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

TUESDAY, APRIL 8, 2025

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Transcribed by:

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Riverside, CA 92506

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1 IN ATTENDANCE

2  
3 OFFICERS:

4 FREDERICK SCHENK, PRESIDENT

5 MICHAEL GELFAND, 1<sup>st</sup> VICE PRESIDENT

6 JOYCE ROWLAND, 2<sup>nd</sup> VICE PRESIDENT

7 MARK ARABO, DIRECTOR

8 LISA BARKETT, DIRECTOR

9 PHIL BLAIR, DIRECTOR

10 KATHLYN MEAD, DIRECTOR

11 DON MOSIER, DIRECTOR

12 SAM NEJABAT, DIRECTOR

13  
14 22<sup>ND</sup> DISTRICT AGRICULTURAL ASSOCIATION STAFF:

15 CARLENE MOORE, CHIEF EXECUTIVE OFFICER

16 KATIE MUELLER, CHIEF OPERATIONS OFFICER

17 TRISTAN HALLMAN, CHIEF COMMUNICATIONS OFFICER

18 DOUG LOFSTROM, INTERIM CHIEF ADMINISTRATIVE OFFICER

19 DONNA O'LEARY, OFFICE MANAGER

20 HENRY RIVERA, PRODUCTION DIRECTOR

21  
22 22<sup>ND</sup> DISTRICT AGRICULTURAL ASSOCIATION COUNSEL

23 MATTHEW GOLDMAN, OFFICE OF THE ATTORNEY GENERAL (VIA  
24 ZOOM)

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OTHER SPEAKERS:  
JOSH RUBINSTEIN, PRESIDENT & COO, DEL MAR THOROUGHBRED  
CLUB  
STEVE GINTOWT, CFO, HITS LLC  
CHRIS WAHL, CEO, SOUTHWEST STRATEGIES  
MATT CLAY, GENERAL MANAGER, DEL MAR GOLF CENTER

PUBLIC COMMENTERS:  
MARTHA SULLIVAN  
KAREN GOLDSTEIN  
CHAUN REYNOLDS  
JANE CARTMILL  
CARLA HAYES  
JIM COLEMAN  
OSCAR DE LA TORRE

1 [Meeting called to order at 1:35 p.m.]

2 PRESIDENT SCHENK: We are live. I'm going to take this  
3 moment to just look around and appreciate that we have, not  
4 just a quorum, but we have the entire Board here. So and  
5 it's not always that we're able to accommodate every body's  
6 schedule but it's important that we do this and I want to  
7 acknowledge and thank all of you for physically being here.  
8 I also want to -- it's not the first time.

9 But I also want to acknowledge Michael Flores who is  
10 here this afternoon who is the deputy secretary of Food and  
11 Ag, who didn't just come in from across town or down the  
12 block but had to actually get on a plane from Sacramento,  
13 flew down here to be with us this afternoon. And Mr. Flores,  
14 thank you so much. I've known Michael for many, many years,  
15 and he's been a public servant for decades to the state of  
16 California. So thanks for spending the time here with us  
17 this afternoon.

18 All right. With that, we're going to call the meeting  
19 to order. Today is Tuesday, April 8th. It is about 1:35 if  
20 I stretch it out for a few more seconds. And the Board of  
21 Directors of the 22<sup>ND</sup> DAA.

22 And if you would please, Donna, let's take roll.

23 MS. O'LEARY: President Schenk.

24 PRESIDENT SCHENK: Here.

1 MS. O'LEARY: Vice President Gelfand.

2 MR. GELFAND: Here.

3 MS. O'LEARY: Vice President Rowland.

4 MS. ROWLAND: Here.

5 MS. O'LEARY: Director Arabo.

6 MR. ARABO: Here.

7 MS. O'LEARY: Director Barkett.

8 MS. BARKETT: Here.

9 MS. O'LEARY: Director Blair.

10 MR. BLAIR: Here.

11 MS. O'LEARY: Director Mead.

12 MS. MEAD: Here.

13 MS. O'LEARY: Director Mosier.

14 MR. MOSIER: Here.

15 MS. O'LEARY: Director Nejabat.

16 MR. NEJABAT: Here.

17 PRESIDENT SCHENK: As indicated, we have a full board  
18 present. And nice to see some of our regulars here in the  
19 audience. We appreciate you being here as well.

20 I want to make sure that everybody is aware that we have  
21 one board member who has a hard stop at 4:45. So I'm going  
22 to ask that we be mindful of any potential quorum issues and  
23 matters from which we have to vote. If we could try our best  
24 to accomplish that before that 4:45 hard stop.

1           We are now going to go into closed session. Closed  
2 executive session, as we've indicated on the agenda. Just so  
3 that everybody knows, I anticipate that we will return maybe  
4 in 20 minutes. So don't go too far. Enjoy the beautiful,  
5 sunny weather outside. But pursuant to Government Code 11126  
6 A, B and E, the Board will meet in closed executive session  
7 on the items described on today's agenda, and we'll invite  
8 you back shortly.

9

10           [Board recessed to closed session at 1:36 p.m.]

11           [Board reconvened into open session at 2:05 p.m.]

12

13           PRESIDENT SCHENK: It's 2:05. We've returned from our  
14 closed executive session. The 22nd DAA Board of Directors  
15 considered the advice of counsel on the items listed on the  
16 closed session portion of the agenda and we have nothing to  
17 publicly report.

18           We're going to now move on to the consent calendar. And  
19 so before I ask if there's anyone who would like to see an  
20 item removed from consent for additional discussion I want to  
21 remind everyone that this is the time to request to pull an  
22 item, not for comment on the item yet. So comments will be  
23 heard separately when the Board takes up that item under  
24 general business. Now I invite any public comment in the

1 room with us today that wish to see an item removed from  
2 consent for further discussion. If so, please queue up to  
3 the podium and let us hear from you.

4 MARTHA SULLIVAN: Martha Sullivan from Imperial Beach. I  
5 would like to request that contract 25-020 for continuing  
6 grandstand fire watch services be pulled. Because the  
7 continuing delay warrants a report to the Board and  
8 discussion of this. Thank you.

9 PRESIDENT SCHENK: Thank you, Ms. Sullivan.

10 Because there was a request from a member of the public  
11 to pull that particular item, 25-020, we will have that  
12 pulled from consent calendar. Are there any other requests  
13 for other items on consent to be pulled?

14 Either from persons here or visiting on Zoom. Seeing  
15 none, we'll take a roll call with regard to the consent  
16 calendar. Oh, I'm sorry, we don't have a motion.

17 MR. GELFAND: Motion.

18 MS. ROWLAND: Second.

19 PRESIDENT SCHENK: Moved -- okay, I don't know which one  
20 of you moved. Okay. Thank you. All right. So Gelfand,  
21 Rowland, in that order. Any further discussion? Seeing  
22 none. Hearing none. Now we'll take role on the consent  
23 calendar.

24 MS. O'LEARY: President Schenk.

1           PRESIDENT SCHENK: Yes. Aye.

2           MS. O'LEARY: Vice President Gelfand.

3           MR. GELFAND: Aye.

4           MS. O'LEARY: Vice President Rowland.

5           MS. ROWLAND: Aye.

6           MS. O'LEARY: Director Arabo.

7           MR. ARABO: Aye.

8           MS. O'LEARY: Director Barkett.

9           MS. BARKETT: Aye.

10          MS. O'LEARY: Director Blair.

11          MR. BLAIR: Aye.

12          MS. O'LEARY: Director Mead.

13          MS. MEAD: Aye.

14          MS. O'LEARY: Director Mosier.

15          MR. MOSIER: Aye.

16          MS. O'LEARY: Director Nejabat.

17          MR. NEJABAT: Aye.

18          PRESIDENT SCHENK: Okay. Thank you. So the motion

19 carries. We're going to move onto item number 4, which is

20 public comment for items not on the agenda. Oh, okay, I'm

21 sorry, it's renumbered. But nonetheless, we are moving on to

22 public comments for items not on the agenda. All right.

23          Karen, yes, you're welcome to identify yourself or not

24 as you wish.



1           KAREN GOLDSTEIN: Hi, my name is Karen Goldstein. And I  
2 have worked for Premier Catering at the race track for 26  
3 years, which is almost half my life. Until the pandemic, we  
4 were working full time, all the time, we had raising, we had  
5 the fair, we had a lot of events we worked throughout the  
6 year. Almost all of us lost all of our medical and dental  
7 insurance because of the pandemic. We lost hours. We lost  
8 money. Most of us are either on unemployment or we have to  
9 work two to three jobs. We work here every year do make sure  
10 that the patrons have a wonderful time. We ask very little  
11 in return. What we are upset about is that the board seems  
12 to giving away our jobs to outside groups. This happened  
13 years ago with KAABOO. The Board is now allowing outside  
14 companies to take over the fairgrounds and not use Premier  
15 Catering. We are the contracted food and beverage providers  
16 here at the 22nd. Somehow or another the 22nd agreed for a  
17 buyout of tequila and tacos for April 26. We are losing okay  
18 because they not using our people and nothing else can be  
19 booked because of this. We don't understand why you're  
20 giving our jobs away to other people. This feels also done  
21 during the Coastal Christmas, which we used to work. Premier  
22 Foods is supposed to handle all of the food and beverage that  
23 take place here at the fairgrounds. We feel abandoned by  
24 you. And we don't like that our jobs are being given away to

1 outside vendors. Year after year we come back here to  
2 support you. And I don't think you realize how difficult it  
3 is to get time off from our other jobs to just be here for a  
4 racing season or for the Breeders' Cup. We are losing staff  
5 at a very, very rapid pace because there's little to no work  
6 for us through the year. All we're asking is that you stop  
7 giving away our jobs to the outside companies. Thank you.

8 PRESIDENT SCHENK: Thank you for bringing that to our  
9 attention. Any other member of the public who wish to speak  
10 on matters which are not on the agenda?

11 Ms. Sullivan, good afternoon.

12 MARTHA SULLIVAN: Martha Sullivan from Imperial Beach  
13 once more.

14 Last Thursday the California Horse Racing Board reported  
15 the musculoskeletal death in training of Bob Baffert's  
16 trainee unraced thoroughbred colt, Willie, at Los Alamitos'  
17 race course. Willie's official horse profile lists no --  
18 [multiple speakers]

19 PRESIDENT SCHENK: Ms. Sullivan, I'm going to give you  
20 the full two minutes. However, we do have DMTC report.

21 MARTHA SULLIVAN: This isn't about DMTC. This is about a  
22 death at Los Alamitos.

23 PRESIDENT SCHENK: All right. So all right. Well I'm  
24 going to let you speak but you won't be repeating this then

1 during the DMTC?

2 MARTHA SULLIVAN: No.

3 PRESIDENT SCHENK: Okay. I'll give you your credit for  
4 your time. Thank you.

5 MARTHA SULLIVAN: I've been doing this long enough. I  
6 think I know how to plan my comments.

7 Willie's official horse profile lists no owners,  
8 trainers or jockeys but the CHRB list Baffert as his trainer  
9 and his profile lists Three Amigos as his buyer in the  
10 Keeneland September 2022 yearling sale for \$70,000. Three  
11 Amigos is the partnership of longtime Baffert owners Mike  
12 Pigram, Carl Watson and Paul Whiteman. Willie makes at least  
13 83 horses who have died in Bob Baffert's care since 2000.  
14 The Washington Post reported in June 2021 that 74 horses died  
15 in Baffert's care since 2000 based on CHRB data since then.  
16 Seven more horses have died in his care per the CHRB plus  
17 Baffert trainee having a meltdown died racing on Christmas  
18 Day in Maryland in 2023 and his two-time grade one winner in  
19 2022, Cave Rock was widely reported by the media to have died  
20 in August 2023 in north San Diego County but not counted by  
21 CHRB. No legitimate sport would tolerate such deaths of its  
22 athletes.

23 PRESIDENT SCHENK: All right. Thank you.

24 Now, I will seek counsel's advice going forward on this

1 because with all due respect, Ms. Sullivan, the topic for  
2 DMTC liaison is horse racing industry news and information.  
3 And I do view what you just reported to be contained in  
4 there. I don't stop people from speaking but I do challenge  
5 that that was the appropriate place. So be mindful of that  
6 going forward. But I will seek advice of counsel in the  
7 future. Because if I allow one person then I have to allow  
8 it for everyone to double up and I have to be careful about  
9 that. So but thank you for the input that you gave us today.  
10 As have I and I do respect those who come before me. But  
11 I've been doing this a long, long time myself. So let's  
12 acknowledge one another's acknowledge and experience and I  
13 acknowledge yours as well. Thank you.

14 All right. Anybody else who has something to speak  
15 about that is not on the current agenda including anything  
16 dealing with horse racing industry news and information?

17 If you speak now, sir, I'm not going to allow you to  
18 speak on a similar topic.

19 CHAUN REYNOLDS: My name is Chaun Reynolds. This is from  
20 the Thoroughbred Daily News recent deep dive, "Why We Are  
21 Where We Are Part Three, Blessed Are The Survivors." In 1988  
22 when racing's contraction was just getting underway, the  
23 average annual cost for keeping one horse --

24 PRESIDENT SCHENK: Sir, this is dealing with a topic that

1 is on the agenda. So if you're going to speak to something  
2 that is already on the agenda, you do not get two bites at  
3 the apple. I'm sorry, sir. You may absolutely raise this  
4 for your full 2 minutes during DMTC liaison report dealing  
5 with horse racing industry news. I gave you the opportunity.  
6 I wanted to hear your general topic but it clearly deals with  
7 horse racing industry news and information. Thank you, sir.

8 CHAUN REYNOLDS: [off mic]

9 PRESIDENT SCHENK: This is not a change. This is an  
10 agenda item and I will allow it to be discussed as an agenda  
11 item. All right.

12 Anybody else who wish to speak on something that is not  
13 on the agenda, please stand forward and we're happy to hear  
14 from you. All right. Seeing none, hearing none, we're going  
15 to move on. Oh, thank you.

16 Ms. Cartmill, do you have a public comment that is not  
17 dealing with horse racing industry news and information?

18 MS. MOORE: Ms. Cartmill, you may need to unmute  
19 yourself.

20 JANE CARTMILL: My comment is tangentially related so I  
21 will wait.

22 PRESIDENT SCHENK: And I respect that and appreciate it.

23 Next speaker is Carla Hayes. Ms. Hayes. Do you wish to  
24 speak on a topic that is not on our agenda today? Not

1 currently.

2 CARLA HAYES: Yes. Yes, I would like to speak on a topic  
3 that is not on your agenda, I think.

4 PRESIDENT SCHENK: Give it a shot. Let's hear it.

5 CARLA HAYES: Okay. I just wanted to let the Board know  
6 Del Mar National is a very, very important show for --

7 PRESIDENT SCHENK: That is also on our agenda.

8 CARLA HAYES: No, no, no, no. It's Easter -- Easter  
9 Sunday there's an Easter egg hunt for kids sponsored by  
10 Dressage.

11 PRESIDENT SCHENK: Okay, that is not on the agenda. All  
12 right.

13 CARLA HAYES: Okay, good. Okay, so sponsored by Michelle  
14 Riley, who is an international level dressage rider, there is  
15 going to be an Easter egg hunt for all the kids at 12:30 p.m.  
16 on Easter Sunday. With a Piper the Pony dressed up as the  
17 Easter bunny. Bunny ears that are HITS branded. And enough  
18 Easter eggs that will be hidden around the Grand Prix jump  
19 field for 50 kids. And I just wanted to let the whole board  
20 know because I know all of you have kids and grandkids that  
21 might really like to attend this wonderful addition that's,  
22 again, more public outreach from friends of the Del Mar horse  
23 park, from HITS, and from all the people who are working so  
24 hard to make your horse park a really valued and acknowledged

1 member of the greater San Diego County community. Thank you.

2 PRESIDENT SCHENK: Thank you. Ms. Hayes, you will not  
3 be bringing that subject up again during the tangential  
4 discussion of operational announcements for Del Mar National,  
5 correct?

6 CARLA HAYES: No, not at all.

7 PRESIDENT SCHENK: Okay.

8 CARLA HAYES: I just wanted you to know about Easter.

9 PRESIDENT SCHENK: I'll be the last one to interfere  
10 between kids and the Easter eggs. All right.

11 CARLA HAYES: Okay, cool. Thank you. Bye.

12 PRESIDENT SCHENK: Thank you, as well. All right. That  
13 completes the public comment.

14 Let's go now to the agenda item for general business.  
15 And we're going to start with 25-020, which was requested be  
16 pulled from the consent, which is the grandstand fire watch  
17 patrol.

18 MS. MOORE: If you recall at last month's meeting, we  
19 talked about the grandstand fire alarm system. How it had  
20 continued to fail. Following last month's meeting, the  
21 security company that we had doing fire watch patrol walked  
22 off the job that night and so we had to enter into a contract  
23 and hence the contract on your consent calendar item with  
24 Allied Services to provide that 24/7 required by the state

1 fire marshal's office until such time as we passed. And I  
2 don't want to take the wind out of some information coming up  
3 but this was the stop gap contract for that service just  
4 being provided by a different vendor.

5 PRESIDENT SCHENK: All right. I will open it up for  
6 public comment if anybody wishes to speak to that from the  
7 public.

8 MARTHA SULLIVAN: Martha Sullivan from Imperial Beach  
9 again. I appreciate the update on the purpose of this  
10 contract. I mean, as you all know, this has been dragging on  
11 now since like last spring. And every month you know, I've  
12 had to ask that it be pulled in order to get a report on it,  
13 which I think is absolutely ridiculous. When something like  
14 this is a continuing delay it shouldn't be put on the consent  
15 calendar. There should automatically be an update from the  
16 CEO on what's going on with this, particularly if it's not  
17 resolved yet. So that's really the nature of my comment on  
18 this. I mean, stop burying this in the consent calendar.  
19 And requiring somebody to request that it be pulled. That's  
20 absolutely nonsensical. Thank you.

21 PRESIDENT SCHENK: Any -- I need to make sure that there  
22 are no other comments that people wish to make. Anybody else  
23 wish to speak on this single issue, contract?

24 From the public first. All right, seeing none. I will



1 -- are there any questions from the Board to our CEO?

2 That's where I'm going to go next. Yes.

3 MR. GELFAND: So this contract is essentially  
4 retroactive. I mean, we've already engaged them. This is  
5 just to document the services that they have already  
6 provided.

7 MS. MOORE: Yes.

8 MR. GELFAND: Okay.

9 MS. MOORE: As well as going forward. Yes because this  
10 contract was -- is through April 30th. And if you recall, we  
11 talked at last month's meeting about then issuing an IFB, an  
12 invitation for bid for services in the future.

13 MR. GELFAND: Okay. And can you test the status of the  
14 fire alarm system at the moment?

15 MS. MOORE: Well that will come up on item 7B.

16 PRESIDENT SCHENK: Yeah, that's -- it's an itemized  
17 agenda item.

18 MR. GELFAND: Come back to that.

19 PRESIDENT SCHENK: Any other questions to our CEO?

20 All right. Seeing none. I will entertain a motion with  
21 regard to 25-020.

22 MR. GELFAND: So moved.

23 MR. BLAIR: So moved.

24 PRESIDENT SCHENK: Approval of the grandstand fire watch

1 patrol contract. Gelfand and Blair, thank you. And I got to  
2 look to the left and right here.

3 [off mic]

4 PRESIDENT SCHENK: Right, right.

5 Okay. Motion has been made and seconded. Any further  
6 discussion from the Board?

7 Seeing none, take a roll, please.

8 MS. O'LEARY: President Schenk.

9 PRESIDENT SCHENK: Yes. Aye.

10 MS. O'LEARY: Vice President Gelfand.

11 MR. GELFAND: Aye.

12 MS. O'LEARY: Vice President Rowland.

13 MS. ROWLAND: Aye.

14 MS. O'LEARY: Director Arabo.

15 MR. ARABO: Aye.

16 MS. O'LEARY: Director Barkett.

17 MS. BARKETT: Aye.

18 MS. O'LEARY: Director Blair.

19 MR. BLAIR: Aye.

20 MS. O'LEARY: Director Mead.

21 MS. MEAD: Aye.

22 MS. O'LEARY: Director Mosier.

23 MR. MOSIER: Aye.

24 MS. O'LEARY: Director Nejabat.

1 MR. NEJABAT: Aye.

2 PRESIDENT SCHENK: Thank you, it's unanimous.

3 And thank you, Ms. Sullivan, for bringing that to our  
4 attention.

5 We will now go to general business. Oh.

6 MS. MOORE: There is a correction.

7 PRESIDENT SCHENK: Okay, all right. So we're on general  
8 business. There are seven items under section 7 on the  
9 agenda. We'll start with item 7A, which is Finance Committee  
10 report.

11 Go ahead.

12 MR. GELFAND: Are you recognizing me?

13 PRESIDENT SCHENK: Yes.

14 MR. GELFAND: Thank you.

15 MS. MOORE: Hold on. Because I think that picks up on  
16 7A-1.

17 MR. GELFAND: Yep.

18 MS. MOORE: Sorry. First up, what we were going to do is  
19 walk through, if you don't mind, the statement of operations  
20 just to not get a hold of ourselves onto 7A-1. And that is  
21 so in your packet, you have the statement of operations.  
22 This is for the DAA only and so just to make everyone aware,  
23 the State Race Track Authority and The State Race Track  
24 Leasing Commission, we file end-of-year financials separately

1 of that with the State Controller's Office. But the  
2 Department of Food and Agriculture, this is the statement  
3 that's required for all fair -- fairground organizations  
4 throughout California. So the DAAs, the county fairs as well  
5 as the citrus fruit fairs. And we wanted to give the Finance  
6 Committee just a little bit of time to kind of explaining  
7 what this is and why it's important. The what is, it's the  
8 end of your financial statement. But it does look a bit  
9 different than what you might be used to looking at in the  
10 private sector. And so what it does is it's kind of an  
11 overview of loft financial activity for the year, sort of  
12 incorporating balance sheet as well as income statement type  
13 of items into one report. Plus then there's some additional  
14 information toward the back of it. The why of it is because  
15 this is what is required under the food and agriculture code  
16 previously it was all in business and professions code. And  
17 that is the in order to maintain eligibility for funds or to  
18 utilize state assets, the state designated fairs, as we're  
19 all called, so this is the District Ag Associations, the  
20 county fairs and the citrus fruit fairs have to file an  
21 Annual Statement of Operations with the Department of Food  
22 and Agriculture. So that's kind of the why.

