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BOARD OF DIRECTORS MEETING
22ND DISTRICT AGRICULTURAL ASSOCIATION
DEL MAR FAIRGROUNDS
2260 JIMMY DURANTE BOULEVARD
DEL MAR, CALIFORNIA 92014

(TELECONFERENCE)

TUESDAY, NOVEMBER 12, 2024

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Transcribed by:

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IN ATTENDANCE

OFFICERS:

- MICHAEL GELFAND, 1ST VICE PRESIDENT
- G. JOYCE ROWLAND, 2ND VICE PRESIDENT
- MARK ARABO, 22ND DAA
- LISA BARKETT, 22ND DAA [Via Zoom]
- PHIL BLAIR, 22ND DAA
- KATHLYN MEAD, 22ND DAA
- DON MOSIER, 22ND DAA
- SAM NEJABAT, 22ND DAA [Via Zoom]

OFFICERS ABSENT:

- FREDERICK SCHENK, PRESIDENT

22ND DISTRICT AGRICULTURAL ASSOCIATION STAFF:

- CARLENE MOORE, CHIEF EXECUTIVE OFFICER
- TRISTAN HALLMAN, CHIEF COMMUNICATIONS OFFICER
- KATIE MUELLER, CHIEF OPERATIONS OFFICER
- DONNA O'LEARY, OFFICE MANAGER
- HENRY RIVERA, PRODUCTION DIRECTOR

22ND DISTRICT AGRICULTURAL ASSOCIATION COUNSEL

- JOSHUA CAPLAN, OFFICE OF THE ATTORNEY GENERAL

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OTHER SPEAKERS:

CHRIS WAHL, CEO, SOUTHWEST STRATEGIES

MIKE CARSON, VP OF OPERATIONS, PREMIER

DENISE STEELE, DIRECTOR OF OPERATIONS, PREMIER

JOSH RUBINSTEIN, PRESIDENT AND COO, DEL MAR

THOROUGHBRED CLUB

PUBLIC COMMENTERS:

MARTHA SULLIVAN

WHITNEY HODGES

LORI SALDANA

CHAUN REYNOLDS

BONNIE CROKER

DARREN PUDGIL

MIKE MORTON

JIM COLEMAN

OSCAR DE LA TORRE

MARIA LUISA

1 VICE PRESIDENT MICHAEL GELFAND: Are we ready to go?

2 Okay, good afternoon. We do have a quorum.

3 Today is Tuesday, November 12th, the time is call it

4 1:34. I'm calling this meeting of the 22nd District

5 Agricultural Association Board of Directors to order.

6 And we'll begin with a roll call, Donna.

7 MS. O'LEARY: President Schenk has an excused

8 absence.

9 Vice President Gelfand.

10 VICE PRESIDENT MICHAEL GELFAND: I'm here.

11 MS. O'LEARY: Vice President Rowland.

12 VICE PRESIDENT JOYCE ROWLAND: Present.

13 MS. O'LEARY: Director Arabo.

14 MR. ARABO: Here.

15 MS. O'LEARY: Director Barkett.

16 MS. BARKETT: Here.

17 MS. O'LEARY: Director Blair.

18 MR. BLAIR: Here.

19 MS. O'LEARY: Director Mead.

20 MS. MEADE: Here.

21 MS. O'LEARY: Director Mosier.

22 MR. MOSIER: [Off mic]

23 MS. O'LEARY: And Director Nejabat.

24 MR. NEJABAT: Here.

1 VICE PRESIDENT MICHAEL GELFAND: All right. First, do
2 we have any public speakers in the room that would like
3 to speak regarding the consent agenda? No? Anybody
4 online?

5 MR. RIVERA: We have Whitney Hodges and Martha Sullivan.
6 Is your page not opening? I can come and get it.

7 VICE PRESIDENT MICHAEL GELFAND: Okay, Martha, you want to
8 go ahead and begin?

9 MARTHA SULLIVAN: Hello, this is Martha Sullivan, can you
10 hear me?

11 VICE PRESIDENT MICHAEL GELFAND: We can hear you, Martha.

12 MARTHA SULLIVAN: Okay, I just wanted to confirm.

13 I would like to request that you pull the sole source
14 agreement 24-042 AM1 regarding the grandstand fire watch
15 patrol. The contract under the executive report to replace the
16 grandstand fire panel has an estimated completion date of
17 February of '25. So I really think this board needs to discuss
18 this. This has been like a rolling crisis since the late
19 spring.

20 And just to have an additional month of fire watch patrol
21 on the consent calendar you've got the replacement fire panel
22 contract under the executive report saying it's going to
23 February of next year. I think that you owe the public a
24 discussion of this. This is kind of a big public safety issue.

1 VICE PRESIDENT MICHAEL GELFAND: Okay, thank you, Martha.

2 And then we have Whitney Hodges.

3 WHITNEY HODGES: Good afternoon, can you hear me?

4 VICE PRESIDENT MICHAEL GELFAND: Yes, we can.

5 WHITNEY HODGES: Wonderful. Thank you for that
6 confirmation.

7 I am speaking on the consent item related to the approval
8 of the [audio cutting in and out] on behalf of our law firm, a
9 letter earlier today detailing how the report out on the
10 meeting minutes related to the reengagement with the City of
11 Del Mar on citing housing on the fairgrounds was not
12 reflective of the actual conversation that occurred on October
13 2nd at that meeting. This correspondence was sent to the CEO as
14 well as with the request that it be sent over to the Board of
15 Directors. I apologize for the late submission. But due to the
16 information we had available online for contact information we
17 weren't able to directly send to the directors.

18 And related to this item there is some concern that the
19 meeting minutes reflect a decision that has been made to re-
20 engage with the City of Del Mar when in fact there was no
21 either Board vote on it or a public discussion on a publicly
22 noticed agenda with the ability for public comment, so we're
23 seeking clarity as to what the status of those negotiations
24 actually are in light of last week or last month's meeting and

1 the meeting minutes and what we've been able to find publicly
2 available.

3 VICE PRESIDENT MICHAEL GELFAND: Okay. Thank you, Whitney.

4 WHITNEY HODGES: Thank you.

5 VICE PRESIDENT MICHAEL GELFAND: So we essentially will be
6 pulling 24-042 and the minutes.

7 Okay. And other than that, do we have a motion to accept
8 the rest of the consent agenda?

9 VICE PRESIDENT JOYCE ROWLAND: I'll move it.

10 VICE PRESIDENT MICHAEL GELFAND: Okay.

11 MR. BLAIR: Second.

12 VICE PRESIDENT MICHAEL GELFAND: Moved and seconded.

13 Do we have any discussion on the consent agenda items
14 that are remaining on the consent agenda? Any board members?

15 Okay, we're ready for a roll call vote.

16 MS. O'LEARY: I just want to confirm, was the second done
17 by --

18 VICE PRESIDENT MICHAEL GELFAND: Phil.

19 MS. O'LEARY: Thank you.

20 VICE PRESIDENT MICHAEL GELFAND: Joyce and Phil.

21 MS. O'LEARY: Vice President Gelfand.

22 VICE PRESIDENT GELFAND: Aye.

23 MS. O'LEARY: Vice President Rowland.

24 VICE PRESIDENT JOYCE ROWLAND: Aye.

1 MS. O'LEARY: Director Arabo.

2 MR. ARABO: Aye.

3 MS. O'LEARY: Director Barkett.

4 MS. BARKETT: Aye.

5 MS. O'LEARY: Director Blair.

6 MR. BLAIR: Aye.

7 MS. O'LEARY: Director Mead.

8 MS. MEAD: Aye.

9 MS. O'LEARY: Director Mosier.

10 MR. MOSIER: Aye.

11 MS. O'LEARY: Director Nejabat.

12 MR. NEJABAT: Aye.

13 VICE PRESIDENT MICHAEL GELFAND: Okay. We're now moving
14 onto our general -- yeah, okay. Yeah, sure, go ahead.

15 Before we go onto the public comment, we'll address the
16 pulled items from the consent calendar.

17 MS. MOORE: In terms of the - I'll start with the minutes.
18 In terms of the minutes, that's really for the Board's
19 discussion. If you would like we can return with those at the
20 next meeting.

21 As for the contract 24-042 amendment 1, the grandstand
22 fire watch patrol. So we have had a project underway with
23 regard to the fire suppression system as well as the alarms
24 and controls in the grandstand. While that work is ongoing it

1 requires us to be in what's called "fire watch," which is
2 24/7, round the clock, in essence, patrol watching for a
3 potential fire outbreak. That project is actually wrapping up.

4 The purpose of the extension in terms of through February
5 of 2025 would be to allow so we don't have to continue to come
6 back to the Board should the project run over. So we typically
7 seek about a six-month extension for projects such as this.
8 But the project should be completed by the end of the year.

9 VICE PRESIDENT MICHAEL GELFAND: Okay.

10 So taking these one at a time, starting with the minutes.
11 I guess we entertain a motion to have the minutes delayed
12 until next month? Assuming you agree with the comments to
13 modify.

14 MS. MOORE: She mentioned an email was sent just earlier
15 today. I have not had a chance to read that, nor has counsel
16 either. I don't know - I don't believe that a motion is
17 necessary as much as just tabling, there would be no action on
18 minutes today based on the request.

19 VICE PRESIDENT MICHAEL GELFAND: Okay. All right. And then
20 we would need a motion to approve the sole source agreement on
21 the grandstand fire watch.

22 MS. MOORE: Yes.

23 VICE PRESIDENT MICHAEL GELFAND: All right. Anybody
24 willing to make that motion?

1 MR. ARABO: I'll motion.

2 VICE PRESIDENT MICHAEL GELFAND: Mark and a second from
3 Joyce. Okay. We need public comment on --

4 MS. MOORE: You can take any board discussion.

5 VICE PRESIDENT MICHAEL GELFAND: Yeah, okay. Starting with
6 board discussion.

7 VICE PRESIDENT JOYCE ROWLAND: Can you talk a little bit
8 about how long the project has been overall, kind of the
9 trajectory of it?

10 MS. MOORE: So we did, we kicked off this project this
11 summer. And because of the schedule, the use of the grandstand
12 especially with horse racing ongoing, we're limited in terms
13 of the time in which the contractors can get into the space in
14 order to be conducting the work that's necessary. So it's been
15 a modified schedule hence it has extended. We thought it would
16 be complete at the end of September, but we didn't make that -
17 - there are also some challenges that come up when you find
18 that a particular area might need to be rewired that was not
19 anticipated. The testing that is required by the office of the
20 state fire marshal, because they actually are the ones who
21 will come in and do the final sign up on the project. And so,
22 hence the delays in it, everything from again, scheduling, not
23 only for ourselves and the contractor but also the outside
24 entities that need to completes the inspections.

1 VICE PRESIDENT JOYCE ROWLAND: So they haven't been on the
2 job every day. It hasn't been continuous?

3 MS. MOORE: Yeah, right. But during that time period
4 because those system are down, fire watch patrol is necessary.

5 VICE PRESIDENT JOYCE ROWLAND: Right.

6 VICE PRESIDENT MICHAEL GELFAND: Don or Mark?

7 How about Lisa or Sam?

8 MS. BARKETT: No.

9 VICE PRESIDENT MICHAEL GELFAND: No.

10 MR. NEJABAT: No.

11 VICE PRESIDENT MICHAEL GELFAND: Okay, are we ready to
12 vote or we need public comment?

13 MS. O'LEARY: We have a motion and a second.

14 >> [Off mic]

15 JOSH CAPLAN: Yeah, you should give - because it's been
16 pulled and now - [Multiple speakers]

17 VICE PRESIDENT GELFAND: That's what I thought. Okay. So
18 for those of you who are not here and would like to phone in
19 public comment, do so now.

20 Meanwhile, is anyone here who would like to make a
21 statement about this item the grandstand fire watch patrol?

22 MS. MOORE: For members who are online, they will need to
23 raise their hand online.

24 MR. RIVERA: I have Martha has her hand up. I'm waiting.

1 VICE PRESIDENT MICHAEL GELFAND: Okay, well let's go ahead
2 to Martha. I See you're muted at the moment, Martha. Oh, there
3 you go.

4 MARTHA SULLIVAN: Yeah, it takes a little time. I
5 appreciate the Board having further discussion on this. I
6 guess I'm just puzzled because the amendment for the fire
7 watch I'm pretty sure says that it adds one month to the end
8 of September. But what I'm hearing is they think the work's
9 going to be done by the end of this year. So what is it?

10 VICE PRESIDENT MICHAEL GELFAND: Okay. Thank you, Martha.
11 Don?

12 MR. MOSIER: Well, I just note on page 20 it says the
13 scope of work ends on the end of October, if that's the
14 correct fire watch issue. And we're talking about a February 1
15 end date, so I think that's part of the confusion. Page 20 it
16 says that the uniformed security guard with two shifts, three
17 shifts, two guards for three shifts, at the end of the day is
18 10/31, which I believe has already passed.

19 MS. MOORE: Yeah, so from September 30th to October 31st.
20 Well then I stand corrected, this was for the work, the
21 extension that needed to occur through October. We may be back
22 again next month if it does go through December.

23 VICE PRESIDENT MICHAEL GELFAND: So we don't need to vote
24 on this?

1 MS. MOORE: Yes, you do. You still need to vote on it
2 because it was issued as a sole source agreement and it's
3 extending a contract that you previously approved.

4 VICE PRESIDENT MICHAEL GELFAND: To go through what period
5 of time?

6 MS. MOORE: What it should have been listed as -- what it
7 should have been listed as would have been a contract issued,
8 an extension that was done for exigency, public exigency,
9 which is public safety. Not just as a sole source agreement.

10 VICE PRESIDENT JOYCE ROWLAND: Yeah, I think it was a
11 contract before that that was --

12 MR. RIVERA: We have a member of the public with their
13 hand up. I'm not sure if we can --

14 VICE PRESIDENT MICHAEL GELFAND: Yeah, we'll get to that
15 in a minute.

16 MS. MOORE: I'm sorry, what was that? No, but -

17 MS. MEAD: I have a question.

18 MS. MOORE: Yes?

19 MS. MEAD: Given that we're already at November the 12th,
20 do we have the ability to approve this agreement with
21 authorization to extend if necessary? You said you are coming
22 back next month, it will be retrospective then, so why don't
23 we just approve it until such time as the grandstand is fire
24 marshal okayed.

1 MR. CAPLAN: Director Mead, unfortunately, I'm not sure
2 the agenda item gives the Board that authority. I mean the
3 item that was agendized was for an amendment that's through
4 and including the end of October 2024. And if the Board is
5 contemplating extending it beyond that date, the agenda would
6 need to identify that in the event there were members of the
7 public, for example, that wanted to speak to extending a
8 contract, you know, past October 31st.

9 MS. MEAD: Beyond that time. Okay. Thank you. That's why
10 you're here.

11 MS. MOORE: What I would recommend is the Board not
12 approve this contract at this time. I think it's misreported
13 on the agenda for the type of contract that it is. And again,
14 returning with it because under public exigency, which is
15 something that needs to be done for the safety of the public,
16 which fire watch does, that is within my delegated authority.
17 And so in the future it will be on the contracts issued under
18 the delegation of authority. It's in the wrong place on the
19 agenda.

20 VICE PRESIDENT MICHAEL GELFAND: Right. So the makers of
21 the motion, I assume, are okay withdrawing it?

22 MR. ARABO: Yeah. I'll withdraw it.

23 VICE PRESIDENT MICHAEL GELFAND: Okay.

1 MR. ARABO: One thing for the minutes. I know we'll come
2 back next meeting. But I think we take a good look at it, make
3 sure that section - because I looked at the September minutes,
4 and it seems that City of Del Mar has never yet taken a "no"
5 on position "A." Or based on the joint resolution. It's in the
6 September minutes. If you read it and I don't know, have they
7 taken City of Del Mar, if this is the time to bring it up,
8 have they taken an official position against A? Because when I
9 read the resolution, it doesn't say that.

10 I think that's one issue with the minutes of today, which
11 I know we're extending to the next meeting. But I hope the --
12 they are on the same page because I know the Board we said
13 that we're going to halt all discussions until it the City of
14 Del Mar says "no" to "A." And they last said they did, based
15 on what I read, they did not. So maybe I'm missing something.

16 VICE PRESIDENT JOYCE ROWLAND: Yeah, I thought we had a
17 whole discussion around the fact that they had opposed all
18 three alignments, and that was effectively, you know, opposing
19 that and that we were comfortable with that.

20 I thought that was the whole discussion, wasn't it?

21 MR. ARABO: So that's what at the last meeting when I read
22 the joint resolution, doesn't say that. So what we talked
23 about and what the resolution said was different.

1 VICE PRESIDENT JOYCE ROWLAND: That's my point. The
2 resolution was our initial piece of work?

3 MS. MOORE: Yes, the resolution was presented at the
4 September meeting. And in the Board's discussion, which was
5 adopting the joint resolution as well and the discussion that
6 we had was that by them opposing all three, which the joint
7 resolution really is against all three, the method by which
8 that was gathered that that would satisfy opposing "A."

9 MR. ARABO: But I read the resolution, and maybe we could
10 look at it as a board. But it didn't say that. It didn't say
11 we're opposing "A," "B," and "C." Unless I'm reading a
12 different one.

13 I read the resolution in the September minutes and it
14 said they should go back to the primary stakeholders. I don't
15 think it officially said that the City of Del Mar has said,
16 no, to "A" "B" and "C," unless I'm missing something, which is
17 possible. If you could mention it to me or to the Board.

18 VICE PRESIDENT MICHAEL GELFAND: There is the resolution,
19 which I think does say "no" to all three alternatives. Since
20 then there's been other, you know, conversations from people
21 from Del Mar that might contradict the resolution.

22 Is that what you are talking about? Are you talking about
23 the language of the resolution?

1 MR. ARABO: The language of the resolution I'm talking
2 about.

3 [Multiple speakers]

4 MS. MOORE: If the Board wants to discuss that further
5 we'll need to agendize it for a future meeting. Because that
6 resolution is not on today's agenda that was voted on.

7 [Multiple speakers]

8 MS. MEAD: All we could report in the minutes is what
9 occurred in the meeting.

10 MR. ARABO: Right, but I think the minutes wasn't showing,
11 wasn't reflective at the meeting.

12 VICE PRESIDENT MICHAEL GELFAND: You're talking about the
13 September meeting minutes, not the October.

14 MR. ARABO: Well the October minutes was not reflective of
15 the September meeting. Because the October minutes said we're
16 going to re-- something like we're going to redo the talks
17 because the City of Del Mar has said, no, there is a copy of
18 the resolution. When you read the resolution, there resolution
19 doesn't say the City of Del Mar says "no" to "A," "B," and
20 "C." So maybe put it on the agenda or you could pull it out
21 now and see what the actual resolution says.

22 [Multiple speakers]

23 VICE PRESIDENT MICHAEL GELFAND: We'll put it onto the
24 agenda next month.

1 MR. ARABO: I wanted to bring it up to the Board to know.

2 VICE PRESIDENT MICHAEL GELFAND: Okay. So related to item
3 4, Chaun and Bonnie I guess your public comment at this point
4 is moot, or we haven't even gotten to 4. But related to the
5 rest of the consent agenda, we're okay.

6 So we can move onto item 4. And this is general public
7 comment. As a reminder, this item for matters not otherwise on
8 today's agenda, and the Board will not debate nor act on any
9 comments heard today.

10 If you're here to speak on an agenda item, please wait
11 until we take up that item.

12 Do we have public speakers for matters not on the agenda
13 in the room with us today that would like to speak? Yep, if
14 so, come on up to the queue, Ms. Saldana.

15 LORI SALDANA: I don't see the specific item as part of
16 the agenda. And this has to do with the ongoing crisis of
17 horses dying as part of the racing activities here at Del Mar.
18 And it's especially ironic given that there is going to be a
19 partnership or presentation partnering with the Humane Society
20 today.

21 I think it's troubling for many of us to see the number
22 of horses that continue to have injuries, be euthanized and
23 some die very quickly and unexpectedly. So I just wanted to
24 say that as someone who grew up in San Diego, has worked here

1 at the fair at one point and attending horse racing events, I
2 don't anymore. I'm too troubled by these circumstances
3 involving these injuries and deaths.

4 And I will also say in terms of meeting management that I
5 would appreciate written, the written reports for all of the
6 items that are presented to the public for a vote. And I
7 noticed that there's at least one that's lacking that. And I'm
8 not sure that that conforms with Bagley-Keene. I think the
9 public has a right as previously announced that we have a
10 right to review things ahead of time before they're discussed
11 at a meeting. So I'm not sure how that's going to be managed
12 when the time comes.

13 And then finally, there are bullet points on some of
14 these items. And I was here in person once before when they,
15 the report ran on for over an hour. And before the public had
16 a chance to make comments, people who had made those part of
17 the reports had left. So if it would be possible to perhaps
18 take a pause between bullet points and if there are questions
19 or comments from the public, rather than go through the entire
20 bullet point list, that would be appreciated especially if
21 there are people who might leave the meeting before the public
22 has a chance to ask questions or make comments.

23 Thank you.

24 VICE PRESIDENT MICHAEL GELFAND: Thank you.

1 Anyone else here in the room? Okay.

2 Through Zoom we have Chaun Reynolds.

3 CHAUN REYNOLDS: Can you hear me?

4 VICE PRESIDENT MICHAEL GELFAND: Yes, we can hear you.

5 CHAUN REYNOLDS: Thank you for the confirmation.

6 From the L.A. Times sports column, John Cherwa, November
7 1st. It was 2019, a year that was both the best and worst for
8 a sport that is struggling for relevance in the sporting
9 landscape. Racing fatalities became a national obsession as
10 horses kept dying at Santa Anita. Mongolian Groom suffered a
11 fatal injury to his left-hind leg at the top of the stretch in
12 the biggest Breeders' Cup race, the Classic. He was the 37th
13 fatality at the track since Dec. 30 of the previous year.

14 The tragedies at Santa Anita spurred The Stronach Group
15 and the California Horse Racing Board to institute a series of
16 rules changes that made the sport safer. A lot safer. Since
17 2019, racing deaths in California have been reduced by 40%.
18 Without the intense public and media scrutiny, it's unclear
19 what safety improvements would have been implemented. In a
20 tragic sort of way, without the crisis, the sport may not have
21 moved so quickly to address the problem.

22 California was the model for change, with most of its
23 policies adopted by the Horseracing Integrity and Safety
24 Authority (HISA), the national organization that was tasked

1 with creating uniformity in racing rules and regulations. HISA
2 was created in the wake of Santa Anita.

3 But with all the progress being made, and a true effort
4 to fix this problem that generally repels people from the
5 sport, the numbers are starting to go back up in California.
6 According to statistics provided by the CHRB, the state had
7 128 fatalities in 2019, 96 in 2020, 71 in 2021, 64 in 2022 and
8 82 last year. Note, so far in 2024 there are 95 reported.
9 Sadly, 2019 was not the low point. In 2016, 209 race horses
10 died in California.

11 It raises the question: Has horse racing plateaued in its
12 effort to make the sport safer? One fact you can't escape is
13 that horses will die in racing, despite all efforts.

14 MS. O'LEARY: Mr. Reynolds, your time is up.

15 VICE PRESIDENT MICHAEL GELFAND: Moving onto Martha
16 Sullivan.

17 MARTHA SULLIVAN: Hello, this is Martha Sullivan from
18 Imperial Beach.

19 Gold Coin is the 95th reported death in California 2024
20 racing, up 56% over this point in 2021. Still up 36% with the
21 12 quarter horses euthanized for equine infectious anemia in
22 one trainer's barn at Los Alamitos Race Course -- by the way,
23 per the USDA, human caused -- even if those are excluded.

1 Gold Coin is the ninth horse death Pleasanton Golden
2 State Racing since June. And scientific research has told us
3 for 18 years that 90% of catastrophic injuries in horse racing
4 result from repetitive injury. Knowing this its indefensible
5 to continue risking and taking horses' lives for a mere
6 gamble, when there are now so many other ways to gamble.

7 From the 2006 presentation by then equine medical
8 director of the California horse racing board, Dr. Rick
9 Arthur, quote, catastrophic bone fractures cause 80% of
10 racehorse death. 90% of catastrophic fractures that are caused
11 by pre-existing injuries, end quote.

12 And that was from the Racing Jockey Club at the time
13 racing summit that year. Thank you.

14 VICE PRESIDENT MICHAEL GELFAND: Thank you, Martha.
15 Bonnie Croker.

16 BONNIE CROKER: Good afternoon, thanks for taking my call.
17 Can you hear me?

18 VICE PRESIDENT MICHAEL GELFAND: We can hear you.

19 BONNIE CROKER: Thank you so much.

20 I'm calling to request that this Board begins to phase
21 out all activities that use animals for entertainment and
22 profit.

