BOARD OF DIRECTORS MEETING

22ND DISTRICT AGRICULTURAL ASSOCIATION

DEL MAR FAIRGROUNDS

2260 JIMMY DURANTE BOULEVARD

DEL MAR, CALIFORNIA 92014

(TELECONFERENCE)

TUESDAY, NOVEMBER 10, 2026

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Transcribed by:

QuickCaption, Inc.

3457 Arlington Avenue, Ste. 104

Riverside, CA 92506

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IN ATTENDANCE:

22ND DAA OFFICERS AND DIRECTORS PRESENT:

SAM NEJABAT, CHAIR

LISA BARKETT, VICE CHAIR

MARK ARABO, DIRECTOR

PHIL BLAIR, DIRECTOR

DONNA DeBERRY, DIRECTOR

KATHLYN MEAD, DIRECTOR

TED MIYAHARA, DIRECTOR

ELSA MORALES-ROTH, DIRECTOR

22ND DISTRICT AGRICULTURAL ASSOCIATION STAFF:

BECKY BARTLING, CHIEF EXECUTIVE OFFICER

KATIE MUELLER, CHIEF OPERATIONS OFFICER

BRAD MASON, FACILITIES DIRECTOR

MICHAEL SADEGH, FINANCE DIRECTOR

JENNIFER HELLMAN, MARKETING DIRECTOR

HENRY RIVERA, PRODUCTION DIRECTOR

MOLLY ARNOLD, ADMINISTRATIVE ANALYST

22ND DISTRICT AGRICULTURAL ASSOCIATION COUNSEL

JOSHUA CAPLAN, OFFICE OF THE ATTORNEY GENERAL

OTHER SPEAKERS:

JOSH RUBINSTEIN, PRESIDENT & COO, DEL MAR THOROUGHBRED CLUB

COMMENTERS:

DEL MAR RESIDENT

RUSS PENNIMAN

MARTHA SULLIVAN

ALLISON PRATER

JANE CARTMILL

NICOLE FOCONE

LORI SALDAÑA

MR. RIVERA: Good morning, everybody.

The room is live.

Please remember to turn your microphones on.

CHAIR NEJABAT: Thank you.

All right.

Good morning.

Today is Tuesday, November 10th, 2026 and the time is 9:36 a.m.

I now call this meeting of the 22nd DAA Board of Directors to order.

We'll begin with the roll.

MS. ARNOLD: Chair Nejabat?

CHAIR NEJABAT: Here.

MS. ARNOLD: Vice Chair Barkett?

VICE CHAIR BARKETT: Here.

MS. ARNOLD: Director Arabo?

MR. ARABO: Here.

MS. ARNOLD: Director Blair?

MR. BLAIR: Here.

MS. ARNOLD: Director DeBerry?

MS. DeBERRY: Here.

MS. ARNOLD: Director Mead?

MS. MEAD: Here.

MS. ARNOLD: Director Miyahara?

MR. MIYAHARA: Here.

MS. ARNOLD: Director Morales-Roth?

MS. MORALES-ROTH: Here.

MS. ARNOLD: Director Schenk will be joining remotely later.

CHAIR NEJABAT: Okay, we have a quorum.

We'll now move on to item number 3, which is public comment for items not on the agenda.

We'll start by taking public comment for two minutes.

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

Out of respect for everyone's time, we will mute your microphone after two minutes.

Do we have any public speakers in the room with us today for matters that are not on the agenda?

If so, please queue up and begin.

DR. UDOWON: Good morning.

Good morning, members of the board.

My name is Dr. Udowon.

I am a resident of Del Mar for 43 years.

I'm very concerned and dismayed about the board has voted to terminate the ENRA agreement.

As you all know this is because SANDAG included

seasonal and temp workers at the Fairgrounds in 2018, treating them as full-time local employment.

I understand that the City of Del Mar did not uncover that issue until after the RHNA appeal window was closed in 2019, so it could no longer be appealed.

However this board retains the power and responsibility to help rectify the situation.

I strongly suggest that the board return to negotiating with the City of Del Mar because the Fairgrounds temp employment numbers are causing this city to provide the inflated number of housing units.

It would be the right thing to do laying politics aside.

The timing of the ENRA termination is very interesting.

Shortly after its termination the folks at the San Diego Wave soccer team announced a plan to build a huge complex on the Fairgrounds.

This plan would have devastating environmental consequences and massive traffic, even worse than that which the polo fields have created, and effectively putting an end to the Fair and the Fairgrounds core mission.

Notably those plans lack any provision for affordable housing.

Providing affordable housing is a state mandate by the governor.

Community stewardship requires transparency regarding when and how these plans developed.

Something of this scale surely does not show up overnight.

I urge you, the board of the directors, to do the right thing and figure this out along with the City of Del Mar.

It's not too late.

Thank you for your time and service.

CHAIR NEJABAT: Thank you.

Anyone else?

RUSS PENNIMAN: Good morning.

There's a letter that's going around that will be summarized that this is kind of a summary.

So good morning, Chair, members of the board, Becky, my name is Russ Penniman.

I served on this board for 16 years, including as president.

I appear today as a former board member, former competitor at Horsepark, as a resident who's

evacuated our family's horses to this facility. I urge you to protect Horsepark and preserve it in its current use as a premier equestrian facility.

The purpose of the 22nd district is to host events that serve San Diego County.

Your mission is to connect with the community through entertainment, recreation, agriculture.

It is not to fulfill the housing obligations of neighboring cities.

Diverting agricultural recreational land to housing would move this district away from its fundamental charge and from the event revenue that primarily funds it.

Horsepark has been raised in that discussion.

That's a mistake.

The property lies in a FEMA designated floodplain along the San Dieguito River.

That designation has long made permanent residential development impractical.

Horsepark is unique.

There's no other venue like it in Southern California.

On 65 acres, it offers a grass field, a large indoor arena, multiple ebb and flow rings,

substantial stabling.

It is one of the West Coast's premier multidiscipline showgrounds.

San Diego County has one of the state's largest equestrian communities in California and is home to roughly only up to half a million horses.

Horsepark draws competitors from across the country and is used regularly by local residents.

It has also provided critical overflow capacity for horses during wildfire evacuations.

Keeping Horsepark as an equestrian facility honors the agricultural purpose of the 22nd DAA, meets ongoing demand, supports emergency preparedness, and recognizes the barriers of the floodplain.

I ask that you protect this unique asset for the purpose it serves so well.

Thank you.

CHAIR NEJABAT: Thank you.

MARTHA SULLIVAN: Good morning.

Martha Sullivan from Imperial Beach.

Reported in the Thoroughbred Daily News on October 18th, quote, last week the Jockey Club released its annual report of mares bred, which is

used to estimate the following year's foal crop.

And once again, the numbers were not good.

The 2017 North American foal crop declined by about 26 percent during a 10-year period.

Twenty years ago represented a decline of about 56 percent over that period.

It just keeps getting worse and there is no end in sight.

You don't need to be reminded about what this has meant for the sport, smaller fields, a less attractive betting product, racetracks reduced to running two or three days a week because that's the only way they can hope to fill cards and racetrack closing.

The breeding industries in the States where people are clearly losing confidence in the future of racing are the ones that are suffering the most.

In Florida, the number of mares bred in 2026 was down to 909.

In 2017, the number was 2311.

There were 1091 mares bred in California in 2026.

Ten years ago, that number was 2675.

Only 94 mares bred were bred in Texas in 2026.

As recently as 2013, that number was 1070.

The three most populous states, that's a 59.2 percent drop in California mares bred in the last 10 years compared to the national drop of 24.2 percent.

Florida was 60.6 percent down since 2017.

Texas cratered 91.2% from 2013.

I've been telling you this for a long time.

The U.S. horse racing industry is dying.

CHAIR NEJABAT: Thank you for your comments.

ALLISON PRATER: Good morning, Allison Prater from Imperial Beach.

On November 5th, the Thoroughbred Rescue Alliance wrote to the Jockey Club Chair, quote, organizations like ours feel a great need by pulling and caring for thoroughbreds out of the horrendous slaughter pipeline.

There are few organizations that do.

Without us, these horses face weeks or months in feedlots and kill pens, and if not rescued, they face slaughter.

Horses in the pipeline are hauled for endless hours from auction to auction and eventually end up across the border, usually without feed or water.

Once they're in the slaughterhouse, they are

stunned by captive bolt, often imperfectly and repeatedly, then shackled, hoisted up by one leg, and bled out.

Their meat is sold for human consumption, mostly to people who don't know they are eating horse.

Bizarre Brown didn't even make it that far.

She died on a Texas feedlot while we were still arranging her transport, end quote.

This week, an alliance member is fundraising to rescue three thoroughbreds in a SoCal feedlot who were raced or bought in SoCal.

Fifteen-year-old mare Mira Magic Spot, bred and owned by SoCal trainer Hector Palma, Royalty Stable and BG Stable, raced in 2014 and 2015 at all the SoCal tracks, including five stakes races.

Magic Spot's mother, 23-year-old mare Sweet Spot, trained by Hector Palma and owned by Royalty Stable from her first U.S. start 2007 through 2008 at all the SoCal tracks.

Sweet Spot was raced ten times in Ireland starting in 2005.

Mother and daughter produced 14 foals for Royalty Stable and BG Stable after racing.

Twelve-year-old stallion Classic Warrior, bought

in the Barretts Equine March 2016 two-year-olds in training sale at Pomona Fairplex for $45,000 by Joe Rizzi.

CHAIR NEJABAT: Thank you.

ALLISON PRATER: Thank you.

CHAIR NEJABAT: Anyone else in the room?

Okay, seeing nobody in the room who'd like to speak any further.

We have three members of the public online.

We'll begin with Shawn Reynolds.

MR. RIVERA: Shawn is not in the queue.

CHAIR NEJABAT: Jane Cartmill.

JANE CARTMILL: 2026 legislative data demonstrate that animal protection is shifting from reactive local ordinances to proactive systemic overhauls.

After decades of advocacy pointing to extreme weather exposure and traffic risks for urban horses, monumental legislation will officially ban the 150-year-old drawn carriage industry in New York's Central Park by June 1, 2028.

The city has immediately stopped issuing new carriage horse driver licenses and all active licenses will expire on May 31, 2028.

A required transition plan will fund job

training and financial compensation for displaced drivers and medallion owners and mandates humane rehoming of the horses to sanctuaries explicitly banning sale or transfer for slaughter.

After many delays and legal challenges, the USDA announced that overhaul of the Horse Protection Act regulations will take effect on December 31st of this year.

The new rules eliminate industry-affiliated inspectors, replacing them with independent USDA-trained inspectors and veterinary officers.

It expands enforcement against soaring to all horse breeds.

The Bipartisan Safe Act would permanently ban horse slaughter for human consumption within the United States and completely prohibit exporting equines for that purpose.

The act is still making its way through Congress but has support of animal welfare organizations and the Jockey Club.

Court rulings have blocked the Bureau of Land Management from large-scale roundups to remove wild horses from public lands and require reassessment of populations, consulting independent experts.

Buyers and adopters must now certify that they will not sell or transfer a BLM animal to anyone intending commercial use.

