.

23 Let's move onto Sustainability Committee report.

24 MR. MOSIER: The Sustainability Committee did not meet last

1 month.

2 PRESIDENT SCHENK: Okay.

3 MR. MOSIER: They met right before, and I reported last
4 month.

5 PRESIDENT SCHENK: Okay, I appreciate that. I'll open it up
6 to comment from the board. Nothing to report? Ms. Sullivan, do
7 you wish to speak on this very brief --

8 MARTHA SULLIVAN: Thank you, I don't have anything to offer
9 here. Thank you.

10 PRESIDENT SCHENK: Thank you. All right, moving onto State
11 Race Track Leasing Commission and RTA.

12 Director Arabo?

13 MR. ARABO: I will be brief with everyone's time. The
14 authority met March 20th, 2024. It was a great meeting. The Race
15 Track Leasing Commission and Del Mar Track Authority. We may do
16 another meeting this year. The commission elected to exercise
17 their remaining option for the DMTC operating agreement,
18 extending it through December 31st, 2030. The commission
19 accepted the terms for the return of the Breeder's Cup in 2025,
20 giving us back-to-back years. Everyone was talking about how
21 safety is always a big priority for everyone. Humbly, the
22 authority elected me as President and renamed - thank you for
23 that. And renamed Director of finance as Vice President, the
24 authority amended its bylaws to conform to the JPA document. The

1 authority tasked staff with bringing forward a recommendation to
2 transfer the assets from the bonds in the district, before the
3 expiration of the JPA or bond debt obligation.

4 As a reminder, the District always tracks the assets
5 tracked and approved through bond proceeds separate from other
6 district assets.

7 It was a great meeting and, I'm grateful for -

8 PRESIDENT SCHENK: Director Arabo, congratulations on your
9 ascension to being President of that.

10 MR. ARABO: Thank you.

11 PRESIDENT SCHENK: You will be a great leader and we look
12 forward to hearing your successes and board successes. Any
13 comments from any other Board members? Ms. Sullivan, would you
14 like to speak to this topic? You have two minutes. It won't be a
15 dialogue, but we will just listen to you.

16 MARTHA SULLIVAN: I don't need a dialogue this time.

17 I want to share with you that from the Daily Racing Form,
18 about a week ago. "Facing a seven-figure overpayment, Santa
19 Anita Park has reduced overnight purses by approximately 12% for
20 it's spring meeting compared to the corresponding period in
21 2023. The spring meetings runs from April 19 to June 16th." Del
22 Mar has announced that it will be reducing its purses as well
23 for its summer meet. I just want to share with you news from the
24 state of Minnesota, which is also facing the potential shut down

1 of its horseracing industry.

2 Their daily purse is Canterbury, which is the major track
3 in Minnesota, thoroughbred track in Minnesota, dropped their
4 daily purses 21% last season. After the end of a 10-year deal
5 with the one of the large Native American tribes of \$7 million
6 per year [Indiscernible].

7 This led to a 42% decline in wagering. Uncertainty about
8 purses expected in the thoroughbred industry [Indiscernible]
9 in Minnesota and this is the fear that's been expressed here in
10 California.

11 So, the purse - are going to further shrink the horseracing
12 industry in California, which is kind of your canary in the coal
13 mines for the rest of the horseracing industry. So just be
14 mindful of this.

15 Director Arabo, you should be planning for having to pay
16 off the rest of the bonds without any horseracing revenue.

17 MS. O'LEARY: Ms. Sullivan, your time is up.

18 MARTHA SULLIVAN: Thank you.

19 PRESIDENT SCHENK: Thank you, Ms. Sullivan. I appreciate
20 your patience here today and your comments.

21 Moving onto I, comprehensive policies and development and
22 review. Carlene?

23 MS. MOORE: So included in the packet is an update to the
24 red line of the policy 4.03 for contracts and procurement. And

1 since the packet posted we have received additional feedback. If
2 there's any feedback to take in at this meeting at this time,
3 happy to do so. And staff, we will be working with the Audit &
4 Governance Committee to further review the policy, the draft
5 policy 4.01 for the Public Records Act. And policy 4.02 for
6 records management. And then in working with the Finance
7 Committee to further review 4.03, contracts and procurement, as
8 well as 4.03.1, the sponsorship acquisition.