23 As you are aware, horse racing in particular is not a
24 reliable stream of income for you. People are losing interest

1 in horse racing and spending their gambling dollars on
2 everything from sports betting to political races.

3 Horse racing is an extremely expensive and highly
4 controversial endeavor given the growing public outreach over
5 the continuous horse racing injuries and deaths.

6 As of today as other people have brought to your
7 attention, the California Horse Racing Board has announced the
8 95th death so far in 2024 of a California race horse, a three-
9 year-old horse named Gold Coin, as you have heard, was just
10 killed during training.

11 In such a prophetic and ironic and tragic name, Gold
12 Coin, killed for the coins of pockets of horse racing fans.

13 Your fair board is staffed by brilliant and thoughtful
14 people. You're an absolute pleasure to listen to at times, the
15 way you conduct business. You're intuitive, you're inventive,
16 you are a wonderful group of people. I'm completely confident
17 that you can develop income-generating activities that do not
18 harm and exploit animals. For example, exhibits that highlight
19 the best of humanity, such as music, art, science, technology,
20 and conservation of the earth's resources. It's time to phase
21 out what is really a dying public interest. The use, abuse and
22 focus on animals for entertainment and even food. The 4-H
23 programs are really archaic and should be put to rest. You
24 should focus on a plant-based agricultural and conservation.

1 Thank you so much for your time.

2 VICE PRESIDENT MICHAEL GELFAND: Thank you.

3 Okay, we are now ready to move on to the executive
4 report, which is item 5 on your agenda.

5 The chair recognizes CEO, Carlene Moore.

6 MS. MOORE: Thank you.

7 All right. We have several presentations on for today.
8 The first of which is an update that we're providing you on
9 our Master Site Plan Outreach and Engagement Plan. This is
10 really a very timely presentation, I think, given last month's
11 discussion about the plan, our strategic communications firm,
12 Southwest Strategies, their contract and so forth. So we had
13 already internally been working on this plan of bringing
14 forward, in essence, kind of some quarterly progress reports
15 of where we're at in this process as it relates to our Master
16 Site Plan initiative.

17 Okay. You want to go ahead and let Chris -- so I'm going
18 to introduce, we're joined today by Southwest Strategies and
19 Chris is here to join us. And we've got - so a little bit with
20 regard to our agenda for today.

21 You hit the green button, sorry. Just so it will get off
22 of this and get us to that.

23 And so, we'll be taking you through, I think we'll start
24 off a little bit, they will be a little bit of joint

1 presentation here just to introduce this, and then I'm going
2 to turn it over to Chris and the team from Southwest for this.

3 So this presentation really focuses and kind of follows
4 the outreach and phasing plan that we had previously brought
5 forward to the Board, bringing together of our guiding
6 principles that have been established, and so we're going to
7 take you through a little bit of where we've been, where we're
8 at as of today and most importantly where it is that we are
9 headed in the coming year for this.

10 And so with that, Chris, I'll turn it over to you.

11 CHRIS WAHL: Thank you, Carlene.

12 And it's a pleasure to be here today. Happy to see
13 everybody and I wanted to just step back for a second and talk
14 a little bit about Southwest Strategies. It's been some time
15 since we last provided you folks with an update.

16 Again, my name is Chris Wahl. I'm the CEO of Southwest
17 Strategies.

18 Let me move forward actually there too, thank you.

19 So many of you know that we've been here in San Diego for
20 a long time. In fact, I'm happy to share that next year will
21 be our 25th year in business, which is amazing. And it's been
22 a wonderful time working with many, many great organizations
23 in the community.

1 Over that period of time, we've grown, and we've
2 experienced working with many groups and organizations around
3 California. Today we have nearly 100 employees, we have four
4 different offices. We're obviously here in San Diego, but
5 we're also in Los Angeles, San Francisco and have been in
6 Fresno for almost 15 years. And in those markets we work on a
7 combination of public affairs and public outreach projects
8 that are very similar to the one that we have here. And we're
9 very thrilled and honored to be a part of this remarkable
10 effort.

11 We have worked very closely with Carlene and Tristan over
12 the last year and a half on this. And there's a lot of work to
13 be done, but we're excited about where the future goes because
14 this 2025 year is going to be the time we've had the
15 opportunity to really get out and start talking about it more
16 and get the public's perspective.

17 And just from the start, I think that we all agree that
18 this is a process that should be community-input driven as
19 opposed to any other perspective from a developer or what not
20 because this is such an incredible public asset.

21 Again, just stepping back for a second though and talking
22 a little bit about some of the work that we have done on
23 master planning efforts. I just put three specific projects up
24 that you folks probably heard about our been involved with at

1 some level. The SDSU West initiative was a very significant
2 public outreach effort that ended up on the ballot. Our firm
3 was one of the main consultants that help lead the effort on
4 that to help redesign and plan and ultimately get approved the
5 sale of the Qualcomm facility and the property from the city
6 to the State of California which has led to an incredible
7 success and many, many future success to come.

8 We're also currently working on the San Diego State, or
9 excuse me, the San Diego Sports Arena redevelopment. Much
10 smaller in size but it is a master planning effort that is
11 very significant nonetheless. We're working very closely with
12 the development team there on a community outreach process to
13 ensure that the public has the say. We lead all of the
14 community meetings.

15 We have a requirement. In fact, in my 25 years working in
16 San Diego, I've never had this requirement, but the city
17 council placed a requirement on the development team as they
18 were going through the process that they have quarterly public
19 meetings in different council districts around the city.

20 We also have to provide quarterly updates to the city
21 council themselves on what's happening and how that process is
22 evolving. So it's been a great process. And I think we're
23 making a lot of progress, and hopeful that 2025 will be a good
24 year for that one as well.

1 And then we also helped SANDAG on their 2021 regional
2 transportation plan, which involved getting around to every
3 corner of the county. Obviously, SANDAG represents the entire
4 county as you guys well know. And getting input from the
5 different regions was really important because what's
6 important to the folks in South Bay is not the same issue
7 that's important to folks in the east county that's in north
8 county and the central part of the county. So what I have
9 experienced over time is it's really important to get out and
10 hear what the different folks have to say because they have
11 different perspectives.

12 One thing that holds us all together though, just like
13 the sports arena, is that everybody in the county uses the
14 fairgrounds and comes to the fairgrounds. And so it's a great
15 opportunity to get input. It's not like we ask folks, have you
16 ever heard of the fairgrounds? And they say, where's that? So
17 we're starting ahead there.

18 So just as are quick reminder, kind of going back here.
19 Let's see, catch up to my slides. I'm sorry. Wrong green
20 button. There we go. So in this timeframe, let's see, we did
21 remember -

22 Carlene, were you going to cover this part or do you want
23 me to cover this part? I'm sorry.

24 MS. MOORE: Sure, I'm happy to.

1 CHRIS WAHL: Okay.

2 MS. MOORE: Again, just as a look back reminder, some key,
3 you know, these are some really significant dates and
4 accomplishments that we had this past year. The first of which
5 was when we brought forward just sort of the initial guiding
6 principles at our May 14th board meeting. And that's where we
7 also adopted this engagement and outreach plan.

8 And then from there and the guidance that was provided by
9 the Board we returned at the September 10th board meeting to
10 expand on those guiding principles. Where we really, you know,
11 have a focused effort around community, you know, purposeful
12 planning, accessibility, environmental stewardship and then
13 the economic impact and our financial responsibility that we
14 have for the organization and this gem we have that we are,
15 you know, in charge of and stewards of on behalf of the
16 public. So those are some very key milestones.

17 We also in this time period, the Board Chair kind of
18 restructured some of our committees because what we recognized
19 is that going forward was a lot of work to be done. And so
20 really being able to move forward so that we see that progress
21 that we're all after in 2025. And so, these were the
22 committees as we mapped them out. We have our Public
23 Engagement Committee, the Regulatory and Government Affairs,
24 Environmental Stewardship, and Liaisons to a Technical

1 Advisory Coalition. And I think Chris is going to speak a
2 little bit more on that in the presentation.

3 And these first four committees really will be, after
4 this meeting, reaching out to you to set up some of those
5 engagements. So that becomes part of this update that you will
6 be receiving as a board throughout the process that we have
7 embarked upon.

8 CHRIS WAHL: Yeah, and we're looking forward to working
9 with members of the board and the different committees.

10 And so I thought what we could talk about is if you might
11 remember this, and previously had seen this game board that we
12 had come up with in consultation with Carlene and Tristan to
13 talk about the progress along the way for the master planning
14 outreach. And it's been broken into five major phases. And
15 we've accomplished a lot already, in fact. We've gone out and
16 gotten some feedback from leaders in the community on their
17 perspective. The Board as Carlene also mentioned has adopted
18 initial guiding principles.

19 We had a promotional program at the county fair to gather
20 public feedback and input. And then we've also expanded those
21 guiding principles. So as you can see, we're out of the pink
22 and into the green. Our goal for 2025 is to complete the
23 green. And you can see that we've got there the big star, we
24 are here. This is where we are now. I'm going to talk a little

1 bit more about this and then I'm going to talk specifically
2 after the game board here about the specific steps that we
3 hope to accomplish in 2025.

4 We know this is a long process but I think this is
5 focused and rooted in the concept of ensuring that the public
6 has multiple opportunities to participate and provide
7 feedback.

8 So one of the ideas that the group had come up with is
9 the formation of a Technical Advisory Coalition, which would
10 be a group of experts that we would look to, to help set
11 guardrails or parameters about what the development
12 potentially could be at the fairgrounds. And I'll talk more
13 about that later.

14 Coastal Commission outreach is obviously a significant
15 part of this effort. Ultimately, they will approve the
16 masterplan, hopefully, and that's a part that we want to start
17 early on. And then there's an outreach to the cities as I
18 talked about before in a regional listening tour to ensure
19 that all corners of the county are being heard.

20 Once we get through that listening session, which is
21 essentially the 2025 scope, then we would move into a little
22 bit more of a specific next step that focuses on some kind of
23 an international design competition that would bring the

1 greatest minds together to help us come up with a plan that
2 can meet as many people's objectives as possible.

3 Once that plan is developed longer term, there would be
4 obviously an environmental document to be reviewed to ensure
5 the public has the opportunity to input again. And then
6 finally brought forward to the Coastal Commission. So the
7 timeline for the next year is pretty clear. After that, it
8 gets a little bit less clear, but the more progress we make
9 now, the more we can move forward in the future.

10 And just stepping back for a second, as I mentioned in
11 2025, we have a couple of objectives. One is to form this
12 Technical Advisory Coalition. And the idea behind the
13 coalition is to bring experts from different disciplines,
14 traffic, water, water resources, biological resources, et
15 cetera, together to help us develop a set of broad parameters
16 and goals so that people can understand what's possible and
17 what's not.

18 In experienced -- in previous experiences for us what we
19 found is sometimes you get out in front and the development or
20 the idea is bigger than actually the reality is. And so that
21 we feel like if there is a coalition up front that can help us
22 set parameters, it's helpful for the public to understand and
23 the parameters and the possibilities actually are. Because

1 technology and environmental issues are going to constrain
2 ultimately what the development may or may not be some day.

3 Let's see. So then we talked about Coastal as well.
4 That's a 2025 objective as well. Getting early input, I have
5 also found there is no magic bullet for the Coastal
6 Commission. I think all of us have experienced that at some
7 level. But being upfront and transparent is generally the
8 better approach that gets you a little bit more traction as
9 you are moving down the path.

10 Okay, so community outreach. One idea that we've been
11 thinking about and seems to make a lot of sense is that cities
12 - there's 18 cities in the county of San Diego, as you all
13 know, there's also the county. So there's the 19
14 municipalities plus many other organizations. But the idea was
15 to tag onto one of their agendas and to go present them and
16 provide them with an input - provide them with an overview of
17 the same kind of thing we're providing today to get their
18 perspective as well as to push out the information to their
19 constituents so we can get and gather as much as feedback as
20 possible. It gives an opportunity to really, I think, spread
21 the word. It also engages those folks so as we're moving
22 forward and then we start to do some events like community
23 events where we ask folks to come in. We can use their

1 networks to help push information out and hopefully get the
2 maximum participation possible.

3 Okay, and then we have this regional listening tour. And
4 this essentially would be a town hall type of events across
5 the region that we would solicit information from. This is the
6 opportunity for folks to come to us. We don't envision a ton
7 of these but there should obviously be a few. And these would
8 be events kind of like what we're doing with the sports arena,
9 we would go around the different council districts. We would
10 go around the county and identify some commonsense places to
11 maybe look for four events where we can bring folks in,
12 utilize the networks to push the information out, and
13 hopefully have them come to us and give us feedback and input.

14 So in terms of kind of pulling this all together, and
15 then I'm happy to answer any questions that you might have,
16 here's some of the upcoming milestones.

17 We're in the process of the formation of a TAC, that
18 Technical Advisory Coalition. And then the different
19 subcommittee groups that Carlene had mentioned before will be
20 providing updates that are relevant to each of those groups.
21 But that will - that's in process now.

22 We hope in January to have that kickoff meeting with that
23 organization and group and start the Coastal Commission
24 outreach. And then in the 2025 - and then the February/March

1 timeframe start the outreach that I mentioned earlier with the
2 cities and the counties. This is a timeline that kind of pulls
3 it all together. And this includes updates to this full board
4 on a quarterly basis as well as ongoing updates to the
5 subcommittees that Carlene mentioned.

6 So with that, I am happy to answer any questions or take
7 any feedback that you might have.

8 MR. BLAIR: Chris, this is obviously very exciting to us.
9 The TAC Committee, is that 10 people? Two hundred people? I
10 mean, it's sort of limitless if you want everybody's input.

11 CHRIS WAHL: Yeah, no. Good question.

12 No, I think we sort of are thinking it's more of what you
13 were saying at the latter, more like 8 to 12. It's still in
14 the formation. But we would be asking folks to volunteer their
15 time to come to us and provide sort of input. We would give
16 them a perspective of what the fairgrounds are. What the
17 parameters are and based upon their specific areas of
18 expertise. Ask them for considerations that should be looked
19 at as the process is developing.

20 And then, as that feedback is put together and then we
21 should share it back with them, we would envision down the
22 road this TAC would present a final report and that report
23 would be a part of the package that would go to ultimate

1 developers in this design contest down the road, that they
2 have some information.

3 MR. BLAIR: The other piece, we can certainly learn from
4 our peers, I would encourage you if there are other fairs that
5 have done this --

6 CHRIS WAHL: Yeah, great idea.

7 MR. BLAIR: -- what they started with, and what they ended
8 up and what their process was for the good, the bad and the
9 ugly would be very helpful for all of us.

10 CHRIS WAHL: That's a great suggestion. In fact, I was in
11 Orange County earlier today and the idea of the masterplan
12 came up there actually at the fairgrounds. So I think that's a
13 good suggestion as well.

14 VICE PRESIDENT MICHAEL GELFAND: Anyone else from the
15 Board with questions?

16 MR. ARABO: I have a question.

17 Thank you for coming today. Very nice meeting you.

18 My question was - great outreach - any thoughts on
19 outreach to the general, the residents of San Diego County? I
20 mean, we have around a million people that come every year to
21 our fair. We give out tickets to all these events. We can do
22 survey codes. I know we're doing like different cities and
23 elected officials, but the residents, because it's really the
24 public's property. What outreach do you think for the

1 residents? Have you thought about that? Survey codes or
2 reaching out or qualitative versus quantitative data. Give me
3 like the mindset of how you're going to accumulate and what
4 you're looking for.

5 CHRIS WAHL: Yeah, definitely. It's a good comment. And
6 I'm a big proponent of research. We use it almost on every
7 project that we have. And I like the combination of
8 qualitative and quantitative like you suggest. A lot of what I
9 suggested today is on the qualitative side, but we do have
10 some ideas on the quantitative side using the kind of QR codes
11 that you're suggesting and the survey-based instruments that
12 we can. Because part of this outreach to the cities will allow
13 us access to constituents in a cost efficient manner, too,
14 where we can go out and we can ask members of the city
15 councils, members of the boards of supervisors if we can send
16 information to their constituents and group to get feedback in
17 that manner, too.

18 MR. ARABO: Any thoughts on the people, the folks that
19 come to the fair, for example?

20 CHRIS WAHL: Yeah, sure. I should have said that, too. So
21 we did that at a first blush this last fair. We put up the
22 booth as I think you know, and we were able to get 1400 plus
23 data points. I think we can improve upon that, lessons
24 learned. Moving forward we have both the fair and we also have

1 races and other events that are here. So I think in '25 we'll
2 do an expanded version of that to ensure capturing it.

3 MR. ARABO: I encourage you to look at the using the
4 tickets as a vehicle. Everyone gets a ticket to come here. So
5 those QR codes could be a data, they could just - a survey
6 they could - so you could have the qualitative data as opposed
7 to them walking up and saying, oh, I like this and that. The
8 more you use scientific methods the better. To see what the
9 residents of San Diego County are thinking.

10 CHRIS WAHL: Yeah, we see that a lot, right. And whether
11 you get tickets you buy something from StubHub or what not,
12 they have that built in on their technology side. It's easy to
13 do.

14 MR. ARABO: Thank you.

15 CHRISS WAHL: Good ideas.

16 MR. ARABO: Thank you.

17 VICE PRESIDENT MICHAEL GELFAND: Mark, just to clarify.
18 When we meet with city councils and the board of supervisors,
19 et cetera, we're hoping they'll not only have us on the agenda
20 to present but they will also have comments from the members
21 of those councils and boards. But that they also have some
22 time where citizens of those cities, et cetera, can provide us
23 additional feedback as part of that portion of the outreach
24 process.

1 Joyce.

2 VICE PRESIDENT JOYCE ROWLAND: No, I was just going to ask
3 more of a technical question. When you do the surveys that try
4 or attempt to gather the quantitative information, in terms of
5 like the number of questions and -- what do you find are the
6 most successful in terms of not overwhelming them and getting
7 the key information you need but getting enough detail. What's
8 the sweet spot on that?

9 CHRIS WAHL: Yeah, that's a great question. And
10 unfortunately, I don't think that there's a simple answer to
11 that. You know, I -- there are the more sophisticated types of
12 polls that you are aware of. Not just the political polls.
13 Corporate America uses polls and surveys all over the place to
14 get information and data points and to gather input from the
15 public.

16 For me, I think when you're looking at quantitative
17 information, doing these polls is the best way to reduce the
18 margin of error. When you're aggregating the information from
19 different sources and different -- or different instruments,
20 it has a little bit more of a margin of error. And so I like
21 to consider the broader polls when we do that from the most
22 scientific way that gets you the greatest information that's
23 most accurate. That doesn't mean the other pieces can't be
24 valuable as well.

1 VICE PRESIDENT JOYCE ROWLAND: And are you generally
2 successful picking up demographic information as you're doing
3 that? Because that's going to be really important as well.

4 CHRIS WAHL: Yeah, so right. So like, you know, you know,
5 Director Arabo is talking about, you know, adding data points
6 or QR codes. That's like a three to five question type of
7 tolerance, right? But if you get somebody, we've all gone
8 through this, you're probably going to say to me, that's
9 crazy. I would never stay on the phone for like 14 minutes
10 with somebody.

11 VICE PRESIDENT JOYCE ROWLAND: But they do.

12 CHRIS WAHL: But people do. And these people are experts
13 at this and they know how to do it. And that's where you get
14 the amount of demographic data that you're understanding so we
15 can understand depending upon what ZIP code you live in,
16 what's important to you about the fairgrounds.

17 VICE PRESIDENT JOYCE ROWLAND: And I think that's kind of
18 where I was going to. Is that you get just kind of a limited
19 amount of information on the quick and dirty surveys, it's
20 important, it's directional. But if you really want -- if you
21 really need a deep dive, you have to do something that's a
22 little bit more intensive. So I'm glad to hear that's a
23 possibility for us.

24 CHRIS WAHL: Yeah, absolutely.

1 MR. MOSIER: Chris, I had a question or comment about the
2 technical advisory group. This is a challenging site,
3 particularly given the range of estimates for sea level rise,
4 which vary tremendously from about 2 feet to 6 feet for 2050.
5 I hope that we have experts from S.I.O. here who are world-
6 class experts. I hope some of those are involved in this
7 group. And you know, the changing level of the both the river
8 and the ocean are big challenges for long-term planning. So I
9 hope we can address those in our masterplan and have some
10 resiliency estimates.

11 CHRIS WAHL: Yeah.

12 MR. MOSIER: When we get to the final masterplan.

13 CHRIS WAHL: Yeah, I think that's a good suggestion. And I
14 think it was the complexity of the site that lead to the idea
15 of this Technical Advisory Coalition upfront. Because I have
16 seen things happen before where you get people excited about
17 the possibilities only to learn that there's an earthquake
18 fault somewhere that people didn't realize or there's some
19 other limiting factor that could affect what the potential
20 could be. In fact, I've been in two -- involved in two
21 projects where that's occurred in the last 5 to 7 years.

22 So I think getting upfront trying to understand this
23 information, sea level rise is another very significant part

1 of that. So thank you for bringing that up. And that is
2 something we'll definitely consider as a part of it.

3 And any other suggestions that you guys might have, we
4 would welcome as well.

5 VICE PRESIDENT MICHAEL GELFAND: Do we have any members of
6 the Board who are Zooming into the meeting.

7 MS. MOORE: Yes, we do.

8 VICE PRESIDENT MICHAEL GELFAND: Okay, so let's start with
9 Lisa.

10 MS. BARKETT: Yes. Right now, no questions. Thank you.

11 VICE PRESIDENT MICHAEL GELFAND: Okay, Sam.

12 MR. NEJABAT: I don't have any questions at the moment.

13 VICE PRESIDENT MICHAEL GELFAND: Okay. Joyce.

14 VICE PRESIDENT JOYCE ROWLAND: So this is a follow-up from
15 what Director Mosier was asking about. But it made me think to
16 ask, exactly how are you defining "technical" and, you know,
17 what are the sorts of people you are looking for on the
18 Technical Advisory Committee?

19 CHRIS WAHL: Yeah, so I think on the technical side it
20 would be somebody that has some kind of a degree in a
21 particular area. Like I most liken it to say like when you're
22 doing a CEQA analysis you have to look at air, you have to
23 look at water, you have to look at sea level rise, you have to
24 look at traffic, those are the kinds of areas that we're

1 focusing on. It's still a work in progress, but we have some
2 preliminary ideas that map it out in that manner. But somebody
3 has an advanced degree in that specific area that can bring
4 information to the table.

5 VICE PRESIDENT JOYCE ROWLAND: Thank you.

6 VICE PRESIDENT MICHAEL GELFAND: Mark.

7 MR. ARABO: Yeah, the great point that was just made right
8 now, we have great universities in the county. So I assume
9 different professors or different experts in the fields they
10 would be folks on the technical advisory?

11 CHRIS WAHL: They'd be great candidates, yeah. Absolutely.
12 We are asking folks upfront to donate their time, but we're
13 trying to be balanced but we're not asking for a ton of time,
14 right. So we sort of, we envision there would be a collection,
15 a group of people. We would do a tour of them. Walk the site,
16 get them familiarized with it. Have them provide feedback,
17 which we collect, collaborate with. And eventually there's
18 going to need to be some kind of a report that comes out of
19 this exercise.

20 MR. ARABO: Perfect.

21 VICE PRESIDENT MICHAEL GELFAND: Joyce.

22 VICE PRESIDENT JOYCE ROWLAND: Sorry.

23 VICE PRESIDENT MICHAEL GELFAND: It's okay.

1 VICE PRESIDENT JOYCE ROWLAND: Just thinking about the
2 nature of that report. And I know it's early on. But do you
3 see it being more questions or solutions? You know, them
4 bringing up areas that need to be further -- are they asking
5 questions or are they actually coming up with solutions or
6 directions on those issues?

7 CHRIS WAHL: Yeah, I think that because it's advisory,
8 it's pro bono, right, I think obviously we have to be limited
9 in our expectations. But what I look at it is sort of
10 guardrails or decision topics and questions. Like if we're --
11 this site is so unique and so incredibly special and different
12 that I think it's going to attract a lot of attention if we do
13 this right around the world, which is why we've come up with
14 international design concept.

15 We want to make sure that we're providing whoever those
16 potential considerate bidders are with tools and information
17 from local experts that understand the area and the
18 familiarity of the site to provide information in a guardrail
19 type of format so when they're thinking about what their
20 proposals might look like based upon all this public input. So
21 we're assembling the public input. We're assembling technical
22 input and we're handing it over to the groups so they can
23 consider these reports when they are developing their
24 proposals. I'm hopeful that that will provide them with a lot

1 of insight so that what they are coming forward with actually
2 is possible.