The trajectory toward phasing out exploitive industries and eradication of self-regulation is visible, recognizing that animals are sentient beings needing safe legal safeguards.

CHAIR NEJABAT: Thank you.

Next up we have Lori.

MR. RIVERA: Lori Saldaña is not in the queue.

CHAIR NEJABAT: Nicole?

MR. RIVERA: She is not in the queue.

CHAIR NEJABAT: All right, that's it for public comment.

Our next order of business is Item 4, the consent calendar.

Do we have any members of the public in the room with us today who wish to speak on the consent calendar as presented in the agenda?

I'm seeing nobody in the room and nobody online.

Any questions or discussion from the Board?

MR. ARABO: Can we pull this to a further -- I just have questions on both contracts, 23-014 and 26-050 from consent.

I just have basic questions.

CHAIR NEJABAT: Okay, with that, do I have a motion for approval of the consent calendar?

MR. ARABO: So moved.

MR. BLAIR: Second.

CHAIR NEJABAT: Let me get the roll call for the vote, please.

MS. ARNOLD: Chair Nejabat?

CHAIR NEJABAT: Aye.

MS. ARNOLD: Vice Chair Barkett?

VICE CHAIR BARKETT: Aye.

MS. ARNOLD: Director Arabo?

MR. ARABO: Aye.

MS. ARNOLD: Director Blair?

MR. BLAIR: Aye.

MS. ARNOLD: Director DeBerry?

MS. DeBERRY: Aye.

MS. ARNOLD: Director Mead?

MS. MEAD: Aye.

MS. ARNOLD: Director Miyahara?

MR. MIYAHARA: Aye.

MS. ARNOLD: Director Morales-Roth?

MS. MORALES-ROTH: Aye.

CHAIR NEJABAT: Okay, the motion carries and

we'll now move on to Item 5 on our agenda today, which is the CEO report.

This is an information item only.

I'd like to recognize our CEO to provide the report.

MS. BARTLING: Thank you.

First up, as you know, I sent a letter at the direction from the board to the City of Del Mar.

I sent it on October 23rd requesting their attendance at this meeting to apologize to the board for the referral letter that caused so much angst to Director Arabo and his family.

It asks for various things, a retraction of the letter that was forwarded to the District Attorney, and several other requests that we sent over.

I heard from Ashley Jones, City Manager, well, and just to confirm, we'd asked that if I did not mention that, we asked that the council and the Mayor and Vice Mayor attend this meeting and address the letter that I sent.

On Friday 11/6, Ashley Jones sent a letter letting me know that they would not be attending the meeting and that relevant communications have already been provided to the district.

So that's my update on that.

CHAIR NEJABAT: Any questions or comments from the Board?

MR. ARABO: Yeah, I have a handout I'd want to pass down a statement to -- this is for the other side.

MR. ARABO: For the Chair, I want to thank you and Becky.

Thank you for the October 23rd letter and for following through with what the board asked.

I understand the City has declined the invitation to attend today.

I respect that decision, but it does not resolve the concerns raised at our last meeting.

Let me speak personally for a moment.

I was publicly named in a referral arising from a complaint whose sender, the District Attorney, could not verify.

My family's home address and identifying property details were included in a public city agenda packet.

After I objected, the City confirmed it removed the original packet and replaced it with a redacted one.

That was deeply unsettling for myself and for my family.

I fully respect the right of a public agency to refer legitimate concerns to law enforcement.

That responsibility should be exercised with care and due diligence.

The District Attorney declined to investigate and described the city's public referral process as very irregular.

This is much bigger than me, much, much bigger.

At our October meeting, Director Schenk said it could have been any one of us.

Director Morales-Roth, Elsa said it was really damaging for the institution and Director DeBerry said the City owes the Board an apology as well.

I appreciate those comments because they recognize the risks to every director on this agency who must make independent and sometimes difficult decisions.

A public dispute should not leave volunteer directors wondering whether their reputations or their family's privacy may become collateral damage.

And Chair, I respectfully ask that we invite Del Mar again at the January 12th meeting and whether or

not the City attends, please place a property notice action item on the agenda for the board with Josh's guidance, our AG, our DAG, to consider our official institutional position on the referral process, the impact on the Board's independence, and appropriate corrective steps.

This is an information item, so I'm not asking for a vote, but I would like if any board member wants to speak.

I care about this institution and through a proper public process, I think we should have an official action.

Thank you.

I passed out a handout for the public as well.

It says protecting the board's independence with a timeline and my colleague's statements from the last meeting.

I cited the transcript.

MS. MORALES-ROTH: Just a very quick comment.

As one member of the 22nd District, I am disappointed that the City of Del Mar didn't show up to acknowledge the allegations.

We're all human.

We all make mistakes.

Sometimes we believe we're doing our due diligence, and still things can go wrong.

But as leaders, we have a responsibility to own those mistakes and acknowledge how they affect others and also to make things right.

To me, that is basic respect and professionalism.

We take our responsibility as stewards of the Fairgrounds seriously, including our responsibility to respect our neighbors.

We want the City of Del Mar to work with us.

We're partners at the end of the day.

What disappoints me is that this affects our community and the people that we serve.

We're supposed to be partners and value that relationship, but partnership requires mutual respect and accountability.

When that effort only comes from one side, it's hard to call it a true partnership.

This is a conversation between partners and neighbors, and it should be about us both showing up and just talking through this.

I truly hope we can find a path to work together.

Our master plan is coming up, and we're going to need each other for that.

So I hope we can move forward with acknowledgement of this and respect needed to rebuild the trust among both the City and the Fairgrounds.

Again, this is our partnership, and we need each other.

CHAIR NEJABAT: Thank you.

Director Mead?

MS. MEAD: I would like to share that I -- Mark, I completely understand the concerns that you raise and the impact this has had on you and your family.

I, too, am extremely disappointed that the City of Del Mar elected not to come and address our concerns this month.

That said, I feel like this has taken multiple months of our time and our energy, and I believe that Del Mar Fair -- I mean, Del Mar -- City of Del Mar has told us where they stand in terms of this issue.

I would like to see us move forward and ensure that in the future, as you said, Elsa, we have a master plan coming forward.

We need to find a way to work together, and I would, Mark, while I understand your concern and

interest in inviting the City of Del Mar, the city is invited at any point to come speak to the Board, and I hope any time they do, they begin with an apology.

But I would really love to see us just move forward and try to put this experience behind us.

CHAIR NEJABAT: Anyone else?

MR. BLAIR: Just quickly, I agree with Kathlyn, and the unfortunate that this blew up, and I don't think the City of Del Mar had that in mind at the time, but I think we should move on and focus on other issues right now and let this fade away.

MR. ARABO: Are you comfortable putting your home address in the public like that?

What would you have said if it happened to you and they don't show up?

I'm asking for them, to invite them one more time, and for us, because this is not an action item.

If this was an action item, I'd call for a motion, but I can't, and that's one of the reasons why.

I don't want to beleaguer, I mean, keep talking about the same issue, but if we don't respond to them not showing up to apologize for what they did, it's one thing to say, we didn't know that this was, we

couldn't find this person, and we made a mistake.

They haven't even said that.

They haven't owned the mistake, and for them not showing up, I think shows a big disrespect to the board.

MS. MEAD: Mark, I completely 100% agree with you.

I also agree with you that I would be very, very angry if what happened to you happened to me publishing my personal information.

I completely agree where you are with that.

I just simply believe that trying to force an apology out of the City of Del Mar when they have been very clear to us through this action that they don't intend to do so is not the apology that I'm interested in receiving.

I would much rather that they did this of their own volition and their professionalism, and I am looking at this and saying this is very disappointing that we would have to ask them multiple times to come show the respect of this board.

So that's my only position.

I completely understand and empathize with yours.

MR. ARABO: Thank you.

My intent is not at all to force anything.

It's more to give them the opportunity because I want to be partners with the City of Del Mar.

I want to work with the City of Del Mar.

I do think without safeguards, how can any volunteer board member take an action as a fiduciary protecting this institution if they're worried that a neighboring city will just not do their due diligence and attack one of us?

And I think that some might say them not coming up is their response, which is fine, but I'm more interested in seeing so what's our position as a -- as a board.

Does that mean we are partners?

Does it mean we're not partners?

What does the partnership look like?

If this was an action item, I would definitely not bring it up again.

I think I don't like keep talking about this over and over again, but that's my only request because I would like to see it as an action item to see an official position from my colleagues because today it's me.

Tomorrow it could be, I hope not, it could be any one of you.

MS. MORALES-ROTH: Mark, just to clarify for a couple of us, so can you repeat the action item?

I just want to, because I do want to open up the opportunity once more for Del Mar.

I don't want to push too much, but it's just opening it once more.

Again, concerned about the partnership and also acknowledging what you have gone through.

So can you repeat the action item please?

MR. ARABO: Well, my request is just inviting them again for January 12th.

MS. MORALES-ROTH: Okay.

MR. ARABO: Put it as an action item and if they don't show up that this board could vote on a position on what our partnership looks like and that could be a status quo.

It could be, I don't know what it is, but I don't think we could -- this is more informational.

I'm surprised they didn't show up.

MS. MEAD: Just to be sure though, this is not designated as an action item on the board agenda.

This is a request from you personally to the

Chair.

MR. ARABO: Yeah, of course, I don't have that power.

I mean, my request to the Chair to really to give City of Del Mar an opportunity to make it right.

MS. MORALES-ROTH: I mentioned and thank you for clarifying that because just the invitation, I think, as a board member I think I would invite.

It’s just an invitation at the end of the day.

MR. ARABO: Yep.

MS. MORALES-ROTH: And then based on that then we can have a discussion or not based on what we need to do.

Thank you.

MR. ARABO: People make mistakes.

Cities make mistakes all the time.

CHAIR NEJABAT: Any other comments?

All right.

MS. BARTLING: Okay.

Moving on.

We've had some great events coming up.

October obviously is over, but in your packet you can see the contracted events that we had in October.

Some great events.

We had an incredible private event, Cohera, and lots of other fun events at the Sound.

We had Michelle Branch, Surfboard Expo, Card Show, Gym Fair, Home Show.

Lots of great things happened in October.

Let's see.

In November we've got, well actually that's passed now, Lyle Lovett was at the Sound.

Of course we have the world's best and most incredible race meet, Third Red Race Meet, running right now.

We've got Billy Joel Legacy coming up the Sound, the Psychedelic Furs.

Actually those both have passed, but great shows.

We have the Three-Day Walk, the Breast Cancer Three-Day Walk, which is really an awesome event.

If you've ever done it, it's 60 miles I think, and just a great fundraiser.

Got the Wholesale Christmas Tree, they're setting up over in the East Lot.

We've got the Sound again, and Snow Jam, and a couple other events at the Sound.

And then of course we've got, in December, we've got the Coastal Christmas, which is an exciting and really nice family event here.

The Jiu-Jitsu World League, we've got some private event with Legends.

Young the Giant at the Sound, String Cheese Incident at the Sound, Nimino, I don't know.

VICE CHAIR BARKETT: Glad you had to pronounce that.