9 So really, today there's no action to be taken. But if
10 there was any additional feedback to the policy, since they were
11 introduced at last month's meeting.

12 PRESIDENT SCHENK: Does the board have any comments or
13 questions?

14 Hearing none, Ms. Sullivan, you're indicated, I think, on
15 here as wanting to offer public comment.

16 MARTHA SULLIVAN: Thank you.

17 I do want to reiterate my objection to the directive and
18 records management policy propose that personal work cases be
19 destroyed.

20 I also want to raise the concern, again, about the
21 broadening of the categorical exemption in the contract and
22 procurement policy for nonprofit organizations. And I would like
23 to point out, the NFL is a nonprofit organization. So, the broad
24 category of exemptions is not appropriate. And it opens itself

1 up to corruption. My final thing is, I know you don't want a
2 dialogue, but I just want to ask this question, maybe think of
3 the answers in another form.

4 When is the ethics hotline going to go into operation?
5 Because that policy has been approved.

6 >> [Off Mic]

7 PRESIDENT SCHENK: Asking about the ethics hotline.

8 MS. MOORE: I'll follow-up on that.

9 PRESIDENT SCHENK: We will follow-up and maybe at the next
10 Board Meeting, if you would like to ask again. We will try to
11 get a response.

12 MARTHA SULLIVAN: Thank you.

13 PRESIDENT SCHENK: You bet. Moving onto the last action item
14 of the now, evening, is the member entity representative and
15 alternate to the California fair financing authority DBA
16 California Construction Authority Board of Directors.

17 We had some discussion previously about whether Carlene
18 would be able to continue on. But I think there's an answer to
19 that.

20 MS. MOORE: Yes. There is. And so the report can be found on
21 pages 170-172 of your pocket. If you recall as President Schenk
22 mentioned, last month, just provided some background, you were
23 briefed on it. So this month, for the board to take action. And
24 the recommendation being to reappoint me and name Director

1 Gelfand as the alternate to serve behind me for the next, for
2 the next five-year term. But it would need a motion, I can't
3 make a motion.

4 PRESIDENT SCHENK: I understand. I just wanted you to fill
5 us in on that. Is there any request for information of Carlene,
6 before we go to public comment?

7 Seeing none.

8 Ms. Sullivan, would you like to provide public comment on
9 this topic?

10 MARTHA SULLIVAN: No, I don't think so, thank you.

11 PRESIDENT SCHENK: Okay, is there a motion?

12 >> [Off Mic]

13 PRESIDENT SCHENK: Director Mosier has made the motion to
14 approve.

15 MR. BLAIR: I'll second.

16 PRESIDENT SCHENK: Director Blair has seconded. Any
17 comments? Yes.

18 MR. GELFAND: [Off Mic] I'm happy to serve as an alternate
19 [inaudible]

20 MR. RIVERA: Microphone.

21 [Laughter]

22 PRESIDENT SCHENK: And we told you there may be an away
23 game.

24 MR. GELFAND: My comment didn't need to be recorded.

1 PRESIDENT SCHENK: Okay. But we did have that comment in the
2 record, nonetheless. So any other comments for the good of the
3 order? Seeing none. We will take a vote.

4 MS. O'LEARY: Okay, President Schenk?

5 PRESIDENT SCHENK: Aye.

6 MS. O'LEARY: Vice President Gelfand?

7 MR. GELFAND: Aye.

8 MS. O'LEARY: Vice President Rowland?

9 MS. ROWLAND: Aye.

10 MS. O'LEARY: Director Arabo?

11 MR. ARABO: Aye.

12 MS. O'LEARY: Director Barkett?

13 MS. BARKETT: Aye.

14 MS. O'LEARY: Director Mosier?

15 MR. MOSIER: Aye.

16 MS. O'LEARY: And Director Nejabat?

17 MR. NEJABAT: Aye.

18 PRESIDENT SCHENK: Motion carries. We will now go back to a,
19 perhaps truncated version of the executive report since we are
20 in our fifth hour.