3 VICE PRESIDENT JOYCE ROWLAND: Thank you.

4 VICE PRESIDENT MICHAEL GELFAND: Phil.

5 MR. BLAIR: Yeah, I think after listening to this the
6 managing expectations is really important. Because when you go
7 to people, what would you like to see. We'll plow the whole
8 thing under and plant it in corn, you know, or it's a
9 playground, or it's a 5000 unit development.

10 I mean, legally we have constraints. Financially, it has
11 to earn "X" amount of money a year. The law says none of this,
12 this, this. Before you just open Pandora's box because that
13 can be frustrating if they are not given those legal and
14 financial parameters that we have.

15 CHRIS WAHL: Yeah, so I think that's an excellent point.
16 And I've been trying to say that, but let me try to put a
17 little finer point on what you said, Director Blair.

18 So eventually, a year down the road if everything holds
19 to schedule we're going to be assembling all this data that
20 we've collected over the last year, year and a half, right.
21 And we're going to turn this over to an RFP process where
22 people from around the world hopefully will be attracted to
23 this site and they will be looking at what the opportunities
24 are, but they'll understand what those parameters are.

1 So they are going to come back with something that is
2 much more of a shotgun, or excuse me, a rifle approach as
3 opposed to saying oh, it could be anything. We could do this,
4 we can do that. No, no, we have all these parameters, all
5 these restrictions, all these limitations, we want the best
6 and greatest ideas possible but it has to work within this
7 box.

8 VICE PRESIDENT MICHAEL GELFAND: Okay. So I have a
9 question or comment. And I don't know who is the right person
10 to answer this. But as it relates to the Technical Advisory
11 Committee, we have a committee, two board members who are on
12 that committee. And I'm just curious what the process is of
13 selecting, you know, from the perspective of the Board, will
14 the Technical Advisory Committee Board Members bring to the
15 full Board potential members of the Technical Advisory
16 Committee to be, you know, approved by the Board?

17 Or will our subcommittee approve the members of the
18 Technical Advisory Committee or how does it work?

19 MS. MOORE: None of that.

20 VICE PRESIDENT MICHAEL GELFAND: How's it work?

21 MS. MOORE: So and just to be clear what it is, because
22 this is not a committee, it's not a committee, it's a
23 coalition is what this group. So the Technical Advisory
24 Coalition that we're bringing together, as we meet with the

1 various committees that we have for this project, and as board
2 members taking in your input to that, and we have a process
3 that we'll be going through to ultimately identify the staff-
4 level in consultation with Chris and his team those folks. And
5 then the Board committee, in essence, are the liaisons to that
6 coalition for information, for setting parameters and
7 expectations. But it would not be, it's not something that
8 would be voted upon by the Board in selecting those members.

9 VICE PRESIDENT MICHAEL GELFAND: Okay.

10 MS. MOORE: But that being said, part of this purpose and
11 as we spoke of is for the input. And so for example, you know,
12 Director Mosier brought up SIO. There are others we want to
13 make sure we're being comprehensive in that approach either
14 whether it's entities we should consider, persons, actual like
15 persons who are perhaps a recommendation, or just an area of
16 expertise where we may need to go out and find those experts.

17 VICE PRESIDENT MICHAEL GELFAND: You may have some
18 opportunities for Board members to make suggestions.

19 MS. MOORE: Absolutely. Absolutely. This isn't being done
20 completely in a vacuum. But so that we can move also very
21 quickly on this and get going with that.

22 CHRIS WAHL: I think we would welcome any suggestions.

23 VICE PRESIDENT MICHAEL GELFAND: Just as an example,
24 although it might not be someone with a Ph.D. I think it might

1 be helpful to have someone with general contracting experience
2 working in liquefaction situations. That sort of thing. Okay.

3 Carlene?

4 MS. MOORE: Thank you very much for -- [multiple speakers]

5 CHRIS WAHL: Thank you very much.

6 [Multiple speakers]

7 MS. MOORE: Liquefaction --

8 VICE PRESIDENT MICHAEL GELFAND: Liquefaction is the
9 situation that most of the property here is contending with,
10 which is in an earthquake, the soil actually liquifies, so it
11 turns into like a milkshake instead of a solid. And so,
12 buildings and the footings literally will sink in an
13 earthquake when you have a liquefaction type of soil
14 condition.

15 MS. MOORE: Well, we have that here.

16 VICE PRESIDENT MICHAEL GELFAND: There are ways of dealing
17 with it that typically, you know, could be pilings or soil
18 stabilization. There's ways of dealing it with. It just could
19 be one of the constraints in terms of this whole thing.

20 In terms of public comment we're going to save it until
21 the end of the executive report.

22 LORI SALDANA: Will the gentleman be here until the end of
23 all this information. Because I believe -

24 [Multiple speakers]

1 LORI SALDANA: Respectfully, I have to say you did not
2 provide any of this information ahead of this meeting. You are
3 not providing the public with information about your public
4 outreach. And I don't believe that complies, again, with the
5 spirit and intent of Bagley-Keene, which is to have the public
6 be informed ahead of the meeting of what is going to be
7 discussed.

8 VICE PRESIDENT MICHAEL GELFAND: I'm going to, unless Josh
9 tells me otherwise, I'm going to say that you're out of order.

10 JOSH CAPLAN: I think so long as the member of the public
11 has an opportunity to speak on this agenda. I defer to the
12 Board Chair on when during that item the member of the public
13 is afforded the opportunity to speak.

14 VICE PRESIDENT MICHAEL GELFAND: Okay.

15 And, Chris, are you going to be here for a while?

16 CHRIS WAHL: Yes.

17 [Off mic]

18 VICE PRESIDENT MICHAEL GELFAND: No, but 'til the end of
19 this item.

20 So you will have an opportunity to have Chris hear you.

21 LORI SALDANA: All right. Thank you.

22 VICE PRESIDENT MICHAEL GELFAND: But because it's public
23 comment, he may not answer back so. All right.

1 MS. MOORE: So next up under my report. And so this really
2 is providing you with progress reports of, you know,
3 operational matters that I work on and am dealing with.

4 We are joined today as well with from folks from Premier
5 Food Services. We have Mike Carson, who is Regional VP of Food
6 and Beverage to join and just to provide in essence kind of an
7 update on some initiatives and things that are underway with
8 Premier.

9 MIKE CARSON: Yeah, perfect. Thank you. Let me try --

10 MS. MOORE: A big green button will advance the slide.

11 [VIDEO PLAYING]

12 [MUSIC PLAYING]

13 MIKE CARSON: Let's see if the big green button will go
14 here. Do one more here. Can I stop this? Here we go.

15 [VIDEO]

16 BARBARA BANKE: I'm Barbara Banke. I'm Chair of the
17 Breeders' Cup. Welcome to our Breeders' Cup at Del Mar. It's
18 going to be fabulous.

19 [MUSIC]

20 CAROLINA LOPEZ: My name is Carolina Lopez. One of the
21 catering managers her at Del Mar. And together with my team we
22 make sure to crate fabulous food and beverage experiences for
23 all of our guests coming from the entire world.

1 JESUS CASTRO: Hi, I'm Jesus Castro. I'm the chef right
2 here at the Del Mar Turf Club. We have an amazing menu put
3 together, filets, shrimp, seabass. We have all kinds of
4 options available for this Breeders' Cup.

5 CAROLINA LOPEZ: We make sure to create fabulous champagne
6 gardens, course meals, bars all around for everyone to enjoy,
7 and foods stations all over the place. And we make sure that
8 your stay here at Del Mar is one to remember forever.

9 [END OF VIDEO]

10 MIKE CARSON: I will in a second.

11 So thanks for having us and I'll try to keep this moving.
12 My name is Mike Carson. I'm the Vice President of Operations
13 for Premier. And this is my teammate, Denise Steele, who you
14 might all know a little bit more. She's here locally and is
15 our Director of Operations.

16 So, two parts today. A little video. Hopefully, it gives
17 you a little better sense of the feeling, the excitement if
18 you weren't able to be at the Breeders' Cup this past weekend.
19 Hopefully, this gives you a little bit better sense of the
20 excitement that was there at the Breeders' Cup beyond, you
21 know, some great racing, some great meeting -- hosting, people
22 from around the world and great food and beverage and
23 hospitality.

1 Really kind of the second part of that is important part
2 of that video is to begin to catalog some of the great
3 experiences that we're producing here at Del Mar. And the idea
4 behind having some video representation and some catalogs, I
5 tried not to edit, would be that we begin to have a catalog of
6 resources so that when we go to market to talk about what
7 great services that this venue hosts and that we execute that
8 we have something that's a little more tangible, right.

9 The challenge sometimes with hospitality and food and
10 beverage is it's here and then, you know, it's kind of gone.
11 This is a way to kind of memorialize it as we go to market and
12 be able to sell the venue and being able to sell it with some
13 excitement of a world class event. So hopefully, that gave you
14 a little bit better sense of the event, the excitement around
15 it.

16 And with that, got more of a static presentation to talk
17 about how our approach was for executing the Breeders' Cup.
18 You know, we work closely with Katie and Carlene and the team
19 at DMTC and the Breeders' Cup. So with that, I'll walk through
20 a quick slide here.

21 So our approach, you know, it started with some planning
22 and goal setting all the way back in 2021. From there the goal
23 setting was really around innovation, sustainability,
24 collaboration, and support, training and then right into, you

1 know, executing and planning for 2025. I'll dig in a little
2 deeper on that.

3 So in terms of planning, right away in 2021 we started
4 working right on, how could we make this year even better,
5 right? So we started having manager meetings. We started, you
6 know, gathering best practices from across the organization.
7 And with that, we took a team visit up in 2023, the entire
8 team from Del Mar, entire management team, we advanced the
9 show. We do that a lot of in a lot of our venues, where we go
10 out and we advance the show.

11 We went up to Santa Anita, we took a look at what was
12 working up there. You know, took away some of the best
13 practices and opportunities there. And from there we kind of
14 designed, you know, kind of four buckets, if you will, around
15 goals. Innovation, elevated service, focused on
16 sustainability, people and training, and then figuring out
17 some of the efficiencies in there. So I'll dive a little
18 deeper into each of those. So the first one in terms of
19 innovation, elevation of services, I'll turn it over to
20 Denise.

21 DENISE STEELE: So as you can see, you can see from the
22 pictures up here we talked a lot about, we want to be the
23 world class in food and beverage and in service. And so, we've
24 really been putting a strict focus on increasing our food, how

1 it looks, how it tastes, how we display it. New ways to do it,
2 so action stations, small plates. Anything that can be more
3 inventive and more creative just to make it something more fun
4 for our guests when they arrive. Like for instance, if you see
5 the one where there is the dry ice smoking, that's a gazpacho.
6 Taking around just an easy, fun, different way to try food and
7 make it exciting for our guests.

8 You can see in one of the center pictures we've been
9 spending a little bit of time trying to upgrade a lot of our
10 catering pieces and things so as we do these events it starts
11 to really take on a world class look and feel that we're
12 really opting for.

13 MIKE CARSON: So in terms of sustainability, we focused
14 really on a couple of things. One of the key pieces was we
15 really wanted to have a focus on reducing our use of single-
16 use plastics and we move towards an aluminum cup. You saw that
17 in the video. You see that up in the top center of the screen
18 there. We've used these in other venues. They are not only
19 sustainable, you know, the client and the guests really get a
20 higher perceived value out of it. We added the Breeders' Cup
21 logo to it. I think it comes across really sharp. But the
22 guests really like it.

23 I think, you know, go back a few years, aluminum cans
24 were kind of considered not the coolest. And you know, had a

1 lower perceived value. I think now the guests feel that
2 aluminum container like that has a higher perceived value.
3 They like it, and we also think it's better for the
4 environment than single-use plastics. We ordered 45,000 of
5 those and moved through quite a bit. The nice thing is the
6 Breeders' Cup logo, we were able to use, you know, for the
7 races coming back here in 2025.

8 We ordered 137,400 eco-friendly products from
9 compostable plates, bamboo cutlery, et cetera. You have some
10 of the pictures there around, again, reducing, you know, the
11 reliance on single-use plastics. From a sustainable food
12 perspective, we had our menu sourced locally through local
13 distributors. Featured, you know, local seabass, et cetera.
14 And then locally sourced products from produce, breads, et
15 cetera. We had a real focus in terms of, you know, drawing
16 from, you know, the local region versus, you know, going out
17 and having that brought in from far distances. So I think
18 that's background, again, this is we're just 10 days out.
19 There's a lot more data that we can pull on this. But we
20 wanted to at least give you a flavor of, you know, the push in
21 -- towards sustainability.

22 So from a support perspective. You know, we had 1,200
23 hourly staffers that came in. We had 143 people that are
24 volunteers through nonprofit organizations. And we also

1 brought in our Vice President of Culinary, Jason Dowd up there
2 in the top right-hand corner. And we had a number of support
3 chefs where we opened over 12 kitchens that we operated
4 throughout the weekend. So that was nine permanent kitchens
5 plus three temporary kitchens that we opened up.

6 So really it kind of takes an army to pull that off. And
7 I think, you know, our local team here supplemented by
8 regional support really kind of came in, helped bring the
9 venue alive and provide great hospitality.

10 So I'll turn it over to Denise to talk about working with
11 some of the locally owned businesses here in San Diego.

12 DENISE STEELE: So when we say "collaboration,"
13 collaboration for us also for this obviously started with the
14 Breeders' Cup, with the Del Mar Thoroughbred Club, as the does
15 here when we're working with the fair and 22nd. We try to
16 really partner in and make sure that we are entranced in the
17 business.

18 We also worked well this year with a lot of our local
19 businesses as well. So we were able to bring in Pacific Star
20 Seafood, SBICCA, Pamplemousse, and Buona Forchetta. Brought
21 some of the local flare here from San Diego to kind of add in
22 to what we do here on a regular basis just - it was such a
23 great event. And having that partnership with local businesses
24 was really great this year.

1 MIKE CARSON: So in terms of training, you know, the
2 training really, you know, happened across a number of phases.
3 We had, you know, our advanced training for visiting managers
4 that came in and supervisors. So weeks out prior to the event
5 we talked about how we were going to execute the events, areas
6 of responsibility, et cetera. We also had pre-shift meetings
7 before at each of the various locations throughout the venue
8 to make sure that, you know, all 1,200 employees and
9 teammates, you know, are well informed to be able to create
10 great hospitality.

11 But one of the things we really did and Denise is going
12 to talk about it, is we came in with a real deep beverage
13 program. We knew people were going to enjoy some adult
14 beverages and nonalcoholic beverages that weekend and we
15 wanted to make it special for the guests. But we also wanted
16 to make sure that those bartenders and those servers were well
17 versed. We know how important that is to the various sponsors
18 and those guests that come in so that they can have somebody
19 kind of will talk to the drink, give a little bit better
20 background and also create something that they might not get
21 at home, right?

22 So with that, I'll turn it over to Denise to talk about
23 how that training was executed and how deep it was throughout
24 the organization.

1 DENISE STEELE: So on the food and beverage side, we
2 typically will do our orientations with staff and different
3 people about a week out so they're all clear. It's all fresh
4 in their mind. We opted to do it out a couple of weeks earlier
5 this time. So for the servers and assistants we can have some
6 extra days ahead to get with them and really make sure that
7 they got a chance to understand what the food was, what, you
8 know, what our opportunities and goals were, so they were on
9 board.

10 When it came to the bar side of the training, we have
11 really put together a great corporate team that comes out and
12 works with us. And so we kind of put that into a great bar
13 training. We started it just prior to the summer season and
14 then we really enhanced it as we ran into Breeders' Cup.

15 So it really starts with introducing them to who our
16 sponsorships might be, what the products, getting very
17 specific and diving deep into that so they really understand
18 the product that they're talking about. This training, we took
19 our bar staff, which was over 200 people, we split them in
20 half. So half went to orientation, they got to learn all the
21 ins and outs of the event and all those expectations while the
22 other half went to training. So the training was taken and put
23 into three different types of training.

1 So one was really understanding our wines, the
2 sponsorships, how to speak to wines, how to open wine, how to
3 serve the wine. As well as, we then went into what our
4 signature cocktails were. So we took the Breeders' Cup
5 specialty drinks and our four top sellers from the summertime.
6 We actually had people how to pour, how to do certain things,
7 making sure they were using the right recipes and making those
8 work down to the tee. And then letting them practice that in
9 front of their teammates so that they really got a good feel
10 of how to make those and have good consistency. And how to,
11 you know, make a great drink. People want to come back, if
12 they go to a different location it should be the same across
13 the board. So we've really started focusing on that training.

14 And then the third aspect of their different stations as
15 they went through was all about service. How to greet guests.
16 How to talk to guests. And then making sure that they really
17 knew how to sell the product but also how to engage with the
18 guest and make them feel comfortable and want to experience a
19 great event.

20 MIKE CARSON: A lot of that training, you know, a
21 byproduct of that is when the employees come that day, right,
22 there is less questions, right. They are able to more
23 efficiently take care of the guests, right. We're able to get
24 ready quicker, you know, prior to the event on event day. So

1 we really pushed hard to have that training done ahead of
2 time.

3 So in terms of results. Revenue, while not yet settled,
4 is approximately \$3.7 million. You know, it's a large event
5 and that's just on the revenue side. When we talk about, you
6 know, the economic impact of hotel rooms just in terms of food
7 and beverage service, when we talk about, you know, signage,
8 when we talk about, you know, hiring local employees, the
9 1,200 employees, the MPO groups, the temp agencies, the
10 signage and print companies, you know, the list goes on and on
11 and on in terms of, you know, the expenses and pushing that
12 out into the greater San Diego community.

13 So I think the results, you know, are super strong. You
14 know, it's a world-class event. But you know, in a lot of
15 ways, you know, that impact is well beyond just a financial
16 impact, right? You know, it that's sustainability impact, it's
17 that impact of, you know, creating a standard around
18 innovation and hospitality elevation, we can go out to market
19 and continue to grow the business for years to come, right.
20 Not just to maximize that event but how do we take this event
21 and leverage it into future great events. So with that, 2025
22 starts now. So what are we doing?

23 Right now we're doing manager debriefs, right. Hey, what
24 went right. You know, where are areas of opportunity, meaning

1 with the Breeders' Cup, you know, follow-up to gain their
2 feedback. We're going to do a deeper dive into the data. We
3 have a business intelligence group that's going to review the
4 data. Hopefully, find some areas of opportunity for us. And
5 then we have standard operating procedure binders that we
6 implemented this year. We're going to get those revised and
7 updated. We'll be able to pull those off the shelf for 2025.

8 So I mean, I think from a, you know -- you know, an
9 outcome perspective, I was here that weekend. I think the
10 event went great. But I also, you know, really proud of the
11 team here locally. You know that collaborative work with
12 Carlene and Katie and the whole team here as well as the
13 Breeders' Cup and the DMTC, I think the event really, really
14 went, you know, exceptionally well. There's always things to
15 improve upon and we're starting now to be able to figure those
16 out and grow it for the future.

17 So with that, I'll open up to questions and hopefully
18 gives you a little bit of a peek behind the curtain from an
19 operational standpoint.

20 VICE PRESIDENT MICHAEL GELFAND: Phil.

21 MR. BLAIR: Do most of the people buy a ticket and then
22 get free food and booze or do most people buy item by item,
23 drink by drink?

1 DENISE STEELE: So for the Breeders' Cup it's a little
2 different. Most of the seated packages are a part of a
3 package. So they buy a ticket in, but it has a package of
4 food, a food element that goes with it. So the GA doesn't have
5 that but the actual ticketed seats per restaurant they are
6 usually part of a package, so all of our sky boxes up top, all
7 the different things, Turf Club, every seat in Turf Club,
8 1,648 seats were on a package and most of them on a two-day
9 package.

10 VICE PRESIDENT MICHAEL GELFAND: Joyce.

11 VICE PRESIDENT JOYCE ROWLAND: Did you all do the
12 breakfast at the Breeders' Cup?

13 DENISE STEELE: We did not do the chalet. The chalet was
14 done by an outside entity.

15 VICE PRESIDENT MICHAEL GELFAND: Mark.

16 MR. ARABO: I think you did a remarkable job on Breeders'
17 Cup. I personally purchased 16 tickets myself. Personally
18 bought to see what it's all about, and I was very impressed.
19 Great food. Great energy.

20 I do see a difference in general, because I also buy
21 tickets personally, I buy tickets for the regular meets. I do
22 see a big difference between sometimes the food offered, just
23 on a normal race day for example compared to special events.

1 So I encourage you to step up your game on the -- it's just my
2 personal opinion on the regular meets.

3 MIKE CARSON: Good feedback.

4 MR. ARABO: And I love the partnerships with local San
5 Diego companies. And I love the Advance the Show. So I think
6 the more education you could do for us as board members, let
7 us know about when you go and where you go, if anyone is free
8 on the Board, I'm sure they would like to learn about it and
9 see how we could all be the world-class catering.

10 Great job.

11 MIKE CARSON: Absolutely.

12 MR. ARABO: Thank you.

13 MIKE CARSON: Thank you.

14 VICE PRESIDENT MICHAEL GELFAND: Joyce.

15 VICE PRESIDENT JOYCE ROWLAND: I just have to say I
16 thought that the service and the people who were working that
17 aspect of it were fantastic. They were really on top of their
18 game and very kind. And I just thought all the experiences I
19 had with them were very positive. What happened to the point
20 of services system, did it go down at one point?

21 MIKE CARSON: We did have some technical difficulties with
22 that. But we rebounded as best we could in a world where, you
23 know, going to manual is not as easy as it once was.

24 [Multiple speakers]

1 VICE PRESIDENT JOYCE ROWLAND: The SOPs, right.

2 MIKE CARSON: Yes, having SOPs on that. But we did
3 advance, you know, ahead of that. We had some manual backups.
4 Do they go in motion as quick as you always want, probably
5 not. You know, the more we're reliant, you know, on software
6 systems and so forth, it gets kind of, there's the pros and
7 cons of that. But I think the pros certainly outweigh that.

8 VICE PRESIDENT JOYCE ROWLAND: Oh, absolutely.

9 MIKE CARSON: And Joyce, thank you for that feedback.

10 In terms of, you know, you think about the workforce, you
11 know, here on a day-to-day basis, versus the Breeders' Cup,
12 you know, you go from 250 or so people on a normal race day
13 to, you know, over 1,200 for, you know, call it one weekend.
14 So to get that incremental, you know, thousand people to come
15 in and to know what to do, where to go, et cetera, that
16 employee check-in was an event by itself to check those people
17 in.

18 VICE PRESIDENT JOYCE ROWLAND: We understand.

19 MIKE CARSON: And Denise had a great -- we had some great
20 employee recognition programs where we could surprise the
21 employees with prizes and make it fun. But if a manager caught
22 an employee doing exceptional service, you know, they were
23 recognized for that. And that was done, you know, at the
24 employee check-in. So just another nice touch. Again, while

1 it's the food, the food only happens because, you know, we
2 have great people.

3 VICE PRESIDENT JOYCE ROWLAND: And I thought they handled
4 the POS issue very graciously as well so.

5 MIKE CARSON: Thank you.

6 VICE PRESIDENT JOYCE ROWLAND: It was a difficult moment
7 but they did well. It was.

8 VICE PRESIDENT MICHAEL GELFAND: I think we may have some
9 comments or questions from other board members who are not
10 physically present.

11 Sam, anything?

12 MR. NEJABAT: No.

13 VICE PRESIDENT MICHAEL GELFAND: Lisa?

14 MS. BARKETT: No. Unfortunately, I could not attend but I
15 heard rave reviews on everything, every aspect. So thank you.

16 MIKE CARSON: Thank you.

17 VICE PRESIDENT MICHAEL GELFAND: I'd just like to comment
18 on something related to the Sound and food and beverage. I've
19 been to several shows and some of them, the upstairs food and
20 beverage stations are not open actually several that I've
21 attended frequently. I don't know what your plans are for
22 that, and also the consistency of waiter or waitress service
23 upstairs has -- it's sort of inconsistent. I don't know if you
24 are aware of any of that or if you have plans around that.

1 MIKE CARSON: I do think that's good feedback. I think,
2 you know, you're always in this balance of scaling the event
3 from a perspective of scaling it from an expense standpoint,
4 scaling it from a service perspective and you're always in
5 this kind of fine line of too little or too much. And there
6 are times probably fall on the too much, and maybe a couple of
7 times we fall on the too little. If there is specific ones on
8 there, we certainly welcome the feedback. And then we could
9 drill into it a little more if there was specific events, we
10 would be happy to take a look at that.