23 And what we thought we would do is so page 1 of it,  
24 which is on starts on page 24, thank you, of your packet is

1 the summary then of the pages that follow. And so just  
2 wanted to spend a little bit of time in understanding this  
3 page. So it's the summary of changes and net resources and  
4 it calculates the reserve percentage. So at the top of --  
5 the top of column, of 2024, it's not advancing.

6 Henry, can you advance it? There you go.

7 The top of 2024 through those first five lines through  
8 the total net resources of January, that actually carries  
9 forward from the bottom of the previous year. So that's why  
10 we're showing this to you with 2023. So those bottom four  
11 lines carry to up to the top. Plus then any prior year audit  
12 adjustments. So for example, in 2024 we had about \$20  
13 million of prior audit year adjustments. Those really are,  
14 that's pension and OPEB related comes through the audit  
15 process. There are some governmental accounting standards  
16 boards that in essence drive that number. Again, it's  
17 adjustments to the OPEB and pension. And the biggest reason  
18 why these typically show up as prior year audit adjustments  
19 is because of the delay in that information based on our  
20 calendar year which is our fiscal year. And for the state,  
21 their fiscal year is July to June.

22 And so then just kind of advancing through. Can you,  
23 could you? Thank you.

24 So that's the auditor's adjustment line. And then again

1 --

2 Can you do it again, Henry?

3 So we have where we started at the year plus or minus  
4 any prior year audit adjustments. Then it adds in all of the  
5 resources that were required or in essence our operating  
6 revenues as well as other revenues that may be received such  
7 as money from the state, for example, AB 1499. Then it  
8 subtracts those things out. It subtracts what our expenses  
9 were including depreciation in order to then calculate  
10 whether we had an increase or decrease in net resources  
11 during the year.

12 So for example in 2023, we had an increase in our net  
13 resources. In 2024, we have a decrease in net resources.  
14 And so you can see here on the screen as we speak to before  
15 we paid back the PPP loan repayment, which becomes an  
16 operating expense for us because it was an operating revenue  
17 in the year in which it was received we actually did once  
18 again achieve a positive increase to our net resources in  
19 terms of operations. Then with the calculation of the  
20 principal, which on page 2 of the statement of operations,  
21 which is page 25 of your packet, you will find that those  
22 expenses in essence are captured in the administration  
23 expense under operating expenditures and that was the  
24 interest portion towards the loan. And then the principal

1 and processing fees of the loan is under, is the prior year  
2 expense adjustment which is about two-thirds of the way down  
3 on page 2. So just kind of give you an idea for tracking  
4 purposes. All of that information on page 2 and some of the  
5 other supplemental pages rolls forward to page 1.

6 MR. GELFAND: The information in our packet is different  
7 from what we're seeing on the screen in the 2023 numbers are  
8 not shown in the packet?

9 MS. MOORE: Yes, we're showing it to you to compare. I'm  
10 showing it to you for comparison purposes. This is the form  
11 from the Department of Food and Agriculture. This is the  
12 actual form submitted.

13 MR. GELFAND: Okay.

14 MS. MOORE: Mm-hmm. But thought for comparative purposes  
15 in understanding even how it's --

16 MR. GELFAND: Yeah. It's a lot of more helpful seeing  
17 the comparison of the two years.

18 MS. MOORE: Yes. And then finally, so again, that  
19 repayment we were in the positive, we made that payment back.  
20 That occurred in October. So hence that is the reason for  
21 any decrease in essence it's not increased in our net  
22 resources for the year. And then as you work your way down  
23 through this, then changes in then we have the changes in  
24 resources, which is again, those kind of bottom four lines

1 that aren't -- that are not bolded. And in the public sector  
2 this area is typically counted as assets equal the  
3 liabilities plus the total net resources. So it's a formula  
4 that works backwards off of the unrestricted net position,  
5 the restricted, the net resources capital assets less related  
6 debt to calculate what are our unrestricted net resources.  
7 In the private sector it's typically assets minus  
8 liabilities.

9 MS. ROWLAND: So, question. So the depreciation was, I  
10 think I saw it somewhere on here, was north of \$4 million.

11 MS. MOORE: Yes.

12 MS. ROWLAND: So that's the noncash expense for asset  
13 aging?

14 MS. MOORE: Yes.

15 MS. ROWLAND: And what are the biggest assets that are a  
16 part of that?

17 MS. MOORE: It's --

18 MS. ROWLAND: Accumulation?

19 MS. MOORE: It's an accumulation of things. And our  
20 director of finance is on vacation this week. He could  
21 answer that in more detail for you. But it would be things  
22 like the grandstand, The Sound, the improvements that were  
23 made there. The water quality improvement project. Some of  
24 our newer assets. The activity center, Wyland Hall. Because



1 many of our assets are so aged that they actually don't have  
2 a value to them.

3 MS. ROWLAND: That's what I was wondering. So those are  
4 most of the newer capital assets. Okay.

5 MS. MOORE: Yes.

6 MS. ROWLAND: Okay.

7 PRESIDENT SCHENK: May I ask that for future meetings we  
8 not encourage vacations during something such as this that we  
9 want to have topically discussed. Because I think it would  
10 have been important for him to be here.

11 MS. MOORE: Mm-hmm.

12 PRESIDENT SCHENK: Anybody else have any? Yeah.

13 MR. ARABO: Yeah, I have a couple of comments. To  
14 piggyback on your comment, I think it's very important that  
15 the person is here before we vote on something like this. I  
16 also have a request to, down the road, I don't know which  
17 committee it is but I really do think an organization of this  
18 magnitude really needs like a chief financial officer. So I  
19 don't know if we can study it or see if we need it or not.  
20 But these are very important things we're looking at. And I  
21 think we need to take a lot of time to study it.

22 And the last request I have, I see it every time we go  
23 to financials is I don't know which committee would do this,  
24 but looking at the banking fees, I think there is a way we

1 could recapture the \$1.6 million and make that as a profit.  
2 I know that I haven't heard yet what have we done from it.  
3 What have we studied from it. But I really think we need to  
4 pause and look at it with a closer eye. And definitely the  
5 person in charge should not be on vacation when the Board is  
6 reviewing this.

7 PRESIDENT SCHENK: Any other comment?

8 MS. ROWLAND: Yeah. Is there a, there's no action item?

9 MS. MOORE: There is no action item. There is not an  
10 approval that is needed for this. This document is a  
11 requirement and was submitted. It's just a statement of our  
12 financials from 2024. And it was submitted on March 28<sup>th</sup>.  
13 The requirement I believe was March 31st.

14 PRESIDENT SCHENK: Any other comments? Yes?

15 MS. MEAD: I just would like to once again, and echo  
16 Director Arabo's comments. I've asked for this multiple  
17 meetings. And meetings go by and this item is not on the  
18 agenda. I believe it was assigned to the Finance Committee  
19 to do a review at least two or three meetings ago to do a  
20 review of a position for chief financial officer. And I  
21 would like to see it agendized at the next meeting so that we  
22 can have discussion.

23 PRESIDENT SCHENK: Okay. I don't disagree. I'm not sure  
24 that it can be by May but certainly by August. And that

1 would be May or latest August. That would be my expectation  
2 that we could do that.

3 Michael?

4 MR. GELFAND: Would that go to the Finance Committee?

5 You are talking about the consideration of a chief  
6 financial officer?

7 PRESIDENT SCHENK: Yes. I think it would. I wanted -  
8 [multiple speakers]

9 MS. ROWLAND: It was assigned.

10 MS. MEAD: Yeah, the last time we met it was assigned to  
11 that.

12 PRESIDENT SCHENK: Okay.

13 MS. MEAD: If it needs to go somewhere else, I'm fine.  
14 It just needs to be discussed.

15 MR. GELFAND: That's fine as far as I'm concerned for it  
16 to come to the committee.

17 What about the issue of the credit card charges, would  
18 that also go to it Finance Committee?

19 PRESIDENT SCHENK: I would say this. Let's have the  
20 conversation about CFO. And then if there is a decision to  
21 make that hire then have that person be included in the  
22 conversation. So is there -- I see a shaking of the head.  
23 Does that make sense? I hope it does.

24 MR. ARABO: Yeah. I mean, for me, the big target would

1 be the 2026 fair. We missed out on this fair.

2 PRESIDENT SCHENK: Right, right. And I think that would  
3 give us that opportunity.

4 Michael?

5 MR. GELFAND: Okay.

6 MS. ROWLAND: I have a question about that. I thought we  
7 had a report on that already on the credit card fees. Didn't  
8 they?

9 MS. MOORE: In January, but happy to bring that back and  
10 make it an item for this board to vote on.

11 MR. GELFAND: Okay.

12 MR. ARABO: And I think the report was more we do an all-  
13 inclusive price. As opposed to even though we do that, I  
14 learned that DMTC the way they take credit cards through a  
15 company called SeatGeek. And they are able to prevent a  
16 \$550,000 expense by using that processor. So that the  
17 company basically does all the ticketing for the DMTC,  
18 instead of DMTC paying \$550,000, they just recoup it through  
19 that.

20 PRESIDENT SCHENK: That's not on our agenda right now.

21 MR. ARABO: No, but let's include it in the report.

22 PRESIDENT SCHENK: I know, and I remember when we had  
23 that discussion with DMTC a few meetings back. And we will  
24 put that on if we decide to move forward with a chief

1 financial officer to truly assess that, the benefits and  
2 financially and the consequences of it as well, if there are  
3 any such consequences. All right, so with that, we're going  
4 to move on.

5 Thank you, Carlene, for the report on the statement of  
6 operations.

7 Yes?

8 MS. MEAD: I'm sorry.

9 PRESIDENT SCHENK: Don't apologize.

10 MS. MEAD: Before we leave this topic. If this is going  
11 to get moved until potentially August, which is months down  
12 the road, I need to raise a question potentially for the  
13 People and Culture Committee, which is, on multiple occasions  
14 I'm told that we have not addressed the CFO position because  
15 we only have three -- I don't know what they are called, but  
16 executive level positions. Thank you. What are they called?

17 MS. ROWLAND: CEAs.

18 MS. MEAD: CEA level position. We have a currently open  
19 CEA position that I believe we're looking to fill. And I  
20 would like to not have that position filled until such time  
21 that we can address this question. Otherwise, this will be  
22 moot if that position is filled before we get back to this  
23 agenda item.

24 PRESIDENT SCHENK: Okay. Thanks.

1 MS. ROWLAND: I think we discussed that briefly as well.  
2 But I could misremembering it from a committee meeting.

3 PRESIDENT SCHENK: What is that unfilled position?

4 MS. MEAD: Chief administrative officer.

5 MS. ROWLAND: Right. Which I think then this  
6 conversation, we probably can't discuss it here.

7 PRESIDENT SCHENK: It's not on our agenda, folks. All  
8 right. But we'll be mindful of that as we look at the more  
9 key hires. Okay. All right.

10 Moving onto item 7A-1, consideration and vote on whether  
11 to approve the District's 2025 insurance policy renewal or,  
12 to do that or delegate authority to Director Vice President  
13 Gelfand to review, collect, and procure insurance policies  
14 for 2025. And to then report back those selections to the  
15 DAA at the next board meeting.

16 So as a reminder, under Robert's Rules the Board will  
17 wait to discuss the item and ask questions after we've had a  
18 motion and a second on the floor.

19 And so to reiterate, our procedures will be as follows.  
20 The item first will be read into the record. We'll then  
21 entertain public comment. I'll then ask for a motion and a  
22 second. And open it up for questions and discussions. And  
23 if there is a motion and a second, we'll have a vote. So if  
24 we -- if there is no motion made and no second, we'll move on

1 to the next item.

2 So before moving on to public comment, Director Gelfand,  
3 does the committee have anything to add to this information  
4 found in our packets regarding the insurance procurement  
5 issue?

6 MR. GELFAND: Thank you, President Schenk.

7 Today on this item the Board has two options. That's to  
8 either, one, approve the District's 2025 insurance policy  
9 renewal as included in the packet starting on page 38, or  
10 delegate authority to me as director of the Finance Committee  
11 as we've done in the past few years to make the determination  
12 this month and then report back at the next month's board  
13 meeting.

14 Since the packet's distribution last week including the  
15 Finance Committee's report on this item starting on page 36,  
16 we received a response from the Department of General  
17 Services Office of Risk Management regarding our request to  
18 waive the requirement to procure insurance through them or  
19 California Fair Service Authority.

20 Due to the complexity of our property we're close to the  
21 renewal date to market these policies through the Department  
22 of General Services public entity specialty contracted  
23 insurance broker Alliant Insurance Services Incorporated.  
24 But we've make progress with the Office of Risk Management.

1 We have their commitment and that of Alliant Insurance  
2 Services to be available to market for the 2026-'27 policy  
3 term. Based on the guidance provided by the Office of Risk  
4 Management we've made our request to the Food and Agriculture  
5 for an exemption to procure the elected policies which are  
6 not offered by CFSA from a private broker for the 2025-'26  
7 terms. Consideration of that request is currently pending.  
8 That concludes the report on 7A-1.

9 And I'll turn it back to you, President.

10 PRESIDENT SCHENK: All right. Thank you. So I  
11 appreciate that.

12 I'm going to invite public comment. First from those  
13 members of the public that are here in person. Does anybody  
14 wish to speak in public on this?

15 MARTHA SULLIVAN: Martha Sullivan. Imperial Beach.

16 I'm just confused. You are waiting on whether the  
17 Department of General Services is going to grant an exemption  
18 to purchase the insurance policies that are in the first  
19 option? Or you are going to delegate to Director Gelfand to  
20 procure policies as a second option? So I'm just kind of  
21 confused about how you can vote to do option one when you  
22 don't even know if you have an exemption approved or not. So  
23 I'm just baffled.

24 PRESIDENT SCHENK: Anybody else?



1 And we'll get to a discussion in a short while.

2 Anyone else from the public who wishes to address us on  
3 7A-1?

4 I see online Ms. Cartmill. You have requested two  
5 minutes.

6 JANE CARTMILL: I intended to comment on 7A-2, I'm sorry.

7 PRESIDENT SCHENK: Okay, we'll make that change, thank  
8 you for clarifying. I have it shown here as, 7A-1. And I  
9 don't have you down for 7A-2. You do wish to be heard on 7A-  
10 2?

11 JANE CARTMILL: Yes.

12 PRESIDENT SCHENK: Okay. Thank you. We'll correct it.

13 Anyone else who wishes to speak to the Board on 7A-1?  
14 All right.

15 With that, and being mindful of public comment, we'll go  
16 to consider a motion. Oh, please go ahead.

17 MS. MEAD: I would like to move that we delegate the  
18 authority to Director Gelfand to review, select, and procure  
19 the insurance policies for 2025.

20 PRESIDENT SCHENK: Motion has been made by Director Mead.  
21 Is there a second?

22 MR. NEJABAT: Second.

23 MR. BLAIR: Second.

24 [Multiple speakers - off mic]

1           PRESIDENT SCHENK: Sam. All right. Director Nejabat.  
2           Coming in in the silver position. It's been made and  
3           seconded. Now, we'll open it up for questions and  
4           discussion.

5           Carlene, would you kindly address some of the questions  
6           that have been raised thus far and then we'll open it to the  
7           Board.

8           MS. MOORE: If you recall, there is a bit of history in  
9           your packet on page 36, with regard to this. And that is and  
10          for those who have been here will recall as well but there  
11          has been a history here of 22nd DAA procuring insurance  
12          through a private broker. And we learned and we have been  
13          working with. And that's why Director Gelfand was saying  
14          we've made significant progress because we have been  
15          requesting these exemptions to continue with insurance not  
16          provided by California Fairs Service Authority. And we were  
17          advised to seek that exemption through the Department of  
18          General Services. And the Department of General Services has  
19          sent us to the Department of Food and Agriculture. And so  
20          with that proceeding with, again, what has been the practice  
21          here for many years, even predating my time in that, would be  
22          moving forward this month with that. Otherwise we have a gap  
23          in coverage for the various insurances most significant being  
24          property insurance as well as then the earthquake insurance.

1 But we do have that request into the Department of Food and  
2 Agriculture at this time.

3 PRESIDENT SCHENK: Thank you.

4 Anyone else wish to, from the Board, offer any thoughts,  
5 questions or further discussion before we vote? Seeing none.  
6 We will take roll.

7 MS. O'LEARY: President Schenk.

8 PRESIDENT SCHENK: Aye.

9 MS. O'LEARY: Vice President Gelfand.

10 MR. GELFAND: Aye.

11 MS. O'LEARY: Vice President Rowland.

12 MS. ROWLAND: Aye.

13 MS. O'LEARY: Director Arabo.

14 MR. ARABO: Aye.

15 MS. O'LEARY: Director Barkett.

16 MS. BARKETT: Aye.

17 MS. O'LEARY: Director Blair.

18 MR. BLAIR: Aye.

19 MS. O'LEARY: Director Mead.

20 MS. MEAD: Aye.

21 MS. O'LEARY: Director Mosier.

22 MR. MOSIER: Aye.

23 MS. O'LEARY: Director Nejabat.

24 MR. NEJABAT: Aye.

1           PRESIDENT SCHENK: All right. Thank you. The motion  
2 carries. We will now move on to item 7A-2, which is  
3 consideration and vote on whether to provide the statutory  
4 consent for the operation of a minisatellite wagering site.  
5 This is also an action item.

6           So before moving on to public comment, Director Gelfand,  
7 does the committee have anything to add to the information  
8 found in our packet?

9           MR. GELFAND: Yeah, I'd just refer people to the  
10 information in the packet.

11          PRESIDENT SCHENK: All right. Fair enough. All right.

12          MR. GELFAND: No. Not this item.

13          PRESIDENT SCHENK: Okay. I will now entertain public  
14 comment on 7A-2. Again, strictly limited to 7A-2.

15          MARTHA SULLIVAN: Martha Sullivan from Imperial Beach.

16          On principle I'm asking you to deny this request for an  
17 additional three years for this minisatellite in downtown San  
18 Diego, minisatellite wagering facility in downtown San Diego.  
19 On principle I say because as you know from my several years  
20 of coming here and commenting I believe that live horse  
21 racing is animal abuse and it needs to end. So I don't want  
22 to see anymore wagering causing horses to have to risk and  
23 lose their lives for mere gambling. I will say it's very  
24 gratifying to see that you only made about 8000 bucks off of

1 this last year. So in that regard, it's nice.

2 PRESIDENT SCHENK: Thank you.

3 Anybody else in the audience who would like to speak to  
4 the board with regard to 7A-2? All right. We'll go to the  
5 online audience.

6 And Jane Cartmill, would you like to address the  
7 minisatellite wagering site action item?

8 MR. RIVERA: Jane, you are on mute.

9 PRESIDENT SCHENK: Ms. Cartmill, are you able to unmute  
10 yourself?

11 JANE CARTMILL: However futile my comment, similarly in  
12 good conscience, I have to say that the DAA should not  
13 provide statutory consent for the operation of minisatellite  
14 wagering in San Diego for the same reasons that it should not  
15 support horse racing in the first place. Gambling causing  
16 horses to be injured, suffer and die needlessly at Del Mar  
17 and everywhere else they race, so there are other gambling  
18 opportunities that do not result in animals being harmed and  
19 killed. From my conscience, I have to oppose this. Thank  
20 you.

21 PRESIDENT SCHENK: All right. I do not see anyone else  
22 online indicating a desire to speak to this. But I'll  
23 welcome if there is others who have not signed in an  
24 opportunity to speak on 7A-2. All right. There does not

1 appear to be any additional speakers on this subject.

2 So Director Gelfand, do you wish to -- I'll entertain a  
3 motion if you wish to make one.

4 MR. GELFAND: Yeah. I move to extend the statutory  
5 consent for the operation of the minisatellite wagering site  
6 in downtown San Diego for three years through June 20th,  
7 2028, per the terms of the agreement found on pages 45  
8 through 49 of the meeting packet.

9 PRESIDENT SCHENK: All right. A motion has been made.  
10 Is there a second?

11 MS. MEAD: Second.

12 PRESIDENT SCHENK: Director Mead, clearly I heard this  
13 time was the second on --

14 MR. GELFAND: If I could to address it.

15 PRESIDENT SCHENK: Yeah. I was just going to turn it  
16 back. You got to let me acknowledge first. And now it's  
17 open for conversation amongst the Board and questions and  
18 discussion before we vote.

19 MR. GELFAND: So while I appreciate the comments that  
20 have been made by the public, we already have an agreement  
21 that allows horse racing for a number of years beyond this  
22 three-year period. And so, to not do this aside from the  
23 money, the fairgrounds board, the DAA gets directly, the DMTC  
24 makes money from this which has a financial impact on us. So

1 it wouldn't have any impact on whether or not horse racing  
2 continues, it would only reduce potential funding to us. So  
3 that's why I support it.

4 PRESIDENT SCHENK: Okay. Ditto. All right. It's been -  
5 - the comment was made and dittoed. Is there anybody else  
6 who wishes to comment or ditto?

7 MR. BLAIR: Where is 868 Fifth Avenue?

8 MS. MOORE: It's in the Gaslamp District in downtown San  
9 Diego. And it's just within the 20-mile radius. Actually  
10 it's the Gaslamp Tavern.

11 MR. BLAIR: Oh, and --

12 PRESIDENT SCHENK: Go straight to the Padre game. You  
13 don't divert to --

14 MR. BLAIR: Okay, by way of horse racing.

15 Am I understanding the fee is, went from a half a  
16 percent to 2%?

17 MS. MOORE: No.

18 MR. BLAIR: Clearly -- handles .5.

19 MS. MOORE: Yes. So the operator of the site, and I'm  
20 also looking to because potentially to Josh Rubenstein may be  
21 able to correct me. But the operator receives up to 2% of  
22 the handle. What we receive from that is a half a percentage  
23 through this consent.

24 MR. BLAIR: Of the handle or what the operator gets?

1 MS. MOORE: Of the handle at that location.

2 MR. BLAIR: Okay. That's fine.

3 PRESIDENT SCHENK: All right. Thank you.

4 Any other questions or comments?

5 MR. ARABO: I have a comment.

6 PRESIDENT SCHENK: Director Arabo.

7 MR. ARABO: Yeah. We have a DMTC meeting and at the end  
8 of the meeting I got an email from Carlene asking about  
9 putting this under our committee. And at that time I wasn't  
10 aware of it so I responded that I don't feel comfortable  
11 putting something as an action item the DMTC committee unless  
12 our committee sees it. And then I see this on the agenda  
13 under a different committee. If it belongs in the Financial  
14 Committee or not, I will definitely not be supporting this  
15 based on principle that it was asked of our committee to put  
16 it on the agenda. I said that we need to actually meet with  
17 the company before we do it. I don't like to blindly put  
18 something on the agenda and it was on someone else's  
19 committee. So that's my comments. And so if this belongs in  
20 the future, if it belongs in the Finance Committee, then I  
21 don't know why I would get an email of putting it under our  
22 committee. But now I guess it's clear.