MS. BARTLING: Yeah, I tried.

And of course, then towards the end of December, we've got the load in on Cirque du Soleil, and then we've got Tribal Seeds at the Sound.

So that's a little update on what's going on in the property here.

Then the last item I have is a little conversation.

MR. BLAIR: Becky, could you just give some examples of what Legends does here?

I mean, are these, so we can talk about little things like weddings?

MS. BARTLING: Well, the one that's a $206,000 nut was actually a wedding.

It's a, I think, Katie, wasn't it a destination

company that put it together?

Yeah.

So they book and they bring in weddings, receptions, all kinds of things.

Kaiser was here with a really big event for the doctors last month.

So they'll book, they basically are booking kind of the private events.

MR. BLAIR: In the Sound or where?

MS. BARTLING: All over the property.

Yeah.

MR. BLAIR: Okay.

MS. MUELLER: Anything non-ticketed to the public, that's a banquet event that has catering as a component.

They've been doing those sales for us.

MR. BLAIR: Cool.

That's great.

And then the Cirque here for three months?

MS. BARTLING: Well, it has quite a bit of a load in.

I think it starts February 3rd or something like that.

Yeah.

MR. BLAIR: What sort of income is that for us?

Just a guess.

MS. MUELLER: Off the top of my head, I think it was a few hundred thousand.

MS. BARTLING: Yeah.

MR. BLAIR: Love that.

MS. BARTLING: Yeah.

Yeah.

And it's a great event, obviously.

We're happy to have them back.

Okay.

Moving on.

There's a great report.

Katie put this together on the El Niño, Katie and Brad, on the El Niño preparations that we're doing.

We've been concerned about, obviously, you know, the potential of heavy, heavy rains.

Some of the coordination meetings have been done.

San Elijo Joint Powers Authority, City of Del Mar, working with the Fire Chief of Solana Beach and Del Mar and San Diego, working on wave storm surge meeting led by the Fire Chief of Del Mar and Solana

Beach.

Lots of potential out there for high waves.

Brad has been very diligent on watching that, and he actually put together a schedule of, and I can't remember what they call them, the big bad waves.

MR. MASON: Kelvin.

MS. BARTLING: Kelvin.

Thank you.

Yeah.

So, really looking at lots of things that we've been doing to shore up the facility, removing and repairing faulty pumps, re-roof the telecom hub, patching and roofing, made repairs to the deck at the sound, all kinds of things you can see in there.

So, I just wanted the board to see all the work that we're actually going to, to hopefully shore up the property against damage from El Niño.

Any questions?

Okay.

Well, that's it for me.

CHAIR NEJABAT: Okay.

All right.

Any members of the public who wish to speak on

this item, the CEO report?

MR. RIVERA: I have one member online, Nicole with her hand up.

CHAIR NEJABAT: Okay.

Nicole.

NICOLE FOCONE: Yes.

My comment was not on the CEO report.

I missed the public comments, and I respectfully ask if there's time to hear me out.

CHAIR NEJABAT: You know, we'll make the exception, because you were signed up, and we did call on you, and we didn't hear from you, but we can go ahead and hear from you now.

NICOLE FOCONE: I appreciate it.

Thank you so much.

CHAIR NEJABAT: And then we'll go to you, Ms. Sullivan, after that.

We're going to have Nicole speak two minutes to public comment, and then revert back to you.

Go ahead, Nicole.

MARTHA SULLIVAN: I'm going to go sit down.

NICOLE FOCONE: Thank you.

I'm here regarding my long-term rental status at the RV park and the loss of what I understood to be

my grandfathered status.

I did not rent last season because of family matters required me to remain in Los Angeles, where I am now.

At no point was I informed that missing one season would cause me to lose my grandfathered status or affect my ability to return under my previous arrangement.

Neither Kevin, the RV park manager, nor Paul, the new rental manager, notified me of the consequence.

Had I known, I would have had the opportunity to discuss my circumstances with management and understand what steps were necessary to preserve my status.

My concern is both the loss of that status and the lack of notice.

A condition with such a significant consequence should be clearly communicated so that renters can make informed decisions.

I do not believe it is Fair to treat my absence for family reasons as giving up my status when that consequence was never explained to me.

I respectfully ask the board to have staff

review my rental history and circumstances and reconsider my grandfather status.

I would also appreciate a written explanation identifying the policy being applied when that took effect and how and when I was notified that skipping a season would result in losing that status.

I recognize that my issue is not on today's agenda.

I am asking that my concerns be acknowledged, that an appropriate staff member follow up with me, and that this matter be considered for a future agenda if needed.

I'm simply asking for a Fair review, clear communication, and the opportunity to resolve this matter.

Thank you for your time and consideration.

CHAIR NEJABAT: Thank you.

It looks like Lori Saldaña, you're back and we'll allow you to public comment as well.

LORI SALDAÑA: Lori Saldaña: Thank you.

I appreciate it.

I had another call come in when this item was taken up.

I wanted to encourage this board to become more

familiar with the impact of sea level rise on your facilities and everyone is talking about El Nino, which is hopefully a short-term one-season event, but the impact of the Kelvin wave, as was mentioned a few minutes ago, is ongoing and we can get more of those waves that continue to lift the level of normal sea and tide beyond what is posted for those of you who follow tide tables.

That impact doesn't just show up on the shoreline, it is pushing the groundwater that surrounds your facilities upwards, putting pressure on your infrastructure, on the pipes, on foundations of buildings, and it pushes the groundwater higher and then saltwater follows and begins to corrode asphalt, rebar, all those things that make up the parking lots and other areas.

So I wanted to encourage this board to bring in someone from Scripps or an expert from Berkeley that recently did a webinar for us here in San Diego and really explain what the financial, structural, and safety risks are as these higher sea levels continue throughout this year.

And as was mentioned, if there's a storm on top of that, there is nowhere for the water to go and

that's what causes flooding.

When the groundwater is pushed to the surface by the sea level and then the rain comes from the sky, that's when you have flooding even far from shorelines.

So I want to just encourage you to do some educational activities for on behalf of your operations so you better are better prepared ongoing for higher sea levels.

CHAIR NEJABAT: Thank you.

Thank you.

Okay, now we'll go back to the CEO report public comment.

MARTHA SULLIVAN: Martha Sullivan again.

On the report about the storm preparation, maybe I missed this, but is that going to be on the marine or somewhere where the public can view that?

MS. BARTLING: It's online now.

MARTHA SULLIVAN: Okay, cool.

MS. BARTLING: It's in the packet.

MARTHA SULLIVAN: Cool, all right.

I skimmed through that but it's been added recently.

Okay, the other thing I just wanted to mention,

just some of you may already be aware of this, but if it gives you any kind of satisfaction, the Del Mar City board member who is running for re-election to her third term is not succeeding, Terry Gaasterland.

She's number three for two seats.

CHAIR NEJABAT: Okay, thank you.

Seeing nobody signed up online, that concludes our public comment on the CEO report.

We'll now move on to Item number 6, which is general business.

Since we did have the two items pulled from consent calendar for further discussion, I'd like to bring that up now.

Perhaps any questions or comments from Becky to elaborate on that?

MS. BARTLING: Yes, so the Saffire, that's the amount that is left on the contract and what we're anticipating spending is $564,000 and accommodating in our upcoming budget there are some increases that we're putting onto service charges on the outside to accommodate that for tickets that are purchased online.

MR. ARABO: So it's the final year of a contract and they do ticketing for the Fair?

MS. BARTLING: They do the ticketing for the Fair, they do all of our parking year-round, they do all of the midway games, rides, it's a very significant operation.

But it's also up and I've encouraged the box office manager to go, it's called International Ticketing Association Conference where they have a very large trade show of ticketing companies, to attend it and really look and investigate different companies that could come do the same thing and look at pricing because to me it seems very high of what we're paying.

But I also, on the other hand, we're getting, it's totally automated everything on the grounds.

MR. ARABO: And do we have, like with Saffire now, so that this contract $765,000 that's the maximum?

MS. BARTLING: Correct.

MR. ARABO: You think out of there it's going to cost us around $560,000?

MS. BARTLING: Right.

MR. ARABO: And is there previously, was it ever done in-house through software or no, it's always been there?

MS. BARTLING: We've always used an outside ticketing company, yeah.

And I think Katie could tell when we automated the midway which was a significant improvement.

MS. MUELLER: 2023 was the first year that we used Saffire.

We did automate it in 2022 and then we went to bid in 2023 and it's been huge for the midway revenues.

MR. ARABO: Okay.

And then it'll be RFP'd and then you're sitting to step out to try to invite hopefully more ticketing companies to get the best possible deal for the Fairgrounds?

MS. BARTLING: Absolutely.

MR. ARABO: Great.

That was my only question.

MS. BARTLING: Yeah, I don't know if you know this but when I started here in 1994, I was, before I got here, the General Manager at Ticketmaster.

MR. ARABO: Oh, I didn't know that.

MS. BARTLING: So when I came on board I automated -- yes, I know, it's interesting, right?

Me, little old me.

MR. ARABO: That's amazing.

MS. BARTLING: People are still asking me for tickets.

Thirty-three years later or whatever.

But I automated that first summer.

I automated our ticketing.

MR. ARABO: That's great.

That's amazing.

MS. MEAD: Can I just confirm what I heard?

So 2027, we'll RFP for the effective date in 2028.

Could be the same vendor or another.

MS. BARTLING: Could be.

MS. MEAD: If they choose.

MS. BARTLING: Correct.

MS. MEAD: Okay, thank you.

MR. ARABO: Yes.

Then my question for the elevator.

So it's $779,000.

Looks like it's a continuation of a current contract.

Is that just a maintenance agreement?

MS. BARTLING: Katie, you want to speak to that?

Is Brad here?

Oh, perfect.

Brad, you're up.

MR. MASON: Yeah, so our previous provider, KONE, their contract was up so we went out to an RFP.

Otis was the responsible party bidding on it.

MR. ARABO: So that is a five-year maintenance contract.

That's maintenance service and parts.

And out of the $779,000, how much do we expect, do you think?

Or is it they're just on call when they come, they build the Fairgrounds?

How does that work?

MR. MASON: So they're on a monthly maintenance schedule.

So they have to maintain and do a certain requirement for all of our equipment.

Also, if there's a call out during Monday through Friday up to 5 p.m., that's all included.

Parts are included.

The only thing that is out of the scope is after hours and weekends.

MR. ARABO: But then do they charge just a flat monthly fee for maintenance, or is it on call?

As they do service, they bill the Fairgrounds?

MR. MASON: They have a flat fee for monthly and that includes all those callouts for calling in for if something's out of service and we call them on a Monday through Friday.

That's all included in their monthly service.

If racing goes on right now and we call them on a Saturday or Sunday, that would be an extra bill that we would have to pay.

MR. ARABO: So it's a warranty, but if they come 100 times or one time, they get paid the monthly fee?

Is that right?

MR. MASON: So they're getting paid their monthly fee to do this service on 27 pieces of equipment.

And so that's what they're getting paid their monthly fee for.

All the other stuff, they've included into that fee.