11 VICE PRESIDENT MICHAEL GELFAND: Part of it may be just
12 expectations. If you found through operations that it's not
13 efficient to have the food and beverage stations upstairs open
14 at all, okay. But you know, it's just managing those
15 expectations for the public would be helpful.

16 MIKE CARSON: You know, that's a really interesting point.
17 And you know, what we might want to work with is figuring out
18 kind of the know before you go. Right? So while sometimes
19 those emails or those text messages get filed away, other
20 times you know, you know that guest takes a look at it, right?
21 Where to park, when to arrive, is there any, you know, unique
22 traffic situations occurring, what's going to be open. Maybe
23 there's a special, you know, situation with the menu. Whatever
24 that is. It would be good to have.

1 VICE PRESIDENT MICHAEL GELFAND: It may be, and I'm on the
2 focused on the upstairs because the downstairs there's plenty
3 of things are open. It may be that, you know, upstairs you
4 could with a barcode or website you could order food and drink
5 and, you know, it's delivered to your seat upstairs or
6 something. I don't know. Whatever is efficient because
7 obviously we're benefiting from your profitability.

8 MIKE CARSON: Absolutely.

9 VICE PRESIDENT MICHAEL GELFAND: Okay. Any other comments
10 from the Board?

11 Carlene?

12 MS. MOORE: All right. Thank you.

13 Thank you very much for joining us this afternoon.

14 All right, so we've got some special guests outside that
15 I think are going to be joining us for next, which is our 2025
16 San Diego County Fair logo and branding reveal.

17 KATIE MUELLER: All right, so we just wanted to give you
18 guys a little brief update about that thing called the San
19 Diego County Fair that's coming up in June. Seems like a long
20 time away but it really is not very long at all. And we are
21 super excited to talk a little bit more about our theme. You
22 guys have some goodies in front of you on the tables.

23 So we saw a need when we came up with this theme way back
24 when, which you guys approved. The number of animals in San

1 Diego County shelters reached an all-time record high in 2024.
2 And we have with us here today the San Diego Humane Society,
3 with a couple of their adoptable pooches. And we are so
4 excited that we're going to be partnering with them on our
5 theme, Summer Pet-tacular. They are going to be helping us to
6 educate the public about responsible pet ownership. They going
7 to be sharing with the public all of the adoptable pets, it's
8 not just dogs, it's cats, rabbits and lizards and all kinds of
9 different animals that they have down there. And we have been
10 meeting and collaborating. And we're actually going to be
11 coming down this Friday to the Humane Society and doing a
12 little tour to get more inspiration.

13 [VIDEO PLAYING]

14 GARY WEITZMAN: We came together today with our San Diego
15 Animal Welfare Coalition partners to make a plea to the
16 community to get animals adopted, fostered and for the public
17 to get their own animals spayed and neutered.

18 TALIA PADILLA: We really are counting on the community to
19 come forward to help the animals in our community by adopting
20 the animals that are in our care, to prevent the further
21 intake of animals into the shelter.

22 TERRY LOGAN: Adopt from a shelter.

23 GARY WEITZMAN: Come to your local shelters, go to your
24 rescues. Adopt your next best friend for your family. And the

1 ones you have, make sure you get them spayed and neutered.
2 We'll get out of this but we really need the public to come
3 together to help us do that.

4 KATIE MUELLER: We saw an interest. So pets are social
5 media sensations, massing millions of followers and inspiring
6 movies and merch. So we'll be talking about pets and pop
7 culture and on social media.

8 We have an opportunity 2025 San Diego County Fair will
9 celebrate the bond between humans and pets, as --

10 [MUSIC]

11 [DOGS BARKING AND CATS MEOWING]

12 KATIE MUELLER: So this is the official logo of the 2025
13 Summer Pet-tacular. In both, if you look behind Joyce, both
14 English and Spanish. So we are really excited about this
15 theme. We're already having a lot of fun with it, as you can
16 tell. We really enjoy working with our human and animal
17 companions. Does anybody have any questions?

18 The Humane Society also brought their annual calendar to
19 share with all of you. It's quite cute. The back of it has all
20 of the animals that are, maybe not all of them, but a lot of
21 the animals that are currently housed in their shelters right
22 now.

23 Phil?

24 VICE PRESIDENT MICHAEL GELFAND: Yeah, go ahead, Phil.

1 MR. BLAIR: I was at an event Saturday with a thousand
2 people and they had pins as you walked in being very
3 supportive of adopting a couple of puppies. I'm curious, do
4 you see having pets like this at the fair that people can
5 adopt onsite? Or how does that work with being good to the
6 animals and --

7 KATIE MUELLER: Yeah, sure.

8 Typically, we've actually done this for quite a few years
9 in a very small area called, last year it was called the pet
10 pavilion. We had different rescue groups and that type of
11 thing that came out. So they would bring the dogs or the cats
12 or whatever the pets were and people got to interact with
13 them, play with them a little bit, introduce them to their
14 family. And if they were interested in doing an adoption, then
15 that would happen offsite. So it was more like a meet and
16 greet that would happen here at the fair and then the actual
17 adoption would happen offsite.

18 MR. BLAIR: On another day.

19 KATIE MUELLER: Yeah, like at the Humane Society.

20 MR. BLAIR: It's not an impulse, oh, I'll take a dog.

21 KATIE MUELLER: No, no, no.

22 VICE PRESIDENT MICHAEL GELFAND: Joyce.

23 VICE PRESIDENT JOYCE ROWLAND: Yeah, this is, as you might
24 imagine, not in the form of a question, but a suggestion which

1 I know you love to get. But anything that you can do where
2 people can use their pets that maybe they are on their phones
3 and bring pictures and personalize items that have their pets'
4 faces on them, pajamas, T-shirts, whatever, caricatures.
5 People love that sort of thing. I think it'd be very engaging
6 for them.

7 KATIE MUELLER: Yes, you're absolutely right. And that's a
8 great suggestion.

9 And the other thing that we're working on right now,
10 which I'm not really ready to talk about any kind of specifics
11 but we're working on pet-centric activities. So one of the
12 questions that we get about this fair is well, does that mean
13 I can bring my pet to the fair? And the answer is, you can if
14 they are a companion animal. We always allow companion animals
15 at the fair. But --

16 VICE PRESIDENT JOYCE ROWLAND: Wait. Wait. Wait. Companion
17 animals, you mean service animals?

18 KATIE MUELLER: Yes, service animals.

19 VICE PRESIDENT JOYCE ROWLAND: My animal is a companion
20 animal, okay.

21 KATIE MUELLER: A.D.A. service animals have always been
22 allowed at the fair.

23 But we are developing a few pet-centric activities
24 probably out in our arena area where we can keep things, the

1 activity and things away from the main avenue of the fair
2 where people will be able to engage in pet activities even if
3 you don't own a pet, you'll be able to learn more about it.
4 You'll be able to engage in some fun activities, you know,
5 different things happening.

6 We'll also have a pre-fair and fair time kind of a
7 digital events where people can upload photos of their pets,
8 you know, their pets doing funny tricks, things like that that
9 will be played in our fair theme, our Summer Pet-tacular theme
10 exhibit.

11 And so there'll be a number of ways that people can
12 engage with their own pets. But really the goal is for people
13 to come here to find out more about how to be a good pet
14 owner. Maybe to, you know, adopt a pet if you don't currently
15 have one. And a lot of other fun celebrations of pets and all
16 they do for us. So that's kind of it.

17 [Off mic] MS. MEAD: You're getting upstaged, Katie.

18 KATIE MUELLER: I know, I got to get used to it.

19 MS. MOORE: Thank you.

20 And thank you Humane Society for joining us this
21 afternoon. Very much appreciate it. Thank you.

22 VICE PRESIDENT MICHAEL GELFAND: Thank you so much.

23 Okay. Moving on.

1 MS. MOORE: Yes, so just a few -- some business points as
2 well.

3 President Schenk asked me to remind board members to
4 complete your required CDFA training before the end of the
5 year. For those of you who haven't, you go to the CDFA Online
6 University portal to see if you have any either in-progress or
7 outstanding required trainings.

8 MR. BLAIR: Carlene, do we have to go look and see if
9 we're current or somebody will send us something if we're not?

10 MS. MOORE: I will ask Kaitlyn to check everyone's. And
11 she'll send to you if you are not current.

12 MR. BLAIR: Okay, because I think I've done it all.

13 MS. MOORE: Yes, I think you are, Phil, because, yes, you
14 had to - exactly. New kid on the block. You had to complete
15 them all prior to joining.

16 VICE PRESIDENT JOYCE ROWLAND: I would just say sometimes
17 you think you've completed it and maybe you have but you
18 didn't hit "submit." And so.

19 MS. MOORE: Yes, I think there's one in particular. I
20 don't remember which one which requires like the printing out
21 of the certificate and sending it in. So I will ask our
22 Compliance Manager Kaitlyn Findley-Thorn and she'll reach out
23 to you if you have outstanding items.

1 Also too, I wanted just to let you know, in terms of the
2 agreements that were executed per my delegation of the
3 authority, there's one under the event rental agreements, 25-
4 875 for the Del Mar Seaside Festival, LLC. That agreement has
5 actually been canceled and we are in the process of
6 renegotiating an agreement for that event. This is for the
7 equestrian shows in the first kind of quarter of the new year.
8 It has also been, there's been a suggestion I thought was
9 really good. And that would be to move the contracts kind of
10 to an appendix of the Board packet, so that in terms of really
11 informational items and action items and things like, that
12 that be more present since there's a lot of just contract
13 information that's for your awareness. So you'll see that
14 change coming in the future.

15 And then, next up, we have it's a day of presentations. I
16 also wanted to share with you, some of the out of state -- had
17 mentioned this previously at the Board meeting, but some of
18 the out-of-state travel that we have done visiting other
19 fairs, Katie and Tristan, I think, are going to give this
20 presentation together.

21 And in part, want to share with you and be peaking your
22 interest as we then move into the budget discussion. There's
23 been interest expressed as Board members to perhaps visit some
24 of these locations whether that's during the fair or at

1 another time. And for what I call kind of parallel concepts,
2 which is especially with our Master Site Planning initiative,
3 but to see how other facilities are laid out. See creative
4 ways in which they are investing into their programs and their
5 facilities, as well. So I'll have more information on that.
6 But here's a little bit of what we saw here in 2024.

7 TRISTAN HALLMAN: Yeah, so the fair tagline and Katie are
8 a tough act to follow. So like Carlene says, we'll be co-
9 opting her for this, we'll tag team this presentation.

10 So we wanted to share with you, and you will be, you
11 know, one of the items you will see later on the budget is
12 these out-of-state visits that we budget for. So we wanted to
13 sort of report back to you on some of these trips we've made
14 to a couple of other fairs this year.

15 So first was there Washington State Fair. That was just
16 Katie, Carlene and I that went to that. Small group, very
17 quick trip. It is a fair that's similar in length to ours. It
18 has about, they have one dark day. They're closed Tuesday.
19 They get about 800,000 attendees per year. And then we also
20 went to about a month later, we went to the State Fair of
21 Texas, which is a 24-day fair with no dark days. It has about
22 2.4 million attendees, SO it's a top-two fair in the nation.
23 But some caveats to that of course. They have a much larger
24 metro region that they draw from. It's about twice the size of

1 ours. So that's a consideration. And then they also have a
2 couple of football games including the UTOU game which draws
3 itself the game alone 100,000 people in a single day. So it's
4 the center attraction of that fair. One interesting thing is,
5 you know, there's different structures for different fairs and
6 different fairgrounds.

7 State Fair of Texas actually does not run the fairgrounds
8 there, they are a nonprofit. They lease that facility from the
9 city. In terms of who runs it, that's up for discussion right
10 now because there is a nonprofit the city contracted with and
11 there is a whole thing. Separate, totally different thing.

12 We just wanted to run you through some photos here and
13 talk a little bit about what we saw. So I'll let Katie start.

14 KATIE MUELLER: The State Fair of Texas is one of only --
15 we are one as well, of only six fairs in the entire country
16 that has an independent midway. So it was really nice to go
17 see a fair with a similar independent midway structure as
18 ours.

19 TRISTAN HALLMAN: So we saw -- we looked at these visits,
20 we like to look at a lot of the details. And they kind of
21 inspire us, and we're not copying from anyone, although we do
22 steal some ideas. But right, so we're not competitors. And at
23 the State Fair of Texas we actually met with a lot of folks

1 there who help run the fair, which was a great experience as
2 well.

3 But these are some examples of signage where they really
4 have a sort of thematic element running throughout, very
5 simple, same similar design. You can kind of see they have
6 kind of an attitude, a little bit of sass on all the signs,
7 you know. "Respect my space." "Pardon our dust," it's very
8 folksy. So that was interesting to us.

9 You know here's some of the touches that we saw, the
10 little touches. Like us, you know, all fairs try to do these
11 sensory-friendly programming, either offering it as a getaway
12 retreat like we do or this was something we also say in L.A.
13 County of having hours set aside where the music's turned
14 down. The noise is kind of kept to a minimum. It's maybe on a
15 slower day, it's a Wednesday morning. So just some of the
16 little touches that we saw involved there.

17 KATIE MUELLER: Yeah, this exhibit was really cool. Of
18 course, it's Texas, they have a huge emphasis on agriculture.
19 And this entire building here was put together by the Texas
20 Agricultural Commission who funded it all.

21 But it was a huge celebration or education, if you will,
22 of all of Texas' agriculture and the products that are
23 produced in Texas. And then you could actually go in and
24 through the store and buy all Texas-made products from sauces

1 to rubs to tchotchkes and what have you in between. But we got
2 a lot of inspiration for a new exhibit that we're creating
3 this year with more details to come about that.

4 MS. MOORE: And I just wanted to quickly point out that
5 that was not J.R. in the last photo.

6 [Chuckling]

7 TRISTAN HALLMAN: That is actually an elected state
8 agricultural Commissioner there. So he has put himself or he's
9 featured prominently, I should say, throughout the exhibit.

10 MS. MOORE: It was an amazing building. It really was.

11 TRISTAN HALLMAN: This is, you know, some of the other
12 little pictures that we took of just how they displayed their
13 agriculture, how they displayed sort of food education, those
14 kinds of things.

15 >> [Off mic]

16 TRISTAN HALLMAN: Yeah, right there. See, and fairs are
17 all about learning things about where your food comes from. So
18 now you know. This was a look at an operation center. This is
19 a new concept that they instituted this year. Actually, the
20 Breeders' Cup had their own little operations center set up
21 while they were here.

22 But this sort of was, this came out of the -- they had a
23 shooting at the fair last year. These booths have been there
24 forever, I think I saw -- for a while, I think I saw more of

1 them than -- I've been going to the State of Texas Fair for a
2 while. But I think I saw more of them this year. Those were
3 sort of high visibility posts for operations so they can see
4 over crowds and things like that. This was a setup that
5 allowed them to have everyone sort of in the same room on the
6 same page. They found they had some communications issues last
7 year during the shooting in terms of getting everyone on the
8 same page about what was happening.

9 As we talk about Master Site Planning, this was, you
10 know, we look at the grounds as well. We look at how that's
11 set up. And again, the State Fair of Texas doesn't run those
12 grounds but they do have a lot of control over them, but these
13 were kind of these -- there were a lot of these kind of
14 getaway spaces that were more -- it is called Fair Park. And
15 there's been a big debate about whether there should be more
16 sort of park space in there. But they do have some spaces set
17 aside that are more park like in nature. So we tend to try to
18 look at these concepts and ideate as to whether they can be
19 applied to our fairgrounds as well.

20 Some of those other touches there. You know, on the right
21 you have that cultural district sign that was interesting to
22 us, and these kind of concepts of neighborhoods as they
23 pertain to the fair areas. You know, this fairgrounds is
24 actually, it is a year-round fairgrounds. There's different

1 operators on it. So, there's a music hall. There's a couple of
2 museums. There's the, I believe the Dallas Sports Commission
3 actually office out of one of the buildings there. So they've
4 got a lot of different things going on. And so that these
5 kinds of buildings that are, there are some fair specific
6 items but there's also some other stuff that happens
7 throughout the year.

8 KATIE MUELLER: This is their competitive exhibits program
9 which they had housed all in one big building that was
10 probably the size of maybe the Exhibit Hall if I had to guess.
11 But they had a culinary series, which is a picture on the top
12 left. And it was just jammed packed with people because they
13 got to taste whatever was being prepared. And at the time when
14 I was in there, they were preparing biscuits and it smelled
15 pretty darn good. Yeah, so having that kind of interactive
16 component within the exhibits was really cool to see.

17 TRISTAN HALLMAN: Here's another look at just some of the
18 sort of flourishes here, stage signage. That is actually their
19 main stage right there. You can't really see it but it's about
20 the size of our Paddock, that's - they're not really an
21 entertainment fair. It's really geared toward foods and
22 foodies. That is the main draw. The stage obviously is
23 something that they program, but I would say it's comparable
24 to our Paddock program in terms of that.

1 And this was also another exhibit that took up an entire
2 building. It was at Dia De Los Muertos exhibit. And so there's
3 a lot -- it was a cool space. There's some, I have some small
4 complaints but about where they put sponsor signage. But it
5 was a great way, you know, sort of a cultural immersion type
6 of thing. Those sort of gravesites right there are people
7 honoring people who have passed in their community, so that
8 was a cool thing to see.

9 And then this is a, their newest building, which is was
10 opened in 2017, which was an agriculture building. It was \$15
11 million. State Fair of Texas put in most of that. But there
12 was also a combination of other -- there's federal and city
13 funds involved. And so, just something to, as we're talking
14 about Master Site Plan in terms of funding sources, this one
15 had multiple different funding sources.

16 KATE MUELLER: This building is impressive. They hold
17 their junior livestock auction in this room. And that's kind
18 of the primary purpose of this space. They raise over \$2.5
19 million at their junior livestock auction. In comparison, we
20 raise \$470,000. So you can see it's a really big deal. They
21 had VIP, you know, private VIP bar area for the big spenders.
22 You know, they really treat their buyers really well.

23 MS. MEAD: They still eat meat in Texas.

24 KATIE MUELLER: They do.

1 TRISTAN HALLMAN: And here's just a quick look at their
2 map. They are - there's a lot of indoor space as well. It's a
3 big fairgrounds. It's 277 acres in total. The Cotton Bowl is
4 sort of at the center of it, which is you know, a draw and a
5 unique challenge as well because obviously it helps during
6 those football games. But it's a 24-day fair. You really have
7 two or three days of football games and the rest of the time
8 it sits empty. So it's -- there's a lot of opportunities and
9 challenges presented with sort of a structure like this. And
10 then we went to the Washington State Fair to go back in time a
11 little bit in Puyallup, Washington.

12 And if you want to speak to this?

13 KATIE MUELLER: What did you call it?

14 TRISTAN HALLMAN: Puyallup.

15 KATIE MUELLER: Puyallup.

16 I had heard for many years about this fair, and I'd never
17 been and experienced it before. And it was really, really
18 interesting. As a matter of fact, both of these fairs I find
19 if you have the opportunity to go visit them, very inspiring,
20 very different from what we do. I think that's a reflection of
21 their culture and their community. But really inspiring.

22 This was an exhibit all about the history of the
23 fairgrounds. So it was really, really cool the way it was
24 presented. This is a giant viewfinder where you could look at

1 historic pictures of the fair. This talks about all the food
2 that had been introduced at the fair over the years. If you
3 didn't know, their big food, it seems like every fair has a
4 thing they're known for, is the scone. They're know for a
5 scone with jam. And it's a delicious scone. It's not like the
6 scones that we have here. It's like soft and fluffy. Carlene
7 made some.

8 This was just interesting. They actually have a cat show
9 through their 4-H program. I had never seen that or heard of a
10 cat show. And I grew up in 4-H, been a part of it all my life.
11 And it was really interesting. So they had that.

12 And then they had this whole area. We took this picture
13 because it was handmade cards about pets. But really the
14 inspiration for this area was they had this whole area called
15 "The Northwest Artisans Market." And it's all items that are
16 sold by handcrafters in the Northwest area. And it's a big
17 store that you walk in. The crafters aren't necessarily there.
18 But you can shop in this area. And then they have one central
19 checkout. And you can buy unique, handcrafted items. So you're
20 not in there looking and seeing what the Amazon price on this
21 stuff is because it's all handmade. And it was presented in a
22 really unique way with these, you know, pallet walls holding
23 up artwork and some other things. So we were really impressed
24 by that.

1 And then this is probably the thing that I was the most
2 impressed by. This was worth the trip right here was their
3 farm. Their farm was incredible. And also they have, I should
4 mention they have a huge foundation that supports
5 infrastructure and programs at this fair. But they had these
6 barns that you walked through with your kids. You picked up a
7 lunchbox when you got there and the kids went into these
8 barns. Here's a kid in the dairy barn learning about how cows
9 are milked and then how milk is processed. And then at the
10 end, the child gets a little pint of milk and they put it in
11 their lunchbox. And then they move on to the chicken barn. And
12 they learn about how eggs are, you know, collected and what
13 the washing process, the processing that the egg goes through
14 to get it to the grocery store. And then you put an egg in
15 your lunchbox. And they do the same with bees and wheat and
16 apples. Because apples are a major crop up there, right. Just
17 a really unique experience. And then at the end, you take all
18 the products that you gathered in your lunchbox, you put them
19 in the store and you get a thing at the store like a fruit
20 roll-up or a treat or something. So it's just a really, really
21 unique experience for kids.

22 TRISTAN HALLMAN: And again, here's some of the looks at
23 the grounds. I'll show you a map here in a minute. But what
24 you'll see from that is basically it's -- there's obviously

1 it's a fairgrounds. So there's a lot of space to walk around.
2 But this was, because of the weather I'm sure, it was more
3 heavy on buildings than, you know, than we are, for example.
4 There are some other sort of exterior looks at the farm. Like
5 I said, a lot of buildings that you walk through.

6 And then there's, I promise it's not this out of focus in
7 person, but that is the artisan's market that Katie was
8 talking about. And so there's that scone that speaks to sort
9 of the identity of that fair. And that bench right there is
10 another example of where they got the foundation got
11 donations. So the foundation pays for these benches that are
12 located throughout the fairgrounds.

13 And then there is also you can kind of see one thing we
14 found interesting was the use of the barriers, the planters,
15 the temporary planters as barriers there which added a nice
16 little aesthetic to the fair. It kind of gives it that
17 identity.

18 That's a little harder map to look at but I think you can
19 see there is a lot more structures. So it's just interesting
20 to look at how these other ones are oriented totally sort of
21 different than the way that the State Fair of Texas was laid
22 out. It's totally different than the way we're laid out. But
23 we're all putting on fairs.

24 So with that.

1 VICE PRESIDENT MICHAEL GELFAND: Thank you.

2 TRISTAN HALLMAN: Yep. Thank you.

3 MR. BLAIR: Michael -- none of them had horse racing?

4 TRISTAN HALLMAN: I don't believe so. The Washington State
5 Fair has a grandstand, which you can see in the upper right
6 corner of that map right there. But I think they phased out
7 horse racing a long time ago. We read about it in the museum.

8 MS. MOORE: Yes. They did a very long time ago.

9 All right. Thank you. Thank you very much for that.

10 So in addition to that, there's also like recently I
11 visited the Antelope Valley Fair, which is just up the way in
12 Lancaster. They are actually under -- just broke ground on a
13 new project. It's one of the Resiliency Center projects. So
14 we'll have some updates and opportunity to go and visit that
15 as well. It's about \$100 million project that they are in the
16 process of constructing in partnership with the city and the
17 county as well.

18 So some really great opportunity, again to see you know,
19 parallel concepts, ideas and things like that for really what
20 the future potentially what the future could hold here as
21 well. Also just to see differences as well between so many of
22 us in our industry. And so, we do have some information on
23 that in the budget. But that, other than that, you have the

1 contracts were executed per my delegation of authority. And so
2 that kind of concludes my executive report.

3 VICE PRESIDENT MICHAEL GELFAND: Okay.

4 We're going to take public comment and then take a break.
5 Ms. Saldana.

6 LORI SALDANA: Let's see here. Gosh, it's hard to know
7 where to begin with all of the items under one agenda item. I
8 will simply start by saying that per Bagley-Keene with
9 specified exceptions, members of the public may directly
10 address the state agency on each agenda item before or during
11 your discussion. Before or during your discussion. You have
12 completed your discussion. The presenters have left the room.
13 There is no one to answer questions if I brought something
14 forward of substance.

15 You provided us with nothing written. And your attorney
16 has said because you didn't receive anything written in terms
17 of the outreach ahead of time. You were violating the spirit
18 and intent of Bagley-Keene. And as a former state
19 constitutional officer for California who presided over the
20 assembly I think I know a little bit about conducting
21 meetings.