23 MS. ROWLAND: Well, I have a question.

24 PRESIDENT SCHENK: Hold on one second.



1           We already entertained public comment on this, Josh, so  
2 I'm sorry.

3           MS. ROWLAND: Was that based on the timing of committee  
4 meetings? What was the --

5           MR. ARABO: I don't know. We had a really good committee  
6 meeting. It wasn't brought up at all. We didn't talk about  
7 it. And then I got an email later saying there, oh, there's  
8 this one contract, can we put it on the agenda.

9           MS. ROWLAND: Yeah, that's what I wanted to ask.  
10 Carlene, was it a matter of timing of when the committees  
11 were meeting, did it just come up? What happened?

12           MS. MOORE: So and I think this is what potentially Josh  
13 is wanting to speak to as well.

14           PRESIDENT SCHENK: And I'm sure it was.

15           [Multiple speakers]

16           MS. MOORE: There was intention to bring it up at the  
17 DMTC Liaison Committee based on other discussion and  
18 conversation that we had. So then I reached out to both the  
19 members of the committee with phone calls to see if they  
20 would be comfortable adding it or not, and they were not.  
21 And in the course of as working on building the agenda in  
22 conversation with Director Gelfand as the Finance Committee  
23 chair, bringing it forward under Finance because of the  
24 revenue it drives. And that way this can be on the calendar

1 on the agenda for the California Horse Racing Board's  
2 approval. Their meeting is on April 17th or 18th.

3 PRESIDENT SCHENK: Would it require their approval as  
4 well?

5 MS. MOORE: It does. But it first requires our consent  
6 for them to be able to get that approval.

7 MR. GELFAND: I see. So to clarify, because I think what  
8 Director Arabo may be alluding to is sort of committee  
9 shopping. But it appears that that's not what was happening.  
10 What was happening was there was a deadline that needed to be  
11 reached because the DMTC Committee didn't want to hear the  
12 issue without first meeting with the vendor. To meet the  
13 timing deadline, you brought it to the Finance Committee.

14 MR. ARABO: No. It definitely was committee shopping.  
15 Because we had our meeting. They are open to bring anything  
16 at the meeting. And when we said no, at that time they could  
17 have said, well, can we have another meeting. I've been very  
18 open in our committee meetings. We have one once a month  
19 actually, a standing committee meeting. We're open to see  
20 everything. So if that's where it belongs in the future,  
21 that's fine. But I want it to be very transparent with the  
22 Board. And I do feel that it is committee shopping.

23 MS. MOORE: If the Board, I mean, I would just like to  
24 add perhaps having Mr. Rubinstein come up if there are

1 additional questions. But in the interest of, yes, there was  
2 a DMTC Liaison Committee meeting. The agenda had to post on  
3 Friday. There was only one day, so I would just like to  
4 provide that. This was not committee shopping. The contract  
5 was not sent to the DMTC Liaison Committee. It was a  
6 question of can this be placed on the agenda under this item.

7 PRESIDENT SCHENK: With the Board's approval, I will  
8 recognize the president of the DMTC.

9 JOSH RUBINSTEIN: Thank you, President Schenk. And good  
10 afternoon District Board Members and staff. I take full  
11 responsibility. This is something that I should have brought  
12 up at our committee meeting. And I apologize to the  
13 committee, to Carlene and the Board. I fully understand if  
14 the Board chooses not to vote on this but I would like to  
15 provide some context. Each satellite wagering facility by  
16 statute is provided a 2% of wagering. That is through  
17 SCOTWINC. Del Mar is a member of SCOTWINC. I am the chair  
18 of SCOTWINC. In order to help new facilities get off the  
19 ground, and the Gaslamp Tavern is one, SCOTWINC is providing  
20 what we call an override, an additional 1% to the operator to  
21 help them get up and going, marketing, et cetera, to generate  
22 customers.

23 Because, as Carlene mentioned, the Gaslamp Tavern is a  
24 20-mile radius of an existing facility at Del Mar, we propose

1 that that override should be split 50/50 between the District  
2 and the operator. DMTC during our live meet has chosen not  
3 to receive any of that compensation, so it will go directly  
4 to the District. This is a very standard agreement within  
5 the minisatellite network. And again, I apologize to the  
6 committee and to the full Board for not bringing this up at  
7 the liaison committee meeting we had a few weeks ago, 100% my  
8 fault. And happy to answer any question.

9 PRESIDENT SCHENK: I was going to offer any questions or  
10 thoughts to DMTC chair?

11 MR. ARABO: You know it just, I don't know if it's done  
12 before, it just sets a very bad precedent. I mean if the  
13 committees ask for something and the committee says we don't  
14 want to put it up unless we vet it and it's brought to agenda  
15 in a different committee, I think other committee chairmans  
16 wouldn't like that of your committees. Maybe you would, I  
17 don't know. But definitely wanted to talk about it. And not  
18 just going go through the motion.

19 PRESIDENT SCHENK: Anybody else?

20 MS. BARKETT: I would like to say, my mind is a little  
21 fuzzy, here and I apologize. Because either Josh or Carlene  
22 mentioned it to me. And so it was a phone call and I said I  
23 -- you know, would have no problem with this. I get it, it's  
24 you know, it's -- it is what it is. It's hard to remember

1 everything as you are going down and we were crunched for  
2 time to get out too. So I said it was okay. But I knew it  
3 was going to you next but I never knew that you said no. So  
4 I just assume it was going to be under our committee when I  
5 saw it come out, and I thought, oh, maybe you didn't want to  
6 do it for a different reason. So I feel partly responsible  
7 myself also. So I really truly believe it was an oversight.  
8 I don't think anybody was shopping, I think it just needed to  
9 be done, to be honest.

10 Now I feel responsible with you, Josh.

11 PRESIDENT SCHENK: Well, I appreciate so many people  
12 falling on the sword here.

13 And Josh, thank you for -- you know if anyone else has  
14 questions or comment to the chair of the DMTC as he's  
15 rehydrating, I'll give him a moment there.

16 MR. GELFAND: Kathlyn, if you have a question for Josh.

17 I have a general question.

18 MS. MEAD: Mine's a comment.

19 MR. GELFAND: Okay.

20 Yes, for a general comment.

21 I don't remember when it was brought to the Finance  
22 Committee if we were told that it first been rejected by  
23 another committee. I would ask staff or the chair in the  
24 future, if they are bringing anything to any committee that

1 has first been presented to another committee to at least let  
2 the new committee know that that was the case.

3 PRESIDENT SCHENK: I'll fall on the sword. I didn't know  
4 but maybe I should have asked. I apologize for not thinking  
5 to know better. I don't mean to be flippant about it.

6 [Multiple speakers]

7 PRESIDENT SCHENK: Yeah. Absolutely.

8 Director Mead.

9 MS. MEAD: I just am not involved in this at all on any  
10 committee.

11 PRESIDENT SCHENK: Oh, come on.

12 [Multiple speakers]

13 MS. MEAD: I would like to just state that I think that  
14 in the very structure of our work doing committee work where  
15 we can only have two people per committee and work being done  
16 and understanding that there are very often opportunities  
17 where items can land on a different committee, two or three  
18 different committees depending on the outcome of that.

19 As you said, Director Arabo, this might have been more  
20 about the revenue that's generated, et cetera.

21 I just really appreciate the conversation. And number  
22 one, that you raised it for us. And two, the camaraderie,  
23 with which this is going to be resolved and suggested for the  
24 future. Thank you.

1           PRESIDENT SCHENK: I appreciate those.

2           MS. BARKETT: Can I say one more thing? I just want to  
3 say I think it's very important that the committees that are  
4 designated for their work you know actually see it and  
5 actually work on it. I don't think anything should come  
6 before us that hasn't gone to committee first. I think  
7 that's very important and we need to stick by those rules.  
8 And maybe it's a time issue, maybe we need to be a little bit  
9 more organized in getting things on the agenda or whatever.  
10 That's a biggie for me. It needs to go to the committee  
11 first. This was a -- I didn't think there would be a  
12 problem. And I didn't know your answer. So it was one of  
13 those things where I should have checked with you too. So my  
14 apologies.

15           MR. GELFAND: So in that regard, we have our bylaws and  
16 Robert's Rules of Order. I don't think --

17           PRESIDENT SCHENK: We also have Bagley-Keene thrown into  
18 the mix.

19           MR. GELFAND: And we have all kinds of timing  
20 requirements built into all that. But I don't think our  
21 policies address this directly, but from a Robert's Rules of  
22 Order standpoint, it would be the president who would assign  
23 things to the committees, right? So you get recommendations  
24 I imagine from Carlene because she's probably going to know

1 the timing constraints better than anyone, but ultimately it  
2 would be the president's decision in terms of where to  
3 designate the topics to go to committee. Is that your  
4 understanding of how things work?

5 PRESIDENT SCHENK: Well, sort of. It's in conversation,  
6 again, because of all the topics that we or reasons it's  
7 Bagley-Keene more than anything that puts us sometimes on the  
8 dark side of the moon. So I do have to rely, and I'm not  
9 creating any criticism. It's just if I don't know about  
10 something such as we heard a speaker today about Premier. If  
11 we don't know about it, it's hard to assess.

12 MR. GELFAND: That's true. Because of Bagley-Keene, you  
13 might not even know about something.

14 PRESIDENT SCHENK: Exactly.

15 [Multiple speakers]

16 MR. GELFAND: And the only person in the middle of it who  
17 does is Carlene.

18 PRESIDENT SCHENK: But we do talk. And so you know, that  
19 is important for the chair to be able to engage. And that's  
20 why I said I'm sorry I didn't do something in accordance with  
21 that. I can't have a serial conversation with the Board, and  
22 I won't, and so that's -- [multiple speakers]

23 PRESIDENT SCHENK: Sometimes we end up where we are in  
24 these. It's not ill-will or bad intentions, it's just I got



1 to answer to people up in Sacramento. And we try to follow  
2 the rules very, very carefully, and mindfully. So that's  
3 part of what is going on here. We do need to move forward.  
4 If there's any further discussion, I'll entertain that.

5 MR. ARABO: I appreciate everyone's comments. And I just  
6 want everyone to see from my perspective. It wasn't brought  
7 to our committee. It was asked to be put on the agenda. I  
8 said no because I want our committee to vet everything before  
9 we bring it up. I want to vet it before we put it up. And  
10 then I show up, it's the same item under a different  
11 committee as an action item. So just that [multiple  
12 speakers] it was rejected.

13 MR. GELFAND: It looks worse than maybe it is.

14 PRESIDENT SCHENK: But mindful of the thoughts that you  
15 shared.

16 All right. If there's nothing else, I'm going to ask  
17 that we take -- I'm not going to call the question because  
18 that raises whole other things. Is there any further  
19 discussion? All right, none.

20 We'll take roll.

21 MS. O'LEARY: President Schenk.

22 PRESIDENT SCHENK: Aye.

23 MS. O'LEARY: Vice President Gelfand.

24 MR. GELFAND: Aye.

1 MS. O'LEARY: Vice President Rowland.

2 MS. ROWLAND: Aye.

3 MS. O'LEARY: Director Arabo.

4 MR. ARABO: No.

5 MS. O'LEARY: Director Barkett.

6 MS. BARKETT: Aye.

7 MS. O'LEARY: Director Blair.

8 MR. BLAIR: Aye.

9 MS. O'LEARY: Director Mead.

10 MS. MEAD: Aye.

11 MS. O'LEARY: Director Mosier.

12 MR. MOSIER: Aye.

13 MS. O'LEARY: Director Nejabat.

14 MR. NEJABAT: Aye.

15 PRESIDENT SCHENK: Well, I appreciate the very frank  
16 discussion and help for future assessment of motions and  
17 committees assignments for those.

18 All right. We're going to move on to item 7B.  
19 Consideration and vote on whether to delegate authority to  
20 the chair to approve the competitively bid contract for the  
21 grandstand fire watch services and to have reported back on  
22 the District's Board Of Directors at the next regularly  
23 scheduled and noticed district board meeting. But I'm not  
24 going to do that because it's no longer necessary. We are

1 very happy to announce that we passed the final inspection  
2 yesterday for the grandstand fire panel. And we are no  
3 longer under fire watch. [multiple speakers]

4 PRESIDENT SCHENK: Thank you. So there is no action  
5 necessary on this. No longer the urgency in approving a  
6 contract. But I do recognize that we posted the item. And  
7 so we do have opportunity for public comment if one feels it  
8 appropriate to speak to what we've been able to achieve. If  
9 not, I'm happy to move forward. Is there anybody from the  
10 public?

11 MS. MOORE: Yes, we are still moving forward with an IFB,  
12 so we have this on-call service in the future should we need  
13 it. There isn't the urgency to have that in place by when  
14 the contract you previously approved would have expired April  
15 30<sup>th</sup>, so to have that before the next meeting.

16 PRESIDENT SCHENK: Anybody else who wishes to speak to  
17 this either in-person?

18 Ms. Cartmill, you are also on 7-B. Do you still wish to  
19 hear from us, or speak to us rather?

20 JANE CARTMILL: No.

21 PRESIDENT SCHENK: All right. Thank you.

22 All right. We're going to move onto 7-C, DMTC Liaison  
23 Committee report. Information only. And the report can be  
24 found on pages 53 to 61.

1 I will recognize DMTC Liaison Chair Director Arabo for  
2 the verbal report. Thanks, Director Arabo.

3 MR. ARABO: Thank you very much.

4 The DMTC Committee, we met with Director Barkett and  
5 DMTC and our CEO Carlene Moore. We had a really good  
6 meeting. We met with Premiere. The gentleman flew out. And  
7 we mentioned about how they do a really good job during  
8 opening day and Pacific Classic and Breeders' Cup but we felt  
9 that they could do a better job during the normal days  
10 Thursday to Sunday. We mentioned to Premier that we looked  
11 for opportunities where we could improve our food and  
12 beverage offering. We can drive more revenue, more  
13 experiences and so on. Their report is in the packet at page  
14 53 to 61, including some horse racing industry news.

15 We also were brought up to speed about Northern  
16 California racing and we got a commitment from DMTC that if  
17 they fix all the issues hopefully maybe this would be a  
18 brighter future for the industry. The committee does remain  
19 pretty bullish on horse racing, especially in Southern  
20 California.

21 Since then we've also did a meeting, the Race Track  
22 Leasing Commission also met. I'm sorry. I said that.

23 So overall, we had a really good DMTC Committee meeting.

24 I don't know if Director Barkett wants to add anything.

1 And also there's a typo, Director Barkett.

2 And page 53, opening day is July 18<sup>th</sup>, not June 18<sup>th</sup>. So  
3 we're excited that we're going to have a three-day opener  
4 this year. It's going to drive a lot of revenue for the  
5 district, for DMTC. And our number one thing that we're  
6 focused on is safety, safety, safety. We want to be the  
7 safest race track in North America.

8 PRESIDENT SCHENK: I'm glad it's not June 18<sup>th</sup> because  
9 that kiddy ride in... would not be a fun place for the  
10 children.

11 Okay. Director Barkett, anything?

12 MS. BARKETT: That was it.

13 PRESIDENT SCHENK: All right.

14 MS. BARKETT: Thank you.

15 PRESIDENT SCHENK: All right. I will now entertain –  
16 well, any questions from the Board first? None.

17 I'll entertain public comment. Anyone from audience  
18 present who would like to speak. We're on 7-C.

19 MARTHA SULLIVAN: Martha Sullivan from Imperial Beach  
20 once more.

21 I want to share with you a report from the Sacramento  
22 Bee in late March, quote, Live Thoroughbred Horse Racing Will  
23 Not Return To The California State Fair In 2025. Cal Expo  
24 officials Friday ending a tradition that dates back more than

1 170 years. While Cal Expo described its choice as painful,  
2 it is in line with a broader decline in the sport across the  
3 state. Golden Gate Fields, once the region's premier track,  
4 shut down in June after 83 years amid financial losses and  
5 scrutiny over horse safety. The Albany track has long drawn  
6 criticism for being the deadliest in the state with multiple,  
7 race-related horse deaths reported annually.

8 At the Big Fresno Fair, at least three horses died last  
9 year from race-related injuries, further fueling public  
10 debate over animal welfare in the sport, which has been an  
11 industry struggle in the state since Governor Gavin Newsom  
12 signed a bill to temporarily suspend racing licenses in 2019.  
13 The move by the legislature followed a string of thoroughbred  
14 deaths at Santa Anita Park in Altadena.

15 Beyond safety concerns, the racing industry has  
16 struggled with rising operational cost, dwindling attendance  
17 and reduced purse prizes, the 2024 Golden State Racing meet  
18 in Pleasanton which was supposed to revive Northern  
19 California racing failed to meet expectations and operated at  
20 a loss according to the Daily Racing Forum. Talks for a  
21 summer meet at the Alameda County track collapsed earlier in  
22 March. The newspaper reported after investors in Southern  
23 California horse caretaker stall over terms. Martinez said  
24 Cal Expo is exploring new ways to honor its equestrian

1 heritage which began in 1854 when the State Fair's first live  
2 racing -

3 MS. O'LEARY: Ms. Sullivan, your time is up.

4 MARTHA SULLIVAN: -- in San Francisco.

5 PRESIDENT SCHENK: Thank you very much.

6 Anybody else from the audience who would like to speak  
7 on 7-C?

8 CHAUN REYNOLDS: Chaun Reynolds.

9 PRESIDENT SCHENK: Good afternoon.

10 CHAUN REYNOLDS: From a recent Daily Racing Forum report.  
11 New tariffs announced by the administration of President  
12 Trump are likely to lead to significant but refundable bond  
13 payments for horses imported into the United States from a  
14 variety of countries for racing or breeding. Current import  
15 regulations differentiate between livestock that is which is  
16 for sale and that much is imported for competition which is  
17 defined by the length of stay. A horse that does not change  
18 hands while in the U.S. for less than a calendar year is  
19 classified as being imported on a temporary basis and subject  
20 to a bond rather than a tariff. However, while no tariffs  
21 apply to those horses in the past, the new tariff structure  
22 is going to require the importer of the horse to post a bond  
23 when the horse is imported. With the value of that bonds  
24 based on the tariff rate for the country, according to Mays,

1 who cautioned that the NTRA has not yet gotten clear guidance  
2 from the Trump Administration on these policies. The bonds  
3 are refundable when the horse returns to its home country.  
4 The language for the value of the bond requires a payment for  
5 twice the tariff rate from the origin of country. So for a  
6 horse imported from Japan, to run in the Breeders' Cup World  
7 Championship Race, the bond is going to be 48% of the horse's  
8 value at the time of importation. Twice the 24% general  
9 tariff rate said to go into effect April 9th. For countries  
10 within the EU, which includes Ireland where the post April  
11 9<sup>th</sup> tariff is 20%, that bond is going to be 40% of the  
12 tariff. For Australia and Great Britain where the tariffs  
13 rate after April 9<sup>th</sup> will remain 10%, the bond will still  
14 only be 20% of the value of the horse. The value of the  
15 horse is typically determined by the importer at the time of  
16 importation but those values can be audited. I suspect this  
17 will lead to a lot fewer horses being brought into your  
18 Breeders' Cup.

19 PRESIDENT SCHENK: Thank you very much for your time.

20 Anybody else in the audience who would like to speak to  
21 us?

22 JIM COLEMAN: Good afternoon, directors. My name is Jim  
23 Coleman. I signed up online but this is important enough  
24 that I wanted to come in person.



1           Thoroughbred racing isn't just a thrilling sport, it's a  
2   powerful economic engine for our local business community.  
3   Every race day brings more than just horses to the track, it  
4   brings people. Visitors, fans, trainers, owners, and they  
5   all spend money locally at our restaurants, hotels, shops,  
6   gas stations. And that means more revenue for small business  
7   and more jobs for our local workers. Beyond tourism, racing  
8   supports a wide range of industries. Our local farms breed  
9   and raise the horses. We have feed suppliers, veterinarians,  
10  blacksmiths, equipment retailers that all benefit from the  
11  racing ecosystem. Evening print shops, event planners,  
12  transportation services feel the positive impact. Let's not  
13  forget the community events and fundraisers that are tied to  
14  race meets. And these events create opportunities for local  
15  vendors and nonprofit to partner, to build partnerships with  
16  stronger ties between the DMTC and our neighborhoods. So  
17  when you see a race on the calendar, know it's more than just  
18  a sport. It's a boost to our economy. A driver of local  
19  pride. And a win for our business community. Thanks for  
20  your support.

21           PRESIDENT SCHENK: Thank you, sir.

22           Is there anybody else physically present who would like  
23  to address the Board on item 7-C?

24           All right.

1 I'll go to --

2 MR. GELFAND: Will I have an opportunity to address this  
3 issue also?

4 PRESIDENT SCHENK: Yes.

5 MR. GELFAND: Okay.

6 PRESIDENT SCHENK: All right.

7 Jane Cartmill.

8 Just so that we keep this moving along, Mr. de la  
9 Torre, please be ready to you up right afterward.

10 JANE CARTMILL: Am I to begin now?

11 This is Cartmill.

12 PRESIDENT SCHENK: Yes. Please.

13 JANE CARTMILL: My comment is from the Thoroughbred Daily  
14 News. Recent deep dive entitled, Why We Are Where We Are  
15 Part One, How We Got Here. Quoting, any quest to understand  
16 the larger picture must acknowledge the raw numbers in  
17 racing's great rise and fall. In Kelso's second championship  
18 season 1961 a total of 40,744 individual thoroughbred races  
19 were contested at race tracks across the U.S. Over the next  
20 26 years, the annual total of races nearly doubled reaching  
21 80,382 in 1987. Then began a 37-year descent of more than  
22 60% from the peak down to 30,852 races in 2024. The decline  
23 in horse racing share of the sports gambling market has been  
24 just as striking. In 1961, racing with its government

1 granted monopoly commanded substantially all of the legal  
2 betting in the United States outside of Nevada. Sixty-three  
3 years later 2024's total of parimutuel wagering on horse  
4 racing in the United States was \$11.3 billion. That amounts  
5 to less than 8% of the year's all sports handle of \$150  
6 billion. Boxing is alone among the major sports of the mid-  
7 20<sup>th</sup> Century to have declined as much or even more than horse  
8 racing. This avalanche of competition from pro leagues does  
9 not account for college sports where teams engender  
10 passionate state and local followings and where NCAA football  
11 and basketball command billion dollar contracts from  
12 broadcast and streaming networks. Overall, there is this  
13 inescapable fact, fans who might once have favored horse  
14 racing, now given such an enormous volume of choices have  
15 elected to attend, support, bet on, cheer, jeer --

16 MS. O'LEARY: Ms. Cartmill, your time is up.

17 JANE CARTMILL: -- with competitors and many other  
18 sports.

19 PRESIDENT SCHENK: Thank you very much for your time and  
20 your comments

21 Mr. De la Torre, are you prepared to offer your public  
22 comments?

23 OSCAR DE LA TORRE: Yes, I am. Hello, members of the  
24 22nd DAA. My name is Oscar de la Torre. I have the

1 privilege of working with the hundreds of backstretch workers  
2 and their families who depend on the viability and success of  
3 live horse racing in California.