So subsequently, yes, if we call them out 100 times, if we call them out once, it's the same fee, but also that includes the maintenance on the 27 pieces of equipment.

MR. ARABO: We have how many elevators?

We have 11 and 14 escalators.

It is elevators and escalators?

MR. MASON: It's elevators and escalators and one dumbwaiter.

It's also a wheelchair lift.

Gotta throw that in there.

MR. ARABO: I know the Board approved, I think, replacing one escalator and two elevators.

We're in the process of that.

When you replace them, is there service warranties that come included?

MR. MASON: So that would be a whole different contract, and we'd have to look at what warranties are in with that.

They would still be maintaining all the same equipment.

What goes along with that is you're going to have less callouts, because right now the doors are what's causing them to come out so often.

MR. ARABO: How many call-outs, like for this year or last year, in general?

MR. MASON: I'd have to pull a report, and they're all different depending on each piece of equipment.

I don't have that information on me right now.

MR. ARABO: Okay.

Thank you.

CHAIR NEJABAT: All right.

We'll now move on to the first item under general business, which is Item 6A, the nominating committee report.

Floor nominations and election of board members effective January 1st of 2027.

I wanted to give some clarity about the process today.

First, we'll take public comment.

Then I'll invite board members to make nominations for Chair or Vice Chair or to express their interest in serving in one of those positions.

Those nominated will have the opportunity to make remarks, and the board will discuss.

Then we will take a vote on each nominee.

So once again, we'll have public comment, nominations for Chair and Vice Chair.

Then we'll have discussion on the motions and a vote for each.

With that said, if you are in the room and would like to speak on this item, please queue up at the podium.

Okay.

Seeing nobody in the room.

MR. RIVERA: Lori Saldaña had her hand up.

Give me one second.

LORI SALDAÑA: I think there was some confusion.

I was trying to address another item, Item C, the Item 5 calendar.

CHAIR NEJABAT: Okay.

I apologize, but we're going to have to move on.

Otherwise, we're going to take comments throughout the board meeting that are out of order.

MR. BLAIR: Sam, are we going to do Chair first, then Vice Chair, and then maybe a second Vice Chair?

Is that the order and nominations, self-nominations, or board nominations for each in that order?

CHAIR NEJABAT: Yeah.

Let's start off with the Chair.

Okay.

I'm seeing nobody in the room and nobody online signed up.

VICE CHAIR BARKETT: I just have a quick question.

CHAIR NEJABAT: Sure.

VICE CHAIR BARKETT: Yeah.

So this is my Chair, committee Chair, and I do have a report on it.

CHAIR NEJABAT: Oh, okay.

I didn't know you had a report on it.

VICE CHAIR BARKETT: Oh, yeah.

But if you'd like to handle it, that's fine.

CHAIR NEJABAT: No, no.

Please go ahead.

Yeah.

I just wasn't --

VICE CHAIR BARKETT: Yeah, because honestly, normally we don't take public comment --

CHAIR NEJABAT: Yeah

VICE CHAIR BARKETT: -- when we're doing nominations.

It doesn't normally go to a public comment.

CHAIR NEJABAT: We do have to do public comment on each item on the agenda, right, Josh?

MR. CAPLAN: Yes, you do.

One public comment.

You wouldn't have to take public comment for each candidate, but the members of the public do need the right to speak on item 6A.

VICE CHAIR BARKETT: Yeah.

But shouldn't they be speaking?

Are they supposed to be speaking first without knowing the candidates?

MR. CAPLAN: Yeah.

It's the discretion of the Board Chair to set the order, but so long as members of the public can speak.

And Chair Nejabat laid out the process, and he's giving members of the public the opportunity to speak first because members of the public may have their own thoughts or perspectives on who they would want to see nominate for a position.

VICE CHAIR BARKETT: Well, I don't need to do my report.

You go ahead.

No, I'm good.

It sounds like it's for you to lay out, so please.

CHAIR NEJABAT: I was just laying out the process, but please, I didn't know you had a report.

Yeah, go ahead.

VICE CHAIR BARKETT: No, no, no, honestly, please.

It's all good.

We're all good.

Okay.

MR. ARABO: I have a motion.

Is it time for motions?

CHAIR NEJABAT: Go ahead.

MR. ARABO: Okay.

I nominate Sam Nejabat as the Chair for the 2027.

MR. BLAIR: Two of us over here will second.

CHAIR NEJABAT: Any other nominations?

MS. MEAD: Are we going to do written?

CHAIR NEJABAT: No, this is for Chair.

Yeah.

MS. MEAD: Are we going to do written comments?

CHAIR NEJABAT: We'll go in order and vote.

Yeah.

That's what we did last year.

I want to keep it consistent.

Okay.

Seeing no other nominations, I just want to make a couple comments.

I think we've made tremendous progress this past year at the executive level and looking at the makeup

of the board and the progress we've made, I'm very proud.

Board members don't always agree, but what I've seen from this board is that we respect each other and we get productive dialogue, so I look forward to continuing that.

So with that being said, we'll take the roll.

MS. MEAD: Can I make a comment before we take roll?

CHAIR NEJABAT: Absolutely.

MS. MEAD: If that's okay.

I seconded, I guess I didn't.

I was going to second this nomination.

Yes, that's right.

I just want to make a comment about this nomination because I want to begin first by thanking Sam for serving this year.

It was a difficult year for us to not only say goodbye to our previous CEO, but to help usher in our new CEO.

We've had a really good year despite some difficulties and challenges, and I want to begin by thanking you, Sam.

I also am supportive of this nomination because

I think that a lot of the momentum that we began during this year can be carried forward into the next year, and I appreciate the fact, Sam, that you're willing to do it a second year.

So thank you.

CHAIR NEJABAT: Thank you.

MS. DeBERRY: And may I, Chair?

So first, I also want to thank you.

This has been a tough year with new board members coming on and others that have left us, and I think that my hope is, and I'm sure it'll happen, is that you take us, you elevate us, and you move us in the right direction of where we need to go, and we really are going to depend on your expertise, your knowledge, your skills to make that happen, because this board, we're in a new paradigm now, and we really need to be thinking about where we want to go as a board and what accomplishments and what measurable results that we want to show the community at large as well as, you know, the cities that we serve.

Thank you.

CHAIR NEJABAT: Thank you.

MR. ARABO: I have a comment.

I want to thank you, Sam, to be okay for doing a four-more year.

It's been such a difficult, but I think very transformative year for the Fairgrounds.

I really respect your leadership, your strength, your commitment to doing what's good for the Fairgrounds and not buckle to outside pressure.

It's very admirable, and very proud of you, and I think echo colleagues' sentiments that I hope we elevate to Fairgrounds first always, and thank you for considering to do it again.

CHAIR NEJABAT: All right.

Seeing no other comments and questions, we can take the vote.

MS. ARNOLD: Chair Nejabat?

CHAIR NEJABAT: Aye.

MS. ARNOLD: Vice Chair Barkett?

VICE CHAIR BARKETT: Aye.

MS. ARNOLD: Director Arabo?

MR. ARABO: Aye.

MS. ARNOLD: Director Blair?

MR. BLAIR: Aye.

MS. ARNOLD: Director DeBerry?

MS. DeBERRY: Aye.

MS. ARNOLD: Director Mead?

MS. MEAD: Aye.

MS. ARNOLD: Director Miyahara?

MR. MIYAHARA: Aye.

MS. ARNOLD: Director Morales-Roth?

MS. MORALES-ROTH: Aye.

CHAIR NEJABAT: Okay.

The motion carries for that, and then thank you.

[Applause]

Look forward to working with everyone.

MS. MORALES-ROTH: Thank you, Chair.

CHAIR NEJABAT: Thank you, guys.

Okay.

With that being said, I just wanted to clarify that I will be holding the election for the Second Vice Chair, but that will now move on to the Vice Chair nominations, and I wanted to make that clear.

MR. BLAIR: I'd like to make a nomination.

Is there a First, Second Vice President?

CHAIR NEJABAT: This is for the Vice Chair position, and then we'll do the Second Vice Chair after that.

MR. BLAIR: Okay.

But are there two equal vice presidents?

Like if you can't make a meeting, is there a First Vice President or a Second Vice President?

CHAIR NEJABAT: Yeah.

This is for First Vice Chair, and the next election will be for Second Vice Chair.

MR. BLAIR: Okay.

CHAIR NEJABAT: So with that, we'll begin the nominations for First Vice Chair.

MR. ARABO: I'd like to make a motion for Director DeBerry for Second Vice Chair -- or First Vice Chair.

CHAIR NEJABAT: Okay.

Any other nominations?

Any questions or comments?

MS. MEAD: I'd like to second the nomination.

I'm happy to second that nomination.

CHAIR NEJABAT: Okay.

With that being said, we'll go on to the vote.

MR. ARABO: I'd like to make a comment first.

You know, I've been really impressed, Donna, of everything you brought to the Fairgrounds, your vision, your ability to collaborate, to put people in check when they have to be in check, including at board meetings, and you're able to do it with grace

and with humility and with kindness.

And I've seen everything you've done outside the Fairgrounds.

It's so impressive what you do with the Black Chamber of Commerce in San Diego, and we're so grateful to the governor for your reappointment.

Congratulations for that, but also for everything you bring to elevate the organization, and thank you for considering to do the Vice Chair.

CHAIR NEJABAT: And I would just echo Mark's statements.

It's been a pleasure working with you on the board, and assuming the vote goes your way, I look forward to working with you on the executive committee.

MS. MEAD: And I would just like to add that I really appreciate, Donna, you've been on the board just a little over a year, but you've made your presence known, not only at the board meetings, but I really appreciate the fact that you attend many of the events, and you represent the board at various activities that we have to not only represent the board, but to observe the community's participation and share feedback, and I just really appreciate the

time you've put into this organization in the last year.

And I serve on a committee with you, and I appreciate the contributions you've made, so thank you.

MS. MORALES-ROTH: Same.

And just a quick comment.

I support this wholeheartedly.

I think, Donna, not only you've held leadership positions at global companies, which we're very lucky to have right here, because you have a global perspective, which we're trying to bring into Del Mar Fairgrounds, but truly your kindness, your lens around equity, and the mentorship you've done with, you've really bestowed on all of us, newer board members even, it has been incredible.

So I wholeheartedly, we're very lucky to have you, and you have your presence as well, but also your guidance towards the rest of us, and yes, just wanted to say that.

MS. DeBERRY: Thank you.

CHAIR NEJABAT: All right, anyone else?

Okay, let's take the vote.

MR. ARABO: If I could make one more comment.

I know it's the election for Donna, but I want to thank Vice Chair Barkett for everything you've done this last year, and everything, you really have been tremendous throughout the organization, especially this year, and thank you for your leadership, and your commitment to community, and guiding the board, and all the organization.

So thank you, Lisa.

CHAIR NEJABAT: And I got to chime in here, there's no way we would have been able to make the progress, and the change we did without you at the Vice Chair helm.

So thank you on behalf of everyone.

MR. ARABO: Yeah, lots of gratitude to Lisa.

Thank you, Becky, definitely.

Yes.

Thank you, Becky.

MS. BARTLING: Thank you.