22 I understand the executive director wants to be mindful
23 of meeting management, but Bagley-Keene supersedes that. We do
24 not, as people, as residents, we do not yield our sovereignty

1 to the agencies which serve us, the people. And by you
2 scheduling numerous items and taking up an hour of time and
3 having people leave before they could address any questions
4 from the public, you have violated the spirit and intent of
5 Bagley-Keene, and in fact the letter of the Bagley-Keene. The
6 letter of the law.

7 So I don't have any questions. I have observations and I
8 have recommendations that you stop violating our rights under
9 Bagley-Keene. I really don't know how to make it anymore
10 simple than that. You have attorneys on your board. You have
11 an attorney representing the state interested, which is by the
12 way, the public, not the Board.

13 So it was lovely that you had the roll out of all these
14 items, but I think you are intentionally keeping people from
15 participating as the state law requires.

16 VICE PRESIDENT MICHAEL GELFAND: Thank you. And we'll take
17 a --

18 MS. O'LEARY: One more.

19 VICE PRESIDENT MICHAEL GELFAND: Someone else? Oh, yes,
20 please.

21 DARREN PUDGIL: Then you can take your break. Thank you
22 very much.

23 Good afternoon, Vice President Gelfand and members of the
24 Board. My name is Darren Pudgil. I'm here on behalf of Seaside

1 Ridge, a proposed mixed income housing project to be built
2 just on the other side of Camino Del Mar here.

3 After nearly 90 years of providing iconic entertainment,
4 recreation, agriculture and education to our region, we've set
5 out to strengthen these opportunities through the master
6 planning process, creating a plan for hundreds of acres of
7 publicly owned coastal real estate is something that certainly
8 doesn't come along every day, so please don't rush it.

9 We recognize that Del Mar is seeking to build 60 units of
10 mandated affordable housing on your property. Though it's
11 unclear if you officially resume talks with the city. It's
12 unclear how placing housing on state property fits within the
13 master planning process or how compliance with CEQA or the
14 Surplus Land Act and other laws will apply and impact
15 developer timelines.

16 Given this, I want to make sure you're aware that your
17 fairgrounds is not the city's only option to build affordable
18 housing. Seaside Ridge, our project, would deliver 85
19 affordable housing units, along with a public park and scenic
20 trail overlooking the ocean. Unfortunately, despite its clear
21 shortage of affordable housing, the city has denied our
22 project. Instead it is seeking to build much of its required
23 housing essentially offsite. We're very supportive your
24 efforts to recalibrate this property so that it remains a

1 regional anchor for social interaction, innovation, and of
2 course, fun. But we caution against being rushed by the city
3 just so it can meet its self-imposed December deadline to
4 identify housing sites here.

5 This master planning process is a huge undertaking with
6 regional and statewide significance. It's more important that
7 you get this right than to try to accommodate a city that has
8 waited too long and done too little to provide affordable
9 housing. As I mentioned, the city has other options.

10 Thank you very much.

11 VICE PRESIDENT MICHAEL GELFAND: Thank you.

12 Anyone else here in the room? If not we'll go to online
13 comments.

14 We have Martha Sullivan. Hi, Martha.

15 MARTHA SULLIVAN: Hello, this is Martha Sullivan again
16 from Imperial Beach.

17 And I guess I have to say, probably I'm repeating myself.
18 You know, in Item 6 you break up, you know, the various
19 discussion items into discrete subitems so that there is an
20 opportunity for board and public comment, you know, on each of
21 those discrete items. And I think clearly it can be done
22 through the executive report as well. I don't understand. you
23 know, why this is a big stretch.

1 I also want to, once again, you know point out all the
2 time that is given to the staff and the presenters and to the
3 Board itself to talk about things and yet the public is
4 limited to two minutes, you know, per agenda item. And it's
5 just not, it's not proportionate at all. And I'm not asking
6 to have the same amount of time. But I am asking for a little
7 bit more consideration of public input, which I think you'll
8 agree there's been a few times where I've pointed out some
9 things that were screwed up and need to be fixed. So stop with
10 this marathon of the executive report and break it up into
11 sections like you do with the general business category. Thank
12 you.

13 VICE PRESIDENT MICHAEL GELFAND: Thank you, Martha.
14 Anyone else?

15 MR. ARABO: You know, before we break, I know it's public
16 comment, but this is more to Josh.

17 If there is a mechanism we could have as a board, we
18 could talk about some of the comments so the public does feel
19 like we're communicating to them just as opposed to them, I
20 don't know if it's -- if our bylaws call for that or they
21 don't. I don't know if by design.

22 JOSH CAPLAN: The law allows you to discuss members of the
23 public on agendized items.

1 MR. ARABO: But if some -- if someone from the public
2 comes and talks about something not on the agenda. Then the
3 Board is not able to talk about it.

4 JOSH CAPLAN: And that's a matter of state law.

5 MR. ARABO: Right. Right now, for example, the former
6 assemblywoman, she mentioned an item. Was that on the agenda?

7 JOSH CAPLAN: I mean, I don't want to be the finder of
8 fact here. She appeared to be speaking to the executive report
9 and the way it was organized and the order of public comment.
10 So that to me is an agenda item. But the agenda item is not
11 Board discussion on language in an agenda. That is not an
12 agenda item, right. The agenda item are the specific items
13 within the executive report. But the member of the public's
14 comments spoke if not directly then indirectly to that agenda
15 item.

16 MR. ARABO: So then who would determine -- okay, this the
17 agenda, this is not an agenda item. Is that what you would do
18 as our attorney?

19 JOSH CAPLAN: Yes. If the Board starts to discuss an item
20 that's not on the agenda, that would be my role.

21 MR. ARABO: Okay.

22 If you could let us know in the future. From my
23 perspective if you could say, okay, this item they're talking
24 about is on the agenda so we know. Because I feel like you're

1 here to call strike and balls. And I don't want people in the
2 public feeling like their voice doesn't matter.

3 JOSH CAPLAN: No, and I do that. You probably remember me
4 occasionally chiming in when a member of the public is
5 speaking in a place of the agenda that doesn't seem quite
6 appropriate. I try to be more discreet about it to not
7 publicly embarrass anybody so I'll typically say something to
8 the Board Chair and say something like, this might be more
9 appropriate for general public comment or for a particular
10 agenda item.

11 MR. ARABO: Okay. Thank you.

12 JOSH CAPLAN: But I'm constantly aware and listening to be
13 sure that this board complies with the state law.

14 MR. ARABO: Okay, that's the most concerning to all of us.

15 VICE PRESIDENT MICHAEL GELFAND: I would add the comment
16 that if there is specific items that any member of the public
17 wanted to have communicated to some of the people who spoke
18 during the executive report, like Chris Wahl for example, let
19 Carlene know and we'll get that information directed to them.

20 MS. MOORE: One thing to keep in mind with the executive
21 report is this is my opportunity to update you as board
22 members on the work, the operational work that staff is doing.
23 And so I would take in any of those questions or feedback that
24 does occur into that process. But it's not meant, that's why

1 it's just informational things. There's nothing of action
2 here. But it's just a progress report of what we are working
3 on.

4 VICE PRESIDENT JOYCE ROWLAND: And I would just like to
5 add that when it comes to someone like Southwest Strategies,
6 they're our consultant. There is probably no question that can
7 be asked that we couldn't address. So I mean, they're the
8 people we hired. So I mean, it can certainly be addressed by
9 Carlene in most cases.

10 VICE PRESIDENT MICHAEL GELFAND: Okay.

11 MS. MOORE: [Off mic] Break before we move into general
12 business?

13 VICE PRESIDENT MICHAEL GELFAND: Yeah. We'll take a 10-
14 minute, 5-minute break between and then we'll come back and
15 address Item 6, General Business.

16 [BREAK BEGAN AT 3:35 P.M.]

17 [MEETING RESUMED AT 3:47 P.M.]

18 VICE PRESIDENT MICHAEL GELFAND: We are ready to
19 reconvene.

20 Okay. We're now on to General Business. And at the
21 request of Committee Chair Nejabat, this first item, Audit and
22 Governance Committee report is being tabled to our next
23 meeting.

1 So we'll now move on to Item 6B, the Finance Committee
2 report.

3 MS. MOORE: Just one thing before you do, is that we have,
4 so we've had the ticket policy and potential amendments are on
5 the agenda last couple of months. We've actually scheduled
6 with the Fair Political Practices Commission to come and do an
7 in-person training with our Form 700 filers. That is scheduled
8 for December 10th. That's our normal meeting day for the Board
9 meeting. If we don't have a meeting, we have options there.

10 If we are having a December Board meeting, we can have
11 the training, because again, it's all Form 700 filers, so that
12 includes staff as well as Board members. You are invited to
13 attend that. And so I will get out to you the schedule for
14 that. But December 10th is the day that we are, but that is
15 currently scheduled for time to be determined.

16 VICE PRESIDENT MICHAEL GELFAND: Time to be determine.

17 MS. MOORE: And that should help to inform probably
18 discussions going forward on the ticket policy.

19 MR. ARABO: I have a law firm in Sacramento that does my
20 Form 700. Are they able to call on them? I have an accounting
21 firm that does -- I have an attorney that does all that stuff
22 for me.

23 [Multiple speakers]

1 VICE PRESIDENT MICHAEL GELFAND: Can they call in. Limited
2 or open to the public?

3 [Multiple speakers]

4 MR. ARABO: They do the FPPC Report.

5 MS. MOORE: Let me find out from FPPC.

6 MR. ARABO: Okay.

7 VICE PRESIDENT JOYCE ROWLAND: And Josh, are you going to
8 be in attendance?

9 VICE PRESIDENT JOYCE ROWLAND: Are you going to be in
10 attendance, Josh, so you can hear what we hear?

11 JOSHUA CAPLAN: Yes, I can arrange that.

12 VICE PRESIDENT JOYCE ROWLAND: Thank you.

13 VICE PRESIDENT MICHAEL GELFAND: All right. I want to talk
14 about general business. This is a multi-part item.

15 First, we have 6B1, which is consideration of vote on
16 whether to approve the 2025 operating budget, including rates
17 and out-of-state travel for employees and Board members. This
18 is an action item. Then we'll have 6B2, which is consideration
19 and vote on whether to approve the 2025 capital expenditures
20 budget. This is also an action item. Finally, we'll have 6B3,
21 which is consideration and vote on the 2025 delegation of
22 authority. Also an action item. Additionally, although not for
23 action, the Finance Committee is introducing new draft

1 policies, which you can find on pages 100 to 108 in your Board
2 Packet.

3 As a reminder, our process is to introduce new draft
4 policies before seeking input from the Board and public at
5 subsequent meetings before returning to the board for action
6 in the future. So we've heard some of our speakers today talk
7 about feeling like they didn't have adequate documentation so
8 they could come and comment. We're going to have a
9 presentation today, so that people can come back and comment
10 at future meetings.

11 It's my understanding that we have a member of the public
12 that signed up to speak on this item. So I'll take public
13 comment on the policies at the conclusion of the Finance
14 Committee report in addition to the action items.

15 As the chair of the Finance Committee, I'll ask our CEO
16 and Board Secretary, Carlene Moore to introduce the action
17 items one at a time.

18 As a reminder, please hold your discussion until after
19 the a motion a made. And please hold your questions until
20 after the presentation is completed.

21 MS. MOORE: All right, thank you.

22 So this process continues to be an extension of the work
23 and the approach that we began in 2021 with the 2021 operating
24 budget. And that is a zero-based budget that is presented with

1 a programmatic approach to it. It really is a collaborative
2 approach amongst all levels of the organization, including the
3 Finance Committee as well as this presentation.

4 So we set out with a plan this year for -- and I'm
5 noticing a great big typo on that. That should say 2025
6 operating budget, by the way.

7 >> [Off mic]

8 MS. MOORE: No, we're not.

9 So, this is the, so we set out with a plan for the 2025
10 operating budget. And I'm just really proud of the entire team
11 for that because this is the earliest that we have presented
12 the budget really historically this early in November. And
13 we're rather excited about that because now is a good time for
14 us because there is so much that's, you know, kind of already
15 in motion, planning that's underway for the next year that
16 this budget helps to support and provide guidance on should it
17 be approved.

18 VICE PRESIDENT JOYCE ROWLAND: So isn't that correct,
19 actually?

20 Isn't this retrospective on the 2024 operating budget
21 that was given to us on January 9th, 2024.

22 MS. MOORE: No.

23 VICE PRESIDENT JOYCE ROWLAND: No?

1 MS. MOORE: This is the 2025 operating budget being
2 presented to you on November 12th.

3 And all of the other slides -

4 [Multiple speakers]

5 VICE PRESIDENT JOYCE ROWLAND: So you didn't intend that
6 as a retrospective.

7 MS. MOORE: Yes. No.

8 Well, I'm going to do interestingly -- [multiple
9 speakers] -- the next slide is going to be a reflection. And
10 this one does have the right, does have the right date on it.

11 And our Director of Finance is out today, so I will be
12 making today's presentation on behalf of the entire team. So
13 this one is meant to be a reflection of 2024.

14 And so as we're going into looking at the 2025 budget, I
15 thought it's worth sharing and making sure that we're all
16 aware that we did fall short of the "Finance Committee
17 Challenge," as we referred to that, to increase revenues as
18 part of the 2024 operating budget. And it ranged anywhere from
19 a 3 to 4% increase in variable revenues. And I've indicated
20 here what those amounts were.

21 So these were increases to the budget that staff first
22 presented to the Finance Committee last year. And so these
23 were included in the final presentation of the budget. But we
24 did fall short of these marks, including, so on the fair and

1 then for The Sound, which was having three more shows. We had
2 originally planned for 77, we had increased that to 80.

3 That being said, I do want to point out that one thing
4 that we found, for example, with The Sound, while we will not
5 achieve the total number of shows that we set to for 2024, the
6 success of the shows that we have had, excuse me, really are
7 more on par with what we were anticipating from a budget. So
8 there's, you know, number of shows, or is there really the
9 revenue, yes, exactly, the revenue that's derived from that.
10 We also had a couple of major events that did not wind up
11 taking place in 2024. First one was Scream Zone. Around that
12 same time was also KAABOO.

13 You know, KAABOO overall from a gross revenue standpoint
14 is about a \$3 million driver of our budget. Mm-hmm. But
15 realizing that and also being aware that our fair is in June
16 and July. We're getting those numbers in. We really have a
17 short window in kind of quarter three as well as quarter four
18 to make adjustments, which we have been doing. And that has
19 been anything from some of our professional services that we
20 contract for to also the filling of some of our full-time
21 positions that we had planned for the fall. Just holding off
22 of on things like that so that we could maintain our net
23 operations for that.

1 And then as well I also, it's worth noting as everybody
2 knows, it took place last month, and that was the PPP loan pay
3 back. Which is not something we had anticipated in the 2024
4 budget. But from our operations we did pay back that loan last
5 month.

6 So I wanted to first start with a look at, this look at
7 where we are on balance sheet. Because this is really about
8 understanding the impact of our capital expenditures to the
9 bottom line. So this is a snapshot of the balance sheet that
10 is, it's a simplified snapshot of the balance sheet that's
11 located in the meeting packet on page 97. And I wanted to,
12 because the operating budget and the capital expenditure
13 budgets are really so closely intertwined for how it is we
14 fund capital improvements. So these were our balances as of
15 September 30th.

16 It is worth noting on the cash that this is before the
17 payback of the PPP loan. So as a result of that, for example,
18 in October our cash position is going to be reduced by
19 approximately \$5.6 million. And then that is going to be
20 offset down below. This lower half of the balance sheet, which
21 is not highlighted but it is in bold where it says, "net
22 proceeds from operations." We would see a reduction on both
23 cash and we would see a reduction on the net proceeds from
24 operations for paying back that loan.

1 Different from that, because that's actually a cash spend
2 down. Different from that is -- or an asset spend down -- is
3 how capital expenditures impact the balance sheet and in
4 essence, the overall value of the organization. So both cash
5 is an asset, it's a liquid asset. Capital assets are assets.
6 And that's really the physical plant, you know, the facility
7 that we have. And these are both above, you know, in the top
8 half of the balance sheet.

9 So by investing in our capital assets, while we reduce
10 cash, we increase capital assets. So there's no net change
11 when that happens. And that's the two highlighted figures that
12 you see here. So for example in 2025, if we were investing
13 without any other sources of revenue we were saying that our
14 capital investment is going to be \$5 million, we have no other
15 sources of revenue for that, we would see cash reduced to \$33
16 million, and we would see capital assets increased to \$121
17 million. But overall the total assets remain the same because
18 it's an investment into property. Again, unlike when we are
19 spending on operations that we don't necessarily have
20 something that offsets that cash. So our -- so by investing in
21 the physical plant in essence all of our assets remain strong
22 because the facility continues to be here and in a condition
23 that supports the activities and the community.

1 So some of the key points and process that we took as we
2 prepared both of these budgets, and this will split off into
3 just the operating budget and separately just the capital
4 expenditures. But there's some overall guiding and processes
5 that take place that feed into both. So rather than repeat
6 myself on item 6B2, I thought I would address those together
7 here.

8 One of them is that we, the key points that really drive
9 our approach to it is strategic direction. So this is for
10 those who've been around a while what we refer to as the lens,
11 it's our purpose and our mission and our vision and our
12 values. We assess what our current programs are, the
13 opportunity for new programs. We, you know, take a look at
14 research, we're implementing best management practices. And
15 other things for this overall strategic direction that's set
16 by the board. There is nothing in this process that is
17 automatically included.

18 I mentioned before that it's zero-based budgeting. So
19 that's really what we start at zero and we look to and so we
20 very thoughtfully add in both on the revenue as well as the
21 expense side what we're anticipating for the next year. And
22 it's a process that really provides greater transparency and
23 understanding the way in which we present that information of

1 our revenues and expenses and having that broken down by our
2 various programs.

3 Another area that we really focus on is what we refer to
4 is metrics that matter. And this has been a shift not only for
5 us but even within the industry as well. And that is as we
6 look at, you know, what really drives, what drivers success
7 for us. We look at things that are mission serving or things
8 that align with our mission. We also look at financial, what's
9 the financial impacts of the decision that's being made. We
10 look at guest satisfaction because that's also an economic
11 driver for us as well.

12 And then we also look at like business satisfaction.
13 Various, you know, surveys, return rates of vendors and so
14 forth. But to tell us how it is that we're doing and how we
15 are perceived in the community. So I mentioned before it's
16 really been a collaborative and iterative approach on this.
17 It's something that's several months in the making to get to
18 this point today of presenting it to you. And the information
19 again, is included in your packet.

20 But one of the biggest take aways from this is how much
21 we worked together on this common goal of a net profit in our
22 budget after we pay our long-term debt. So there is operations
23 and then what is typically not part on an operating budget is
24 debt payments, principal capital expenditure and so forth. But

1 what we have worked to do and provide for you in the packet
2 and the information is to show overall everything in what that
3 impact looks like.

4 And so with that, I will -- this is a presentation on
5 item 6B1, the operating budget. So there were a number of
6 assumptions. And again, this information can be found in your
7 board packet on pages 109 through 122.

8 But we provided the team with, you know, there
9 assumptions that we have. And one is that for us to be, you
10 know, self-generating and able to sustain our operations, our
11 payroll and as well as the adapt expenses that we have. And
12 also provide the team with some information. This is some
13 high-level information on the fair. But rates and things like
14 that are incorporated into and any changes in those impact the
15 budget.

16 There is a focus within this budget to really emphasis
17 our customer experience. There's also, we let how many shows
18 to plan on for the sound. And there's the operation outside of
19 the fair. And this year as we look to really incorporate the
20 sound into the fair program as well.

21 And the plan is that from our net operations that's what
22 going to fund our 2025 capital investments as well as pay for,
23 again, those principal payments on debt so that we don't wind
24 up in a negative cash flow position when all the bills are

1 paid. So again, this information is included. This is on pages
2 111 to 112 in the packet.

3 But these are the admissions and parking rates. We did
4 increase some of our rates for this coming year. We have also
5 worked to identify what some of the discounts programs that we
6 have are within that as well. We have our parking rates, which
7 is an increase of a dollar on the advanced sale parking. And I
8 think it was an increase of \$5 on preferred parking for day of
9 during the fair.

10 Additionally, we have our midway tickets and wristbands.
11 We are increasing the price on our wristbands so as we'll
12 continue to offer promotional discounts on that. And then, you
13 know, splits we -- of the midway revenue, we split 48/52 with
14 the ride operators and 30/70 with the game operators. So we
15 retain 48% on the rides and 30% on the games.

16 Concessionaires is primarily food and beverage pay us 25%
17 of their gross after sales tax, and they have a \$5000 minimum.
18 And then the commercial vendors, exhibitor housing and some of
19 these others, there are ranges of them. And again, that
20 information is in the board packet more detailed.

21 Oh, another just to duplicate there, because what should
22 be there is the box for the year-round camping which is in
23 your board packet, I think it's on page 113, is it 113? Okay.
24 On page 113, so that's the year round camping rates. This is

1 for our operations of the Red Lot RV Park as well as Surf and
2 Turf RV Park. And then our event relates, we factored in a 5%
3 increase. If you recall, 2024 was the first increase that we
4 had on event, our facility rental fees since 2019.

5 And then, so now I'm going to move into the section, so
6 that's a lot of the assumptions that were made and factored
7 into the development of kind of non-personnel expenses that we
8 have. And then there is the investing in our people and our
9 culture. And one of the things that we did this year was to
10 also spread out the and to allocate across from a budget
11 standpoint how we anticipate the payroll spend based on our
12 program areas. The last few years we have not had that
13 information. And so we've done that other than for horse
14 racing, that's something we're going to have to evaluate and
15 look at this year.

16 We do have some labor expenses associated with having
17 horse racing such as our maintenance mechanics for a lot of
18 the mechanical equipment such as heating and air,
19 refrigerators and so forth that do need to work when we have
20 that many people on property such as during horse racing.

21 In the interest of everyone's time, I'm going to continue
22 and we'll catch up the slide since you have the information in
23 your packet, while we're trying to catch up.

24 >> [Off mic].

1 MS. MOORE: It's okay, don't worry about it.

2 Oh, well because I was going to say, I'm already past
3 that part now.

4 Okay, so for our human resources plan and this
5 information you can see the list of classifications of 121 on
6 your packet. It is a plan for 93 civil service positions. We
7 are currently at 83. We've made really good progress the last
8 couple of years, especially about the past 18 months in terms
9 of rounding out our team.

10 What I would be seeking in terms of the approval of this
11 budget is similar to if you recall this past spring came back
12 to the board with the request to approve a not-to-exceed
13 amount on the payroll amount but providing for the flexibility
14 for us to be able to adjust on the classifications and titles
15 that are used based on changing conditions in the year. For
16 example, if we have retirement, there can be an opportunity to
17 restructure positions and so forth.

18 We have a number, when it comes to our personnel
19 expenses, we have a number of costs that are beyond our
20 control. Salaries for our civil service staff are set by the
21 State of California for both civil service and the seasonal
22 employees as well as benefits, retirement, medical, dental,
23 vision, all of that is set. And so is incorporated into our
24 budget. The seasonal classification is something that we

1 brought back last year. This is kind of between civil service
2 and our temporary employees.

3 So with temporary employees we are limited to, we can
4 only, an employee can only work 125 days in a calendar year,
5 limit. And then there is the remaining under a thousand hour
6 limit in a fiscal year. So two different calendars that we
7 have to keep track of for those folks interestingly enough, if
8 you do the math of 125 days at 8 hours a day, you get to a
9 thousand hours. But it's two different cycles, one is fiscal,
10 and it's the state's fiscal year for that.

11 Whereas the seasonal classifications, and there are a
12 limited number of them with the state, these are non-testing,
13 so noncompetitive classifications that provide a little bit of
14 benefit. Not the same full benefits that civil service
15 receive. And these positions are limit today 1,500 hours in a
16 year. And what we have found as our business is coming back,
17 and with something like that sound that we now operate
18 throughout the year, it's much more challenging to stay within
19 that 125 day limit. And yet not necessarily are they full-time
20 jobs but they are very seasonal. So we have eight positions
21 for that in this budget.

22 Other things that are incorporated is also some formal
23 programs for our employee recognition and awards. With we have
24 quarterly safety awards for our bargaining unit 12. This is

1 our primarily most of our facilities employees within that
2 department. That they receive for, you know, good safety
3 practices and having a clean safety record. And knock on wood,
4 we're very proud of ours. As well as the opportunity for, and
5 this is a state program as well, of the Superior
6 Accomplishment Awards.