4 As we're all aware, live horse racing has ceased to  
5 operate as a Northern California horse racing circuit. The  
6 closure of racing in the north has created significant  
7 challenges for all stakeholders there but the consolidation  
8 to a single racing circuit in Southern California provides a  
9 lifeline, albeit an imperfect lifeline for hundreds of  
10 horsemen and backstretch workers who can make the transition  
11 to the Southern California racing circuit. I want to  
12 acknowledge the work of the South Stabling and Vanning  
13 Committee, which the DMTC is a voting member of who agree to  
14 pick up the cost of stabling and training and round-trip  
15 transportation costs from Pleasanton to Santa Anita for 200  
16 plus horses and the workers that care for these horses.  
17 These workers who transition to the south are extremely  
18 appreciative for the opportunities to continue their  
19 profession and receive the salaries, housing and healthcare  
20 benefits in this industry. DMTC's commitment to provide free  
21 meals for these workers is also very much appreciated.

22 This transition has been difficult but the support we  
23 received from industry leaders including DMTC has brought  
24 some stability for workers during these very chaotic times.

1 We all need to pull together to improve conditions for all  
2 stakeholders involved especially the backstretch workers who  
3 are the foundation of California's horse racing industry.  
4 Thank you very much.

5 PRESIDENT SCHENK: Thank you, sir.

6 I think that completes the public comment.

7 Director Gelfand, do you want to address the subject?

8 MR. GELFAND: Yeah. We've heard the past year about the  
9 closure of different race tracks in California. In the past  
10 we've heard about the sort of critical mass that it takes to  
11 continue horse racing in California in terms of the number of  
12 tracks that are open, the number of horses that are attracted  
13 as a result of that. And as a member of the Finance  
14 Committee, I'm very much aware of the extent to which horse  
15 racing impacts the budget of the DAA. So and I'm personally  
16 not in a position to have any sense of the future of horse  
17 racing in California. And whether it is going to exist five  
18 or 10 or 20 years from now. But in terms of our fiscal  
19 responsibility as Board Members I would like to have periodic  
20 updates from the DMTC committee, the members as well as the  
21 executive director, GM or whatever of the DMTC. And I would  
22 like them to provide us with an objective assessment of the  
23 future of horse racing so that we can plan appropriately for  
24 the fiscal health of the DAA.

1           PRESIDENT SCHENK: It's fair enough.

2           Anybody else wish to address that?

3           MR. ARABO: I wholeheartedly agree with you. We're happy  
4 to do that and every meeting we could have DMTC present. Our  
5 committee feels very strongly about Southern California horse  
6 racing. And we feel that if Northern California in 2025  
7 could fix their issues, they could be back in 2026. We don't  
8 see the industry faltering, we see it surviving and actually  
9 thriving. However, I definitely do, and I hear what you're  
10 saying and I will want to get figure out our blind spots to  
11 make sure we don't have any. And we want to be very  
12 cautious, cautiously optimistic. I know last year the DMTC  
13 gave the district around \$9.4 million so they're very  
14 important to our district.

15           MR. GELFAND: I don't think we need it every month, but  
16 twice a year, and you know, three times a year or something.

17           MR. ARABO: And I invite any, not just comments but  
18 criticism or you know, different ideas from other Board  
19 Members for us to study. We definitely want to get to the  
20 bottom of this and see do we have any blind spots or not.  
21 We'd like to get to the bottom of it.

22           MS. BARKETT: So, I have one suggestion also, Michael,  
23 for your committee. That you invite the major stakeholder,  
24 which is DMTC, to be on it, which you can do. And because --

1 MR. GELFAND: To the Finance Committee?

2 MS. BARKETT: Yes.

3 MR. GELFAND: Good idea.

4 MS. BARKETT: That will give you a clear picture of you  
5 know what's coming.

6 MR. GELFAND: Good.

7 MS. MEAD: I just love that idea as well, but I also  
8 believe that you are also the chair of the strategic planning  
9 committee. And so this goes both ways in terms of informing  
10 us for both the shorter term, in terms of our fiscal  
11 responsibility, but also long-term planning. So thank you  
12 for raising this.

13 PRESIDENT SCHENK: Thank you all for your comments and  
14 input.

15 Director Arabo, we're back to you on item 7-D, to report  
16 on the State Race Track Leasing Commission and Del Mar Race  
17 Track Authority meetings.

18 MR. ARABO: Great. Thank you very much for that.

19 We have had a great meeting for the Race Track Authority  
20 and the Leasing Commission. We decided -- the Commission met  
21 and decided not to pursue a refinance or restructure of the  
22 authority bonds 2025 given the expectation for no future  
23 turbo payments as well as savings and rising and market  
24 rates. The Commission, we also voted to amend the JPA

1 authority to clarify -- the information is on page 62 and  
2 page 63 in your packet. Couple things I want to really  
3 highlight and point out. I'm very grateful for the Race  
4 Track Authority members, Commissioner Mead and Commissioner  
5 Barkett and directors. Actually, they voted and asked me to  
6 be the president of Race Track Authority again this year and  
7 I accepted. And thank you for your support and your vote of  
8 confidence to make sure that we'd never let you down.  
9 Hopefully, we might have another meeting this year the Race  
10 Track Authority we're trying to time it where there is a live  
11 meeting.

12 Couple items we want to mention that the Commission and  
13 the Authority voted on and that is honoring the board members  
14 who served before us and the current board members and the  
15 future board members. It's very important that you know we  
16 say it all the time, we're volunteers. We put a lot of hours  
17 and effort and passion into making this place a better place.  
18 I think it was important to us to recognize all the board  
19 members who came before and then creating a plaque of  
20 everyone's names including the great governors of our state,  
21 and for the commission, as well as the Race Track Authority.  
22 I believe it was two different plaques, which will be  
23 privately funded. I've offered to help and so did Director  
24 Mead and Director Barkett to support it and hopefully to get



1 it done. We're hoping that we're going to unveil it on  
2 opening day and the installation of one of them will be by  
3 the Breeders' Cup. And this will be something hopefully may  
4 be in the -- we still have to go to possibly the Board of  
5 Directors' room, that could be a good spot. We're going to  
6 pick a place to install these plaques and really to honor all  
7 the great work the people before us have done and the people  
8 in the future will do. And it was a really good meeting.  
9 I'm really happy and proud of our fellow colleagues. And  
10 that's -- we're also looking at the possibility of if the  
11 Race Track Authority or the commission would need a ticket  
12 policy. We really want to encourage, really want to  
13 encourage directors to attends to bring your colleagues and  
14 bring folks to see what this industry is about. And I want  
15 you to hear the good and the bad and try to see for yourself  
16 the good and the bad and you be the judge. So we encourage  
17 that and we're looking at that as well. And we've authorized  
18 Commissioner Michael Flores from Food and Ag to work with our  
19 CEO Carlene Moore. We're excited to have these plaques up.  
20 You know I'm surprised it's taken -- we haven't done it in  
21 the past but I'm happy to move forward. It was on the agenda  
22 action item, unanimously approved on both Commission and the  
23 Race Track Authority.

24 PRESIDENT SCHENK: But not to this Board?

1 MR. ARABO: Not to this Board.

2 PRESIDENT SCHENK: Well, the reason I ask is because if  
3 we're asking any staff to take action, I won't approve -- I  
4 wouldn't recommend approving anything that requires staff to  
5 put in their time unless the Board approves that first.

6 MR. ARABO: Well then we could -- I'm glad you said that.  
7 At the next meeting, we'll have not our staff, we'll have  
8 someone else do it. We don't need -- [multiple speakers]

9 PRESIDENT SCHENK: No, I'm not suggesting otherwise. But  
10 I'm just saying if we're going to ask staff, I want to know  
11 the time involved and cost. Because it's not in our budget.

12 MR. ARABO: Sure. Well, then I'm glad you brought that  
13 up because we don't need the staff.

14 PRESIDENT SCHENK: Okay.

15 MR. ARABO: The commissioners could do it themselves.  
16 We're going to privately pay for it.

17 PRESIDENT SCHENK: That's fine.

18 MR. ARABO: And we voted on it. And we're going to do  
19 it.

20 PRESIDENT SCHENK: Okay.

21 MR. ARABO: But so we don't need any resources from --  
22 because this is -- I'm giving the report of the Race Track  
23 Authority and the Commission. This is a different  
24 organization. You're just given the report about it.

1           PRESIDENT SCHENK: So you're reporting just -- not asking  
2 for the staff to take action.

3           MR. ARABO: Correct.

4           PRESIDENT SCHENK: Okay.

5           MR. ARABO: This is a report. This is not a request.  
6 It's a report.

7           PRESIDENT SCHENK: Okay.

8           MR. GELFAND: So I have a question about that.

9           PRESIDENT SCHENK: Sure.

10          MR. GELFAND: Because it impacts DAA property. You know,  
11 it just seems like it should be agendized and brought to the  
12 Board for consideration.

13          PRESIDENT SCHENK: Okay.

14          MR. GELFAND: You know.

15          PRESIDENT SCHENK: To that extent, I mean, yeah, I  
16 suppose.

17          [Multiple speakers]

18          PRESIDENT SCHENK: But I'm more concerned staff time, you  
19 know. And having to do things to -- by what you reported --  
20 and by the way, I think it's nice to acknowledge people but  
21 if you're talking about acknowledging, how far back does this  
22 go?

23          MR. ARABO: Well, there's two of them. One of them is  
24 from 1990 and one of them goes back to 1968. But I'm happy

1 if you could put it on the agenda for us as a board to talk  
2 about and discuss.

3 PRESIDENT SCHENK: Yeah, okay. And I'll put it on your  
4 committee to be able to identify, if there are any costs,  
5 staff time, and where it would go, what what's the  
6 recommendation so that if we, you know, if there's an issue  
7 about DAA property how best to locate it and would it be in  
8 the DMTC location or in some other location. I think that  
9 should be a part of the conversation.

10 MR. ARABO: Sure.

11 MR. GELFAND: Part of why I would love to hear the issue  
12 brought to the Board is it gets complicated. Like there's  
13 ongoing expenses as new board members come on, it has to be  
14 updated. There could be remodeling of the building, you  
15 know, and what are our responsibilities. You know, if --  
16 I've given money to nonprofits and had a brick or a plaque  
17 put on a wall, you know, and a typical question is, well, how  
18 long is it going to be there? Forever or guaranteed for 10  
19 years. You know, there's just the bunch of questions when  
20 you do something like this that ought to be addressed.

21 PRESIDENT SCHENK: Yeah, I mean, I applaud recognition.  
22 I would point out that you look around this room there's no  
23 plaques, no recognition of the 22nd DAA Board going back to  
24 the 1930s. So --

1 MS. BARKETT: But on the other hand we used to recognize  
2 on the wall with all the pictures.

3 PRESIDENT SCHENK: Of the current board.

4 MS. BARKETT: Of the current board, but not -- yeah.

5 PRESIDENT SCHENK: Yeah, not going back --

6 [multiple speakers]

7 PRESIDENT SCHENK: Yeah, so I think you know, if it was  
8 the current board recognizing the current board that's a no-  
9 brainer to me. But if you're asking people to go back and  
10 find people back to the 1960s, that might be a challenge.  
11 But if it's privately funded, we can have a conversation  
12 about that.

13 MR. ARABO: Privately funded. And it was agendized and  
14 discussed and vetted and approved.

15 MS. BARKETT: But I do think that's a point we really  
16 didn't think about. Because the facilities are owned by the  
17 DAA. So we, you know, that is absolutely a great point that  
18 I think we might have overlooked in the committee.

19 MR. ARABO: Yeah and we're happy -- we could bring it  
20 back to the May agenda because we're hoping to unveil it by  
21 opening day.

22 PRESIDENT SCHENK: Okay.

23 MR. ARABO: And there's other, a lot of people on the  
24 Board say -- I mean, Director Nejabat's on the Board of

1 Trustees. Maybe we ask what do the Board of Trustees do. I  
2 mean there's a lot of different agencies that, do they do  
3 this practice or do they not. I don't know do they?

4 MR. NEJABAT: [off mic] Yeah, I serve on other  
5 commissions... [off mic]

6 MR. RIVERA: Microphones please.

7 MR. NEJABAT: [off mic] ... it's a thing.

8 MR. ARABO: And the feedback I got from the Race Track  
9 Authority, they're very happy and the Commission. And  
10 Director Mead, if you could speak to it, or Director Barkett.  
11 I for one because I'm a newbie to this board, been a couple  
12 of few years now. I'm surprised it hasn't been done, honor  
13 the history. There have been people before us that put a lot  
14 of time in and no one knows who they are. That's  
15 unfortunate.

16 MS. MEAD: I'm happy just to comment that I just because  
17 we simply don't do it today doesn't necessarily make it  
18 right. I think I applaud the opportunity to acknowledge I  
19 think those that came before us and positioned us to be able  
20 to stand on their shoulders and have the successes. I do  
21 agree that at the point we have this discussion, we have no  
22 idea what the research amount time is and our CEO was asked  
23 to come back and try to calculate that amount of time. So it  
24 may be that we can go back a certain period where it's easy

1 to identify and less research back to 1998 or whatever the  
2 year is. But I think we left the meeting with the  
3 perspective of let's have an understanding that there's going  
4 to be some work involved, that there's going to be some  
5 decision-making involved and let's do some research and make  
6 the best decisions. And there is somebody who is assigned to  
7 work with our CEO.

8 The other thing I just want to point out is that Carlene  
9 is also the secretary. So many of us wear dual hats. And I  
10 do think that we have to really take that into consideration  
11 as we're looking at the sharing of facilities and services  
12 and support whether it's volunteer support or otherwise.

13 MR. GELFAND: So just to clarify my concern about this,  
14 committees have a certain set of responsibilities and the  
15 Board has a certain set of responsibilities. When something  
16 impacts DAA property, it doesn't seem to me that the  
17 Thoroughbred Club or any other committee of the board has the  
18 authority to make those decisions if it impacts DAA property.

19 PRESIDENT SCHENK: Unless -- it has to be in the contract  
20 that we have with the -- with the DMTC.

21 MR. GELFAND: Well, for example, the action that was  
22 taken by the committee I think could authorize the DMTC to  
23 have a plaque in the director's room during racing season but  
24 not beyond racing season because that's not consistent with

1 their lease of the facility. If it's beyond racing season,  
2 it seems to me it has to come to this board. And I'm not  
3 saying this because I'm against the concept, I'm just saying  
4 to keep authorities straight it seems like this issue should  
5 be put on the agenda.

6 PRESIDENT SCHENK: And all of those things will be  
7 topically discussed. Okay.

8 MS. ROWLAND: And I think in the long term, having  
9 clarity around it because if you don't, there's going to be  
10 some point where you reach an issue that's going to cause  
11 ill-will because it wasn't discussed in the beginning. And  
12 whether it's reconstruction, or what happens to where it gets  
13 placed after reconstruction, or who pays for -- you know, all  
14 those things just don't need to be a problem down the line.  
15 I don't want, you know, so it's good to have discussion.

16 PRESIDENT SCHENK: All right. Anything further before we  
17 go to public?

18 MR. ARABO: No, I think it's all good comments. We're  
19 hoping to have it to you by the May meeting, on the May  
20 agenda. Our committee will talk about it. And this wasn't a  
21 committee though, director, it was the agency, the Race Track  
22 Authority. So it's a totally different, it's not a subset of  
23 the DAA.

24 MR. GELFAND: No, but the same issue applies that agency



1 doesn't own the grandstand.

2 MR. ARABO: Right. So we could look at everything and  
3 see if we bring the plaque, the DAA could say you can't hang  
4 something up on my wall, I mean. So the operating agreement,  
5 it's the only, if I remember correctly, only the Director's  
6 Room is the shared part with the DAA during race meets. So  
7 then it would be on DMTC, the DMTC board could say no. And  
8 then we're really stuck with the only place we could put it,  
9 if we like to, would be in the Director's Room. But it's a  
10 discussion to have and I'm surprised it's taken this long to  
11 have it. I mean, a lot of people, like Director Mead said,  
12 did a lot of work before us. And no one knows who they are.

13 MR. GELFAND: Just as a side comment. It'd be kind of  
14 interesting if it was in a place that the general public  
15 could see as opposed to the Director's Room. You could argue  
16 to put it right at the entrance to the grandstands.

17 PRESIDENT SCHENK: All right, anything further from the  
18 Board?

19 I'm going to open it up to public comment regarding this  
20 topic of the race track, State Race Track Leasing Commission  
21 and Del Mar Race Track Authority.

22 MARTHA SULLIVAN: I commented on those two joint meetings  
23 last month. And I want to follow-up. During last month's  
24 joint meetings I made a formal request that the fairgrounds

1 add 10 days to the San Diego County Fair to replace the  
2 revenues generated by the Del Mar horse races to the 22nd  
3 DAA, which are used to pay the bonds for the early 1990s  
4 renovation of the grandstand. The owner of the Brigantine  
5 restaurant which overlooks the Del Mar race track in his  
6 public comment basically said in response to my request that  
7 the fair depresses local business because rich people aren't  
8 traveling into the fair to party as they do for the Del Mar  
9 races and particularly the Breeders' Cup. The City of Del  
10 Mar's median income is 88.5% higher than that of the county  
11 of San Diego. At almost 193,000 versus just over 102,000 for  
12 the county. Four of the top five communities or cities by  
13 medium income San Diego surround the Del Mar fairgrounds.  
14 Fairbanks Ranch, Rancho Santa Fe, Del Mar, and Solana Beach.  
15 In fiscal year '23, 30.1 million visitors to San Diego County  
16 spent a record \$14 billion generating almost \$350 million in  
17 local hotel and tourism taxes. In comparison, the City of  
18 Del Mar's tourism generated \$41 million in local and state  
19 tax receipts. So there's more than enough tourism dollars to  
20 replace the fraction convicted during 12 weeks of the Del Mar  
21 horse races in summer and late fall. Start planning now to  
22 replace the animal abuse based revenues of live horse racing  
23 which primarily benefit the already wealthy with those of  
24 additional San Diego County Fair days which benefit all of

1 San Diego County.

2 MS. O'LEARY: Ms. Sullivan, your time is up.

3 PRESIDENT SCHENK: Thank you, Ms. Sullivan.

4 Any other members of the public who would like to  
5 address this topic please?

6 CHAUN REYNOLDS: From the Thoroughbred Daily News, "Deep  
7 Dive, Why We Are Where We Are Part Three, Blessed Are The  
8 Survivors." So which race tracks are most likely to endure  
9 and prosper in the coming years. Here's a checklist of  
10 factors that affect the chances of survival one sports  
11 competition. How many other top level professionals sports  
12 are vying for fans in a track's local market. Two, gambling  
13 competition. How many casinos and other gambling outlets  
14 with no connection to the racing exist in the same market.  
15 Three, modern facilities. How long has it been since a race  
16 track's physical facilities were updated. Four, length of  
17 season. Does a track's racing season have a beginning and an  
18 end or is it forced to grind away for too many months through  
19 all manner of conditions, good and bad. Five, real estate  
20 values. Has a track's real estate value risen to the point  
21 where only not-for-profit ownership can resist the chance to  
22 cash out. Six, political clout. Does the horse racing have  
23 a productive relationship with its state government.

24 Per Jockey Club's 2025 factbook for California, purses

1 dropped 12.3% from 2004 to 2024. While the number of races  
2 dropped 48.4%. Starters dropped 45.5%. Starts dropped 51 -  
3 I'm sorry, 52.1%. And race trays dropped 50.3%. The average  
4 purse per race increased 70.1% while California wagering  
5 dropped 7% in 2024 following similar drops in the past few  
6 years. And reported purse deficits in the millions for the  
7 Santa Anita Park and Del Mar.

8 I've been in management in multiple different industries  
9 and if I had a store in my region that did not produce on  
10 average 2.5% growth year-over-year, I don't care how many  
11 employees were in that store, we closed it. We moved them to  
12 other stores. Now, I know that's not -

13 MS. O'LEARY: Sir, your time is up.

14 PRESIDENT SCHENK: Thank you, sir.

15 Ms. Cartmill, you're the next speaker if you'd like your  
16 2 minutes.

17 JANE CARTMILL: Well, I heard Martha Sullivan's request  
18 at the meeting last month and I second the request to add 10  
19 days to San Diego County Fair to replace the revenues of the  
20 Del Mar races. And that this option be considered by your  
21 Board, the State Race Track Leasing Commission and the Del  
22 Mar Race Track Authority. The 2024 San Diego County Fair  
23 provided 17.9 million in food and beverage revenues to the  
24 22nd DAA in under 25 fair days or about \$716,000 a day. At

1 February's 22nd DAA Board meeting the Del Mar Thoroughbred  
2 Club bragged about providing 6.1 million in food and beverage  
3 revenues to the DAA in 2024 in 47 race days or about 130,000  
4 a day. A stark difference. Let's just add 10 more days to  
5 the San Diego County Fair and stop risking and taking horses'  
6 lives for gambling in a demonstrably dying industry. No  
7 legitimate sport would tolerate the daily deaths of its  
8 athletes. I realize the DMTC operating agreement goes  
9 through 2030 but extending the fair dates is an option that  
10 could be considered in planning for that agreement's end and  
11 in case horse racing is no longer financially viable in  
12 California as is trending. It's simply practical business to  
13 plan an exit from U.S. horse racing. Thank you.

14 PRESIDENT SCHENK: Thank you.

15 Are there any other members of the public who wish to  
16 provide public comment on 7-D? All right. Seeing none,  
17 we're going to move on.

18 And the next item is 7-E, Fair Operations. This is an  
19 information only item so no action will be taken today. But  
20 it will be fun information. And we're now - we're now about  
21 two months away from the 2025 San Diego County Fair and a lot  
22 of plans in the making. But before we go on to that, I just  
23 to indicate that because of some scheduling conflicts the  
24 committee was not able to meet to provide materials in the

1 packet that was released. So before I recognize our CEO,  
2 Carlene Moore, to introduce our presenters for today I want  
3 to share some information from the committee.