CHAIR NEJABAT: Okay, we'll take the vote.

MS. DeBERRY: Are we going to take the vote, or I really wanted to make a comment.

CHAIR NEJABAT: Oh, please, go ahead.

MS. DeBERRY: Okay, and that's because many of you don't know me, and have not worked with me, and I

think it's really important to not only share my expertise, but before you make the vote, make sure that you're voting for the right person that brings the right skill set, and I think that's important to me, right?

And so I want to just really quickly, less than a minute and a half, I timed myself, to just get to provide you five areas around my expertise, and why it's important.

And the first is around the real estate development experience.

You know, when I think about the Fairgrounds future, it really does depend on sound decisions about the land, about the master plan, potential housing, whatever it is, lease agreements, capital projects, the District's relationship with neighboring jurisdictions.

And my experience in real estate has been with hotel development, and it's really important for people to understand that I do understand site planning, and entitlements, and feasibilities, and financing, public and private partnerships, and I understand how to weigh long-term, assess value against near-term pressures, because we're going to

have that when you're talking about development, and really how to ask the right questions before a board commits public land to a path it can't easily reverse.

So we really have to be conscious of those things.

When it comes to board development and engagement, I feel like a vice president's first job is to help the board be at its best.

I am recognized as a subject matter expertise in board development and engagement.

And I've seen it from the inside because I've sat on 10 boards nationally, globally, and those are important as we all have sit on all different boards to bring that expertise, and very diverse boards.

Also, I formerly served on Mayor Todd Gloria's Small Advisory Board, so that's really important that I have that local relationship.

And as the District continues its governance works, I'm ready to help turn into some, make sure that we have these lasting practices, that we are coming together collectively as a board, and doing and saying the right thing, and supporting each other.

The third thing is the executive leadership through change.

This is the most critical time to support the Chair, to support each other around change, because change is going to happen with this board.

I've led strategies, and budgets, and teams at some of the best companies, whether that was Nike, or Wyndham, or Starbucks, or it doesn't matter.

I do, and you're right, have that global lens, and that is what it's going to take in order to move this organization to the next level, is to have people like the people that are on this board right now, to have and to be thinking around that global expertise.

So I do know how to move large, complex institutions through change, while making sure that we keep our stakeholders, which are the communities that we serve, the communities that we're in, as stakeholders.

And this is what the District needs as far as it relates to growth.

The last thing I want to talk about is a trusted advisor to global brands.

You know, I have my own consulting practice

also, as well as being the president of the County of San Diego Black Chamber of Commerce, but I have been an advisor to senior executives when they need that strategy and that plan to move forward, and it's really important.

I've worked with Oracle, and Toyota, Coca-Cola, Johnson & Johnson, Google, Samsung, I mean the city of Austin, Texas, the governor of the state of Louisiana, you name.

That is really important that they have people on their team and advisors that help them move and shape and guide their organization through many things.

But my work has also gone into media.

I was a consultant, I should say a producer for the Oprah show, and it really took me on a path of really understanding humanity.

And I think that that is so important when we are talking about how we work together as human beings, and what's important, and what we get tripped on, and keep gnawing at, and the things that we really need to let go, and really move forward.

And so I bring that expertise, and I bring the expertise of understanding how the media thinks and

works, and the media, please quote me on that one, if you're going to quote me on something.

But at the end of the day, this is really about bridging a whole community.

And so the Fairgrounds belongs to all of this, all of San Diego County.

I've spent my career building relationships across nonprofits, and corporations, and media, and government sectors.

I think that it's important for you to know the last thing about me is the three things that I live my life on.

And those three things, the first one is really about transparency.

That is critical to my life.

Humility.

I'm not going to always get things right.

I will probably fall forward a thousand times, but I'm hoping I have the board that will support me in the vice president role, and pick me up, and prop me forward.

And the last thing I want to say is that building relationships with the communities that surround us is so critically important to me.

And so I hope that we all have an understanding around that, and I would be proud if I am elected, or nominated, and chosen to be your vice president.

Thank you.

CHAIR NEJABAT: Thank you.

Okay, now we'll take the vote.

MS. ARNOLD: Chair Nejabat?

CHAIR NEJABAT: Aye.

MS. ARNOLD: Vice Chair Barkett?

VICE CHAIR BARKETT: Aye.

MS. ARNOLD: Director Arabo?

MR. ARABO: Aye.

MS. ARNOLD: Director Blair?

MR. BLAIR: Aye.

MS. ARNOLD: Director DeBerry?

MS. DeBERRY: Aye.

MS. ARNOLD: Director Mead?

MS. MEAD: Aye.

MS. ARNOLD: Director Miyahara?

MR. MIYAHARA: Aye.

MS. ARNOLD: Director Morales-Roth?

MS. MORALES-ROTH: Aye.

CHAIR NEJABAT: Okay, motion carries.

Congratulations.

[Applause]

CHAIR NEJABAT: All right, lastly, we'll now move on to the Second Vice Chair position.

MR. BLAIR: I'd like to nominate Kathlyn Mead for the position.

She's been on our board for 12 years, and has not served on the executive committee as a vice president, and I think it's certainly time for that.

Great historical perspective of what's happened at the, obviously, Fairgrounds the last few years, but most importantly, an eye on the future, and the master plan, and where we need to be going.

She's chaired a lot of committees, you know, including finance, audit, and Fair ops.

I worked with Kathlyn on the San Diego Foundation, and her energy, and personality, and enthusiasm is something I've always really enjoyed.

I think she would make a great balance.

MR. ARABO: I second.

I second it.

MS. DeBERRY: Well, I think you've got third, fourth, and fifth.

CHAIR NEJABAT: All right.

Any other questions or comments?

MR. ARABO: I'd like to thank Kathlyn for doing it.

I think we've learned so much.

I have from you, and you're such a great asset to the board, and all these years, and the wisdom.

I think it's, I'm surprised you haven't done this.

I'm so happy that, hopefully, you're going to do it, and it'll be great.

Thank you, and I learned a lot of things from her.

One thing she taught me was never let anyone ruin your day, so thank you for that, and I think it's going to be a great Second Vice Chair.

MS. DeBERRY: May I?

CHAIR NEJABAT: Yes.

MS. DeBERRY: The other thing I want to say, and I sit on the committee.

I co-chair the committee with Kathlyn, and as Chair, she is fierce, and I love that about her, is that she stands her ground.

She is very organized, very committed, and working with her has been, in this capacity, has been such a pleasure, and thank you for, honestly, you've

been such a resource for me.

Things that I've learned so much from you about this organization, and really about the committee, and different entities of it, so I really appreciate all that you've done, and I really hope you accept this.

MS. MORALES-ROTH: I third that, I guess.

No, I just, I've known Kathlyn for years now, and I can attest to her ethic, and asking the tough questions that all of us are thinking sometimes, but thank you for taking that lead, and also being open again.

The mentorship, I think, as far as board members, I'll speak for myself, but you think about Fairgrounds first.

You think about the community first, and that shines through every single work and question that you do, so I would be happy to support that.

CHAIR NEJABAT: Do you want to make any comments?

MS. MEAD: Thank you all so much.

Yeah, I'd just like to make a short statement.

I've been on the board for 12 years, and many of you know me, not only on my time on the board, but my time working in the community.

As Phil said, and thank you for your nomination, Phil, I have chaired several committees, and I feel like I've learned the organization, especially after sitting on the finance committee, and the audit committee.

And I feel like that history, I can bring to support our new chair and the organization.

I will also tell you that in my educational background, I think you all know I have an MBA from the University of Southern California - fight on.

But I think I bring a sort of a three-legged stool of expertise to the table that is strong in finance, and also strong in the communications and marketing side, as well as the managerial side.

But I also think that as a board, it's not our responsibility to actually carry out these tasks.

Our responsibility is to provide oversight, and guidance, and advisory support to the staff.

And one of the things I really believe in is that this entire board comes to the table with an education and an experience that we can share with our hard-working staff.

I have huge respect for all of you, and if I am elected, I look forward to working with each of you.

I do want to say that the one thing that I think you all know about me is that I work in the philanthropic community.

The organization that I work for focuses predominantly on affordable housing and mitigating the impacts of climate change.

We currently have about $42 million working in the community in these two areas, with another $15 million committed into 2027.

But what it means to be in philanthropy, and working for a private philanthropy, is that I really believe that I'm conflict-free.

I'm selling nothing.

I fundraise for nothing, and that means that, as Elsa pointed out, I can put the Fairgrounds first in this role.

And I think what's most important is that all of us recognize, as I do, that it is with a highly satisfied community that the Fairgrounds will succeed.

It is really important that we recognize that it is the community being satisfied with the services and the products that we offer that will help us not only today, but into that future as we're planning

that master plan.

So we keep the Fairgrounds first, but recognize what we bring to the table, which is a strong community to support us.

So I appreciate all of your support, and again, I just want to shout out to Lisa for serving as our Vice Chair, not once, not twice, but multiple times during her tenure, and I'll learn a lot from you too, Lisa, so thank you.

CHAIR NEJABAT: Thank you for your willingness to serve, Director Mead.

And with that, we'll take the vote.

MS. ARNOLD: Chair Nejabat?

CHAIR NEJABAT: Aye.

MS. ARNOLD: Vice Chair Barkett?

VICE CHAIR BARKETT: Aye.

MS. ARNOLD: Director Arabo?

MR. ARABO: Aye.

MS. ARNOLD: Director Blair?

MR. BLAIR: Aye.

MS. ARNOLD: Director DeBerry?

MS. DeBERRY: Aye.

MS. ARNOLD: Director Mead?

MS. MEAD: Aye.

MS. ARNOLD: Director Miyahara?

MR. MIYAHARA: Aye.

MS. ARNOLD: Director Morales-Roth?

MS. MORALES-ROTH: Aye.

CHAIR NEJABAT: Okay, congratulations.

[Applause]

Look forward to serving with you both.

MS. MEAD: Thank you.

CHAIR NEJABAT: All right, we'll now move on to Item 6B, which is the Executive Committee Report.

We have two action items today.

We'll begin with Item 6B1, the consideration vote to delegate authority to the Board Chair to approve contracts that exceed the CEO's delegation of authority beginning November 11th through January 12th of 2021.

There is a report on page 43 of the meeting packet.

Now that I've read this item into record, we'll take public comment.

Any members of the public who wish to speak on this item?

Seeing nobody in the room and nobody online, that concludes public comment on Item 6B1.

Before we begin discussion, I'll entertain a motion.

MR. ARABO: So moved.

CHAIR NEJABAT: Do we have a second?

MS. DeBERRY: Second.

CHAIR NEJABAT: Okay.

Any questions on the motion from our board?

Just so you guys know for context, we don't plan on holding a December board meeting, so that's the reason why we're doing this delegation to not have any interruptions in our business.

I don't know if you want to provide further context on that, Becky.

MS. BARTLING: No, that's it.

As we -- the budget was going to be brought to the board in December.

Now it'll be brought in January, so there'll be a lag time for approvals.

So this would allow Sam to approve anything that comes along that would have needed to be above my delegation.