7 And then during the fair itself when we have this, you
8 know, bulk of employees that take place from temporaries
9 through our civil service, we have a number of things that we
10 do from an appreciation standpoint with our employees that's
11 very morale building during that time. Additionally we have
12 informal programs that we have and that we participate in but
13 they really come at no cost to the district. So they not
14 incorporated into the budget. They are just good practices,
15 and we have fun.

16 In addition, this budget plans for various professional
17 development opportunities. Those with an asterisk next to them
18 on the next three slides are out-of-state travel that's
19 anticipated. Since dates for a lot of these were just now
20 starting to be announced, I have not included them here. But
21 we do have coming up in January, the Western Fairs Association
22 Annual Conference and Convention, which typically alternates
23 between Southern California and Reno. Used to be every other

1 year, now it's like every two to three years. So it'll be in
2 Reno this coming January.

3 Additionally, through Western Fairs Association, they
4 offer Maintenance Mania. This is a training opportunity for
5 our facilities folks. And super schools, which has been back
6 for a few years now. And this really is a program and
7 development for in essence the exhibit side of our fair
8 operations. And an opportunity for really creative minds to
9 come together, whether it's display methods, best practices in
10 judging rules and so forth.

11 Also the California Fairs Alliance Fall Conference, which
12 I just returned from last week. And then a number of really
13 great programs at the International Association of Venue
14 Managers offers. And we typically send an employee, two
15 employees to the Academy of Venue Safety and Security. This is
16 a two-year certification program that take place. So we have
17 one in their second year and then we have one that's in their
18 first year, as well as then other opportunities. Venue
19 Management School, VenueConnect, which moves around. This next
20 year it'll be in New Orleans. And GuestX, which is a focus on
21 the customer experience.

22 More opportunities are the management conference for
23 International Association of Fairs And Expositions, it is the
24 international association. So this year that conference will

1 be held in Calgary. As well as then their annual conference
2 and convention in 2025 will be held in Denver. The
3 International Facility Management Association has their
4 Facility Fusion Conference & Expo in Austin, Texas this year.
5 The account, which again, that's something for our management
6 team of our facilities departments.

7 And then our AccountingWare as you can imagine really
8 focuses on accounting. This is actually -- so the software
9 that we use is called AccountingWare. And this is their User
10 Group Conference. It's a really great time to not only hear
11 about what are some of the, you know, what it is that they're
12 working on but also some of the challenges have some of the
13 bugs and things worked out.

14 And then National Independent Concessionaires Association
15 for being able to network with potential vendors as well as
16 current. And then we have other ones that have -- that come
17 up, did not necessarily have a lot of information on. And
18 these tend to be more software specific. Such as Adobe,
19 ShoWorks, INTIX, various conferences, very industry focused.

20 And then this budget does take into it some parallel
21 concept visits, so for this year, the New York state fair in
22 Saratoga, New York. And also especially for board members, but
23 we have some staff that we'd like to send after some of what
24 we saw at the Washington State Fair. So to go to Puyallup,

1 Washington, as well as then visits to the Texas State Fair in
2 Dallas. So this budget does have -- has plans for, should
3 board members want to participate in and go on some of these
4 visits, that we would be able to reimburse should a board
5 member want that so that they could be reimbursed for their
6 travel expenses.

7 And then our environmental stewardship as an initiative.
8 Our annual investment into our stewardship is nearly \$4
9 million between the water quality initiative loan that we have
10 and then there's also a portion of it, it's about 12.5% of our
11 bonds for that particular project. So we have the capital, the
12 ongoing capital investment payments that we have as well as a
13 number of professional services to really support much of this
14 work is from consent orders and settlements. There are legal
15 requirements to completing it, as well as there's also just
16 for our own awareness of this environmentally sensitive area
17 that where we are, and taking all of that into consideration.
18 So a number of different services as well as we have one full-
19 time staff member who is really dedicated to our environmental
20 pursuits, and that's our supervising environmental planner.

21 I also wanted to note on this that the south overflow lot
22 phases one and two, that wetland restoration -- and this has
23 been -- several of these are projects that have been, we've
24 been undergoing them for many years now, even decades. Phase

1 one of that project should be done in the next two years. And
2 phase two should be done in three years. There was a bit of a
3 hiatus on that during the pandemic in terms of the
4 contractor's work on it.

5 VICE PRESIDENT JOYCE ROWLAND: Can you remind us what
6 phase one is?

7 MS. MOORE: So this is, I can't in terms of the specifics
8 today, but this is for the project that was the wetland
9 restoration that was a south overflow. So let's see, east of
10 Jimmy Durante Boulevard, along the lagoon, headed between that
11 and I-5.

12 And Don may be able to speak to that.

13 MR. MOSIER: Yeah.

14 The restoration was done in two phases. So the western
15 half of the overflow lot was restored first. And then there
16 was a long argument about the boardwalk and we lost half the
17 boardwalk. And then the second phase was the eastern half of
18 the south overflow lot. Those were two phases --

19 >> [off mic]

20 MR. MOSIER: Yeah.

21 MS. MOORE: So for those in TV land, we're pointing at the
22 big map on the wall here. Again, south of Jimmy Durante
23 Boulevard and east of the Jimmy Durante Bridge and I-5,
24 between it and I-5.

1 >> [Off mic].

2 MS. MOORE: Yes, once you put in benefits and everything.

3 Mm-hmm. Yes.

4 MR. RIVERA: Microphones please.

5 MS. MOORE: The question was about the supervising
6 environmental planner. That is salary and benefits, the full
7 package. And that is for one person.

8 So in terms of this budget, there are some risks and
9 there are also opportunities. And one of those risks is
10 KAABOO. It did not occur in 2024. We have planned for it in
11 2025. Our team is meeting with them on a monthly basis at this
12 time. That will, the cadence of those meetings will change as
13 we get closer to that event. But it is a risk that we have.

14 Horsepark is also a risk. This is a third-party operator.
15 They are in the process of a management change at the
16 facility. But we plan for it. The equestrian horse show
17 community is one that can also be volatile at times, loyalties
18 to certain promoters versus others, so it's a risk that we
19 have. And horse racing is -- I should have also put on here at
20 the San Diego County Fair. These are anything that is event-
21 driven is always a risk. And what we do is event driven.

22 But some opportunities that we have for the future,
23 though not in here, just for certain consideration. For
24 example, our food and beverage contract, the current term of

1 that expires at the end of 2026. And while there's an
2 opportunity there's one five-year option still remaining on
3 that agreement. There may also be an opportunity to reconsider
4 that. And whether or not we may want to go back out to bid.
5 It's our option, yes. The other is The Sound. The current term
6 on that expires at the -- also expires at the end of 2026 or
7 January of 2027. And so there may be opportunity there as
8 we're thinking about our food and beverage contract as well.
9 Because right now we have kind of multiple operators within
10 that space. One thing to note on that is that that contract
11 does require an 18-month notice. So it's something that will
12 be coming up for consideration in the next six months for us
13 should we want to exercise or not exercise the options.

14 We also have bonds refinance, as previously brought
15 before this board and staff is currently working on that. But
16 we anticipate coming back to this board in the early part of
17 the year with the potential of refinancing our bonds. Which
18 could just help to reduce our annual payments on that and sort
19 of lower the principal but not extend the payments beyond
20 2038.

21 And then another area of opportunity is AB1499. So this
22 is the three-quarters of 1% of the sales generated on
23 fairgrounds. Goes into a pool of funds. Gets divvied out. I
24 think there's some information in your board packet on the

1 math that they did. It has been infrequent in terms of while
2 it's supposed to be annual, there was a pandemic. And then
3 there's been kind of resetting afterwards.

4 And earlier this year we received in essence two years of
5 payments. We've been told that we should be able to expect
6 those on an annual basis. But this particular legislation
7 requires us to waive our exemption under the Fair Labor
8 Standards Act for overtime for temporary employees. So when
9 you take that what we're receiving for it, and right now you
10 take what we're spending on over time for temporary employees,
11 we're positive about \$50,000. So it's something we need to be
12 mindful of is that as, you know, wages and things like that go
13 up, we also at an operational level need to be very mindful of
14 it for our we're scheduling and managing our employees to
15 really reduce and control that, control the overtime expense.

16 As an industry, we're also working to broaden the
17 education and outreach to all vendors, promoters that operate
18 on fairgrounds at any time for reporting that. There's no
19 additional fees to reporting it. It doesn't cost them anything
20 more. But we want to make sure that everything that take place
21 on fairgrounds in California is reported when they're filing
22 taxes. They just have to fill out, and how much of what they
23 generated was generated on the state designated fairgrounds.

1 And then finally, another opportunity that we see, again,
2 for future, are VIP experiences. We're looking at some even
3 for the fair this year. But being able to kind of broaden the
4 menu of services that we offer, especially during the fair,
5 potentially with tiered parking -- not tiered parking like the
6 structure. But structure of ticket options for that. You know,
7 currently we have kind of three levels. There could be five or
8 six.

9 VICE PRESIDENT MICHAEL GELFAND: I just wanted to mention
10 a time constraint. We have one of our directors needing to
11 leave around 4:30. And I think it would be ideal if we could
12 get to the voting before that happens.

13 MS. MOORE: All right. Here's the budget.

14 You've had it in your board packet.

15 Revenue by program. Overall revenues of approximately \$90
16 million. You also have, and it's in your packet, the operating
17 budget, the expense by program. This is on pages 119 to 120 of
18 the packet. Same thing broken down by our various program
19 areas. And when you put all of the that together, along with
20 personnel, and take that out, our net operations that we are
21 anticipating for 2025 are \$4.1 million. This is, so this is
22 just from operations, that would be in that kind of bottom
23 line section on the balance sheet in the future.

1 That being said, we have, you know, \$2.8 million of
2 principal payments on our annual debt service. So after taking
3 out that, we would still be -- we would be anticipating a
4 positive cash flow of \$1.2 million on our cash. Because paying
5 down the debt service reduces our cash and reduces our assets.

6 This shows you our monthly cash flows. This is pretty
7 typical for us in terms of we operate in the red in the winter
8 months. That's something that we are trying to focus on with
9 regard to event and activities to, you know, make the red
10 smaller at least. Get it less.

11 But there's, again, going back to risk, there's a lot of
12 risk in our fair. It is the primary, you know, revenue
13 generator for us. And then, horse racing. And in part horse
14 racing in November because that's where we receive the bulk of
15 our direct payments from the Thoroughbred Club. So where you
16 are seeing July and August, and we have horse racing, their
17 rent payments don't come until September and then November.

18 And so, just these were some of the highlights. You know,
19 the travel with Board members is incorporated. I did want to
20 address very quickly bank and service fees. Because this is
21 something that has come up. So in our fair pricing, we already
22 have credit card fees. They are already rolled into our
23 pricing. If you compare our prices for fair admission, we're
24 higher than others of us in our industry. Because it's already

1 rolled in. The choice to come to the fair is discretionary.
2 Unlike perhaps paying your water bill or things like that
3 where you really, you know, that's needed for just, you know,
4 basic life and support of the household. Choosing to come to
5 the fair. So historically we increase so that we absorb those
6 fees with what they are paying in admission.

7 With our food vendors, same thing. Their price points
8 include their expenses, so their expenses for taking credit
9 card sales is included, is always in their food pricing. Hence
10 it's part of the higher price point of the menus that are
11 offered. But there is an opportunity to pass on service fees
12 to others in some of the other areas, such as when a vendor
13 wants, or a promoter wants to pay for their payment, paying
14 with a credit card, there's opportunity for us to collect
15 those service fees and those are in our reimbursed cost
16 revenue category. Because we have an expense and they are in
17 essence reimbursing us for that.

18 Again, I mentioned on the civil service plan, to approve
19 it as a not-to-exceed budget amount, so we have that
20 flexibility. And then the -- when we get to the capital
21 improvements budget next, the Connection Center, there's --
22 this is investing to -- into the space that our employees work
23 in to bring us all cohesively into one space other than the
24 facility's department. Because you can't move the warehouse

1 into it. And then I'll skip over. This is the spaghetti bowl.
2 I think nearly everybody is becoming familiar with how the
3 money flows between the 22nd DAA and then the contributions
4 from horse racing.

5 So we receive a direct payment from the Thoroughbred
6 Club. This is in essence their rent for the year. And if you
7 recall when the Commission chose to exercise the final option
8 on their agreement, that direct payment is increasing in 2025
9 by \$200,000. And then we'll continue to go up 3% a year
10 through the course of that contract. So that comes directly to
11 us.

12 Additionally, the net horse racing revenues that the
13 Thoroughbred Club realizes after, you know, both seasons are
14 held for the year, that money flows to the Commission. And
15 that's what's referred to as the pledged revenue. And that
16 then is transferred to the Race Track Authority for the bond
17 obligation.

18 In the event that net horse racing revenue is not enough
19 for the annual bond obligation, then other pledged revenue
20 falls from the 22nd DAA and that comes from our net food and
21 beverage operation through Premier. So in essence it's the
22 horse racing operations first and then secondary to that is
23 the food and beverage operation to make the full payment.

1 When there is a surplus, so more money has been
2 contributed, which there was in '21 and '22, from horse
3 racing. That goes into a surplus account, which then there are
4 turbo payments that are paid down. And then if there is any
5 balance remaining, that actually comes back to the district
6 for operations and capital expenditures. And that is part of
7 our capital expenditures plan because we do have some surplus
8 revenue still remaining from 2022. And it takes about 18
9 months for it to go full cycle for us to be able to receive
10 any surplus revenue. Takes everything to make it all work.
11 We'll get to capital expenditures after this. And really proud
12 of everybody.

13 Are there any questions?

14 And next up, so then we can take up the action item.

15 VICE PRESIDENT MICHAEL GELFAND: Go ahead.

16 VICE PRESIDENT JOYCE ROWLAND: Yeah, I -- I just want to
17 make sure that we consider the, you know, the impact of
18 regulation and laws on RVs as it affects the fairgrounds. And
19 here's why. We have a direct relationship to them with an RV
20 park. We have events like the fair and like horse events,
21 racing, shows, et cetera, and many other events where RVs are
22 a big part of the housing and transportation. And especially,
23 well, enough said. And they are very threatened in the State

1 of California right now. So we need to consider that in terms
2 of threats and opportunities.

3 VICE PRESIDENT MICHAEL GELFAND: Other Board comments and
4 questions?

5 Phil?

6 MR. BLAIR: Did I read it right on The Sound being in the
7 red almost 800,000? 776... on page --

8 MS. MOORE: Yes.

9 MR. BLAIR: Is that because we're paying the loan off?
10 And we plan on it being in the red?

11 Will that be going down quickly?

12 Will the negative be going down quickly?

13 MS. MOORE: Yeah, so that is after paying the principal
14 on, we have two loans on The Sound, one through IBank and one
15 through Premier.

16 So we have a principal as well as the interest payments
17 on that. Quite honestly the debt combined were it not for the
18 debt, The Sound would be making about \$300,000. So before the
19 debt and principal and interest, it would be -- we would be
20 forecasting about \$300,000 net.

21 In addition, that we allocate a percentage of our payroll
22 expenses to that for, you know, kind of how time is spent for
23 the year. So which is really just an allocation and an
24 estimation of how that time is spent. But what we are working

1 to do is get it to where after principal and interest are
2 paid, that it would be not only net neutral but actually a
3 positive contributor.

4 MR. BLAIR: And do you see that a year away?

5 Two years? Five years?

6 I mean, what's your sense of --

7 MS. MOORE: I think based on what we're seeing with this
8 success of the shows and the pickup in the booking of the
9 shows, we're probably about 18 months away from that.

10 MR. BLAIR: From breaking even?

11 MS. MOORE: Mm-hmm.

12 MR. BLAIR: Oh, great. The other thing it wasn't
13 mentioned, Premier a few months ago talked about how they
14 could sell our facilities for weddings and conferences that we
15 couldn't. Is that going well? Is it in here somewhere? I don't
16 want to change the subject.

17 VICE PRESIDENT MICHAEL GELFAND: I see you, Lisa.

18 MR. BLAIR: But is it in here somewhere that we're
19 receiving income from that or has it kicked off yet?

20 MS. MOORE: Yes, so it's been underway. So it got started.
21 We are going through some changes with Premier in terms of,
22 and hopefully by the end of the year we will have a new
23 general manager in place for that for that program to also, to
24 really continue to move forward. One of the projects that we

1 have in our capital expenditures plan, if you recall was the
2 Hacienda Room. We're renovating that so there is a home for
3 offtrack betting so we can free up Mission Tower. Because
4 that's probably one of the most sought after buildings and
5 spaces for those types of events and activities, especially in
6 the winter months. And right now we use a portion of that
7 building to host offtrack betting.

8 MR. BLAIR: It's not a significant income flow yet?

9 MS. MOORE: Not yet.

10 But we really do believe, that's the one -- that's an
11 area of business when we talk about, you know, future
12 opportunities that is an area of business that hasn't come
13 back to us at the same level it was pre-pandemic. And so the
14 ability to proactively sell that through Premier is something
15 we're very interested in moving forward. So there's a small
16 amount of it happening but there could be more.

17 Michael, were you going to Lisa next?

18 VICE PRESIDENT MICHAEL GELFAND: Yeah. Lisa.

19 MS. BARKETT: Yes.

20 A couple of questions on The Sound also. I noticed on
21 page 93, it said The Sound was trending 18 shows behind its
22 forecast of 53 shows. Which actually is a pretty high
23 percentage. And is there any stop gap if Belly Up doesn't meet
24 their goal?

1 MS. MOORE: No. And I apologize. I thought I spoke to this
2 at the start. What we're seeing is, while not the number, the
3 quantity of shows being achieved but the in essence qualities
4 of shows.

5 MS. BARKETT: Attendance. You did speak to that.

6 [Multiple speakers]

7 MS. MOORE: -- that they have had. That in essence so
8 financially, it is on par with what we had anticipated for the
9 year. Just not the number of shows.

10 MS. BARKETT: Right, but if we had the number of shows up,
11 I would think that that would even be better. I mean --

12 MS. MOORE: Oh, absolutely.

13 MS. BARKETT: So I think that should be the goal because
14 percentage wise that's not a good percentage if you look at
15 it. And also, I noticed that there's been a handrail repair
16 that was mentioned on page 124 and 126. And looks like that
17 there's increase, that the handrail repair is up to 175 now.
18 So what, can you speak to that and what's going on with that?

19 MS. MOORE: I'll speak to that when I do the capital
20 expenditures budget.

21 MS. BARKETT: Okay, yes. Great.

22 MS. MOORE: And I'll address it.

23 MS. BARKETT: Okay, and then going back to KAABOO. Did we
24 ever ask them to pay a non-refundable deposit?

1 MS. MOORE: They have a payment due this Friday of
2 \$50,000.

3 MS. BARKETT: Okay. Great.

4 Okay. Thank you.

5 MS. MOORE: Mm-hmm.

6 VICE PRESIDENT MICHAEL GELFAND: Was that a cough or a
7 laugh?

8 VICE PRESIDENT JOYCE ROWLAND: Somewhere in between.

9 >> [Off mic]

10 VICE PRESIDENT MICHAEL GELFAND: Go ahead, Kathlyn.

11 MS. MEAD: Yeah, well my first -- I just kind of want to
12 double down on Lisa's question. Is there a contract, a
13 performance provision in the contract for the number of shows?
14 Because yes, while the shows are performing financially at
15 that level, if there are below the number of shows we're
16 looking for, is there performance contract that requires Belly
17 Up?

18 MS. MOORE: That's not in the contract. And so that might
19 be one of those opportunities that we look at for the future
20 of it.

21 MS. MEAD: Okay, thank you.

22 My second question about The Sound is, this is one of the
23 things that we can really control in terms of ticket pricing.
24 Lots of organizations do demand ticket pricing, the more they

1 see the sales are going -- that people are interested in the
2 shows, the prices go up. Are we looking at anything like that
3 at all so that we can offset this loss?

4 MS. MOORE: We don't control, we don't do the sales of the
5 events at The Sound, that's the Belly Up. We only do that
6 during the fair.

7 MS. MEAD: Right. But do we have the ability to look at
8 ticket pricing to offset the being in the red?

9 VICE PRESIDENT MICHAEL GELFAND: Maybe in a new contract.

10 MS. MOORE: Maybe in a new contract.

11 MS. MEAD: Not in the current contract.

12 MS. MOORE: It's the way the current contract is -- we get
13 a set amount of rent plus 10% of ticket sales. Or I'm sorry, a
14 fixed rent or 10%, whichever is greater.

15 MS. MEAD: Okay. So a couple of points for a new contract
16 if we're looking at them. Perfect.

17 And then one other question. Earlier you stated that
18 there were some risks that we had, KAABOO being one of them.
19 And there were a couple of others but that is one that stands
20 up because it has the highest impact, \$3 million. But as we
21 get closer to the potential date of KAABOO, the risk should
22 come down so if we're at a year away, the risk might be 100%.
23 But at nine months, the risk amount should go down and we
24 should be at 75%. Can you provide us with updates along the

1 way about that? Because it's way better to know we're at
2 about a 50% risk for confidence factor than just hearing it's
3 not happening.

4 MS. MOORE: Absolutely. And we will be doing that. So we
5 have set up, again, a regular cadence of meetings with them
6 with some various milestones. The first of which is the
7 payment that's due this Friday. But that also includes, you
8 know, their engagement of their PR firm, talent announcements,
9 you know, ticket sales and things like that. I'll be providing
10 regular updates to you, either in my communications and sent
11 out to the Board but as well as at the meetings.

12 MS. MEAD: Thank you. And then just to close that as you
13 look at those risk categories, to do similar kinds of the
14 risks starts high in the beginning of the year and should work
15 its way down. And those updates would just be helpful.

16 MS. MOORE: Absolutely.

17 MS. MEAD: Thank you.

18 VICE PRESIDENT JOYCE ROWLAND: Unfortunately, I have a
19 lifelong interest in allocated versus direct employee cost. So
20 my question in terms of The Sound is when you look at the
21 indirect or the allocated cost, would those jobs go away if
22 you do not have The Sound or would they just be reallocated
23 for the most part?

1 MS. MOORE: So for example, the temporary employees would
2 go away.

3 VICE PRESIDENT JOYCE ROWLAND: Yeah, those are direct.

4 MS. MOORE: Yes, and then with regard to, but even on the
5 full time potentially like one could. And otherwise
6 reallocated to other program areas.

7 VICE PRESIDENT JOYCE ROWLAND: So one might be a couple of
8 hundred thousand dollars.

9 MS. MOORE: Mm-hmm.

10 VICE PRESIDENT JOYCE ROWLAND: Okay. Of this amount.

11 MS. MOORE: From a salary standpoint and our benefits,
12 everything in is about another 75%, so around -- [multiple
13 speakers]

14 VICE PRESIDENT JOYCE ROWLAND: So my only point is that
15 the bottom line that you see of the 800,000 negative, includes
16 a lot of costs that have been allocated to The Sound. And most
17 of those costs in terms of the indirect would go somewhere
18 else and be allocated to the fair or to horse racing,
19 something else. So you know, we have to be careful when we
20 look at what the bottom line really means because they would
21 just be reallocated in many cases.

22 MS. MOORE: And I -- that is a really great point because
23 in that allocation --

1 VICE PRESIDENT JOYCE ROWLAND: You see I've done budgeting
2 myself before.

3 MS. MOORE: Yes. And that allocation and especially of the
4 full-time salaries, that includes the, you know, general, like
5 overhead allocation of administrative salaries and things like
6 that. So yes, things would be -- we didn't have it before.
7 We've added it and we are not necessarily growing our staff as
8 a result.

9 MS. MEAD: I just want to tag in on that really quickly.
10 Do we use the same method of allocation across other
11 programs?

12 MR. RIVERA: Microphone please.

13 MS. MEAD: Do we use the same method of allocation across
14 other programs similarly?

15 MS. MOORE: Yes, so what we have done is we have a grid
16 for the year. And what we've looked at is approximately how
17 much time of the year and in what months. But how much time
18 are, and by department, not necessarily by position but by at
19 least a department for the sake of presenting, to understand
20 that that are costs to these programs as well that aren't as
21 easily identified through direct.

22 MS. MEAD: Thank you.

23 VICE PRESIDENT MICHAEL GELFAND: Anyone else on this side?
24 No?

1 Okay, Mark.

2 MR. ARABO: Okay. Well, I'm good with numbers, so I'll
3 break it down how I'm seeing it. It's out of love for the
4 district and care. But it's probably something that, it's the
5 numbers. So I look at 2025. \$8 million profitability from the
6 fair. \$7 million profitability from the horse races, so thank
7 you to horse races. \$1.6 million profit from the rentals. And
8 then negative 780,000 from The Sound. \$15.8 million gross
9 profit. \$14.5 million, \$14.5 expenses with a net of \$1.3
10 million profit.