4 Going to hold you there for a moment, Katie.

5 All right. Every year in May the committee meets with  
6 the leadership team to hear about the overall logistics plan.  
7 As Fair Ops chair, I began doing that more than 10 years ago.  
8 And we included the marketing, communications, and of course  
9 if not most importantly, public safety. So one of the  
10 changes the team is making this year is centralizing key  
11 aspects of operations into a command center. And  
12 additionally, we'll have contracted with consultants to  
13 review and update our emergency operating action plans for  
14 the fair and this process is ongoing.

15 We also have some important public relations activities  
16 on the horizon. And I hope you'll all be able to join us for  
17 that. First, we are hosting a joint media event with the San  
18 Diego Humane Society at the headquarters on Tuesday, April  
19 22nd at 11 a.m.. The event will highlight our theme  
20 partnership and our pet-related events and activities at the  
21 2025 fair. I hope you'll all be able to join us at the  
22 Humane Society.

23 And also want to make sure that you are all saving the  
24 date for our annual Paddock Preview event on Thursday, May

1 29<sup>th</sup>. This event is a huge opportunity to get a sneak peek  
2 at the food. Did I mention the food? Entertainment and the  
3 fun at fair.

4 So with that I'm now going to recognize, first, Carlene  
5 Moore to introduce the presentation for this afternoon.

6 MS. MOORE: And I'm also going to have Katie wait for  
7 just a moment before she really - [multiple speakers] -  
8 steals the show. Yeah, exactly.

9 Just a couple of things before you leave as board  
10 members today, in addition to some updates on entertainment  
11 that you're about to hear about, but we do have some of your  
12 branded apparel for you to pick up while you're here. We  
13 also then have your order forms for then submitting your  
14 ticket request for the grandstand show, The Sound shows as  
15 well. And we're asking for those back, if you recall, by the  
16 end of April, your request for tickets. And that way we can  
17 release any unclaimed tickets into the pool for the public's  
18 purchase.

19 And then in addition to that, on the order forms which  
20 will - so we've got a physical one for you to take with you  
21 and it will be sent out as well. But we also have our summer  
22 socials calendar on there. And this year we're having just  
23 prior to the summer socials, sort of Board and invited guests  
24 just prior to each one. So some more information coming out

1 that as well.

2 And so with that, Katie Mueller, our Chief Operating  
3 Officer who always has the fun stuff to show pretty pictures  
4 of. Thank you.

5 KATIE MUELLER: Good afternoon. Last month we, if you  
6 recall, we went on sale with our admission and parking and  
7 our grandstand and our Sound shows. So this month's report  
8 is another entertainment update. But this time we get to  
9 talk about what's included with your fair admission. Yeah,  
10 so then that is the Paddock Concert Series. So very excited  
11 to announce the artists for the Paddock Concert Series. This  
12 is a free show every night. We moved the start time to 9:00  
13 p.m. instead of 8:00 p.m. So those wishing to see both the  
14 grandstand and the Paddock shows will be able to catch both  
15 performances. So we have a headliner every night that we're  
16 featuring, opening with Ozomatli who is a Reggaeton group  
17 that we've actually had on our grandstand in the past. So  
18 this is a big opening night show. We've got a combination of  
19 our traditional tribute acts but also some up-and-coming and  
20 new acts. Strait County is a tribute to George Strait.  
21 Jesse Royal is a reggae performer. 24K Magic is for those of  
22 you who are Bruno Mars fans might recognize that song title.  
23 Sure Fire Soul Ensemble is a San Diego Music Award winner.  
24 And we're featuring a few of those local bands because they



1 have quite a local following. And that's a combination of  
2 funk and soul. The Arena Rock Show is just what it sounds  
3 like, big hair bands. For those of you, myself included,  
4 that remember those days. No Duh is a No Doubt tribute.  
5 Jake Shimabukuro, he is a ukulele player and kind of has the  
6 island vibe music. Matthew Phillips is pop, a pop star, but  
7 he's also a San Diego Music Award winner. We have The  
8 Evolution of Pop that kind of takes you, it's a show that  
9 sort of takes you through the '80s and '90s with some of the  
10 famous songs and bands of that era. The Long Run, we have  
11 the Eagles tribute. Jared Rogerson & Band are up-and-coming  
12 country act. The Expendables is also a reggae show. Forever  
13 Ray is a Ray Charles tribute. Dead Man's Party is an Oingo  
14 Boingo tribute. Michael Minelli is also an up-and-coming  
15 national act. And then Como La Flor is a tribute to Selena.  
16 And then for July 4<sup>th</sup> we have Toby, a tribute to Toby Keith  
17 who was a huge artist that performed for us I think three  
18 times to sell-out crowds, so looking forward to that. And  
19 then Long Beach Dub Allstars. They travel with, they perform  
20 with Sublime quite a bit. You may have heard of them. And  
21 then we'll round it out with Devotional which is a Depeche  
22 Mode Tribute on the last evening of the Paddock Concert  
23 Series. So really good shows. And they're all included with  
24 your fair admission.

1           We also have three matinee shows, these are on Fridays.  
2           And they'll be held this year, last year we had them at the  
3           Paddock Stage but this year they'll be on the Avenue Stage,  
4           which is a little more comfortable, has a lot more shade. We  
5           got that feedback. June 13<sup>th</sup> will be the Dreamboats, which  
6           is a doo wop group celebrating Motown. And then June 20<sup>th</sup> is  
7           Let's Get It On, a Marvin Gaye and Motown tribute. And then  
8           finally on the 27<sup>th</sup> will be Sixtiesmania, which is a tribute  
9           to the Beatles and other bands of that era.

10           And then finally, we sadly had announced last month that  
11           we had Marcelo Hernandez, who is a comedian from Saturday  
12           Night Live, we had him for two nights. We were so over-the-  
13           moon excited. But he sadly decided to accept a movie deal  
14           right after we had booked him. So we have replaced him with  
15           Tumua Tuinei. And he is a really popular comedian with the  
16           Pacific Islander group, especially. And so we're excited to  
17           announce him as a replacement. He'll be on Thursday, July  
18           3<sup>rd</sup>. We'll be promoting him as well as at our Asian and  
19           Pacific Islander Day. They're very excited about it. So  
20           check him out because it should be a really good show.

21           MR. GELFAND: That is a separately ticketed show?

22           KATIE MUELLER: That is a separately ticketed show, yes.  
23           That will be part of our Sound series. So anyways, that's  
24           kind of the updates for now. Ticket sales are going very

1 well. You are going to be seeing a lot of marketing coming  
2 out starting in May. That's when tickets will go on sale at  
3 Albertsons and Vons and you'll see our T.V. commercials  
4 around, you'll hear them on the radio. You'll see a lot more  
5 digital ads and that kind of thing. So things are going  
6 really well. You'll see our community banner programs  
7 popping up in communities near you. And we're just excited.  
8 This is a really fun theme, and we'll have a full report for  
9 the Board at the May board meeting.

10 MS. BARKETT: Thank you.

11 PRESIDENT SCHENK: Before we pass it on to [off mic] see  
12 if the Board if anyone has questions before she sits down.

13 KATIE MUELLER: Great. Thank you so much.

14 MS. MEAD: I just have a quick comment. And that is that  
15 of all the years I have to tell you I'm getting more comments  
16 this year about the theme. Everybody's really excited about  
17 this year's theme, so nice job.

18 MS. MOORE: Thank you. Well, Katie mentioned, and in  
19 terms of, you know, you're really going to start seeing a lot  
20 of the marketing things coming out right at the start of May.  
21 And one of those obviously a platform is social media. And  
22 so you'll be receiving an email from our Chief Communications  
23 Officer Tristan Hallman about an opportunity for you as board  
24 members to also participate in our social media campaign with

1 us. So some more information to come on that. And we hope  
2 that you will take us up on that offer.

3 PRESIDENT SCHENK: Thank you very much.

4 [off mic] I'll invite public comment on fair operations.  
5 I don't see anybody online. Is there anybody in the  
6 audience?

7 MR. RIVERA: Microphone please.

8 PRESIDENT SCHENK: I apologize.

9 I don't see anyone indicating an interest to speak on  
10 fair ops. My feelings are not hurt. But is there anybody in  
11 the audience who would like to address that? All right.  
12 Fair enough, so to speak.

13 All right. We'll move on to 7-F. The event ticket  
14 policy revisions. And this is another information-only item.  
15 The report can be found on pages 64 to 80.

16 But Carlene, would you like to provide more information  
17 on this and walk us through the changes in the policy which  
18 was first adopted in '09.

19 MS. MOORE: Yes. So as has been said, this is an  
20 information item. And it's meant so that there's an  
21 opportunity to provide feedback on the proposed policies for  
22 the Audit and Governance Committee to then meet with our  
23 council before returning next month to take action on. And  
24 then also just wanted to make a note additionally that Josh

1 Caplan said that if anybody has any specific questions they  
2 can reach out to him directly.

3 PRESIDENT SCHENK: All right.

4 MS. MOORE: And so with that, because there's a lot of  
5 information in your packet, I thought what we would do is  
6 just some of it is formatting and a clean-up of format in  
7 terms of the format we have now for our policies going  
8 forward. And so that I would just walk you through the red  
9 line version so that you are aware of then what is  
10 potentially significant changes that are just are proposed in  
11 it. And again this is just a draft policy. And this is from  
12 previous meetings and feedback that we've received plus  
13 additional research by our council.

14 So one thing is removing this reference to the  
15 California Code of Regulations title 2, section 18701 because  
16 apparently it does not apply to ticket policies. That's what  
17 that red line would be.

18 What's highlighted for you in these few slides in yellow  
19 is new language, additional language being put in. So  
20 defining the ceremonial role. It's actually defined in the  
21 Fair Political Practices Commission, the code of regulations.  
22 Adding that into the policy. As well as then the term face  
23 value was used several places throughout. Making that a  
24 defined term for understanding what that would mean. And

1 then, one of the more significant which we started on last  
2 fall is this expansion of because the policy was adopted in  
3 2009 and reviewed in 2011, it has not been updated since.  
4 And it was either in 2012 or 2013 that the Code of  
5 Regulations was updated to include the language that you see  
6 here highlighted in yellow, which is to provide for in  
7 essence officials so form 700 filers that do not have  
8 immediate family, meaning a spouse and/or minor children, the  
9 opportunity to have a ticket as well for a guest. Now, and  
10 all of these are for your personal reporting on Form 700s.  
11 Then it's different for or this definition does not limit you  
12 as a district official to only having tickets for your  
13 immediate family. But so adding that in. And there is four  
14 places in the policy where that is added in. And then there  
15 is some clean up here in terms of from agency head to ticket  
16 administrator. Agency head doesn't seem applicable to us as  
17 an organization. And then that the ability to delegate it  
18 such as the form 802 posting and things like that rather than  
19 having it so defined in the policy. And again, adding that  
20 information about immediate family. And this is flowing in  
21 order of the documents that you have in your packet. Excuse  
22 me, again, adding that language for those who don't have that  
23 immediate family as it is defined in the Code of Regulations.

24 And also too, because of information that was most

1 recently included in the FPPC's frequently asked questions  
2 document that was sent out with form 700 filers, also just  
3 really clarifying that when the district reports tickets on  
4 the 802. So if the district receives tickets and distributes  
5 those tickets or the district distributes tickets to the  
6 events that we promote. And we are reporting that on the  
7 form 802, which is posted on our website. Those tickets are  
8 not subject to further disclosure by 22nd DAA officials. So  
9 anybody who on your form 700 in claiming tickets that  
10 otherwise would be viewed as gifts. So this is really  
11 seeking to really clarify that. It was in there but you had  
12 to read and like three to four places and ask for  
13 interpretations. So hopefully some clarity in that as well.

14 And with that, that kind of just takes through again  
15 just the proposed changes. And so, if anybody has had an  
16 opportunity to review and has feedback at this time or  
17 consent those comments and things, so again, can be shared  
18 with the Audit and Governance Committee and counsel prior to  
19 our May board meeting.

20 PRESIDENT SCHENK: All right. So I'm going to open it up  
21 for discussion amongst the Board if anybody has questions to  
22 staff.

23 Director Arabo.

24 We'll start going around this way.

1 MR. ARABO: Thank you.

2 I have a question. And I think more of as a protocol.  
3 This is Audit and Governance Committee. So did this document  
4 go to the Audit and Governance Committee, the committee met,  
5 and this is what the committee is thinking about for us, for  
6 information, and it goes back to the committee? Or has the  
7 committee met for the specifics?

8 MR. NEJABAT: No, I actually requested to meet last week  
9 prior to this being circulated because I thought it would be  
10 more beneficial for the committee to meet on it beforehand.

11 MS. MOORE: Well, and just to clarify. The committee did  
12 meet on this this last fall, which is the last time that we  
13 brought it forward. And that's why it is also not listed  
14 under the Audit and Governance Committee in terms of it being  
15 an information, and for basically resparking that  
16 conversation for input so that it can be an action item at  
17 the May meeting because we're in the process of distributing  
18 tickets. So it's just kind of been tabled for these months  
19 and hadn't been addressed.

20 MR. ARABO: Yeah, but is it an Audit and Governance  
21 Committee item, or is it general? Is it in their purview?  
22 That's my question.

23 MS. MEAD: It will be. So it came to us with a packet of  
24 policies last fall. We acted -- opted not to address this



1 one at this time, to come back. So it's coming to you for  
2 comment and then it will come back to our committee.

3 MR. ARABO: Got it. So the Board will still wait for the  
4 committee and then we'll see it. Okay.

5 PRESIDENT SCHENK: Thank you.

6 Any other questions or comments?

7 MS. BARKETT: I just have a grammatical, and it's on page  
8 68, 2 point -- oh sorry. Wait a minute. I changed page -  
9 sorry. Page 70, 4.4. The agency had the ticket  
10 administrator and his or her, there's "their," it should be,  
11 right? His or her?

12 [Multiple speakers - off mic]

13 MS. MOORE: Yeah. It has been recommended from counsel  
14 that we strike "his or her" and replace it with "their."

15 MS. BARKETT: Okay.

16 MS. MOORE: Throughout the - and that's throughout the  
17 document.

18 MS. BARKETT: Okay. Throughout the document. I was just  
19 wondering.

20 MS. MOORE: So I believe there are, my recollection is I  
21 think there is four or five places with "his or her" is  
22 scratched to "their."

23 PRESIDENT SCHENK: Your fifth grade teacher be damned.

24 MR. MOSIER: This has nothing to do with gender, right?

1           PRESIDENT SCHENK: Yeah, pronouns but not gendered.

2     Right.

3           MS. BARKETT: It's just grammatically singular to plural.

4           [multiple speakers]

5           PRESIDENT SCHENK: That's why I said your 5<sup>th</sup> grade

6     English teacher may not appreciate it.

7           MS. ROWLAND: [off mic] he/she all over the place or

8     "their."

9           PRESIDENT SCHENK: Yeah. There should be an ADA issue

10    with regard to opening -- [multiple speakers] [off mic]

11          MS. BARKETT: And then my only -- I do have one another

12    recommendation. So if the committee could look at this.

13    Because I think it's, you know, it's confusing. And maybe

14    it's the red line that's confusing. You know what I mean?

15    Because you're - yeah, you're going back and forth. So maybe

16    if you could just see if we can make it a little tighter and

17    very clear. Because I think that's -- yeah.

18          MR. NEJABAT: Yeah, I think that's part of the reason we

19    wanted to meet, to make it clear and promote board

20    engagements at all events, not just one or two.

21          MS. BARKETT: Exactly. Perfect. Thank you.

22          PRESIDENT SCHENK: We're going to go --

23          MR. ARABO: Yeah. Sorry. I forgot to mention, if we're

24    taking recommendations now to the committee, one would be I

1 remember the FPPC meeting, they said whatever the agency  
2 votes into policy, we'll adopt it. And I've always been a  
3 big advocate for participation to get more people to drive.  
4 Hopefully, we could strike that balance.

5 I also do think the Board is uniquely positioned where  
6 we only have one employee, which is the CEO, everyone else is  
7 -- so the one administering should not be the employee of the  
8 Board because of potential conflicts of interest. So just be  
9 mindful of that. Who would it be and what and where. And  
10 hopefully could create a really good ticket policy that  
11 promotes engagement, but striking the balance.

12 PRESIDENT SCHENK: Michael, did you want to?

13 MR. GELFAND: I have a question.

14 [off mic]

15 MR. GELFAND: Question and comments. All of this policy  
16 is set within the context of state regulations. And in, I  
17 don't know if it's -- you are getting rid of the item  
18 numbers? Because they are crossed out, but what was 3.1 for  
19 example.

20 MS. MOORE: Yes. So that's part of the format clean up  
21 to our current formats, but yes.

22 MR. GELFAND: So what was 3.1. The use of complementary  
23 tickets is a privilege extended by the District and not the  
24 right of any person to which the privilege may from time to

1 time be extended. So is that a function of state law or  
2 requirements? Because from my perspective as a member of the  
3 Board, it's a volunteer job, there is no compensation. Why  
4 not allocate me a certain number of tickets. Not that I can  
5 resell but that I can use for myself or friends or family  
6 members. And when I say, "family members," it could be a  
7 distant cousin. Why limit it to just this? Is it there a  
8 regulatory constraint or is it just a decision we as a board  
9 are making?

10 MS. MOORE: And I think that's a really great question  
11 that I think we can take back to counsel. But I do -- one  
12 thing I want -- there are two aspects two tickets that you  
13 receive as Board Members. There is what are considered your  
14 personal tickets, which is for you and immediate family  
15 members. And then, and this policy already addresses it,  
16 that there are tickets to the various events. And whether  
17 it's things that take place at the fairgrounds or any other  
18 tickets that we might receive as the district that can be  
19 distributed to district officials which are form 700 filers.

20 And so that's where whether it's going to the Good Guys  
21 Show, for example, that was this weekend. Or if we were to  
22 receive tickets let's just say to a Padres game, that those  
23 can be given out and those purposes are specified in here for  
24 business development, public relations and so forth. That's

1 the list that you will find on page 70 and 71 of your  
2 packets. But to really answer your question in terms of on  
3 the language on 3.1 is a question I think for [multiple  
4 speakers] --

5 MR. GELFAND: For example, in past years, there is a  
6 certain number of fair tickets that we received And as far as  
7 I knew we could give them to anyone we wanted.

8 MS. MOORE: Yes.

9 MR. GELFAND: We didn't have to go to it the fair with  
10 them or whatever.

11 MS. MOORE: Right.

12 MR. GELFAND: I don't think this policy as drafted  
13 address that kind of potential.

14 MS. MOORE: Actually, that is. It's the conditions under  
15 which tickets may be distributed to you as officials, and  
16 there's items A through L.

17 MR. GELFAND: It's the like promotional notion.

18 MS. MOORE: Economic or business development. That is,  
19 it's the good -- so the economic or business development, the  
20 public relations and so forth.

21 MR. GELFAND: Okay.

22 MS. MOORE: Which is -- [multiple speakers]-

23 MR. GELFAND: What I'm suggesting, if it's legal, is that  
24 you allow us even more leeway and latitude. Because for

1 example, I've had my grandson come to the fair with a bunch  
2 of his fellow 8-year-olds. I can't really legitimately argue  
3 that that's a business development purpose but I would like  
4 to be able to do it. And I certainly wouldn't want to be  
5 criticized for having done it. I think that's a concern.  
6 And it's not just the fair, it's racing if you were into that  
7 or The Sound or whatever it is, it seems like there should be  
8 more latitude than this as drafted or tensed, so that's my  
9 first concern.

10 Then in what was 4.2 and the authority of the ticket  
11 administrator, Director Arabo kind of raised the question of  
12 who that ought to be. But the establishment of procedures  
13 for the distribution of tickets into a policy I think makes  
14 sense. But then the implementation, because there could be  
15 the potential depending on who is doing it for favoritism in  
16 terms of how tickets are distributed. So there ought to be  
17 some sort of mechanism that provides or encourages  
18 transparency. You know, maybe at the end of the year or  
19 whatever there's a list of how tickets actually got  
20 distributed or I don't know. But there should be some form  
21 of transparency attached to that authority.

22 And what was 4.4, the ticket administrator has in their  
23 sole discretion and that's "their," not "his or her,"  
24 discretion. They can revoke or suspend ticket privileges.

1 Okay, for how long? And you know, how does that process  
2 work? Because maybe I think I distributed a ticket  
3 appropriately and the administrator doesn't think so. What's  
4 -- is there an appeals process, I don't know. I know this  
5 gets absurd after a while but it's an issue. That's it.

6 PRESIDENT SCHENK: All right.

7 MS. BARKETT: Speaking of latitude, too. I wanted to  
8 say, you know - sorry. Thank you.

9 Speaking of latitude, it's the ripple effect that you  
10 have when you give these tickets out. Taking somebody to The  
11 Sound who didn't even know it existed to be honest. And I  
12 hear that more and more, I didn't even know this existed.  
13 And you know, now they are hooked. And that's what happens.  
14 And that's our job here. One of our jobs. Exposure,  
15 exposure to the community. And so that goes hand in hand  
16 with latitude on tickets because they are people you know  
17 fortunately enough that could buy tickets to The Sound. So  
18 that's your target range is those who can afford those  
19 tickets. Whereas the fair is a whole nother level of people  
20 and age groups.

21 So I think you know we have to think about everything we  
22 have and think of in terms of the same with the races. I  
23 mean, there is a target audience again. And you are not  
24 going to bring your kids you know, that fits in your

1 dependents to this, most likely. It's going to be your  
2 dependents that are not dependents anymore, and you want to  
3 expose them so the legacy kind of continues on. So I really  
4 -- your committee could think about all those. You know, I  
5 think it's a very important thing that you brought up.

6 MR. GELFAND: Can I follow up on that?

7 PRESIDENT SCHENK: Sure.

8 MR. GELFAND: I have a spouse who has hearing  
9 sensitivities and just won't go to The Sound but I want to go  
10 sometimes and see what's going on. I wouldn't be as  
11 comfortable going alone as I would taking a friend. But that  
12 is not accommodated here unless it fits within this  
13 constraint of promotional whatever.

14 MS. MEAD: [off mic] rather than the family member.

15 MR. GELFAND: Which section is that?

16 MS. MOORE: And if I could add to that. Bringing that  
17 person, so this, I think what I'm hearing is I think we can  
18 provide better clarification around this. Keep in mind even  
19 in the red lines like this we're moving A through L from one  
20 place to the another. But it was in the original. This  
21 hasn't changed language but it could probably be clarified  
22 better. Because there is a lot of latitude within that.  
23 When we talk about business development, that is that guest  
24 that you are talking about bringing. Because and that



1 exposure that's being referred to. So it does seem like we  
2 can just simplify and clarify a lot easier. Attorneys wrote  
3 this.