CHAIR NEJABAT: Any other questions or comments?

No?

Okay.

We'll take the vote.

MS. ARNOLD: Chair Nejabat?

CHAIR NEJABAT: Aye.

MS. ARNOLD: Vice Chair Barkett?

VICE CHAIR BARKETT: Aye.

MS. ARNOLD: Director Arabo?

MR. ARABO: Aye.

MS. ARNOLD: Director Blair?

MR. BLAIR: Aye.

MS. ARNOLD: Director DeBerry?

MS. DeBERRY: Aye.

MS. ARNOLD: Director Mead?

MS. MEAD: Aye.

MS. ARNOLD: Director Miyahara?

MR. MIYAHARA: Aye.

MS. ARNOLD: Director Morales-Roth?

MS. MORALES-ROTH: Aye.

CHAIR NEJABAT: All right, the motion carries.

We'll now move on to Item 6B2, the consideration and vote to approve the 2027 Board of Directors meeting schedule.

The proposed schedule can be found on page 44 of the packet.

We'll first take public comment.

Any members of the public who wish to speak on this item?

Seeing nobody in the room who would like to speak and nobody signed up online, that concludes public comment.

Before we begin discussion, I'll entertain a motion.

MS. MEAD: Move approval of the schedule as presented.

MR. BLAIR: Second.

CHAIR NEJABAT: Okay.

We'll now begin discussion.

Any questions or comments from the board on the proposed schedule?

Okay, we'll take the vote.

MS. ARNOLD: Chair Nejabat?

CHAIR NEJABAT: Aye.

MS. ARNOLD: Vice Chair Barkett?

VICE CHAIR BARKETT: Aye.

MS. ARNOLD: Director Arabo?

MR. ARABO: Aye.

MS. ARNOLD: Director Blair?

MR. BLAIR: Aye.

MS. ARNOLD: Director DeBerry?

MS. DeBERRY: Aye.

MS. ARNOLD: Director Mead?

MS. MEAD: Aye.

MS. ARNOLD: Director Miyahara?

MR. MIYAHARA: Aye.

MS. ARNOLD: Director Morales-Roth?

MS. MORALES-ROTH: Aye.

CHAIR NEJABAT: Okay, the motion carries.

We'll now continue with Item 6C, which is the Master Site Planning Committee Report.

This is an information item only.

I will provide the report.

The committee met.

We are working through how to propose some sort of RFP process where we can get presentations and any interested parties presented to the board.

So we're going to be working through that.

Obviously, it's not an easy process, so we're discussing that and figuring out how to roll that out, but that's the sort of latest update from our committee.

I don't know if you want to add anything to that, Becky, or Vice Chair Arabo.

MR. ARABO: Thank you, Chair.

We had a great committee meeting.

The main thing is RFP, RFP, RFP.

Come one, come all.

All ideas you have, let's get it out to the public.

We're looking through the committee to see what it could look like.

We don't want to waste time because I feel like it's long overdue.

We're very, I am very bullish on the master site plan, especially seeing what happened with Midway Rising.

Like the state of California is like, let's get stuff done.

So we're very excited.

Thank you, Chair, for your leadership and your commitment constant to transparency and see what's best.

This is the people's land.

Belongs to people for the state of California and beyond.

MR. BLAIR: Sam, when do you, I mean, this is such a complicated RFP, right?

I mean, it's like we want to buy, but we don't

know what we want to buy, right?

I mean, what a fascinating time to be on this board.

Do you see this coming back to the board before it goes public in six months, a year?

I mean, I can't imagine how complicated this is.

CHAIR NEJABAT: Yeah.

So we're targeting early 2027 to figure out the time, the frame of how that RFP would look like and then also potentially rolling something out where if folks are interested in presenting to the board, we could have them reach out in some sort of format online or somewhere where it's accessible and where we could also vet the folks that come to us.

MR. BLAIR: You're talking about the RFP?

CHAIR NEJABAT: Yeah.

MR. BLAIR: And what consultant is helping us with this?

Is this, they changed their name, Belvedere?

CHAIR NEJABAT: Yeah.

So we've had, this board should actually know we were planning on providing that as well.

I think we spent around, and I didn't know this until it was told to me by Becky, but we spent

around, was it $90,000?

MS. BARTLING: Yeah, $86,000.

CHAIR NEJABAT: $86,000, the committee, comprised of former directors Gelfand and Rowland.

And I never saw the report until this past week, and I don't think the board saw it, but that amount of money was spent and there was some sort of recommendation, but I can't predict, I can't speak for them on why they did not present it to the board or what the conclusion of it was, but we've worked with consultants in the past, I guess.

And then if we do need someone to come up and help with that RFP process as we're working through, it's something we'll look at.

MR. BLAIR: So an RFP to find a person to do, find a company to do the RFP, probably.

CHAIR NEJABAT: And to help consult on what that process would look like.

MR. BLAIR: Thanks.

MS. MORALES-ROTH: I have a very quick question.

In regards to the RFP and the components of that, will there be a space for the board to provide any feedback, or is just that part of the master site planning committee?

CHAIR NEJABAT: No, so we're definitely going to bring that to the board, and we want to, and I said this last morning, we want to make it as much inclusive from the board as possible.

So any sort of process that we come up with will be only a suggestion and will be presented to the board for feedback and input.

MR. BLAIR: Was the Gary London, is there a reason we're not now sending, we're talking about the Gary London event.

CHAIR NEJABAT: That was the company that appeared --

MS. BARTLING: Yes.

MR. BLAIR: Just a little background, because of an article in the newspaper he sent it to me, he said we've done one of these already, and nobody had known about it, right?

I mean, is there a reason we're not sending that one out just as an FYI that he put together?

It was kind of interesting how he did the locations.

MS. BARTLING: So we've done a lot of research on this particular contract.

My understanding is it was the cart before the

horse.

There was a highest and best use, which is what the London Moeder Project was.

And from what I could figure out from what was in the previous comments at the board from Director Gelfand, and then also what I found from Carlene, it was a draft that was never presented.

And I think what happened is they decided, okay, let's hold on that.

MR. BLAIR: I don't care what happened.

I mean, is there a reason we're not sending it out now, just as an FYI that we're talking about and the other board members?

I don't think any other board members have seen it.

Has everybody seen it?

CHAIR NEJABAT: Nobody's seen it.

And like I mentioned, it was the first time that I saw it was a couple days ago.

Yeah, I mean, if this committee is spending that kind of money and getting reports from consultants, we will definitely be sending that out, even consulting with board members on it.

MR. BLAIR: And I think this time we need to be

careful that this is a concept, it's an idea, it's five years old.

Don't panic and think this was being railroaded through.

MR. ARABO: You think – you're requesting it just as a one-way, you just want to see it?

Because the committee hasn't studied it.

And I don't think I was on the board at the time, but I'm so surprised that we spent $86,000 and that board didn't get a copy of it.

I asked our CEO for a transcript of it, we didn't see it.

There was a few other directors that are not here, but maybe through a one-way communication, but the committee just became aware of it when we asked questions.

MR. BLAIR: I mean, it's very 35,000 feet.

It's nothing like a picture of a stadium and stuff, right?

It's just this area would be good for X, this would be good for Y.

This is the plug point.

So I'd encourage we send it out.

MS. MEAD: On the other hand, I would just say

that we do a lot of our work at the board through committees.

We don't have really a committee of the board.

And I would just recommend that if this is a new document to the Master Planning Committee, I'd really love to follow our process of having the work done in the committee.

You do your assessment and report back to us.

I think it's kind of a slippery slope when we begin doing our work as a board as a whole and bypassing our committee process.

So that would be my suggestion is let's take it back to the committee and you report back to us.

MS. DeBERRY: I agree with that process completely, 100 percent.

MR. BLAIR: I'm fine with that.

I just think it ought to get to us eventually.

I mean, it's been hidden for four or five years.

MS. DeBERRY: What's a few more months.

MR. BLAIR: Going through the committee to us, just as an FYI, with constraints around it, which I think is important.

Going through the system is fine, but I think you'll find it interesting as board members.

MS. BARTLING: And just an observation.

So you saw what happened when we had an unsolicited proposal presentation come to the board.

The Master Planning Committee had not made any decision.

The board hadn't made any decision, but the community made a decision that that's what we were doing.

So my concern would be if you take a draft document that talks about projects that this board has not agreed to and you put it publicly, then again, we're going to have people assuming that's what we're doing.

So it is important that the Master Planning Committee looks at it.

MR. ARABO: That's a really good point.

We can't control the narrative in the public, so we have to be very careful of that.

CHAIR NEJABAT: Okay, all right.

We will now take public comment on Item 6C1.

Anyone in the room who would like to speak on this item?

MARTHA SULLIVAN: Martha Sullivan again from Imperial Beach.

I would just like to reinforce with this board as you proceed with this master site plan process, do not set anything aside on the Fairgrounds property for consideration based on its historic use.

And I'm specifically, you won't be surprised to hear that I'm talking about the racetrack and all the backstretch facilities.

There's a podcast out currently featuring one of the biggest multi-billionaire horse owners and breeders in U.S. horse racing, Mike Repole, hosted by "Pass the Wire", which is one of the major industry media outlets.

By a long-time gambler, Jonathan Dutton.

Both of them said that the states that will have live horse racing after 2030 are Kentucky, Arkansas, and New York.

They also said, and this is something that I pointed out, but they said it independent of me, Del Mar cannot survive without Santa Anita.

Del Mar can't rely on 100% shipping horses.

So this isn't just me saying this stuff.

This is one of the major players in U.S.

horse racing who has at least one Kentucky Derby contender every year, Mike Repole.

He's a multi-billionaire entrepreneur.

So pay attention.

Thank you.

CHAIR NEJABAT: Thank you.

Anyone else in the room who would like to speak on this one?

All right.

We'll now move on to --

MR. RIVERA: We have one online.

CHAIR NEJABAT: Yeah, I just noticed that.

Thank you.

Lori Saldaña.

Two minutes.

LORI SALDAÑA: Yes.

Thank you.

Can you hear me?

CHAIR NEJABAT: Yes.

LORI SALDAÑA: Okay.

So the master plan for SeaWorld was recently approved by the city council, and they included a 30-page sea level rise vulnerability assessment that I think would be very instructive for your directors to review.

It looked at various predictions of sea level

rise based on internationally accepted standards.

It looked at the infrastructure.

Mention has been made of hotels.

SeaWorld is exploring that possibility, but they are very clear minded about the risk that they face being located so low in the sea level area on Mission Bay, just as you are at sea level essentially there on the coast in Del Mar.

And so I would encourage this board of directors to review the SeaWorld master plan just approved last month by the San Diego city council.

It was delayed by COVID and other factors, but the research is already on sea level is already several years out of date.

And in light again of this extraordinary Kelvin wave scenario that we are facing, but you may need to update that.

But we have experts at Scripps and other places that I'm sure are referenced in that master plan assessment that you can refer to.

And as was also mentioned, horse racing, the track, the groundwater, I don't know the situation on the track, if it's being assessed, but it could become just more of a marsh than it currently is and

be unfeasible for competition, for safe competition of horses.