11 I personally this is think a missed opportunity budget
12 and I'll tell you why. Where the misses are, there's plenty of
13 them. And I do request for the Board to agendize and look at
14 credit card surcharge as an item and vote on it. Yes or no is
15 fine, but it's a missed opportunity. In that budget we have
16 \$1.5 million that we're throwing away. Sacramento Fair passed
17 on the surcharge.

18 The argument of it's baked in the price, is a ridiculous
19 argument because they're not mutually exclusive. It also, it
20 doesn't have -- the Orange County Fair is charging this much,
21 the Sacramento County Fair is charging this much. Folks know
22 San Diego is more expensive. We could still charge the
23 surcharge to the consumer, the 50 cents or 75 cents. Or we

1 could charge it to the vendor and we could make \$1.5 million
2 we're just throwing in the garbage.

3 It will double the net profit that we have. You know, the
4 District, I joined a year ago, has had a lot of issues, I know
5 we're cleaning them up. But one of them was not enough money
6 in the bank. We're self-funded. I mean, we have to make money.
7 And the way we're looking at it, we're just missing
8 opportunities. The formula is wrong. I think the expenses
9 should be a percentage of the gross of the income. So it's,
10 you want to spend more money, you have to make more money.
11 It's directly tied to it. Net profit of 1.3 for an operation
12 this size is embarrassing. So I hope that my vote for sure on
13 this one will be no. But I hope that the Board will decide or
14 at least entertain the option of bringing the credit card
15 surcharge as an agenda item, agendize it. Let the speak to it.
16 And vote on it. I really think we're throwing away \$1.5
17 million net, net profit.

18 Thank you.

19 VICE PRESIDENT MICHAEL GELFAND: Any other comments from
20 the Board Members?

21 Carlene, if you could just address if for example the
22 Board did not vote in favor of the budget today, what happens?
23 We come back in December and calendar a board meeting to
24 address it?

1 MS. MOORE: Yes. And I think you would just need to
2 provide then some direction and information.

3 I would like to, if I could though, before that
4 consideration, \$1.5 million is not credit card. And you've
5 used, Director Arabo has used the example of the State Fair.
6 That was a purchase from a food vendor that charged that. That
7 is not our expense. It's not reflected in our budget. Our
8 concessionaires and similar to it the state fair pay us 25% of
9 their gross sales after taxes. That's what we receive. So that
10 credit card fee is not our fee. We aren't losing out on that.

11 The State Fair has chosen, and I hear Director Arabo, I'm
12 happy to, if the board would like, to bring this back for the
13 board to vote on, the State Fair has chosen to allow their
14 food vendors to have their charge and then with a markup on
15 it. For us, we have historically required our food vendors to
16 incorporate that into that's a cost of doing business and to
17 incorporate it into their food pricing rather than additional
18 charge an top of it. So when a patron is seeing an amount for
19 food, that's what, that's what they are paying. But of that
20 1.5, again, not all of it is credit card fees. There also are
21 banking fees. Just for having cash, you also have an expense
22 that the bank has and for having those accounts.

23 So I'm happy to come back in the future with a breakdown
24 of, it's bank and service charges is what that line item is

1 listed at, as well as then we have service fees. For example,
2 like with our ticketing software. It is not all credit card
3 fees with regard to that. And the net operations of the year
4 is actually \$4 million. The 1.3 is after the payment of
5 principal.

6 MR. ARABO: Yeah, it gets calculated after you pay your
7 loans, not before. So the bottom line is 1.3, what you take to
8 the bank. It's not calculated because you have loans you have
9 to pay. If you didn't have the loans, it would be \$4.4
10 million. Then you could someone could easily negotiate with
11 the bank and say waive your fees. A district of this size with
12 this business, with this magnitude, for throwing away \$1.5
13 million in bank fees is ridiculous. It hasn't been looked at.

14 I know I mentioned it since I joined the Board. I'm
15 surprised we haven't looking at it deeply. It would double our
16 net profit from 1.3 million to 2.8, that little thing of just
17 passing on 50 cents or 75 cents, or having the vendor pay for
18 it. Or negotiating with the bank. Three things you could do.
19 And it's not cutting staff. It's not raising prices. Every
20 other -- Sacramento Fair does do it. For us not to even
21 consider it, I think, is irresponsible.

22 VICE PRESIDENT MICHAEL GELFAND: Any comments from Lisa or
23 any other Board Members?

1 Okay, we're going to go to public comment. And I don't
2 think there's anyone in the room who's going to comment on the
3 budget proposal.

4 >> [Off mic].

5 VICE PRESIDENT MICHAEL GELFAND: Yeah. Okay.

6 So we do have someone on the phone, Martha Sullivan. Go
7 ahead.

8 Martha, are you there?

9 MARTHA SULLIVAN: Yeah, I'm here.

10 I honestly have lost track of sort of where we're at in
11 terms of the items --

12 VICE PRESIDENT MICHAEL GELFAND: We're on 6B1, which is
13 the budget.

14 MARTHA SULLIVAN: I'm just going to say what I want to say
15 to get it done with. On page 125, there's a reference to
16 district will also we utilizing its facilities condition
17 assessment reports to properly identify and plan for ongoing
18 capital expenditure needs. This report is the first of its
19 kind to the district, blah, blah, blah. So I remember this
20 report. I remember it being discussed as being in process.
21 Maybe I'm blanking out that that it's been completed. But
22 where is this report and when are we going to see it? And I
23 realize I may be out of order but I've been waiting a long
24 freaking time.

1 VICE PRESIDENT MICHAEL GELFAND: Okay, thank you, Martha.

2 All right, so to move forward on this item, we need a
3 motion.

4 MR. BLAIR: I'll move approval of the budget.

5 VICE PRESIDENT MICHAEL GELFAND: That's Phil.

6 And second? Don seconds it.

7 And now we have discussion.

8 JOSHUA CAPLAN: Just for the purposes of the record,
9 Director Blair, if you could identify which budget you're
10 moving approval of. I think there are two separate budgets for
11 approval today.

12 VICE PRESIDENT MICHAEL GELFAND: It's the operating
13 budget.

14 MR. BLAIR: Specifically the operating budget.

15 JOSHUA CAPLAN: Okay.

16 VICE PRESIDENT MICHAEL GELFAND: And we'll see if any
17 Board Members have further discussion.

18 One thing I do want to mention is that the \$1.2 million,
19 which is positive, is before capital improvements.

20 MS. MOORE: You're just, yes, you're doing the operating
21 budget.

22 VICE PRESIDENT MICHAEL GELFAND: No, I understand, but
23 when we're all voting on the operating budget from a total
24 cash standpoint, I do want you to recognize that there's an

1 additional \$3 million in expenses, bringing the total cash
2 flow to a negative of 1.8. Now there is money in the balance
3 sheet, you know, available are to cover that. And I think --

4 VICE PRESIDENT JOYCE ROWLAND: But wait. Is that a cash
5 flow issue. I'm sorry, I don't think it's a cash flow issue.

6 MS. MOORE: No.

7 VICE PRESIDENT MICHAEL GELFAND: Well --

8 MS. MOORE: No, it's not.

9 VICE PRESIDENT MICHAEL GELFAND: It's the balance sheet.

10 MS. MOORE: And when I present on the capital expenditures
11 budget, what I also -- if you recall is that we use proceeds
12 from the prior year for help to fund those, but it does -- it
13 affects assets on it. It does affect cash.

14 VICE PRESIDENT MICHAEL GELFAND: Okay.

15 Go ahead, Kathlyn.

16 MS. MEAD: Discussion, right?

17 VICE PRESIDENT MICHAEL GELFAND: Yeah, discussion on the
18 motion.

19 MS. MEAD: Thank you.

20 So before we vote, I would just like to suggest that we
21 don't have to hold up a vote for the budget. And not, we could
22 vote for the budget and still direct or CEO to look at the
23 options for bank fees, other -- to find those cost savings in

1 the budget once approved. So I don't know that we necessarily
2 hold it up to address your recommendations, Mark.

3 VICE PRESIDENT MICHAEL GELFAND: Other comments from Board
4 Members?

5 MR. ARABO: Great, thanks, Director Mead.

6 MS. MEAD: So I wonder whether or not we'd like a friendly
7 amendment to the motion.

8 MR. ARABO: Right, that'd be Director Blair.

9 I just hate, on the discussion part, leaving money on the
10 table. Throwing it away. We're not really taking a deep dive.
11 Having the bank come speak to the board. Why are they not
12 waiving their fees? Something as big as this District. Why are
13 you charging credit card fees. Not looking at that separately
14 is such a large amount of money, that's my biggest hold up.

15 MS. MEAD: So maker of the motion, would you consider an
16 amendment to approve the budget as presented with
17 consideration of banking fees, credit card fees, et cetera,
18 with consideration of looking for that opportunity for cost
19 savings?

20 MR. BLAIR: At a later date, yes.

21 MS. MEAD: Yes, at a later date.

22 MR. BLAIR: Yes.

23 MS. MEAD: Thank you.

1 VICE PRESIDENT MICHAEL GELFAND: And Don as the seconder,
2 no? You're not going to second it.

3 Can somebody else second that amendment?

4 MS. BARKETT: I will. I'll second it.

5 VICE PRESIDENT MICHAEL GELFAND: Okay, seconded by Lisa.

6 And so now we're going to vote on amended motion.

7 VICE PRESIDENT JOYCE ROWLAND: I'm sorry. Do we need a
8 discussion after the amended -- [multiple speakers - off mic]

9 VICE PRESIDENT MICHAEL GELFAND: Yeah, discussion on the
10 amended motion.

11 VICE PRESIDENT JOYCE ROWLAND: If there is any.

12 VICE PRESIDENT MICHAEL GELFAND: Yes. Is there any?

13 Okay, then we'll go ahead and vote.

14 Donna.

15 MS. O'LEARY: Vice President Gelfand.

16 VICE PRESIDENT MICHAEL GELFAND: Aye.

17 MS. O'LEARY: Vice President Rowland.

18 VICE PRESIDENT JOYCE ROWLAND: Aye.

19 MS. O'LEARY: Director Arabo.

20 MR. ARABO: Aye.

21 MS. O'LEARY: Director Barkett.

22 MS. BARKETT: Aye.

23 MS. O'LEARY: Director Blair.

24 MR. BLAIR: Aye

1 MS. O'LEARY: Director Mead.

2 MS. MEAD: Aye.

3 MS. O'LEARY: Director Mosier.

4 MR. MOSIER: Aye.

5 MS. O'LEARY: And Director Nejabat.

6 VICE PRESIDENT MICHAEL GELFAND: No longer with us.

7 MS. O'LEARY: Oh, I forgot. He had to leave, didn't he.

8 >> [Off mic].

9 VICE PRESIDENT MICHAEL GELFAND: Thank you, Don.

10 Okay. Now we're moving onto item 6B2, which is
11 consideration and vote on whether to approve the 2025 capital
12 expenditures.

13 MS. MOORE: Where's my capital expenditures budget?

14 VICE PRESIDENT MICHAEL GELFAND: We are seeing if we can
15 find it. Technically, this is also an action item.

16 And the Chair, again, recognizes CEO Carlene Moore to
17 introduce this item.

18 MS. MOORE: There's -- going to go with no slides for it.
19 You do have the information in your packet. The capital
20 expenditures budget is, starts -- the report for this starts
21 on page 123 of your packet.

22 All right, so we did complete a fair number of projects
23 or made significant progress on them in 2024. That included
24 things such as asphalt work. I think everybody has seen that.

1 As well as on some work carried over from 2023. Design work
2 that's been underway for some of our projects. Stable area
3 improvements, the fire suppression systems and so forth. So on
4 page 126 of your packet is the budget showing you some
5 projects that were completed in 2024. Things that are
6 currently underway. And then what's being proposed new in 2025
7 for facilities as well as then in the bottom half is
8 equipment, capital equipment.

9 For many, many years -- so the lack of capital
10 expenditure planning is kind of institutional to the
11 California fair industry for many, many years and decades. The
12 template that CDFA provided to the fairs was really just for
13 operations, not for true ongoing maintenance and investment
14 into facilities. I think actually their template is still
15 built that way today. So it really lacks in that.

16 And historically our approach was funding in essence
17 major improvements and reinvestment through debt financing,
18 whether that was the bonds, some of our IBank loans and so
19 forth. And so those bonds also included things such as asphalt
20 or roofs, or some of our environmental work as well. And post
21 pandemic, and just kind of under sort of the new direction
22 that we've been headed has been to be fiscally responsible and
23 create this awareness that includes the physical plant in our
24 financial planning on a year to year basis.

1 And so, you know, again, as we just discussed the
2 operational budget, and thank you very much for having
3 approved that, we'll come back with more information. Is for,
4 you know, after all expenses are in including then the
5 principal payments on the long-term debt that's been our focus
6 for a net of operations. So to cover the operations, to cover
7 the long-term debt, but to also have money left over to invest
8 back into the facility as well. There are some draft policies
9 that are, you know, included in the packet that also support
10 this endeavor that has been underway with that direction.

11 So we have a number of projects that we're carrying over
12 into 2025. And the amounts that are included in the budget are
13 for additional funds toward even though it might be some of
14 those same projects. So in some instances and as you can see
15 on page 126, we have invest -- you know, made the initial
16 investment but there may be more funds that were needed.

17 The question came up, for example, on the handrails over
18 at The Sound. And yes, there's an increased cost to that
19 particular project looking at that for 2025. Many of these
20 numbers are also based on estimates that we have received
21 versus in the past it has not necessarily based on estimates.
22 It was really more what we, you know, kind of a feel for what
23 the cost might be. And so that's what the handrail repair is

1 to make adjustments to the handrails following the floor
2 infill that we did in 2023.

3 VICE PRESIDENT JOYCE ROWLAND: I'm sorry, is that a scope
4 change or is it just a reestimate or?

5 MS. MOORE: I would say this is a true estimate of what
6 the costs are. We've had CASp out, which is who does
7 inspection for accessibility. And based on their feedback of
8 other adjustments to be made, it did change the scope as well
9 as costs, construction costs go going up.

10 VICE PRESIDENT JOYCE ROWLAND: Getting higher or lower?

11 MS. MOORE: Higher.

12 VICE PRESIDENT JOYCE ROWLAND: Oh, no.

13 MS. MOORE: Mm-hmm.

14 VICE PRESIDENT JOYCE ROWLAND: Okay.

15 MS. MOORE: Yeah, sorry. And that is one of the things
16 when it comes to capital improvements, in terms of projects,
17 the costs just tend to go up, not necessarily -- [multiple
18 speakers]

19 VICE PRESIDENT JOYCE ROWLAND: I meant are the railings
20 getting higher or --

21 MS. MOORE: No, no. They are being adjust -- the angle is
22 being adjusted.

23 [Chuckling]

24 MS. MOORE: Sorry.

1 VICE PRESIDENT JOYCE ROWLAND: I knew the price -- I knew
2 the price was going up.

3 MS. MOORE: And it's the hand -- it's the handrails. This
4 is the handrail, not the rails when you are sitting there.
5 It's the handrails at the ramps and the stairwells and things.

6 VICE PRESIDENT JOYCE ROWLAND: Got it.

7 MS. MOORE: Thank you, Henry.

8 MS. BARKETT: While we're speaking to handrails, may I
9 interject?

10 Because, you know, when you look at the handrails for the
11 grandstand and the grandstand is so much, you know, bigger, it
12 just shocks me the amount we're paying for The Sound, which is
13 how old? Two years now? Three years?

14 VICE PRESIDENT MICHAEL GELFAND: Two.

15 MS. BARKETT: Two. Two years old. And we're replacing
16 grandstand railings, which is way bigger, for \$50,000 more?

17 VICE PRESIDENT MICHAEL GELFAND: Well, they are totally
18 different scopes, I mean...

19 [multiple speakers]

20 MS. BARKETT: I'm just saying, when you look at this, it
21 just seems outrageous to me for a two-year-old building.
22 Something that was just done two years ago.

23 VICE PRESIDENT JOYCE ROWLAND: You're not replacing all
24 the grandstand handrails, are you?

1 MS. MOORE: No. So let me address that. It's two very
2 different types of projects. So with the grandstand, the
3 handrails are the wrought iron work around the grandstand. The
4 gap in the wrought iron is greater than it should be. And so
5 what's budgeted in here is to take care of that wrought iron
6 on the first two stories, so second and third level of the
7 grandstand. The handrail issue at The Sound is because when we
8 did that floor infill and brought that floor up, the handrails
9 now have to be adjusted. And because they are one solid piece,
10 long run, some of the them 20 and 30 feet long even, you can't
11 just take the rail and move it. The angles that are within
12 that rail have to be adjusted in order to meet things such as
13 A.D.A. compliance.

14 So there's two different issues. But the amount that's in
15 here and what's being referenced by Director Barkett is Item B
16 below, to replace the grandstand railings. It may not wind up
17 being a replacement. There are some options we can look at
18 there, such as cabling, such as plexiglass, and others. But
19 there is a safety, there's a safety risk with the grandstand
20 and so we've identified the first two levels of it because
21 that's primarily where you will find smaller children.

22 VICE PRESIDENT MICHAEL GELFAND: Did these safety risks
23 come to our attention through internal, you know, employees or
24 was it an actual like permit problem?

1 MS. MOORE: No, it's not a, it's not a permitting problem.
2 But for example, the grandstand railings was through the
3 insurance inspection that the Thoroughbred Club had. And the
4 handrails over at, over at The Sound were brought forth during
5 an inspection. And again, because we changed the floor and the
6 elevation of that. Mm-hmm.

7 VICE PRESIDENT MICHAEL GELFAND: Okay. Unless there are --
8 are there additional questions from Board Members?

9 Lisa, anything?

10 MS. BARKETT: No, I'm good. Thank you.

11 VICE PRESIDENT MICHAEL GELFAND: Okay, then we will move
12 to public comment. I don't think there is anyone in the room
13 who would like to comment on the capital improvement budget.

14 But we do have Martha Sullivan.

15 Go ahead, Martha.

16 MARTHA SULLIVAN: Thank you.

17 I already made my comment about that report at the end of
18 the capital improvements budget section, the facilities
19 condition assessment report. Is that complete and when are we
20 going to see it?

21 VICE PRESIDENT MICHAEL GELFAND: I'm sorry, say that
22 again, I couldn't hear you. The last -

1 MARTHA SULLIVAN: Is that report complete and when are we
2 going to see it? Because we've heard about it for a couple of
3 years now at least, as I recall.

4 VICE PRESIDENT MICHAEL GELFAND: Which report? Which
5 report?

6 [Multiple speakers]

7 MS. MOORE: Sorry, my presentation got a little -- yeah,
8 the presentation got a little shrunk, and so she's referring -

9 [Multiple speakers]

10 MARTHA SULLIVAN: Page 125 in the last paragraph.

11 VICE PRESIDENT MICHAEL GELFAND: Okay.

12 MS. MOORE: What is being referenced is the facility's
13 assessment that we had done, we commissioned it in 2023. And
14 we were -- the report being forthcoming. We finally -- and we
15 provided -- so we received a draft report of that earlier this
16 year. We provided some comments, corrections and things like
17 that back to the consultants who completed that, who did that
18 report. They have, just last month sent to us. And so we have
19 received what they considered to be their final product. And
20 we're in process of reviewing it.

21 This was a comprehensive review of all of our facilities.
22 And what will help inform is investment. And some of that is
23 taken into consideration with these projects, but what's
24 needed in the next like one year, three years, five years, and

1 ultimately to replacement. So that information will be
2 forthcoming most likely at the January board meeting.

3 VICE PRESIDENT MICHAEL GELFAND: Okay.

4 With that, we, the Chair will entertain a motion to
5 approve the capital improvement expense budget.

6 MR. ARABO: I'll do the motion to approve.

7 MS. MEAD: Second.

8 VICE PRESIDENT MICHAEL GELFAND: Okay, Mark.

9 And a second from Kathlyn.

10 Okay. Any discussion by the Board?

11 MR. ARABO: I think expenditures are great. Any way we
12 could bring the facility up. I know some parts of the facility
13 haven't been brought up since 1991. So any way we could put
14 money to the facility -- or older, you know, it's great to do.

15 VICE PRESIDENT MICHAEL GELFAND: Anyone else?

16 I'd like to just point out in here one of the things that
17 I think will be fantastic is the consolidation of staff into
18 the one space. I think that's going to create a lot of
19 operational efficiencies, synergies, and really improve our
20 bottom line and our, you know, operations. So I'm thrilled.

21 We're ready for a vote, Donna.

22 MS. O'LEARY: Vice President Gelfand.

23 VICE PRESIDENT MICHAEL GELFAND: Aye.

24 MS. O'LEARY: Vice President Rowland.

1 VICE PRESIDENT JOYCE ROWLAND: Aye.

2 MS. O'LEARY: Director Arabo.

3 MR. ARABO: Aye.

4 MS. O'LEARY: Director Barkett.

5 MS. BARKETT: Aye.

6 MS. O'LEARY: Director Blair.

7 MR. BLAIR: Aye.

8 MS. O'LEARY: Director Mead.

9 MS. MEAD: Aye.

10 VICE PRESIDENT MICHAEL GELFAND: Okay, it passes.

11 And we will move on to Item 6B3. Consideration on the

12 2025 delegation of authority.

13 Carlene.

14 MS. MOORE: So this is the same delegation of authority as

15 it has been for the past two years. This is what allows in

16 essence, provides for me to be able to, and the team, to be

17 able to operate. So it sets the limits requiring Board

18 contract, for approval of contracts, expenditures, credit

19 cards usage. And I think that kind of covers everything. But

20 the dollar amounts are the same as they have been for the past

21 two years.

22 MS. MEAD: Move approval.

23 VICE PRESIDENT JOYCE ROWLAND: Second.

24 VICE PRESIDENT MICHAEL GELFAND: Okay, any discussion?

1 Do we need -- well, there's no one signed up for public
2 comment, so okay.

3 Any Board discussion on this item?

4 Lisa?

5 MS. BARKETT: I just have a quick question. In terms of
6 oversight, who oversees those credit cards?

7 MS. MOORE: So in terms of the credit card that I have,
8 the Board Chair reviews the credit card statement. And then
9 the internal credit cards, so the CAL-Cards as they're
10 referred to, which I don't have, then ultimately I and other
11 members of the executive team review those for approval.

12 MS. BARKETT: Okay, great.

13 MS. MOORE: Yeah.

14 MS. BARKETT: Thank you.

15 MS. O'LEARY: Vice President Gelfand.

16 VICE PRESIDENT MICHAEL GELFAND: Aye.

17 MS. O'LEARY: Vice President Rowland.

18 VICE PRESIDENT JOYCE ROWLAND: Aye.

19 MS. O'LEARY: Director Arabo.

20 MR. ARABO: Aye.

21 MS. O'LEARY: Director Barkett.

22 MS. BARKETT: Aye.

23 MS. O'LEARY: Director Blair.

24 MR. BLAIR: Aye.

1 MS. O'LEARY: Director Mead.

2 MS. MEAD: Aye.

3 MS. O'LEARY: That's it.

4 VICE PRESIDENT MICHAEL GELFAND: Okay. Passes.

5 And now we're moving on to the new draft policies.

6 Carlene.

7 MS. MOORE: Yes. So included in your packet on pages 100
8 to 108 are several new draft policies that we have for
9 consideration. And again, our process with regard to
10 introducing new policies or even amendments to policies is,
11 you know, any way from approximately a 60-day or more process
12 to that. So this is just introducing them. These are new.
13 They're not drafts. Therefore, there's no red lines. And then
14 we can take input from Board members now or anytime from now
15 to the next board meeting as well as the public. We will then
16 bring back any modifications so the committee will review
17 those further for further discussion before then coming back
18 yet again at another meeting, so about two more meetings of
19 these policies, at least that, before seeking approval of the
20 policies. So this is to give you ample time to review them and
21 consideration. But please if you do have any information, any
22 if he can on it, you can also call or email with that
23 feedback, too.

1 VICE PRESIDENT MICHAEL GELFAND: Okay. And we do have at
2 least one person from the public who would like to speak to
3 this.

4 Martha Sullivan.

5 Martha, are you with us?

6 MR. RIVERA: She has dropped off.

7 VICE PRESIDENT MICHAEL GELFAND: Dropped off.

8 MR. RIVERA: I had her in the queue and now she's gone.

9 VICE PRESIDENT MICHAEL GELFAND: Okay.

10 And so, that was an information item.

11 We're now moving on to item 6C, Del Mar Thoroughbred Club
12 Liaison Committee report. And this report is information only,
13 no action is going to be taken today by the Board.