4 MS. MEAD: It's like an annotated version of the policy.

5 MR. GELFAND: Okay, so to address this, it says in terms  
6 of guests, immediate family member or B, if the 22nd DAA  
7 official has no immediate family, no more than one guest. I  
8 have an immediate family member but she won't come.

9 MS. MOORE: But there's -- there are two different ways  
10 you can receive tickets. And I think this is what we're  
11 going to need to clarify. There are two different ways in  
12 which you as Board Members can receive tickets. What you are  
13 referring to are, again, your personal tickets. That is  
14 defined in the Code of Regulations in terms of, and it  
15 doesn't matter the event, but if you have minor children, you  
16 can receive tickets for those minor children. If you have a  
17 spouse, you receive a ticket. And you don't have to claim  
18 those on your form 700. And if you don't have either of  
19 those, because that the definition of immediate family, then  
20 those individuals who don't have it, can receive that one  
21 ticket for a guest.

22 So you are correct. In that definition it does not  
23 provide for those other guests to join you. It's the rest of  
24 our policy that actually allows that. Because you are then

1 exposing -

2 [Off mic]

3 MS. MOORE: Right. So we've got to work to clarify this  
4 better within it.

5 [Multiple speakers]

6 MR. GELFAND: And also to clarify the difference between  
7 the tickets that we can get versus the tickets we have to  
8 claim on Form 700. Two different issues.

9 MS. ROWLAND: That's what I was just saying. That  
10 there's a relationship that needs to be drawn between that.  
11 I mean, so it's like bold headline. You know, these are the  
12 sorts of situations where you do not have to report.  
13 Anything else or whatever the language is, you know, they are  
14 available in this way must be reported.

15 MR. GELFAND: Yeah, so I would like more latitude on the  
16 availability and the clarification on the point at which it's  
17 reported.

18 MS. BARKETT: And then the event that - well, when you  
19 give out tickets too and we can't use them, it would sound  
20 right to me that we can give them to somebody who we think  
21 would really enjoy going and hasn't gone or, you know,  
22 exposure than not being able to use them at all. And then  
23 they go back into circulation amongst, I don't know who they  
24 go to. Yeah. But I mean, no -- [multiple speakers]

1 MS. ROWLAND: Could be us.

2 MS. BARKETT: Yeah, but that should be able for me to  
3 say, Joyce, I'm not using my tickets Friday night, here you  
4 go. Two, is that covered? Can I give you --

5 MS. ROWLAND: Is it allowed, is it covered, yeah.

6 MR. GELFAND: Yeah, and to clarify, the lawyers will  
7 decide the latitude in terms of defining what is reportable  
8 on Form 700. Because that's not, I don't know if that's  
9 fixed in stone. I believe it's whatever we as a board vote  
10 into being.

11 MS. BARKETT: So we consider a policy, Fred and I were at  
12 that, you were there -- [multiple speakers]

13 MS. ROWLAND: I was there.

14 MS. BARKETT: Most everyone was. Okay. And we heard  
15 them say, we set our own policy, it's whatever our policy is.  
16 He goes, I'm not going to tell you because you set your own  
17 policy.

18 PRESIDENT SCHENK: I asked the question.

19 MS. BARKETT: Yes, you did.

20 MS. MOORE: And our policy does not have a number that  
21 you are bound to in terms of, you can only receive this many  
22 tickets for these various promotional purposes.

23 PRESIDENT SCHENK: The question then it goes back to is,  
24 is it reportable or not ultimately.

1 MS. MOORE: Which is the beauty of FAQ 32 and 37 that  
2 were just included. Because it really does help to define  
3 that. Again, tickets disclosed by the district on the Form  
4 802 are not reportable. And this is the clearest I think  
5 this has ever been. So we are getting better clarity around  
6 that. This is really great questions and discussion.

7 MS. MEAD: Very good discussion for the committee. I  
8 think the important thing is that what we want to do is make  
9 sure that the Board, this volunteer board that has the  
10 opportunity to be representative at our organizational  
11 events, and give us feedback about those events doesn't feel  
12 like they have to say, I'm doing business development when  
13 they take their second cousin. I think we're hearing you.  
14 We know that there are two different things. There are  
15 things that you want to be able to attend, you want to get  
16 the experience to give feedback to the Board and staff. And  
17 there are those that are business development and community  
18 relations. And we will work to make sure there's greater  
19 clarification.

20 MS. ROWLAND: Yeah. And I think the conversation is  
21 really indicative of the fact that we want to follow the  
22 rules.

23 MS. MEAD: Yes.

24 MS. ROWLAND: We want them to be good rules but we're

1 rule followers.

2 PRESIDENT SCHENK: Realistic.

3 MR. GELFAND: And we want to be incentivized to be here  
4 as much as possible without a lot of paperwork.

5 PRESIDENT SCHENK: All right. All good discussion.  
6 Director Blair.

7 MR. BLAIR: I have a perfect example. I went to the car  
8 show Friday and asked for three tickets thinking I was going  
9 to be paying for them. And then realized there was no  
10 invoice or ask for a charge card or something. So it's very  
11 helpful for the staff to go, yes, I can get you that but you  
12 have to pay for two of the four you need to pay for or  
13 whatever it is. Keep us honest. Because I never know what I  
14 need to pay for, what I don't need to pay for.

15 PRESIDENT SCHENK: Yeah.

16 MR. BLAIR: And so I would encourage staff to feel free  
17 say I can only give you "X" number, you have to pay for the  
18 other two. Absolutely fine.

19 MS. MOORE: And that's actually bringing up I think a  
20 really great thing for the committee as we look at this. Is  
21 not just the policy but the procedure. This policy was  
22 written in 2009. There weren't procedures, it just sort of  
23 happened but sort of documented. And that may help to also  
24 provide some of this clarity going forward as well is then

1 what does the procedure look like to you.

2 MS. ROWLAND: Right. And it shouldn't take an attorney  
3 to decide who gets what tickets and what has to be reported.

4 MS. BARKETT: Well, no. And historically, Fred and I can  
5 attest to this, we never had a policy. And that 2009 wasn't  
6 implemented until 2012. But we had a board member that  
7 really took advantage. And that's where the administrator  
8 comes in. Because he favored one of the board members and so  
9 it was on Trey, 50 people coming with him. Oh, yeah. And so  
10 it was -- [multiple speakers]

11 MS. ROWLAND: I haven't seen that happen -- [multiple  
12 speakers] - Oh, yeah. Not since I've been on the Board.

13 MS. BARKETT: I have to be honest, I can't imagine with  
14 that happening with any of us. And it was definitely an  
15 abuse. So that's how the ticket policy -- [multiple  
16 speakers]

17 PRESIDENT SCHENK: It was a sense of entitlement as well.

18 MS. BARKETT: Yes. So that's how that came about.

19 MR. GELFAND: And that's what I was talking about in  
20 terms of transparency.

21 Maybe it has happened, Joyce, but we don't know.

22 MS. ROWLAND: I doubt it.

23 MR. GELFAND: I doubt it, too, but theoretically.

24 [Multiple speakers]

1 MS. MOORE: That could then be a consideration you, this  
2 board may want to think about in the committee. We can  
3 discuss is, again, there aren't limits according to the  
4 policy. But maybe that's something that you want to set  
5 those limits. And keeping in mind this isn't just for when  
6 we refer to District officials, it's not just the board  
7 members, but we are all subject to it that are Form 700  
8 filers. And so we need to also be thinking about, and how  
9 does this look with regard to staff's use of those same  
10 things too.

11 MS. ROWLAND: So I think also in terms of setting a  
12 policy. If there is some uncomfortable situation that comes  
13 up for staff. Okay, because obviously we're the Board, there  
14 could be an ask that is uncomfortable for you. There has to  
15 be somewhere for that to go, whether it's the president of  
16 the board, audit committee, you know, somewhere for that to  
17 have its adjudication. And everybody just needs to recognize  
18 that. So if there does come up something legitimate for 25  
19 people, it's not a bilateral agreement. Somehow there is  
20 some adjudication on it.

21 MR. GELFAND: Something to consider is a lower and upper  
22 limit. In other words, you get four tickets, you know, to  
23 The Sound, for example. But you can't get more than 10 or  
24 whatever it is to any particular show.

1 MS. ROWLAND: Yeah.

2 MR. GELFAND: The fair might be different because --  
3 [multiple speakers] -- you could have 50 tickets and it  
4 wouldn't make a difference. But you know, in a limited venue  
5 like The Sound, you want a lower upper limit. Something like  
6 that. Okay.

7 [Multiple speakers]

8 MS. MEAD: We got you.

9 MR. MOSIER: I want to report in ambiguity here, because  
10 when I was on Del Mar City Council if I got tickets to a fair  
11 event I had to report them on my Form 700.

12 PRESIDENT SCHENK: It's better that you joined our board.

13 [Laughter]

14 [Multiple speakers - off mic]

15 MR. MOSIER: And I don't have to.

16 MR. GELFAND: Because each entity sets their own policy.

17 MR. MOSIER: Right, so that means if I want to invite  
18 councilmembers, if I had a favorite councilmember --

19 [multiple speakers - off mic]

20 MR. MOSIER: If there were - they would have to report -

21 [multiple speakers - off mic]

22 MR. MOSIER: Got it.

23 MS. MOORE: And that is the difference there because it's  
24 the difference of the entity, the agency reporting on the



1 form -- so they are still reported, it's just they are  
2 reported on Form 802. And so for example, like the city, if  
3 they have a ticket policy and those tickets go to the city  
4 and they have a policy that provides for that and they are  
5 reporting 802s, that's what can change the individual  
6 reporting requirement.

7 MR. GELFAND: So if that's the case that might be the  
8 change that provides the transparency. So maybe annually you  
9 present the 802 to the Board as an information item.

10 MS. ROWLAND: And I think we all have to be comfortable  
11 with the transparency. Whether it's going on your 700 or  
12 it's going on the 802, it's like, you're okay with it, you  
13 know.

14 MS. MEAD: We've heard you loud and clear. We appreciate  
15 the feedback.

16 MS. ROWLAND: Right.

17 MR. GELFAND: Thank you.

18 PRESIDENT SCHENK: Go forth with. All right. I've lost  
19 track of -- have we had public comment yet?

20 MS. MOORE: No, we have not.

21 PRESIDENT SCHENK: I didn't think we had. Is there  
22 anybody from public that would like to speak on 7-G? People  
23 and --

24 [Multiple speakers - off mic]

1 MS. MOORE: It's 7-F.

2 PRESIDENT SCHENK: I'm sorry. 7-F, event ticket policy.  
3 Yeah, all right. Seeing no one and no one digitally either,  
4 we will move on to Director Rowland --

5 [Multiple speakers - off mic]

6 MS. ROWLAND: Hang on to your hats.

7 PRESIDENT SCHENK: We have an action item. Okay.

8 MS. ROWLAND: Okay. Seriously, hang onto your hat  
9 because Phil and I, as the People and Culture Committee, we  
10 determined that between us we have 90 years of human  
11 resources experience. And you're about to see some of it  
12 laid upon you here.

13 MR. BLAIR: [Off mic] We've got 12 people on the  
14 committee.

15 [Laughter]

16 MS. ROWLAND: Yeah, sure. That was a little scary but  
17 nevertheless relevant. So this is actually something that  
18 doesn't often come to us, which is a bill. And this bill is,  
19 specifically affects the DAAs. And so one of the unusual  
20 features, I would say, because we're being asked to support  
21 the bill. And there's an actual letter that's come to us to,  
22 you know, use as a template perhaps to support the bill. I  
23 would say that -- and it affects -- it's specifically related  
24 to -- specifically related to the CEO. Ladies and gentlemen,

1 pay attention. It's specifically related to governance  
2 issues with respect to the CEOs of DAAs. And I think it's  
3 probably abundantly clear that that's something we take very  
4 seriously. It's one of our primary fiduciary  
5 responsibilities that we as this DAA have, you know, general  
6 features in common with other DAAs and we have a lot of  
7 uniqueness as well in terms of what we deal with. One aspect  
8 of this is that this DAA, maybe other DAAs, but this DAA was  
9 not asked for any input in terms of the formulation of this  
10 bill. And I find that remarkable because you would think  
11 given our size and our experience that that might have  
12 happened.

13 I would think, given our size and our experience, that  
14 that might have happened. It didn't. Now, we have the  
15 ability to comment.

16 I think we would say that the intentions are good.  
17 They're looking to make sure that the compensation is  
18 adequate. That you have sufficient capability to hire CEOs  
19 that have the experience that you want and to pay them fairly  
20 to market. I really have to say, we applaud that kind of  
21 effort.

22 We think that the idea of having a survey at least every  
23 three years is good maybe two years is better. At least  
24 doing it every three years is a good thing.

1           We have a lot of questions. For example, start with the  
2 salary survey. It's going to move to be done at CDFA. Some  
3 of the governance is done right now at CalHR. Setting of the  
4 ranges, et cetera, for everybody, including this role.

5           We'll go to an entity more uniquely tied to us, CDFA.  
6 But we think that it would be helpful for them not to do  
7 their salary survey in a vacuum. That they should call upon  
8 the interested and experienced members of DAAs to provide  
9 advice, in terms of how the survey would actually be  
10 conducted, determining which entities would be surveyed,  
11 public entities, private industry, and taking into account a  
12 lot of features that, for example, the size of fairs, the  
13 operations, the grounds and facilities.

14           One of the things that I found remarkable, if you go to  
15 some of the key provisions, they have a provision around  
16 secretary managers overseeing multiple fairgrounds, may  
17 receive up to 40% above the salary range cap.

18           I would submit, maybe that is a good thing. When you  
19 look at our fairgrounds, it may not be multiple fair and  
20 fairgrounds. But how many of them are of our size? Anyone?

21           How many are in a coastal zone? How many have the  
22 environmental considerations that we have? How many are  
23 dealing with the issues of live horse racing? How many have  
24 three distinct campuses? How many have to hire and on board

1 1200 employees every year? You can go on and on. So that's  
2 not the only criteria that should trigger something that  
3 might be above the normal range. I just find that  
4 interesting.

5 Will this process, will the secretary take into account  
6 the size of the DAAs and their budgets? A general feature  
7 also is that some of the structure of the bill seems to turn  
8 the DAA board into an advisory board, as opposed to a  
9 decision-making board.

10 I think that's very troubling, because we are the ones  
11 appointed. We do have the fiduciary responsibility. This  
12 basically has the Secretary of Food and Agriculture making  
13 the decision on pay within the bands. And we're providing a  
14 recommendation.

15 That is -- excuse me -- ass backwards. To be able to  
16 support it, that would need to change. I think that we would  
17 be happy to offer testimony, with respect to some of these  
18 issues that we've raised. Especially noting the good will,  
19 the good reasoning that's in it to make sure we can hire  
20 well.

21 I think that there's a lot that is left to be desired,  
22 relative to how it was presented, how it came forward, and  
23 just basically the overall concept of who's a fiduciary. Who  
24 has the responsibility? How will we go about doing the

1 survey work? It's both the overall concept and some of the  
2 actual legs on the ground work that needs to be done around  
3 it.

4 I would say that we're not ready to support the bill as  
5 written. I think that's the committee's -- if that wasn't  
6 entirely abundantly clear. It might not be the entirely  
7 right solution. But I feel pretty confident that it could  
8 get there. Bills get revised significantly all the time, so  
9 I don't think that's a big deal.

10 I think it would be better if it didn't call for the  
11 secretary to fix compensation. I think that's our job. Give  
12 us a range. Give us a good range. We'll work within the  
13 parameters. That's entirely fair. But I think we're in the  
14 best position. It's not just a matter of ego or fiduciary  
15 responsibility. We're the ones in the position to actually  
16 make the call, to know.

17 Now, if the secretary has concerns or issues or things  
18 that they see that maybe we don't see, we would love to hear  
19 it to take it into consideration. Or if there are  
20 comparisons to other DAAs that they would like us to  
21 consider, absolutely. That's a reasonable ask.

22 But I don't think we should move this responsibility  
23 away from the local board, that was appointed to do just  
24 that. We support the community we serve. We have the

1 familiarity on the day-to-day roles, responsibilities, and  
2 outcomes.

3 If we don't make money, we don't have money. We don't  
4 get bailed out on an annual basis by the state of California.  
5 So I think that there's some work that needs to be done.

6 I think the either Phil or I would be -- of course my  
7 side of this is only 10 years. He had the 80 of the 90 years  
8 total. But either one of us would be happy to be involved  
9 with them, to make comments, to make official comments.

10 I think that's what we should do in a letter, kind of  
11 embody this briefly in a letter to say, "Hey. Some good  
12 ideas here, but we think we need to hold off approval as  
13 structured."

14 I would go as far to say, if it didn't change, I would  
15 fill compelled recommend that we oppose it, which I don't  
16 like to do, but --

17 PRESIDENT SCHENK: I'm assuming there will be a motion.

18 MR. GELFAND: I'm thinking about making one.

19 PRESIDENT SCHENK: Let's take public comment first.

20 Public comment. Is there anybody -- I don't see anybody  
21 listed on Zoom or on the phone who wished to speak to this.  
22 Is there anybody physical here that would like to?

23 Okay. Seeing none, hearing none.

24 Director Gelfand?

1 MR. GELFAND: Weirdly enough, I think this could be the  
2 most important bills, determining the long term health of  
3 this organization.

4 This is a business that generates tens of millions of  
5 dollars a year. The compensation of the chief executive of  
6 the organization, in my opinion, is dramatically less. It's  
7 limited to an amount that just doesn't make sense, given the  
8 responsibilities of the person in charge.

9 I really think we need a bill that provides more  
10 flexibility than the statistic currently provides.

11 The way it's worded, I'm not comfortable with the fact  
12 that the range that's determined by survey is really going to  
13 cover the complexity of our particular fair. We have  
14 probably the most complex fair to operate in the whole state,  
15 for many reasons. Environmentally sensitive location, flood  
16 potential, sea level rise, horse racing. The number of  
17 different businesses --

18 MS. ROWLAND: And the strategic planning that has to go  
19 on in this very sensitive area.

20 MR. GELFAND: Exactly.

21 I would like to make a motion to authorize Joyce as the  
22 DAA spokesperson, to speak before the state committees that  
23 will be addressing this bill and to lobby members of the



1 legislature to improve the content of this bill to better  
2 represent our needs.

3 PRESIDENT SCHENK: There's a motion made by Gelfand.

4 MR. BLAIR: I'll second that.

5 PRESIDENT SCHENK: Seconded by Blair.

6 All right. We're going to open it up for discussion.

7 I have a question. Are there any San Diego  
8 representatives who have joined in as coauthors?

9 MS. ROWLAND: I don't know. I don't know who the  
10 sponsors are.

11 MS. MOORE: Not to my knowledge, no. This bill was  
12 sponsored by Senator Becker out of San Mateo.

13 PRESIDENT SCHENK: I saw that.

14 MS. MOORE: But I haven't seen any joining on it. It's  
15 first hearing is scheduled for later this month.

16 PRESIDENT SCHENK: It might behoove us to find out if  
17 there's anybody from San Diego delegation that is intending  
18 to cosponsor, so we can have a conversation with that person.  
19 That would be the main target for us, I would think.

20 I'm going to go around now.

21 MR. BLAIR: I apologize, I do have to leave. But I think  
22 Catherine Blakespear, Senator Blakespear, would be the first  
23 place to start.

24 PRESIDENT SCHENK: One would think.

1           MR. BLAIR: I'm glad your motion mentioned Joyce being  
2 the spokesperson. Testifying during the hearing is something  
3 both Joyce and I are willing to do.

4           PRESIDENT SCHENK: Good to hear.

5           MS. MEAD: A couple of comments. Number one, I  
6 do -- this question comes up all the time, in terms of  
7 compensation. I think it's important for us as a board to  
8 remember that when we think about compensation, it's  
9 compensation and benefits.

10           State employees are entitled to benefits that are not  
11 typically enjoyed by people in the private sector. I just  
12 want to be sure, when we think about this, we think about  
13 total compensation as opposed to what is typically  
14 compensation alone. That's number one.

15           Secondarily, I do think that this is important for us to  
16 take a position as to whether to support or not. We're right  
17 now being asked to support.

18           Are we being asked to support, support with changes, or  
19 oppose? I'm not sure of the action we're taking at this  
20 point. I think it should only be three of those: either  
21 support, support with changes, or oppose. But I may be  
22 wrong.

23           I'm reading this and it says, "on whether to support the  
24 senate bill..." It would be helpful --

1 MR. GELFAND: My motion --

2 MS. MEAD: Your motion isn't clear for me.

3 MR. GELFAND: It was to authorize Joyce as the  
4 spokesperson to speak to state committees regarding the bill  
5 and to lobby to improve the content of the bill.

6 MS. MEAD: That was the third thing I wanted to be sure  
7 of. I don't think we can lobby. Advocate.

8 MS. ROWLAND: Yeah, I was going to ask for the attorney's  
9 opinion on that one, that was my next question

10 MS. MEAD: Thank you. Okay. That was the third thing.

11 MR. GELFAND: Whoever made the second --

12 PRESIDENT SCHENK: That was Director Blair. Phil, what  
13 do you say?

14 I don't think we can amend it.

15 MS. ROWLAND: Can we ask --

16 PRESIDENT SCHENK: It stands or we table this.

17 MR. GELFAND: We can amend it with a second vote.

18 MS. MEAD: Can we?

19 PRESIDENT SCHENK: No. I don't think so.

20 MR. GELFAND: We have a lawyer with us, Matt can tell us  
21 Robert's rules in this regard. I don't think, because he  
22 left, we're stuck.

23 MS. MEAD: And he can answer the question about the word  
24 "lobby". That's the one I'm concerned about.

1 MS. ROWLAND: There's "lobby" in the generic and there's  
2 "lobby" in the specific.

3 MR. GELFAND: I intended it to be "advocate."

4 PRESIDENT SCHENK: We lost our second. He had to leave.  
5 Can we amend the motion without the second being  
6 present?

7 Or withdraw it and start over?

8 MS. BARKETT: I don't think he can hear us.

9 MS. ROWLAND: Matthew, can you hear us?

10 MATTHEW GOLDMAN: Yes. Can you hear me? One moment.  
11 Can you hear me? I don't know what I did. I pressed a  
12 button, and I'm now looking at myself.