So please take a look at the SeaWorld master plan and especially their appendix B on the sea level rise vulnerability assessment.

Thank you.

CHAIR NEJABAT: Thank you.

Okay.

That concludes public comment on item 6C1.

We'll now move on to item 6D, which is the Finance Committee Report.

This is an information item only.

The financial reports can be found beginning on page 45 of the packet.

I'll now recognize Committee Chair Blair to provide the report.

MR. BLAIR: Thank you, Chair.

If you'll turn to page 45, we can follow along and I'll explain what I thought were the highlights.

But first, let me start with the balance sheet includes the consolidated activity of the 22nd, the State Race Track Leasing Commission, and the Del Mar Race Track Authority.

The income statement second reflects only the

22nd DAA operations and programs.

And Michael, who presented these reports, prepared these reports, is here with us if you have any in-depth questions.

The things I thought were interesting was executive summary, the 22nd overall financial position through December 2026 is favorable to the budget.

Monthly operations outperformed expectations by a million one.

Driven by expense savings in payroll, facility related expenses, and supplies, total cash balances through September exceeded levels from the same period of in 2025 and 2024 by $10 million.

So cash-wise, we're doing very well.

Monthly performance, you can see there, there was a savings on payroll.

I think one of the questions is we, a few months ago, we approved hiring some people.

So these, the savings was, we ought to assume is because of unfilled positions that will be filled eventually, right, in that conversation.

So just keep that in mind.

The other thing that's in here, I'm just remind

you, remember we had the surprise money from SANDAG of a million nine for right away, that's helps us a lot.

And then the unbudgeted 274,000, that was a grant from the City of Del Mar to do the research on affordable housing.

If you look at page 47, I think this is such a good system.

The red is concerns, green is good.

The one that jumps out to me is admissions revenue down 25%.

Keep in mind, this is a mixture of free tickets, packages that are sold at discount, full price.

I think the interesting discussion going forward, and, you know, staff is aware of this, is the elasticity of do you sell cheap, admission really cheap and make it up on food and beverage?

Do you try to make it on admission and not food and beverage?

I mean, that's the science of this.

MS. BARTLING: Phil, if you don't mind, --

MR. BLAIR: Absolutely.

MS. BARTLING: -- can I just comment on that?

So the admissions revenue, the way that it's

been put into the packet includes concert tickets, and we were significantly down in concert ticket sale.

So that's really the bigger portion of that.

We were definitely down in regular admissions, but the concerts really pulled us down.

MR. BLAIR: And I think that elasticity factor holds for that too.

I mean, do we have the right acts but too expensive?

And that could be a thing that everybody needs to look at.

And that's what red things are all about.

You know, concessions revenue was down a little bit, facility rental was down a little bit, but lots of nice red, I mean, green dots.

And the other thing that just I thought was interesting on page 48 is the debt obligations.

I mean, FYI, it's surprising how many we have.

And some huge, some not.

But especially the bonds that go out to 2038, we owe a lot of people a lot of money.

And that's okay.

I mean, cash flow is great.

We're making money.

Just good to keep an eye on these things.

And you'll see how much we're making in payments, how much is interest, and how much is paying down the loans.

Sometime we may want the committee to look at paying some of these down quicker or slower, depending on the interest rate.

But this is a moving target for us.

Any questions for me or Becky or Michael?

Donna?

MS. DeBERRY: I actually have a comment.

I'm just looking at our total debt obligation.

And the first thing in my head is what are we going to do in 2027 to increase revenue?

I think that's going to be a crucial conversation because anything can happen in the world, right?

So we have to be diligent in how we are going to increase revenue and what a growth model is going to look like, for sure.

MS. BARTLING: Yeah.

So just to comment on that, you're absolutely right.

And one thing that's really important that we need to look at, and this will be coming to you most likely during the budget process, is we are looking at some increases.

You can't go every year with inflation every year and not accommodate for those increases for your expenses.

So to offset that, of course, let's just talk ticket prices or parking.

That's what we're looking at.

But you don't want to forget that we have these great discount programs as well, Costco pack, right?

So in doing that, we will be pushing marketing where the great values are.

But that's the reality of any business that you can't go years without raising prices when you have accelerating inflation and your prices are going up.

So that's important that we look at that.

The other thing that we've done is looking at Fair dates.

The more dates that we have, the more revenue that we can achieve.

And Director Mead has been very supportive of that and looking at additional days for the Fair.

But we have a finite number of revenue sources, and those are the things that we have to look at to accommodate all of the expenses.

MS. DeBERRY: So in response to what you just said, I would be thinking through if the Fair didn't exist, what would we be doing with this property to generate revenue?

If the Fair didn't exist, if horse racing didn't exist, what other opportunities to generate revenue on these grounds?

Donna is looking beyond the Fair, beyond horse racing.

And I'm hoping that we're all thinking through that.

If something didn't exist anymore, what would exist here?

MS. BARTLING: That's your master plan.

MR. ARABO: Yeah.

And to your point, that's the exact question we do in the Master Site Committee, is how, when we're sleeping, how can the Fairgrounds make money?

Independent of the great Fair we do and the great horse racing we put up, and how can we maximize the revenue through the Master Site Plan?

During that committee, we have that conversation.

MR. BLAIR: If I can just make a quick comment.

My question earlier about Legends and booking the site, I feel like we're in an airplane.

If it takes off with an empty seat, there's revenue that's never coming in, that 10 bucks would have been better, right?

But how does that affect people paying $1,200 for a seat, right?

Anytime we have an empty building or an empty parking lot or an empty restaurant, what could have been there?

So I think we're saying the same thing on this.

MR. DeBERRY: We are, Phil.

I think that it's just a short-term strategy versus long-term strategy.

That's really what it comes down to.

When we're looking at short-term, what can we do in the next two years, that short, and what can we do in long-term through the committee in the next 10 years?

CHAIR NEJABAT: Director Mead?

MS. MEAD: Thank you, Chair Nejabat.

I too, Phil, really appreciate the red and the green dots in our KPIs that we look at here.

And I really want to echo what Donna said, which is I love the Master Planning Committee, but I think all of us have been thinking about it sort of more longer term, five to 10, 15 years out.

And I would love to be able to say, how does our committee work alongside the Master Plan?

So we're looking at two to five years in that gap period.

In a lot of these red dots, I can tell you that, for example, the admissions, as Becky shared with us, we're looking at everything.

As Phil said, the price elasticity and the impact one price increase has on other spending, et cetera.

We're looking at concert venue.

We are looking at concessions at the Fair.

I do have a question for our Chair, and that is I'm not sure where facility rental revenues might land if we are doing this work through our committees.

And I think that that does address the short-term question that we've been asking ourselves, which

is what about all the other space that may be sitting empty between our big events?

So I just call that out.

I'm not asking our Chair for an answer to that right now.

I just think that it would be good for us in the next year to think about that and either get ongoing reports from our CEO on facility rental and what our strategy and our marketing is to organizations to bring things here, or what committee that we want to be able to work with staff on.

So that's it.

Thank you.

VICE CHAIR BARKETT: Thank you, Chairman.

Becky, I think you could give a good perspective of how we've changed from being very insular in terms of we used to run everything, all the departments, and how by then taking a different route and really leasing things out and in terms of deciding to actually close some things.

I think we hurt ourselves in the long term, you know, because we really had a good thing going and we were learning and but things did start changing.

And I don't know if you can give kind of a

perspective of how we did it before.

And we really had great people running the departments and still do.

We have a lot of great heads with institutional knowledge that it would be interesting to look at that too.

Because I think you're, and I'm just saying this, I think your cost can actually be higher when you're leasing it out because you don't know where every dollar then is really truly being spent.

MS. MEAD: It's probably a hybrid.

VICE BARKETT: Yeah, it's a hybrid.

MS. BARTLING: So some of the things when you talk about leasing or renting, you know, we have great operators on our surf and turf property.

You know, we've got, you know, Matt Clay who runs the driving range and the, you know, improvements that he's done over there are really, really great.

One of the things that happened, as you all know, during COVID, there were a lot of layoffs.

And after COVID, we didn't, we didn't bring the staffing back.

The events department had, I don't, Katie, I

can't remember, but they had 12, 12 people.

When I came in May, they had two.

So you don't have anybody marketing the facility.

You don't have, you know, proper event coordinators that are working with people.

Legends has been booking the facility because we didn't have staff to do it.

So they've been going after the private events.

We are looking at bringing that back in house so we have more control over it.

Not that they haven't done a great job, but it should be us.

So that's what we're working towards is bringing the staff back that will bring that revenue back.

Basically what we've been doing is we've been supporting the big events, but we haven't had the staff to do the parties and the small events and that kind of thing.

VICE CHAIR BARKETT: The cost of letting everybody go and not quickly refilling those positions has really delayed, I think, the income coming back to us.

MS. BARTLING: Right.

VICE CHAIR BARKETT: And so, you know, it's important to look at that, how best we could facilitate getting new employees in that, you know, are seasoned and understand the job.

MS. BARTLING: Right.

Yeah, we did have some great employees.

MR. BLAIR: What committee does facility rental revenues fall under?

Is that under Fair Operations?

Is it under --

CHAIR NEJABAT: I mean, I think it would be more appropriate to be under Finance.

MR. BLAIR: Because maybe, a thought to think about is having that be a committee that focuses on filling in the gaps, just like the convention center does.

They have these gaps and we have three days in June of '28.

How do we fill it?

Right?

Because the building will be sitting empty and we'll make no money.

And it takes that sort of focus of people to go out and look for events to fill slots.

And maybe it should stand on its own.

If you decide, I'd be happy to chair that.

If it goes under a committee, that's great too.

Just somebody needs to have eyes on this issue.

Whether we outsource it or hire into it, I don't know.

But as I said, it's like an airplane seat leaving empty.

MS. MORALES-ROTH: So I agree.

Two things.

We do need to bring staff back, so that should be part of the budgeting.

You need somebody to market constantly and not only locally, but internationally.

So you need really, really great staff that already have those connections that can just start filling those gaps.

And then that'll help with revenue.

And there should be some sort of committee for marketing or communications and branding, something along those lines.

Because one, we need to communicate more of these around these spaces, the availability.

It's a beautiful space.

But then also, what connections can we bring in at the international and local level?

And then my other question, sorry, I'm going to go back to debt obligations a little bit.

I wanted to learn a little, not to get into the weeds, but I want to learn more about that debt that we have with the Sound or around the Sound.

Could we get a little bit more information?

Because I see it's until 2048.

What does that entail for the debt obligations for the sound?

MS. BARTLING: I would invite our Financial Director, Michael Sadegh, who is an expert on all of these to give you a little detail.

MS. MORALES-ROTH: Yeah, just a little bit, but I want to understand because that's a lot of interest.

MR. SADEGH: Absolutely.

Good morning.

The debt around the sound is regarding the improvements that were made at that facility.

I wasn't here at the time, but it's about that.

It's all the improvements that was put in place to make it more operational for the flooring, the stages, and all that improvements.

And it would be ongoing until the debt is paid off.

MS. MORALES-ROTH: Gotcha.

Okay.

Thank you, Michael.