21 MS. MOORE: All right, this is a very truncated. We will
22 actually, as excited as we were to make our annual report
23 presentation to you, as well as to have Premier's annual report
24 presentation, we will move those to next month.

1 With that, just a couple of housekeeping things. As a
2 reminder, in support of City of Del Mar's climate action plan
3 goals, the district was given the opportunity to enhance our
4 streetscape along Jimmy Durante boulevard with the planting of
5 50 Brisbane box trees. These are non-flowering trees, they are
6 very leafy and provide shade but have minimal maintenance. Those
7 trees are being donated by SDG&E. The trees that will be planted
8 are to start are in the 5-to-6-foot range height. And they can
9 grow to as tall as 50 feet, with a 10-foot to 30-foot width. So
10 really some nice trees along there.

11 The trees are going to be planted, as I said, along Jimmy
12 Durante boulevard, on the parking lot side. That is going to
13 happen on April 18th. And the board, you were invited to a
14 ceremonial tree planting and press event we will have that day
15 at 10:30. We will send out the details, or if we adjust it.

16 MR. HALLMAN: Yeah, I think we are going to move that to
17 9:30 to accommodate the dog Diego scholarship foundation Board
18 Meeting at 10:00. And we will do it right here, the plan is
19 currently the marketing courtyard.

20 MS. MOORE: Okay.

21 PRESIDENT SCHENK: Thank you for making that change.

22 MS. MOORE: Also just want to make you aware that I've been
23 working with the Solana Center for Environmental Innovation on
24 some creative synergies that we look forward to bringing back to

1 the board later this year. And then with our new Board Member,
2 Phil having joined us last month, just so everyone is aware,
3 President Schenk will be making some updated committee
4 assignments, which we will bring back next month for taking
5 affect after the break from the fair. So later this year.

6 And then finally, as a reminder, our 75th anniversary, Del
7 Mar national horse show is under way at horse park. And you
8 should have all received an invitation from them directly, for
9 this Sunday's dressage grand prix freestyle, which is at noon.
10 As well as in the hunter jumper grand prix, which is on Sunday
11 May 5th at 2:00. If you did not receive that invitation, please
12 let me know. They do ask that you RSVP. And that will also
13 include your parking at that event.

14 >> [Off Mic]

15 MS. MOORE: Oh, you can RSVP to Donna. Oh, I guess I did say
16 finally, but one more thing.

17 As you're aware, I had sent out that we have 11 cities,
18 unless Tristan corrects me, and the county who are declaring our
19 opening day of the fair Wednesday, June 12th as San Diego County
20 Fair Day, and it kicked off with National City that did that
21 first. And it was very, it was a great place to start,
22 considering that the San Diego County Fair started in National
23 City. And with that, we have a number of those opportunities
24 coming up later this month, as well as next month. Including,

1 like I said, a proclamation by the county for that.

2 So we will share those opportunities and make you aware of
3 those. And invite you that if it's something that fits in your
4 schedule to be able to come and attend at those various Council
5 presentations and things, as we receive the proclamations, you
6 are more than welcome to.

7 PRESIDENT SCHENK: Thank you.

8 Just bring to your attention under #7, matters of
9 information, there's correspondence from Ms. Sullivan, starting
10 at page 173. I will entertain a motion to adjourn.

11 MR. BLAIR: So moved.

12 PRESIDENT SCHENK: Motion has been made. Seconded by
13 everybody else.

14 [Laughter]

15 PRESIDENT SCHENK: All in favor? All right. We are
16 adjourned. Thank you, all.

17 MS. ROWLAND: No public comment?

18 PRESIDENT SCHENK: No public comment.

19

20 [Meeting adjourned at 6:20 p.m.]

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