13 MS. ROWLAND: We can see you though.

14 MATTHEW GOLDMAN: I do apologize. Well, as long as you  
15 it hear me. I am here, yes.

16 Is the issue, not the definition of lobby, but a matter  
17 of procedure?

18 MR. GELFAND: It's a matter of procedure. We just want  
19 to know if we can amend a motion without the person who  
20 seconded the motion present. Or can we just withdraw the  
21 motion?

22 MATTHEW GOLDMAN: My understanding is as long as there's  
23 a quorum, you can amend the motion.

24 MR. GELFAND: That's what I thought.

1           PRESIDENT SCHENK: Okay. We'll go with that. We need a  
2 new second.

3           MR. GELFAND: I'm proposing to amend it to say "advocate"  
4 instead of "lobby."

5           PRESIDENT SCHENK: We have a motion made. Is there a  
6 second?

7           MR. MOSIER: I'll second.

8           PRESIDENT SCHENK: Thank you. Director Mosier has  
9 seconded the motion.

10          MR. GELFAND: Just to clarify, even as worded, I wouldn't  
11 necessarily say no because it at least gives us more latitude  
12 than we have now. I wouldn't necessarily represent that  
13 we're dead set against this. But it needs dramatic  
14 improvement.

15          MS. ROWLAND: I think that in working with the lobbyists  
16 and others who have done this sort of work in the past,  
17 putting "oppose" out there is putting a hard stake in the  
18 ground. So I don't think we're saying -- I wouldn't advocate  
19 saying that at this point. I would say we're not supporting  
20 and it's possible we could support if changes were made.

21          MS. MEAD: I just want to be sure that I understand that  
22 what the motion allows for and how far, as the committee  
23 would be representing us during any hearings, how far they

1 can go in terms of the statement about oppose, support, or  
2 support with change.

3 MS. ROWLAND: I don't think we get to support without  
4 bringing it back to the board.

5 MS. MEAD: So you're not seeking a vote on whether to  
6 support the bill.

7 MS. ROWLAND: At this point, yes. This is to the board,  
8 asking at this point in time, are you willing to support this  
9 bill as written?

10 MR. GELFAND: The motion doesn't say whether we're  
11 supporting it or not supporting it. It says, we're going to  
12 advocate to improve it.

13 PRESIDENT SCHENK: Essentially a rejection of the current  
14 form of it.

15 MR. GELFAND: It's an implicit lack of support.

16 PRESIDENT SCHENK: That is the motion and that's the  
17 second. Any further discussion?

18 MS. BARKETT: I just want to say, I agree with what was  
19 mentioned, Joyce, about managing multiple fairs. That's the  
20 one that stuck out to me.

21 MS. ROWLAND: They could be tiny.

22 MS. BARKETT: We have an anomaly here. We're a unique  
23 fair. We're the only one that has a racetrack associated

1 with it and a convention center. And the other thing is, I  
2 think it's bigger even than Cal Expo. Am I correct in that?

3 PRESIDENT SCHENK: Yes.

4 MS. ROWLAND: And why is that? I didn't mention that,  
5 but why is there that salary? There's a historical reason.

6 MS. BARKETT: It's historical and it's in Sacramento.  
7 That's it. So we should be allowed, based on this percentage  
8 to come up with --

9 MS. ROWLAND: I don't know how they came up with  
10 40 percent.

11 MS. BARKETT: -- with what's going on here. And that was  
12 the first that I think that you saw as a red herring. To me,  
13 they say there's that salary cap, which is not -- I don't  
14 think it goes along with managing multiple fairs, 40% because  
15 they talk about a cap.

16 Those two don't even go together, those two bullet  
17 points. We need to get over that. Because a number of those  
18 fairs will actually go higher than the Cal Expo salary, most  
19 likely.

20 MS. ROWLAND: They could. Hard to say.

21 MS. BARKETT: They could. That's why I'm saying, these  
22 two bullets points are fighting with each other.

23 MR. GELFAND: The other part of it is if you do a survey,  
24 and it's legit, and you look at what is actually required to

1 run all the states, all the fairs in the state, you might say  
2 that the director of this fairground should have a salary of  
3 a million dollars. And the director of the smallest fair  
4 should have a salary of a hundred thousand dollars.

5 If I was the secretary and I was looking at the survey  
6 data, I would throw out the top and bottom. And I would come  
7 up with a range in the middle. Well, that's great, except it  
8 cheats us. I just think this is not worded to our benefit.  
9 We need somebody to represent us and advocate.

10 MS. MEAD: I want to clarify that what we are intending  
11 to do with this motion is to sit down with the makers of the  
12 bill and ask for input into the bill and participate in any  
13 hearings that may be taken, to address all the questions.

14 MR. GELFAND: And to potentially seek cosponsors who  
15 would help amend it.

16 MS. MEAD: I understand the motion. Thank you.

17 MR. MOSIER: I just want to say that the killer content  
18 in here is seating salary setting authority to Karen Ross or  
19 whoever the chief --

20 MS. ROWLAND: I don't think they should want it.

21 MR. GELFAND: But we already have that constraint. It's  
22 just, there's no individual you can point to. The constraint  
23 already exists.

24 MS. ROWLAND: With the ranges.



1           FREDERICK SCHENK: Yeah.

2           MS. BARKETT: I think, honestly, the managing multiple  
3           fairs gives us flexibility. We just have to get in there and  
4           propose the case based on our facts, and we can make a great  
5           case.

6           MR. GELFAND: If it's just a one-word amendment. If it  
7           said businesses instead of fairs. We've got a bunch of  
8           businesses here.

9           MS. BARKETT: And we're also self-funded.

10          MR. GELFAND: Yeah. Multiple properties, multiple  
11          businesses.

12          PRESIDENT SCHENK: All right. Any further discussion  
13          before we vote? All right.

14          We'll take roll. Why don't we do this, just so we're  
15          clear? Director Gelfand, if you would just restate, for our  
16          record, the motion which you've made and which Director  
17          Mosier has seconded.

18          MR. GELFAND: I move that we authorize Joyce Rowland as  
19          our spokesperson to speak to state legislators and committees  
20          regarding this bill and to advocate to improve the content of  
21          the bill.

22          PRESIDENT SCHENK: That is the motion that's been made  
23          seconded. We've had discussions. We'll take roll.

24          MS. O'LEARY: President Schenk?

1           PRESIDENT SCHENK: Yes.

2           MS. O'LEARY: Vice President Gelfand?

3           MR. GELFAND: Yes?

4           MS. O'LEARY: Vice President Rowland?

5           MS. ROWLAND: Aye.

6           MS. O'LEARY: Director Arabo?

7           MR. ARABO: Aye.

8           MS. O'LEARY: Director Barkett?

9           MS. BARKETT: Aye.

10          MS. O'LEARY: Director Mead.

11          MS. MEAD: Aye.

12          MS. O'LEARY: Director Mosier?

13          MR. MOSIER: Aye.

14          MS. O'LEARY: And Director Nejabat?

15          MR. NEJABAT: Aye.

16          PRESIDENT SCHENK: The motion carries. All right.

17                 We have one last item. That is H. Carlene, do you want  
18 to address that?

19                 MS. MOORE: If you recall at last month's meeting, it was  
20 when we voted on, basically, whether we should continue or  
21 discontinue affordable housing discussions with the City of  
22 Del Mar. It was also then to continue to bring this forward  
23 at each month's meeting, beginning with April.

1           There's really been no status change, in terms of that.  
2 All indications are, we are in a good place. There's not a  
3 reason at this time, I believe, for you to consider  
4 discontinuing the conversation.

5           PRESIDENT SCHENK: So --

6           MS. MOORE: But -- sorry. Go ahead.

7           PRESIDENT SCHENK: No, no. Finish up.

8           MS. MOORE: I will save it for the executive report, so  
9 as not to confuse the item.

10          PRESIDENT SCHENK: Right. I will take public comment, if  
11 anybody wishes to address this.

12          Seeing no one indicating an interest, does the board  
13 have any questions of our CEO before we entertain a motion?

14          No. All right. I'll entertain a motion.

15          MR. GELFAND: I move that we continue our discussions  
16 with the City of Del Mar, regarding affordable housing at the  
17 fairgrounds.

18          PRESIDENT SCHENK: Motions been made by Director Gelfand.  
19 Is there a second?

20          MR. MOSIER: I'll second it.

21          PRESIDENT SCHENK: Director Mosier, thank you for  
22 seconding.

23          Any additional discussion about this?

1           MR. MOSIER: I just had one comment or update. The Del  
2 Mar City Council last night met and they approved the  
3 encroachment permits necessary for the seasonal platform and  
4 the double tracking of the bridge over the San Dieguito  
5 River. So that project is moving ahead. That was the last  
6 Del Mar action necessary for that project to proceed.

7           PRESIDENT SCHENK: Thank you for sharing that with us.

8           MR. GELFAND: One other comment. I don't know if this is  
9 the appropriate time. Probably not. But at some point in  
10 the future, I think it would be appropriate for the board to  
11 have a discussion about this issue. And if we are going to  
12 accommodate affordable housing, under what circumstances,  
13 what constraints, what economics, placement, et cetera.

14           At some point it's appropriate that it be brought before  
15 the board.

16           MR. ARABO: I have a comment. I think every month, it's  
17 good to have this on the agenda. But it'd be good to have  
18 someone from the city attend, for them to give us a report to  
19 see how serious they are on this stuff.

20           And it's a study. I want to make sure we don't put the  
21 cart in front of the horse. It's a study, so it's good they  
22 show up to talk, someone does.

1           PRESIDENT SCHENK: Director Arabo, they know full well  
2 that there's an agenda and it's posted. And they have every  
3 opportunity to come. I don't disagree.

4           But it's on their shoulders and not ours. We invite the  
5 public. They know that it's agendized and they are welcome  
6 to come and speak to us, and we will be good hosts. I don't  
7 feel that I have to or the staff has to extend an invitation,  
8 as we do not with anyone else to come and speak to us on a  
9 general topic.

10          If they want to, here we are. We're saying, "City of  
11 Del Mar, you're welcome to come and speak to us."

12          MR. ARABO: Right. I'm pointing out the fact -- I'm not  
13 saying we should be the ones initiating. But the fact that  
14 they're not here, it's a data point of what they're saying to  
15 us by not --

16          PRESIDENT SCHENK: It's reflective.

17          Thank you for making your point clearer. But if they  
18 wished to and if they felt it was important or vital to their  
19 interest, they know that they're welcome to come and speak to  
20 us.

21          MS. ROWLAND: I would just say, it might be reflective,  
22 but it might be reflective of the fact that they think  
23 everything is going fine and they don't have anything new to  
24 report. I don't want to put that all on the negative column.

1           PRESIDENT SCHENK: Director Mead, yes.

2           MS. MEAD: Thank you. I just want to support and echo  
3 Director Gelfand's comments.

4           I continue to have questions about continuing or  
5 discontinuing discussions, when this board has not  
6 established what the guidelines of those discussions are. I  
7 would just very much like to reenforce that at some point, we  
8 really need to give more direction about those discussions.

9           PRESIDENT SCHENK: I don't disagree. I think that may be  
10 more than a committee report. Maybe a set-aside day for that  
11 topic.

12          All right. Motion's been made, seconded. Any further  
13 discussion?

14          Hearing none --

15          MS. O'LEARY: President Schenk?

16          PRESIDENT SCHENK: Aye.

17          MS. O'LEARY: Vice President Gelfand.

18          MR. GELFAND: Aye.

19          MS. O'LEARY: Vice President Rowland?

20          MS. ROWLAND: Aye.

21          MS. O'LEARY: Director Arabo?

22          MR. ARABO: Aye.

23          MS. O'LEARY: Director Barkett?

24          MS. BARKETT: 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 MR. NEJABAT: Aye.

7 PRESIDENT SCHENK: All right. Thank you all. The motion  
8 carries.

9 We're now on Item 8. Executive report. And we're  
10 getting toward the end.

11 MS. MOORE: Yes. And on that and building off of the  
12 conversation we were having about affordable housing, I  
13 wanted to say that next month, we're planning on a strategic  
14 discussion. And to have that at the board.

15 Between now and our May 13th board meeting, we want to  
16 be thinking about questions, in essence, direction. The  
17 questions that should be asked through this process you may  
18 have.

19 This will not be a presentation on answers to anything,  
20 but really the opportunity for some strategic discussion  
21 around it. And what our timetable and future engagements  
22 might look like for you as the board as well.

23 PRESIDENT SCHENK: Let her finish her executive report.

1 MS. MOORE: We had talked about that. Bringing it up, so  
2 you can be thinking about coming with prepared questions for  
3 that.

4 I also want to make you aware that we had an emergency  
5 project. That is the replacement of the electrical  
6 transformer in the back stretch area. It's near what's  
7 called Barn NN.

8 The reason that it's significant in terms of an  
9 emergency is because that is the transformer that powers the  
10 lift station. Manually, we're doing that right now, but the  
11 work is expected to be completed by next month or during next  
12 month.

13 MS. ROWLAND: [off mic] I'm sorry. Lift station?

14 MS. MOORE: A sewer pump lift station in the back.  
15 Fortunately, we don't have anybody in the back stretch right  
16 now. But it needs to be addressed before we get into the  
17 fair.

18 MR. GELFAND: Is there a generator?

19 MS. MOORE: Yes. And then staff as well.

20 MS. ROWLAND: [off mic] Do you know what caused it to go?

21 MS. MOORE: The age. One of things that, as you recall,  
22 and we're going to speak on it under the construction,  
23 projects, and facilities updates, but that is the facilities



1 condition assessment report and it identifies the need to  
2 replace our transformers many of them.

3 If you recall at last month's meeting, we said we would  
4 have that and we'll have an update for it. We expect that  
5 completed report in May. We've been meeting with the  
6 consultants who originally did it. They recognized the gaps  
7 in regard to what was assessed and some areas that weren't.

8 For example, the back stretch was as if it was one  
9 building, versus the multitude of buildings that are back  
10 there for the barn area. And the grandstand was looked at as  
11 one building, rather than a breakdown of it by rooms or even  
12 levels.

13 They're doing that work. And we expect that report in  
14 May. And then a supplement to it for additional work that  
15 was identified in June of this year.

16 To answer your question about transformers, yes it is  
17 something we need to be addressing.

18 MS. BARKETT: What's the anticipated cost on that?

19 MS. MOORE: On what?

20 MS. BARKETT: On the transformer.

21 MS. MOORE: It's going to be in the presentation that  
22 we're about to have on that.

23 Before that, I want to introduce Steve Gintowt, who is  
24 the chief financial officer from HITS Del Mar, who's

1 patiently been waiting to give us a preview of the 2025 Del  
2 Mar National Horse Show and some other horse park activities  
3 as well.

4 STEVE GINTOWT: Good afternoon, everyone. Thanks for  
5 having me today. I'm the chief financial officer at HITS.  
6 Carlsbad resident for almost 20 years now.

7 HITS operates horse shows at six venues across the  
8 country. I'm personally grateful for our relationship with  
9 the DAA and the Del Mar Horse Park, so I didn't have to move  
10 to New York.

11 We're excited to be operating the 76th -- how are we  
12 going to move the slides?

13 MS. MOORE: If you want to let me know or you are welcome  
14 to. Yes.

15 STEVE GINTOWT: We're excited to be operating the 76th  
16 Del Mar National with the dressage show next week, April 17th  
17 to the 20th, and the Hunter Jumper Competition two weeks  
18 later, April 29th to May 4th.

19 It's a U.S. Equestrian Federation Heritage Show. One of  
20 the most anticipated horse shows on the west coast. The  
21 grass field, which we do the Hunter Jumper is an experience  
22 unique across horse shows in the country. People really look  
23 forward to it.

1 Both the dressage and the Hunter Jumper shows will be  
2 live streamed on Clip My Horse TV for people to watch  
3 nationwide.

4 Dressage is an event -- I don't know if you guys have  
5 seen it. Given the long history, I hope you've seen it.  
6 It's a great competition requiring both grace and  
7 athleticism, scored on a combination of style and time by the  
8 riders. A little bit like figure skating.

9 Riders get national ranking points. Last year, two of  
10 the riders accumulated points in their attempt and process to  
11 qualify for the U.S. Olympic team.

12 Last year's dressage show had 190 horses competing for  
13 roughly \$12,000 in prizes. This year, the field is already  
14 set. It's again going to be close to 200 horses.

15 The jumping show is a competition of speed and strength  
16 where horses jump over rails as high as six feet. Literally  
17 over the top of most of our heads. It's scored on a  
18 combination of time and successfully clearing those rails.

19 Last year, we had 536 horses compete across 200 small  
20 events called classes. It features Olympians all the way  
21 down to the youngest of riders. It's a very broad event.  
22 There's events for everyone. We awarded over 300,000 in  
23 prize money.

1           The experience around the horse show is more than just  
2 the horses. The seating is great. The venue is great.  
3 There's music. There's other entertainment as well.

4           For me, I'm not really a horse guy, but I'm becoming  
5 one. The difference between an event at Horsepark and the  
6 event here at the racetrack and thoroughbreds is the  
7 proximity you have to the horses. You're literally yards  
8 away. And you can see the grace and the strength and the  
9 athleticism of the horses. It's like being on the rail. I  
10 hope you get to come out and see that.

11           Besides the Del Mar National here in Del Mar, HITS  
12 operates six other hunter jumper competitions, which are all  
13 sanctioned by the U.S. Equestrian Federation. We also run  
14 six other dressage competitions all sanctioned by the  
15 international governing body and the U.S. governing body.

16           We believe that we've helped return Horsepark to kind of  
17 a national significance in the equestrian calendar. It  
18 hasn't been without a lot of effort and cooperation. Since  
19 the agreement we've put over \$12 million into fixing up the  
20 horse park, including a state of the art ebb-and-flow  
21 watering system to try to minimize the water cost, to keep  
22 the rings spongy enough for horses not to hurt themselves  
23 when they're jumping around. But not so much that they would  
24 also hurt themselves.

1           We've invested in the horse park. We'll continue to  
2 invest. We recently made a contribution to the San Dieguito  
3 River Park Joint Park Authority to essentially defray the  
4 repair costs for the washed-out bridge adjacent to our park.

5           We're deeply committed to operations here in Del Mar and  
6 really appreciate our relationship. We don't just serve our  
7 own operating shows. We serve the entire equestrian and the  
8 canine community as well.

9           It's not just us. It's the Southern California  
10 Horseman's Counsel, the Arabian Horse Association, the  
11 California Dressage Society. And you even have the AKC where  
12 we have the Kraken Cup at the end of the year, which is a dog  
13 show.

14           Hope you get to come out and see us in the next couple  
15 of weeks. I think you'll really just enjoy the experience  
16 and we would love to have you as a part of that.

17           MS. MOORE: Thank you.

18           STEVE GINTOWT: Thanks.

19           MS. BARKETT: Are we still co-hosting an event Friday  
20 evening?

21           MS. MOORE: Yes.

22           MS. BARKETT: Okay. Good. I just wanted to make sure.

1           STEVE GINTOWT: I didn't want to mention it publicly,  
2 because it's live streamed. So it is kind of an invitation  
3 only event, which you are more than a cohost.

4           MR. GELFAND: Fred, can I make a comment?

5           PRESIDENT SCHENK: Sure.

6           MR. GELFAND: I would just like to mention I was at a  
7 dressage event I think about two weeks ago at Horsepark. One  
8 of -- I don't know if it was one of your volunteers showed me  
9 on my phone a video of how dressage is actually scored and  
10 what the issues were.

11           And it was really, really amazing. Once you know what  
12 they're doing and how the scoring works, what those horses  
13 are doing is spectacular.

14           STEVE GINTOWT: Thanks. And you get to see it up close.

15           MR. MOSIER: I want to thank you for the contribution to  
16 the trail repair. I'm a former member of the River Valley  
17 Conservancy Board and also the JPA Board.

18           STEVE GINTOWT: Yeah. Our pleasure.

19           MR. MOSIER: It's an natural disaster that you're helping  
20 fix.

21           STEVE GINTOWT: And just the view of the lagoon, it's the  
22 prettiest horse venue I've seen.

23           MR. MOSIER: I also wanted it recommend a book called  
24 Horse. By Geraldine Brooks. It's a story of Lexington, a

1 famous stallion from the 1860s in Kentucky. It's a great  
2 book about the relationship between horses and people. It  
3 may be a Pulitzer Prize winner this year. It's just called  
4 Horse. You can't forgot it.

5 MS. BARKETT: It's a great book.

6 STEVE GINTOWT: Thank you so much.

7 MS. MOORE: Next up, I'm going to invite Matt Clay, who  
8 is the operator of the Del Mar Golf Center to come up.

9 If you recall, last year, this board approved a  
10 multiyear agreement. They were making investments into the  
11 Del Mar Golf Center. We thought it would be timely to share  
12 that and invite all of you out to the golf center if you  
13 haven't been there to experience it.

14 MATT CLAY: Good choice for green. Happy Masters week,  
15 everybody. My name is Matt Clay. I'm the operator over at  
16 the Del Mar Golf Center.

17 I want to take a couple minutes and show you some  
18 pictures of some of the upgrades we did over the last year.  
19 I want to take a second to explain who we are. Some of the  
20 board members I might not have met in the past.

21 We are one of the largest golf practice facilities in  
22 Southern California. We have the largest grass tee in the  
23 county. For 18 years in a row in our industry, the Golf

1 Range Association of America, we've been in their top 150  
2 award winner, this is our only industry award.

3 Seven years ago now, we were approached by Top Golf, who  
4 had purchased Pro Tracer for a high speedball tracking  
5 system. We now have the largest camera system in the world.

6 Our whole range is covered by Top Tracer cameras. The  
7 covered bays that you see in front of us, these with a  
8 prototype trial that we tried years ago, and it went very  
9 well. We were able to expand the system and add more covered  
10 bays. And now we have a mobile version of that where you can  
11 connect to it with your phone as well on the range.

12 That entertainment portion of golf and game-ifying golf  
13 has really changed the way the golf world operates now. It  
14 used to be a standard. Golfers were considered folks who  
15 play an 18-hole round of golf.

16 Top Golf really changed that, because of the millions of  
17 user that they have. Range users are now considered golfers.  
18 For years, I would go through our top ten customers, and I  
19 would find them and say, "Here's a dozen golf balls. What  
20 would you like?" That kind of thing.

21 They go, I don't really play golf. I'm like, "Well, you  
22 do here. They're like, "Yeah, this is just part of my day."

23 Our goal really became to change the property and look  
24 at it from an entertainment standpoint is golf is certainly



1 part of that. What's great with Top Tracer is now there's an  
2 entertainment portion of it.

3 There's some golf training, specific things. There's  
4 now some coach interactions and ability that we have that  
5 I've been working with them for a couple years now to where I  
6 can make a custom practice routine. I can send it to you and  
7 now when you come to the range to practice, you don't have to  
8 think about what you do. You just hit the shots I tell you  
9 to hit. Kind of like the Peloton for golf, if you will.