14 I would like to recognize the Committee Chair Director
15 Arabo, at this time if you would like to add anything to the
16 report.

17 MR. ARABO: Thank you very much.

18 Thank you. Here we have DMTC president here, thank you
19 for coming.

20 Just we had a great meeting. And we're trying to get as
21 many meetings as we can prior to board meetings, even if
22 they're informational. The information is in your packet, page
23 129. The biggest thing was the Breeders' Cup was an enormous
24 success. I know a lot of Board Members were there. Thank you

1 for attending. And the last meeting the biggest two items we
2 said is we want more education and more participation from
3 Board members. And so whatever we could do to foster that
4 environment, the best of class events throughout the country
5 of other horse race parks. As we see in our budget today, \$7
6 million profit just from horse racing. So it's a very
7 important thing for the District. We're very grateful for
8 them. I encourage more Board directors to attend.

9 As you guys know, there's an operating agreement with
10 DMTC. They're the operators with the exception of the
11 director's room, which Board members are encouraged to come
12 and to see what's going on and meet people. I can't say enough
13 great things about DMTC. They do a fantastic job. I know
14 safety is a big deal for them. I think and thank them for
15 their help in the backstretch. The backstretch workers, how
16 they feed them. And it's an extremely important thing.

17 I'm hoping in the future DMTC comes back and we do a
18 different options for different Board members to travel. If
19 they were, obviously Board members would pay for themselves to
20 go. But it's good to see other grace places in the world.
21 Horse racing is a big, big deal. That's one thing I got from
22 Breeders' Cup. There's Saratoga Track, there's a Kentucky
23 Derby, there's the Melbourne Cup, there's the Royal Ascot, the
24 Dubai World Cup, the Arc of Triomphe, the Japan Cup. There's

1 so many things horse racing, and we're so really lucky to get
2 Breeders' Cup coming next year. And they came this year.

3 So I hope everyone on the board gets educated about horse
4 racing. Participate. I personally attend. I personally
5 purchase tickets to go. I like to go and see what's going on.
6 I met the president of Breeders' Cup. Is a very fine
7 gentleman. I met Board members there. So I don't think we
8 could say it enough, thank you to DMTC. Thank you for
9 everything you do for the industry. Thank you what you do for
10 the District. And I hope everyone attends. And sees it more
11 often.

12 With that, I'd like to introduce Josh Rubinstein to the
13 Board. Thank you.

14 JOSH RUBINSTEIN: Thank you, Director Arabo, for those
15 comments. I know it's been a long meeting so I will be brief.

16 As you heard from Director Arabo and also with the
17 Premier report the Breeders' Cup was tremendously successful.
18 For those of you who weren't able to attend, hopefully you saw
19 some of the TV coverage. The facility has never looked better.
20 The exposure that the fairgrounds in San Diego received has
21 been incredibly positive.

22 In addition to an on-track crowd of over 67,000 people
23 for the two-day event, excuse me, NBC provided two-and-a-half
24 hours of coverage on their network. And again, heard from

1 people all across the country, and they said the facility just
2 looked beautiful.

3 Common pool wagering was \$175 million for the two-day
4 event. And that's a third all-time in Breeders' Cup history.
5 There was an additional \$28 million wagered in international
6 markets such as Japan and Hong Kong. While Premier is still
7 calculating revenues and expenses for the event, the total
8 return including the facility rental fee to the District is
9 projected to be over \$1.8 million for the two-day event.

10 The feedback we've received from local businesses on the
11 positive economic impact from the Breeders' Cup has been
12 incredibly positive. Hotel rooms from La Jolla to Encinitas
13 and restaurants were packed all week. It was an honor for DMTC
14 and the fairgrounds to host the Breeders' Cup. And we look
15 forward to putting on the world championships again in 2025.

16 With that, I'm happy to answer any questions.

17 VICE PRESIDENT MICHAEL GELFAND: Go ahead, Phil.

18 MR. BLAIR: When you say the profit was a million eight,
19 was that before bond payments? Or is that right to the bottom
20 line?

21 JOSH RUBINSTEIN: That is paid directly to the District.
22 So there is a facility rental fee that the District gets from
23 the Breeders' Cup of \$600,000. And that's a 50% increase when
24 we last host the event in 2021. An additional \$200,000 that

1 the district receives as a buyout on food and beverage walk-up
2 concessions. And then as you heard from Premier, most of the
3 Breeders' Cup tickets had food attached to them, so the net
4 revenue to Premier that ultimately goes to the District is
5 approximately another million dollars. So that gets us to that
6 \$1.8 million for the two-day event.

7 MR. BLAIR: Thank you.

8 >> [Off mic].

9 MR. BLAIR: You see what I'm trying to ask --

10 MS. MOORE: The bond is later.

11 The bonds -- the bond payment is later.

12 And that's, yeah, \$1.8 million --

13 MR. BLAIR: We didn't take -- after we pay the bond.

14 MS. MOORE: Right, we haven't paid bonds yet with that. We
15 haven't even paid for the food and beverage expenses with that
16 yet. That's gross, that approximate million dollars, \$1.2
17 million is gross food and beverage revenues.

18 MR. BLAIR: When we hear profit, we think net profit.

19 MS. MOORE: Right.

20 [Multiple speakers]

21 MR. BLAIR: Not gross profit.

22 JOSH RUBINSTEIN: Right, well, so yeah. Yes. Right. So
23 right. The facility rental fee, that's a direct payment to the
24 District.

1 MR. BLAIR: Okay.

2 JOSH RUBINSTEIN: Right. Obviously, we need a grandstand
3 to host the Breeders' Cup, so how the Breeders' Cup is
4 allocated in terms of the bond payment, that's above my pay
5 grade. And then, you know --

6 MR. BLAIR: It's not above ours.

7 JOSH RUBINSTEIN: And I think as you heard from Premier,
8 the revenues, the gross revenues for the Breeders' Cup were I
9 believe over \$3 million. So the net, you know, to the District
10 when you factor in the facility rental fee, the concessions
11 buy out and then the net on the F&B, you know, we're getting
12 to right around \$1.8 million.

13 MR. BLAIR: Yeah, it's a wonderful event.

14 JOSH RUBINSTEIN: Thank you.

15 MR. BLAIR: Del Mar was packed that weekend. There was --
16 those of us who live there stayed home. Like it was a storm.
17 It was great.

18 We have it in '25. Then does it go somewhere else and
19 come back? Is there a board that says now let's go to Abu
20 Dhabi or something? Who decides? How do we make this home
21 every year for them? Not to be greedy.

22 JOSH RUBINSTEIN: So ultimately the decision is by the
23 Breeders' Cup Board. As you said, we have the event in 2025.
24 The Breeders' Cup loves coming to California. They love coming

1 to Del Mar. The you know, as you mentioned, look, I'm biased.
2 I think we have one of the most beautiful facilities in the
3 world as a racetrack. But what really truly puts this event
4 over the top is the support from the local community. The
5 restaurants, the hotels, I mean, if you walked around downtown
6 Del Mar was lit up with purple lights and all the
7 international flags.

8 MR. BLAIR: We do our part.

9 JOSH RUBINSTEIN: Yes, absolutely.

10 You know, but the Breeders' Cup, they're also weighing
11 politics, right, of Kentucky, New York. And there's many other
12 folks that would like to host the Breeders' Cup. You know,
13 we're having ongoing discussions on future years. And
14 hopefully it's something we'll be able to present to the Board
15 and the commission in the near future on a potential Breeders'
16 Cup for Del Mar beyond '25.

17 MS. MOORE: And we have it, correct me if I'm wrong, Josh,
18 but the option is there with the Breeders' Cup deal that was
19 signed, the option is there for them to return through 2029.

20 JOSH RUBINSTEIN: Yes, it's either 2029 or 2028.

21 MS. MOORE: Right. It was like between now and then
22 there's an option. But the option is on their part.

23 JOSH RUBINSTEIN: But you know, as Director Arabo, you
24 know, mentioned, you know, in his conversations with Breeders'

1 Cup Board members, they absolutely love coming here. They love
2 working with the DMTC team, the District team. So hopefully we
3 can get them back soon.

4 MR. BLAIR: Where's it going in '26?

5 JOSH RUBINSTEIN: They have not decided on '26. So '25 is
6 the latest out that they've allocated the Breeders' Cup. So we
7 will see what happens in '26, '27, '28. Like I said, though,
8 there is, you know, pretty fierce competition. Belmont Park in
9 New York has spent over, you know, I think \$800 million on a
10 brand-new grandstand. Keeneland in Lexington, Kentucky has
11 made significant infrastructure improvements. So we have a
12 beautiful facility here. And hopefully we'll be able to do
13 some things to attract the Breeders' Cup in the future.

14 VICE PRESIDENT MICHAEL GELFAND: One of the factors in
15 peoples' satisfaction with the event is the food and beverage
16 side of it. Can you comment on how you thought it was
17 perceived this year?

18 JOSH RUBINSTEIN: Yeah. Short answer, Premier did a
19 fantastic job. We've host under Breeders' Cup three times:
20 2021, 2017, and then of course this year. And the feedback
21 that we got from or we received from the food, the service,
22 you know, A plus. So really you know, hats off to Premier and
23 their staff. They worked very, very hard. You know, you heard

1 all of the procedures they put in place and the training and
2 it really paid off.

3 VICE PRESIDENT MICHAEL GELFAND: Okay. Any other board
4 comments or questions?

5 Yes, Joyce.

6 VICE PRESIDENT JOYCE ROWLAND: Yes, the only thing I saw
7 that I would like maybe improve on is some of the trash
8 pickup. I mean in the stands, I mean I was thinking if there
9 could be some sort of trash bags so people didn't have to
10 throw it on the floor or on the ground. It got pretty messy
11 stepping over some of that stuff.

12 JOSH RUBINSTEIN: We'll certainly look at that.

13 VICE PRESIDENT JOYCE ROWLAND: Yeah.

14 JOSH RUBINSTEIN: Thank you.

15 VICE PRESIDENT MICHAEL GELFAND: Okay. We, although this
16 is not an action item, we do have a number of people from the
17 public who would like -- who at least signed up to speak
18 starting with Chaun Reynolds.

19 Are you there, Chaun? You are muted at the moment, Chaun.
20 Chaun, are you there?

21 MR. RIVERA: He's still muted.

22 VICE PRESIDENT MICHAEL GELFAND: Let's come back to Chaun
23 and go to --

24 CHAUN REYNOLDS: Sorry.

1 VICE PRESIDENT MICHAEL GELFAND: Oh, yeah. Chaun, you
2 there?

3 CHAUN REYNOLDS: Yeah, sorry. Yeah, I am here. I'm sorry.
4 It took me a minute to get my phone to go to the right screen.
5 Can you hear me?

6 VICE PRESIDENT MICHAEL GELFAND: Yes, we can hear you. Go
7 ahead.

8 CHAUN REYNOLDS: Okay. The Racing Victoria statement
9 explains that, oh, sorry.

10 From the Pollack Report Publisher recently regarding the
11 2024 Breeders' Cup. There was a tragic fatality when Jayarebe
12 collapsed from an apparent cardiac event while pulling up
13 following the competition of the turf. It's easy to say
14 something like that could not have been prevented but
15 Australian authorities scratched a horse earlier this week
16 from their country's race, the Melbourne Cup when a blood test
17 at ECG suggested a possible cardiac arrhythmia.

18 The Racing Victoria statement explains that the ECG
19 reports and results of blood tests were sent to three
20 independent experts specializing in equine internal medicine
21 and that each independently advised that due to the nature of
22 the cardiac arrhythmia Athabasca should undergo further
23 extensive testing before being permitted to race again on the
24 grounds of safety. Jayarebe was the 91st reported horse death

1 in California in 2024 racing since increasing to 95 at Santa
2 Anita Park and Pleasanton racing. An increase of 56 over this
3 point, 56% over this point in 2021 and still up 36% if the 12
4 quarter horses euthanized for equine infectious anemia in one
5 trainer's barn at Los Alamitos race for per USDA human caused
6 are excluded.

7 Thank you.

8 VICE PRESIDENT MICHAEL GELFAND: Okay. Thank you, Chaun.

9 And we are now going to Martha Sullivan. She's back in
10 the queue but currently muted.

11 There we go, Martha.

12 MARTHA SULLIVAN: Yeah, it's Martha Sullivan again.

13 From Ed DeRosa of Horse Racing Nation on November 4th,
14 regarding wagering handle on the 2024 Breeders' Cup at Del
15 Mar. Up .3% over 2023 and down .2% from 2019. Quote, I read
16 with interest Breeders' Cup victory lap in that daily racing
17 forum article. I don't really think flat since 2019 is worth
18 celebrating. Put that in perspective here's how other big
19 events week in 2024 compared to 2019. Kentucky Derby up 24%.
20 Preakness up 1.9%. Belmont up 39.2%. Del Mar wagering was down
21 21.5% last week on the same number of races in the same week
22 in 2023. Pleasanton Golden State Racing was down 57.5 on three
23 races the same week in 2023 at Golden Gate Fields which it
24 seeks to replace and this is the highest wagering they've had

1 since they started three weeks ago. So that's the state of
2 wagering on horse races in California is not good, even for
3 the Breeders' Cup.

4 VICE PRESIDENT MICHAEL GELFAND: Okay. Thank you, Martha.
5 We are moving on to Mike Morton.

6 MIKE MORTON: Thank you. Can you hear me?

7 VICE PRESIDENT MICHAEL GELFAND: Yes, we can hear you.

8 MIKE MORTON: Good evening. Thanks for taking the time.

9 Thank you to the commission. Thank you to Commissioner
10 Arabo for the nice comments. And thank you to Josh and his
11 team for what they do.

12 My name's Mike Morton. I'm president of The Brigantine
13 Restaurants. And our closest location is the Brigantine on the
14 corner of Camino Del Mar and Via De La Valle. And we see a
15 tremendous uptick during the regular summer meet, during the
16 Bing Crosby meet. But I can't thank you enough for approving
17 both the '24 and '25 Breeders' Cups. We're up 53% basically
18 from Thursday, Friday, Saturday, Sunday over the same time
19 last year. And we have about a hundred people on staff at the
20 restaurant. That's a tremendous boost for all them. And I can
21 tell you in speaking to my peers in the neighborhood, both
22 hotel and restaurant, they saw a similar results. So it really
23 packs the neighborhood.

1 It's good for the town as a whole. I live down in south
2 county in Point Loma, and it's just abuzz the whole weekend in
3 an otherwise frankly dismal time of the year for us. So just
4 want to give my best to the whole DMTC team as well as the
5 entire commission. Thank you for your approval on all this.

6 VICE PRESIDENT MICHAEL GELFAND: Okay. Thank you, Mike.

7 And we're moving on to Jim Coleman.

8 JIM COLEMAN: Hi, everybody. I'm Jim Coleman. I've been a
9 local resident, business owner for over 40 years. And I want
10 to express my support for the DMTC thoroughbred racing at Del
11 Mar and rave about the outstanding impact thoroughbred racing
12 and the Breeders' Cup this year has made on our local area
13 and county region wide.

14 I mean, you just heard it from Mike Morton. This year has
15 set records for our local retailers, restaurants, hotels. And
16 tourism here for the summer race meet was up bringing much
17 needed revenue to our businesses. Breeders' Cup brought fans
18 from around the world. They filled their hotels and
19 restaurants, visited our retailers at a time that otherwise
20 would have been slow. Estimated 100 million-dollar impact to
21 us locally. \$300 million to the county. And let's not discount
22 the hundreds of added jobs the race meet and Breeders' Cup
23 brought from backstretch workers to servers, parking

1 attendants, young people working to pay for their school
2 tuition and expenses.

3 The DMTC thoroughbred racing plays a vital role in the
4 financial health and well-being of our people. And the
5 Thoroughbred Club, Joe Harper, Josh, the entire team are truly
6 the good neighbors every community wishes they had. I'm just
7 really grateful that they are our good neighbor. Thanks so
8 much for your support.

9 VICE PRESIDENT MICHAEL GELFAND: Thank you, Jim.

10 And now we are moving on to Oscar de la Torre.

11 OSCAR DE LA TORRE: Hello. This is Oscar de la Torre,
12 worker advocate.

13 Just calling in to congratulate the DMTC and all the
14 stakeholders for putting on a successful Breeders' Cup. I had
15 the privilege and honor to work with backstretch workers on
16 that Saturday and talking to them they were just very excited.
17 They talked about you know how this is a great benefit to
18 them. And many people also have relatives that work in the
19 local hotels and those hotels were full, the restaurants were
20 full. That means that there is more jobs and more opportunity
21 for people to make a decent living and that's a very positive
22 thing. Times are hard right now, inflation, you know, has hurt
23 a lot of families. And people really, really appreciate the
24 opportunity to make a decent living.

1 And I want to congratulate DMTC for doing such a good
2 job. It was an amazing event. I think Josh said it best when I
3 just heard his comments that the venue has never looked so
4 nice. It was just a very well done event. And the best part
5 about it is returning next year. So there's a lot of planning
6 that can go on now to make it bigger and better, to expand the
7 benefits, the economic benefits, you know, to workers and
8 working families, not only in northern San Diego but
9 throughout the region. Because this event does really have a
10 greater impact than just the local economy.

11 So congratulations on behalf of many of the workers, you
12 know, who depend on live horse racing for their own well-
13 being. Thank you very much. And we really appreciate all the
14 work that went into this year's Breeders' Cup. And we look
15 forward to having another successful Breeders' Cup next year.
16 Thank you very much.

17 PRESIDENT FREDERICK SCHENK: Thank you, Oscar.

18 And we're moving on to Maria Loya.

19 MARIA LUISA: Good evening, board members and staff of the
20 22nd DAA.

21 My name is Maria Luisa. And many of my family members
22 work and continue to work as backstretch workers in the horse
23 racing industry of California. I like many of my siblings
24 wouldn't be here today as a college educated professional if

1 not for the hard work of my parents and the opportunities that
2 they attained working in horse racing.

3 I'm calling in today to express my support for the Del
4 Mar Thoroughbred Club for hosting a successful Breeders' Cup.
5 And I thank this Board for approving the contracts that make
6 it all possible. I believe that the Del Mar Thoroughbred Club
7 has done an excellent job in prioritizing the safety of both
8 horses and workers at Del Mar and their record proves that.
9 Del Mar has been recognized as the safest race track in our
10 country for many years in a row. We should all celebrate that
11 fact.

12 As we have learned in the past presentations, live horse
13 racing at Del Mar creates a positive economic impact by the
14 race track. 3,500 workers at the Del Mar Racetrack alone but
15 also thousands of hotel workers, restaurant workers, city
16 employees depend on the revenue generated from horse racing at
17 Del Mar. As our local economy continues to recover from the
18 pandemic, the Breeders' Cup provided a powerful economic boost
19 to north San Diego County. And this provides more stability
20 for our working families.

21 People need jobs to make a living. And many of those
22 people calling to oppose jobs in horse racing are retired
23 themselves. They have the opportunity to work and make a
24 living. And that's all the working - that's all that our

1 working families want. By supporting DMTC you are providing
2 job opportunities for many people at Del Mar and beyond. And
3 based on our experience, we can all trust that DMTC will
4 conduct business in a responsible manner for the benefit of
5 all the stakeholders involved. Thank you so much.

6 VICE PRESIDENT MICHAEL GELFAND: Okay. Thank you, Maria.

7 And we are now moving on to Item 6D, the Nominating and
8 Recruitment Committee report. This is an action item. The
9 report can be found beginning on page 138 of your packets. And
10 we are going to have member of the Nominating Committee Lisa
11 Barkett introduce this item.

12 Lisa.

13 MS. BARKETT: Yes, thank you, Michael.

14 Don Mosier, our chair, had to leave. And so, but the
15 Nominating Committee identified and recommended candidates for
16 board leadership positions. And we would like to present these
17 to the Board for consideration.

18 I'm very proud to state that the following slate of
19 officers have agreed to serve a second consecutive term
20 effective November 15th, 2024. And we will have as Board Chair
21 Director Frederick Schenk. First Vice Chair, Director Michael
22 Gelfand. And Second Vice Chair, Director Joyce Rowland.

23 And at this point, I would like to bring that forward and
24 ask for a motion to approve.

1 MR. ARABO: I'll do the motion.

2 MR. BLAIR: I second.

3 VICE PRESIDENT MICHAEL GELFAND: Okay. I don't see anyone
4 in the public who wants to comment.

5 Are there any Board members who would like to comment?

6 MR. BLAIR: Has Fred told his wife?

7 [Chuckling]

8 VICE PRESIDENT MICHAEL GELFAND: I would just like to say
9 that Fred wasn't planning on doing this again, and I'm really
10 happy he is. And I want to thank him for his willingness to
11 serve another term.

12 And other comments from Board members?

13 Donna, you want to take a vote?

14 MS. O'LEARY: Vice President Gelfand.

15 VICE PRESIDENT MICHAEL GELFAND: Aye.

16 MS. O'LEARY: Vice President Rowland.

17 VICE PRESIDENT JOYCE 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: Aye.

24 MS. O'LEARY: And Director Mead.

1 MS. MEAD: Aye.

2 VICE PRESIDENT MICHAEL GELFAND: Okay.

3 With that, we got one more action item, which is
4 consideration and vote to approve the 2025 board of directors
5 meeting schedule.

6 MS. MEAD: Move approval.

7 MS. BARKETT: Second.

8 VICE PRESIDENT MICHAEL GELFAND: Okay. There's nobody
9 slated to talk.

10 But we have a second from somebody?

11 Joyce?

12 MS. BARKETT: Barkett.

13 VICE PRESIDENT MICHAEL GELFAND: Barkett. Okay.

14 MS. BARKETT: Or Joyce, it's fine.

15 VICE PRESIDENT MICHAEL GELFAND: All right. Any comment
16 from Board members?

17 Okay, then, Donna, we're ready for a vote.

18 MS. O'LEARY: Vice President Gelfand.

19 VICE PRESIDENT MICHAEL GELFAND: Aye.

20 MS. O'LEARY: Vice President Rowland.

21 VICE PRESIDENT JOYCE ROWLAND: Aye.

22 MS. O'LEARY: Director Arabo.

23 MR. ARABO: Aye.

24 MS. O'LEARY: Director Barkett.

1 MS. BARKETT: Aye.

2 MS. O'LEARY: Director Blair.

3 MR. BLAIR: Aye.

4 MS. O'LEARY: And Director Mead.

5 MS. MEAD: Aye.

6 VICE PRESIDENT MICHAEL GELFAND: All right. Okay. Passes.

7 And before we go into closed executive session, I'd like

8 - pardon me?

9 >> [Off mic]

10 VICE PRESIDENT MICHAEL GELFAND: Oh, we're not going into

11 executive session. How wonderful is that. Okay. All right.

12 Do we need a motion to adjourn? No?

13 MS. BARKETT: So moved.

14 VICE PRESIDENT MICHAEL GELFAND: We do.

15 MR. BLAIR: Michael, can I just ask, as a newer Board

16 member, is it possible when you send these out to give us an

17 estimate of the length of the meeting for those of you who are

18 knowledgeable? Knowing - no, I mean knowing typically what the

19 topics take, what the budget you know --

20 >> [Off mic]

21 MR. BLAIR: I mean, is that the usually - [multiple

22 speakers - off mic] four and a half hours?

23 >> [Off mic].

1 VICE PRESIDENT MICHAEL GELFAND: This isn't an agenda
2 item.

3 JOSH CAPLAN: No, I would recommend, Director Blair, it
4 might be worth connecting individually with the Board Chair or
5 with Carlene to see if that's something that is doable or not.

6 MR. BLAIR: Okay.

7 VICE PRESIDENT MICHAEL GELFAND: Yeah, I have some ideas
8 about that too.

9 Okay. So do we have a motion to adjourn?

10 MR. BLAIR: So moved.

11 VICE PRESIDENT MICHAEL GELFAND: Phil.

12 And a second.

13 [Multiple speakers]

14 MS. BARKETT: Second.

15 VICE PRESIDENT MICHAEL GELFAND: Second.

16 Anyone opposed?

17 Donna, it's unanimous.

18 We're adjourned at 5:35 p.m.

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CERTIFICATE OF TRANSCRIBER

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I, Antha A. Ward, do hereby certify that the 22nd District Agricultural Association Board of Directors Meeting was transcribed from audio by me; that said digital audio recording of said proceedings are a true and accurate record to the best of my knowledge, skills, and ability; that I am neither a member for, related to, nor employed by the District in which this was taken; and, further, that I am not a relative or employee of any member or staff employed by the District hereto, nor financially or otherwise interested in the outcome of this action.



Antha A. Ward
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