10 In 2007, we renovated our old miniature golf courses and  
11 built Pelly's Mini Golf, which is two 18-hole miniature golf  
12 courses. We're the first 100% ADA accessible miniature golf  
13 courses in the country. We've hosted over ten thousand  
14 birthday parties, group events, corporate events, and what  
15 have you. A big part of our business.

16 Our coaching and our instruction program, I have nine  
17 PGA golf professionals and LPGA professionals on our staff.  
18 I have three apprentices that are going through the program.  
19 We have two certified strength and conditioning coaches.

20 All of our kids, especially that you see here, that's a  
21 big passion of mine is getting kids into golf. We have 150  
22 kids that are in our academy that come every week. And we  
23 focus on athletic development and golf skill development.

1           We have an outdoor gym. I'll show you that in just a  
2 second. We do a little over ten thousand private lessons a  
3 year. We have different group classes and what have you.  
4 We've received multiple industry awards over the years.

5           One of things we're proud of is we have an outdoor gym,  
6 which is one of the few in the world. Milo Bryant, who is  
7 our trainer, was recently awarded Men's Health Top Gym for  
8 2024. The picture with the orange boxes in the bottom right,  
9 that's Ivan, one of our coaches doing a little monkey  
10 business or something on there.

11           Golf coaching and training has changed significantly  
12 over the last 20 years. We've clearly seen what Tiger did  
13 for the sport of golf. But in particular, how we train now  
14 for golf is very different.

15           We know how to teach speed. Speed is the big part of  
16 golf. The farther you hit it on the PGA tour, the more money  
17 you make. It's almost an exactly linear progression.

18           A couple of the things that we did. We had some goals  
19 and a few challenges. One was to continue to market the  
20 property as an entertainment center, maintain our standing as  
21 an industry leader, provide competitive compensation plans to  
22 retain staff, which I know you all deal with that. You  
23 talked about that today.

1           Really, a big passion of mine now is to expand our reach  
2 as a local community partner, to be involved in schools,  
3 churches, nonprofit groups and what have you.

4           Couple of the challenges that we've run into it  
5 consumers now expect a lot more than they used to. Coming to  
6 a range, for instance, and just hitting balls is not the  
7 expectation any more.

8           Even going out to the bar for on evening isn't the  
9 exception any more. You want an activity. You want to go do  
10 something, whether it be axe throwing or play video games or  
11 come hit golf balls. You can have a good time.

12           We wanted to make sure that we continue to stay ahead of  
13 that curve and to keep our property relevant, maintaining the  
14 property with as busy as we've been, especially with Covid,  
15 has been very challenging. I'll show you a picture of that  
16 in a second.

17           The last one, to increase prices so that we can maintain  
18 pace with inflation and rising expenses. I think it's really  
19 hard to just say, I raise prices 10% this year. I think we  
20 need to continue to offer something to our customers to do  
21 that.

22           These were our Top Tracer bays. This was a relatively  
23 busy Saturday. You can see some turf. We're not really  
24 maximizing this space as well as we could. I employed a

1 couple of designers and architects to look at flow and how we  
2 use the property on a regular day.

3 On a Saturday, for instance, we'll do about 850 rounds  
4 of miniature golf and we'll have over a thousand people come  
5 to the driving range. Having those people go to the right  
6 place and be able to have the space they need I think is  
7 really important.

8 We wanted to be able to optimize the space that we have,  
9 which if you see kind of these covers, there is a lot of dead  
10 space in between some of those bays that didn't allow us to  
11 use the space as well. Then also provide an upgraded area  
12 where you can relax and really become a gathering space.

13 We started demo on opening day of the fair last year, on  
14 June 12th. Just a couple of pictures. Milo is in the bottom  
15 left there with a sledge hammer, tearing up some things. We  
16 even brought our chef in, on the top right in the red shirt.  
17 He helped us out for a couple of weeks.

18 The project took us just over three months. We managed  
19 to open September 25th and went pretty well. I got really  
20 dirty though.

21 This is kind of an overhead shot of what we have now.  
22 We now have 16 covered Top Tracer bays. Behind that, the  
23 umbrellas are down. We have a patio space. I can host 125

1 people now in this space and still have plenty of room for  
2 the public and everyone to move around.

3 We have 11 standard bays, I guess, seated for about  
4 five. We have five suites that we can handle up to 9 or 10  
5 people. Each bay has its own TV. And we set it up so that  
6 we can wire and put heaters in them, which we will do this  
7 year.

8 We then went over to our coaching space and we put  
9 synthetic turf, instead of the traditional grass. We took  
10 two of the green covers we had used before and moved them  
11 over to our coaching areas. So now we have that wired for  
12 Top Tracer as well.

13 We took one of them into the back and used it for our  
14 maintenance yard. And then there's actually one of the  
15 covers now in the main lot I think over for the parking staff  
16 as well. We tried to make sure that all that was used as  
17 much as we could.

18 We went from a total of 12 bays that we would teach out  
19 of. Now, we have 22 total bays of which 16 are open all the  
20 time for customers.

21 Little look kind of down the tee line. We have  
22 dispensers in each of the bays now. You don't have to go get  
23 your own golf balls. You just wave a club and your golf ball  
24 comes out for you. Makes it nice and fun.

1           A big thing we did and move our ball dispensing machine  
2 hallway way down the range and built a host stand right at  
3 the front. Now, you get greeted every time you walk in. You  
4 get a thank you on the way out. Really lets us kind of catch  
5 those folks that maybe don't know where they're going.

6           It really has changed the culture in which we can  
7 interact with our customers. We know a lot more of our  
8 customers. With Covid, we kind of had to push everybody  
9 outside and automate as much as we could.

10          I'm really focused on the next couple of years getting  
11 to know more of our customers. We are a big part of their  
12 day. A lot of people spend 4, 5 days a week to come and see  
13 us.

14          Kind of an overhead shot. Shows you a little bit of the  
15 area that we redid. From the entrance all the way and down  
16 the path, we redid all of that, so we don't have any  
17 trip-and-fall issues or anything like that.

18          I'll finish it with one of my favorite pictures so far  
19 with a little sunset. I don't know if any of you have  
20 stopped by, but I would love the opportunity to show you  
21 around, show you a little bit more about what we do. And  
22 thank you for the opportunity to do what we do. We really  
23 enjoy it.

24          PRESIDENT SCHENK: Thank you, Matt.

1 MATT CLAY: Anybody have any questions?

2 MR. GELFAND: Just one. The fencing on the south side,  
3 there was some issue about somebody being concerned about  
4 golf balls going over it or through it or whatever. Is there  
5 any update on the status of that?

6 MATT CLAY: We've been working on that and looking at  
7 some options.

8 MR. GELFAND: But nothing definitive yet? And I know  
9 you're constrained by coastal permitting and anything you  
10 want to do.

11 MATT CLAY: Yeah. There's been a little discussion of  
12 how tall should it be, where should it be, least amount of  
13 profile so it's not as visible, but yet also provide the  
14 protection it needs to.

15 MR. GELFAND: How many yards is it to where the fence  
16 would be?

17 MATT CLAY: Well, you can't really see it on the map  
18 there. It kind of depends where we're at on the tee. But it  
19 ranges between 280 and 330 yards.

20 MR. GELFAND: So people can hit that far?

21 MATT CLAY: You got to be able to hit it though, but yes.

22 MR. ARABO: I have a comment. This is great. I'm a big  
23 fan of Top Golf. This looks to be a great facility. It's a  
24 smaller scaled down version of Top Golf?

1 MATT CLAY: To a degree. Top Golf merged with Callaway.  
2 And Top Golf, we're still under that. We license it with  
3 them.

4 They've looked at building and they have letters of  
5 intent to build two Top Golfs here in San Diego. One is at  
6 the Sorrento Canyon driving range about eight miles from  
7 here. The other is down past the airport.

8 I think with the environmental constraints that they  
9 have, we're not going to see those for at least five to eight  
10 years, if not longer.

11 MR. ARABO: Great job. Great work. We'll come visit.  
12 Thank you.

13 MATT CLAY: Come on by and check it out.

14 MS. BARKETT: Thanks, Matt.

15 MS. MOORE: Thank you, Matt.

16 MS. MEAD: Do you have a bar?

17 MATT CLAY: For beer and wine, yes.

18 MS. MEAD: We'll be there.

19 [Off mic]

20 MS. MOORE: He's getting us back to the start of it.  
21 There you go, you can go to that next.

22 Doug Lofstrom, our interim CEO, is going to come up for  
23 our construction projects and facilities update. While he  
24 does, Henry, if you can advance to that next slide please.



1           Just as an update on the wash out area of the Coast to  
2 Crest Trail, which we presented on and spoke to last month,  
3 HITS and the River Park JPA, which Director Mosier was  
4 commenting on earlier, have reached an agreement for the  
5 repair to that wash out area. That's going to be underway.

6           The next slide is the culvert area coming along the  
7 trail west. And we have been working with -- Dustin and Doug  
8 have been working with the River Park JPA to first identify  
9 the detour route.

10          Also within that, identifying some of the operational  
11 issues. That will be bringing trail goers into the trail  
12 property. When there are horse shows taking place, how that  
13 will work, so everyone is safe, the trail goers, the folks  
14 with their horses, the equipment that's moving through.

15          We're identifying those operational challenges, how  
16 those will be overcome to then get to a meeting with HITS and  
17 having an agreement for that detour wall, while we are  
18 continuing to work on the culvert repair and the River Park  
19 JPA is continuing to work on its bridge repair. That's the  
20 status of where that's at.

21          MR. GELFAND: Does that mean we're taking financial  
22 responsibility for the culvert repair?

23          MS. MOORE: The culvert repair, yes, that is ours to  
24 repair. The bridge is the River Park JPA.

1 MR. GELFAND: Oh. When I was out there, it didn't really  
2 seem like the culvert needed repair. It was just the bridge.

3 MS. MOORE: Potentially, there's work at the culvert. If  
4 you recall last month when Dustin presented on this, we had  
5 done a repair to it. And we are currently, the specialists  
6 are analyzing that in terms of, could that stay and meet the  
7 requirements of the regional water quality control board and  
8 others? Or if further investment is going to be required.  
9 There are some different factors that play into that.

10 With that, as I mentioned, our plan is to provide you  
11 this update on our construction projects on a semiannual  
12 basis. We wanted to give an update, as we're going into the  
13 fair. We have a number of projects that have been completed.  
14 Some that are in process right now. And some that are on the  
15 horizon.

16 We'll come back again later this fall with an update on  
17 the status of those projects.

18 DOUG LOFSTROM: Good evening. In my career, I always  
19 believed it was proper to end a board meeting with a show.  
20 Hopefully this will be the show. But it's important, because  
21 you folks have made the commitment to invest over \$8.2  
22 million in your property. And that's a big undertaking.

23 I'm going to talk to you a little bit about completed  
24 projects and projects that are in process. The value of the

1 completed projects that you have on the first slide is  
2 approximately \$3.3 million that have been completed today.

3 The rest of the projects I'll show you are in various  
4 stages of process. You'll see that on the slides. And that  
5 represents approximately \$4.9 million.

6 We completed the asphalt for the main avenue, main  
7 parking lot, the roof repairs for Wyland Hall and O'Brien  
8 Hall, the HVAC upgrade for The Sound, and just recently  
9 completed the grandstand --

10 If you have specific detailed construction questions,  
11 we're going to note those. We want to make sure if you want  
12 to get into the details, I might not be able to answer that,  
13 but we will get you the answers.

14 And then of course, as we mentioned, we just got the  
15 approval from the fire marshal for the fire panel. So those  
16 are the completed projects representing \$3.3 million.

17 MS. MEAD: What are the costs savings to us monthly, now  
18 that we have the fire panel repaired and approved? Do you  
19 have any idea?

20 MS. MOORE: About \$40,000.

21 MS. MEAD: That's what I thought.

22 MS. MOORE: And we're going to be coming back with a  
23 report on that as we analyze a bit more.

24 MS. MEAD: Thank you. A big deal.

1           DOUG LOFSTROM: The next project, this is in process.  
2           This will be the new HVAC for the DMTC administrative areas.  
3           And that project is to be scheduled to completed on  
4           November 2025. That project, approximately, \$473,000.

5           MS. MOORE: This photo is just to represent the scope and  
6           magnitude of that project. This is unfortunately not the  
7           installation of it yet, a photo of that.

8           DOUG LOFSTROM: You're going to see slides today, as  
9           Carlene pointed out that is not the exact unit, but it's very  
10          similar to what's going to be installed.

11          This is the Exhibit Hall transformer that will be  
12          replaced. And that project is estimated at \$300,000. One of  
13          the challenges is by not having that functioning well, it can  
14          affect other events in the Exhibit Hall building. So this is  
15          an improvement that will help generate additional revenue to  
16          the property.

17          The Hacienda Room, this is where OTB is. When it was  
18          originally constructed, we didn't have climate control. Now,  
19          we're going to have climate control, which benefits the  
20          customers in the OTB.

21          Mission Tower, we're going to replace three of the  
22          20-ton units. If you look at the Mission Tower building  
23          right at the top, there's four units up there. One of them

1 was replaced. We're going to replace three. So now, you'll  
2 have a climate controlled building in Mission Tower.

3 MS. MOORE: And it's necessary for splitting, because  
4 that space can be split into halves or quadrants.

5 MS. MEAD: Thank you. What's the building with the  
6 circle on the top?

7 MS. MOORE: That's not a building. That's the Plaza de  
8 Mexico. The right-hand side is our administration building,  
9 grandstand in the back there, Plaza de Mexico and Mission  
10 Tower to your left.

11 MS. MEAD: Thank you, I was just trying to get oriented.  
12 I'm thinking, I don't know that one. Thank you.

13 DOUG LOFSTROM: And the estimated cost for that  
14 air-conditioning project is \$215,000.

15 The next project is replacing the Surfside boiler.  
16 That's just the picture of what it possibly will look like.  
17 The estimated cost for that is about \$139,000. What's  
18 important about that, that will put the heating in the  
19 Surfside, and it's actually going to enhance the customer  
20 experience.

21 The next project is the deck at Surfside. And the  
22 yellow area highlights that decking. That project is  
23 approximately \$210,000. What that's going to be able to do,  
24 that will complement use of the deck area by the project that

1 Carlene will talk about in a few moments. It actually is  
2 going to help us by not having the water intrusion in the  
3 rest of the building.

4 MS. MOORE: Just for reference, that's the backside of  
5 the Surfside building. And The Sound would be sort of the  
6 front left aspect of it. These are issues that were not  
7 addressed and were not part of the scope of work when we did  
8 The Sound renovations.

9 DOUG LOFSTROM: The next project is the mechanical roof.  
10 That project is approximately 210,000. And what happened  
11 over a period of time, the product just exceeded its life  
12 expectancy, water intrusion. So this is an important project  
13 for the building.

14 [Off mic]

15 MS. MOORE: That's where the mechanical equipment is  
16 located when we're talking about the HVAC units and so forth.  
17 And it's made of metal.

18 DOUG LOFSTROM: The next major project is the Solana Gate  
19 West Lot asphalt. That's all the yellow area. That project  
20 involves both replacing asphalt that has to be repaired  
21 before we put the slurry seal over it. That project is \$1.5  
22 million. But as you know, with all the events we have, the  
23 parking, that is a critical support for our events program.

24 [Off mic]

1 MS. MOORE: Yes, where there is existing asphalt.

2 DOUG LOFSTROM: The next project, the facilities  
3 condition assessment report, as Carlene reported, I know Brad  
4 Mason, our Facilities Director, has been working with them.  
5 He feels confident that we'll be able to have that report in  
6 to the organization by May. That will be an important report  
7 for you folks as you look at planning and strategic planning  
8 for the future in your investing dollars in the property.

9 This is the emergency transformer replacement project.  
10 Looking at about \$74,000. I remember when I was here three  
11 years ago driving around the back stretch, looking at some of  
12 those. As Carlene reported, that does provide the power for  
13 the sewer lift station, which is critical in the back  
14 stretch.

15 And I think the person who has the vision for the next  
16 project should explain this. I'm going to conclude my  
17 portion and turn it back over to Carlene.

18 MS. MEAD: Before you go, can you go back one slide, to  
19 the back stretch? Thank you.

20 Some of these projects I think lend themselves to a  
21 little bit of a field trip, and this seems like one to me.  
22 I'm wondering whether for future meetings, when it's  
23 appropriate, whether we can build in time prior to the  
24 meeting where we can put on our tennis shoes and walk back

1 and look at what we're looking at. So we get a better sense  
2 of these expected expenses that we're going to have to have.  
3 Just a suggestion for those who may want to attend. I'd  
4 certainly like to.

5 MS. MOORE: It's a very good idea. Especially as we get  
6 the facility condition assessment report, to have that  
7 information as well. Well also been talking about having  
8 some behind the scenes tours during the fair itself as you're  
9 coming, so also see how some aspects of it interact with our  
10 biggest event we do. That's a great idea.

11 MR. MOSIER: I had a comment. I think some of this,  
12 these plans should come to our environmental subcommittee.  
13 What I'm seeing is replacing old equipment with new versions  
14 of old equipment. If you spend a little bit more money and  
15 put in heat pumps now, the cost of operation maintenance  
16 would go way down.

17 When you're doing long term planning, and if you had a  
18 few solar panels to power some of these things, you'd be in  
19 much better shape long term.

20 I understand, you have to replace, you got four old air  
21 conditioners, you need to replace three of them. It's a lot  
22 easier to do like-for-like replacement as a short-term  
23 strategy. But as a long-term strategy, I think it's not the  
24 smart move.



1 MS. MOORE: Again, that's where having that facilities  
2 report and for us to be able to dissect that more, and to be  
3 planning for repairs and replacement versus it being critical  
4 mass we're dealing with. I think that's a great suggestion,  
5 working with the environmental committee on aspects of it,  
6 the finance committee, and others for how we're going to do  
7 this. And starting to plan our improvements better, so we  
8 are thinking long term and not just being reactionary.

9 Thank you.

10 MS. BARKETT: I have a question regarding -- do you  
11 foresee the costs going way up in this area in terms of  
12 tariffs that are coming our way?

13 DOUG LOFSTROM: I don't know if I'm qualified to answer  
14 that question. As just a person, I would say yes. I mean, I  
15 think we're seeing construction costs increase. But  
16 hopefully, what's going to happen with some projects is maybe  
17 technology is going to be our friend and help us in the  
18 future.

19 Coming from four different organizations, the investment  
20 in your facility is something that is a major focus for  
21 boards and executive offices. It's not the glamorous ones to  
22 talk about. We want to talk about entertainment and programs  
23 and different things we do. This is a critical one for the  
24 future.

1 MR. GELFAND: A couple of questions. One, from a finance  
2 committee standpoint and the budget, when we're looking at  
3 budgeting -- all of this is budgeted.

4 MS. MOORE: Yes. Other than the emergency repair.

5 MR. GELFAND: So Don, to kind of address your concerns,  
6 when we're presenting above the budget to the board for  
7 approval, we ought to accommodate some discussion of each  
8 major capital improvement so we can make sure that it's being  
9 implemented in a way that's environmentally sound and  
10 sustainably designed. So that's one issue.

11 The other, which is near and dear so me, is The Sound  
12 boiler issue. What I experienced two nights in a row at The  
13 Sound, it was just unbearably hot. A boiler is for heating.  
14 I'm concerned about the air-conditioning, not the heating. I  
15 don't know if they're all tied together and it's the lack of  
16 a boiler that just shuts down the air-conditioning system. I  
17 don't know if you're in a position to address that.

18 DOUG LOFSTROM: I would probably let Brad address that.  
19 In conversations with Brad, he said to me that this project  
20 and the others that have been completed is going to put us on  
21 good footing for climate control. But the details Brad would  
22 know.

23 MS. MOORE: It is all connected.

1 MR. ARABO: I have a couple of quick questions, comments.  
2 When I visited the back stretch last year, I saw, everyone is  
3 hanging up their clotheslines. They said the washers and  
4 dryers back there were not working.

5 Just give that to your attention. I don't know how  
6 accurate that was or not.

7 The more we can do for the back stretch workers, the  
8 better.

9 KATIE MUELLER: The washers and dryers don't actually  
10 belong to us. The DMTC contracts in a company that brings  
11 all that equipment and operates the washers and dryers.

12 MS. MOORE: We'll let them know.

13 MR. ARABO: Another question was the elevators. A lot of  
14 times, the elevator breaks down. The escalator breaks down.  
15 Last year I was at a meeting, one of the restrooms on the  
16 floor flooded. Just to flag that for you. Elevators and  
17 restrooms.

18 MS. MOORE: Elevators, just so you're aware, is an  
19 ongoing investment as well. We have that identified as we  
20 talk about future plans.

21 Outside of the general maintenance, keeping and  
22 operation, we didn't have in our operating budget for the  
23 ongoing maintenance and repair of the elevators and  
24 escalators.

1           DOUG LOFSTROM: Three years when I was here, I learned  
2 more about elevators and lift stations. But I can assure you  
3 that the facilities department knows that the maintenance and  
4 the upkeep and service of that is vitally important,  
5 especially the elevators.

6           MS. MOORE: What Doug was referring to -- we talked about  
7 this. I will keep this brief. The Connection Center, which  
8 is this concept of creating one space where all of our  
9 employees are in. This gives you an idea of -- the green  
10 pins are where our employees are currently located, outside  
11 of the Facilities department because they would not be  
12 relocated. In essence, the path of travel our employees have  
13 for getting to one another, getting to meetings, this covers  
14 about 14 acres. We are spread out on the property. It's a  
15 little over a mile in terms of that.

16           We have been working with architects to design this  
17 Connection Center space with this one space within the  
18 unrenovated portions of the Surfside building to bring that  
19 together. It just kind of gives you an idea of what we are  
20 looking at within that space. Some artist's renditions of  
21 that. It's meant to drive at that efficiency, the team, the  
22 amount of time lost in terms of various meetings and coming  
23 together for employees is very significant.

1           We'll come back to you with more information on this.

2           We are getting our steps in. There is that.

3           With that, that concludes my report.

4           PRESIDENT SCHENK: Very thorough, and very much  
5           appreciated.

6           We are at number nine, matters of information. Please  
7           look at pages 98-186, including all the contracts that have  
8           been executed per our CEO's delegation of authority.

9           With that, I will entertain a motion. Seconded by  
10          unanimous.

11          We are adjourned.

12          [Meeting adjourned at 5:34 p.m.]

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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.

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Antha A. Ward  
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