And because I would love to see, and I know we have it somewhere, I'll look at it, the revenue, right?

Are we breaking even?

Is it less?

Because I know that the Sound, like some events are really great, some of them have been empty.

So I want to also be mindful of that contract.

Like, do we need to look at another vendor to help us out to bring in that revenue?

Because I do see a lot of disparities.

Some events are great, and some of them are empty.

So part of that committee could also look at that.

How can we support the sound to make sure that it's a little bit more profitable and we can pay off the sound earlier than that?

MR. SADEGH: There is a P&L for the Sound

included in your package, which I believe year-to-date we're positive based on expectations, and that includes payroll and debt obligation.

Not the interest, it includes the interest payment, but not the principal payment.

MS. MORALES-ROTH: Not the principal payment.

MR. SADEGH: Exactly.

MS. MORALES-ROTH: Thank you so much.

Appreciate that.

Thank you.

MS. BARTLING: What's the interest rate, Michael?

MR. SADEGH: It's 3 point, I think 3.5.

So it's not egregious.

MS. MORALES-ROTH: That's pretty good.

MR. SADEGH: All of our debts are less than 5%.

Well, the bond is at 5%, RTA bonds 5%, but everything else is about 3.2, 3.5%.

And they're fixed rates, they're not variable rates.

CHAIR NEJABAT: The finance committee last year looked at refinancing bonds.

It's all worse now.

MS. MORALES-ROTH: Let's just stay where we are.

Thank you so much.

MR. SADEGH: We would probably be looking at more than 5% of the bonds if you refinance them at the moment.

MR. ARABO: And then, Elsa, to your point with the sound, I believe we, after all the payments, they only make like $400,000, $500,000 net, and it's dark, like 70% of the year.

So I know that Belly Up does -- I think they're limited, they do a great job what they do, but hopefully it's getting better and better.

But if you look at the revenue, I believe -- the committee would know more about the Sound -- you make money in horse racing and the Fair.

And everything else, ancillaries, but the Sound is always really, they're dark, like 60, 70% of the year.

MR. BLAIR: I think the other thing about the sound, which board members may not be aware of, is there's a whole half of that building that's empty.

MR. ARABO: It's beautiful.

MR. BLAIR: I went, showing my age, I went to the Billy Joel concert and I brought some people that had never been to the Sound, which is an amazing number of people that have never been to the Sound, but we

pulled open the black curtains where wagering used to be all the 10 years ago.

I mean, they built it for a purpose, but that purpose is gone, and so there's lots of square footage.

I mean, half of that Sound is ghost town, and there's a lot of space to think about subleasing if we can do that to something.

I don't know, but we've got to focus on it if we're going to turn that, that's a big empty seat.

MR. ARABO: I agree with, actually, if Becky could comment on it, how it was used in the past.

I know that the promoter's not around anymore, I understand, but if you could talk about what we did in the past in that space, because it's completely empty and it's huge.

MS. BARTLING: Yeah, so in the past, well, first of all, the entire facility was utilized for off-track betting, but we would use the facilities for various events, and we had a promoter come in where, on a Saturday night, they transformed the facility into a club that was wildly successful.

I think we had almost 3,000 people at the club on a Saturday night.

There were some issues and challenges, and it went away, but as it sits now, other than the sound, it's completely underutilized.

The room that's next to where the sound is was the saddle club, has a full kitchen in it, bar, and it has great potential.

Also, the areas on the outside, the balconies, incredible deferred maintenance out there, but they have beautiful views over the racetrack, and I think moving forward, that's really going to be something that we need to look at and where we need to take some of the reserves that we have for improvement there, because those are great potential opportunities for rentals.

So I'm excited that these opportunities are out there.

I know the Chair and I have talked about another committee.

Don't need another committee, but I do think we need a committee that's buildings and grounds or facilities or whatever we want to call it, because we need a committee that is looking at these things and doing deep dives into it so that when it comes to the board, the committee can say, we've looked at this.

We really think the investment in reserves should go for this, it should go for that.

And then when we come to the board for budget approval, that committee has gone through all of the capital expenditures and can really talk to it as opposed to just the staff, which is great, but I think it's important.

MS. MEAD: I would just like to say that, and hopefully now in my new role as Vice Chair, I'll have the opportunity to talk with Chair Nejabat about this.

And I know you've glanced over that just a little bit, Becky, in terms of we don't need more committees, but I do wonder whether or not our master planning committee, since we're looking at the entire footprint long-term, and I think many of us have talked about a short-term and a long-term, whether that'd be a great opportunity for that committee that's looking both long-term, to also be having those eyes on our short-term needs.

So just an offer and a suggestion.

I know you guys are pretty darn busy, but it's good to have that working together instead of somebody working cross-purposes for short and long-

term.

CHAIR NEJABAT: We'll definitely take that all into consideration.

All right.

MR. ARABO: I have one last comment for outsourcing, to Lisa's point.

I don't know, Becky, if you've been able to look at this.

I know for a while we had to outsource a lot of stuff because of the cash flow crunch.

It might be worthwhile for the committee or someone to study how competitive are the items that we've outsourced and whether savings is there.

MS. BARTLING: Absolutely, and we've looked at some of various expenses that we have, particularly during the Fair.

The shuttle service, we've accommodated.

We looked at actually bringing it back in-house, but we went back to the shuttle operator, and we actually looked at the operation and where we were providing shuttles, and we were able to accommodate some decreases that have saved us quite a bit of money.

One of our biggest expenses is all the

environmental costs that we incur for various studies and ongoing studies that we have to do.

We've got the wetlands project that's in what used to be a parking lot.

We've got the water quality improvements that are ongoing with testing.

We've got the lease turn nesting sites, and what I've talked to Dustin about is, let's look at each individual contracts that we have.

Instead of allowing one master contractor, let's look at individuals, see if we can contract specifically for those services or what can we do.

Dustin was great going back, and we were able to save some money going forward into 27, but we spent a lot of money on environmental.

Personal services is where it comes out in the budget, but spent a lot of money in those areas that we are really looking at.

Another thing during the Fair, we contracted out our bike team.

We're bringing that back in-house.

We'll maybe save a few bucks, but what we're going to save on is just the quality will be so much better.

I know that Mark Elvin has really looked at all of the expenses that come out of our safety office and looking at ways to save money in all of those areas and really challenging everybody in all of those areas that have personal services.

Because there had been an attitude that doing things in-house was too risky, too much risk.

But I was here for 22 years, and I didn't see any risk associated with us performing the services, so we're looking at all of that.

MR. ARABO: There might be opportunity also with the state of California in their budget if it's environmental.

I'm sure there might be an appetite for ADA, environmental protections for some support, or maybe even nonprofits to help out.

MS. BARTLING: Absolutely.

This is a state property, and we're spending so much money on environmental adequacy, and I think it's important.

It would be important for us to look to the state for some support in that of what we're doing because we're doing it for the state's property.

CHAIR NEJABAT: Last two comments.

MS. MEAD: Thank you, Sam.

I just want to add just a historical perspective on the attitude of the risk.

I do just want to share with everyone that when we came out of COVID and we were in very strong financial straits, this board really did support slow growth back to staffing back up again, and I do think that it's a great time for us to look at this hybrid approach that Lisa mentioned earlier, which is the right mix of internal services like the bike program that you talked about and external support so that we have the best of both worlds.

But I do want to just be sure that everybody recognizes that coming out of COVID was very difficult because we had to have so many layoffs, and what we didn't want to do was to move as a board.

We did not want to move too fast and regret that and get into debt.

So there was a balanced approach, and I do applaud that we are looking at each of these services and making those right balanced decisions.

MR. MIYAHARA: Just one last thing that I wanted to add.

Board members should be aware that in the board

packet, we did include a capital needs assessment, which was completed just recently.

The executive summary was included, and that's important in the context of informing the board of what are the existing facilities here on property and how to plan accordingly, both from a short-term and a long-term perspective.

It really analyzes the useful life of the existing facilities.

So from a master planning perspective, knowing the useful life of various buildings or just short-term informative analysis and decision-making, that's a key study that the District has completed.

CHAIR NEJABAT: All right, we'll move on.

We'll now take a public comment on item 6D1.

Anyone in the room would like to speak on this matter?

MARTHA SULLIVAN: Martha Sullivan from Imperial Beach again.

I've been coming to these board meetings since at least 2019, and so I want to remind everybody here that before the COVID pandemic, there was something called, I think it was the Sustainability Committee that was led by Director Don Mosier, and a project

that they were working on was rooftop solar to both reduce cost here at the Fairgrounds and also to sell the surplus electricity that generated.

With all the rooftops here, this is a no-brainer.

You want to talk about making money while you sleep?

Now, solar, obviously, you got to have batteries to make money while you sleep, but literally, you can make money while you sleep.

So please revise that.

You know, you want to work on RFP, work on that one.

Thank you.

CHAIR NEJABAT: Anyone else?

VICE CHAIR BARKETT: It's true.

We had a great program.

I don't know why it didn't get implemented, to be honest.

I went in on some of those interviews with solar groups.

I just don't know what happened to it.

Yeah, COVID happened, I guess.

That was it.

It got completely kiboshed.

Yeah, but thank you for mentioning that.

MR. ARABO: Great idea.

MS. BARTLING: I will check into that.

VICE CHAIR BARKETT: Oh, we have a whole study on that.

MR. ARABO: It's a great idea.

CHAIR NEJABAT: All right.

We have one member signed up online, Lori Saldaña.

LORI SALDAÑA: Yes, thank you.

To Martha Sullivan's comment, unfortunately, the changes the PUC made to solar, you won't get quite the advantage you would have had to implement this a few years ago.

But still, sustainability and solar power are incredible cost savers for any large facility.

I want to encourage you along sustainability lines to also consider partnering with San Diego Bird Alliance.

They host a bird festival in February.

The Del Mar Fairgrounds are surrounded by wetlands, and the state has lost 90% of our coastal wetlands.

I chaired the city's Wetlands Advisory Board years ago when it was first created before it merged into their current climate committee.

I served on the Coastal Conservancy when I was in the legislature.

And I think anything you can do -- Hello?

Can you hear me?

CHAIR NEJABAT: Yes.

LORI SALDAÑA: Sorry, I'm hearing other conversations in the background.

So I think if you look at sustainability, and birding brings in more money in terms of what people spend on equipment for birdwatching, for travel.

It brings in more money than hunting, than golfing nationwide.

So there is a community of birders.

I think that Del Mar, the area could attract them with just a little bit of cooperation and marketing with a group like San Diego Bird Alliance.

And you would have people showing up that could benefit you and structure some way to improve your finances with that type of partnership.

As again, your property is going to be changing as we get more water in different places in the

coming years.

Thank you.

CHAIR NEJABAT: Thank you.

That concludes public comment on Item 6D.

We'll now move on to Item 6E, which is the Audit and Governance Committee Report.

This includes two information items.

I'd like to recognize Committee Chair DeBerry for the report.

MS. DeBERRY: Thank you, Chair.

Our committee met with the 22nd DAA counsel to actually get clarity on our ticket policy and potential changes.

And so first, I would like to reiterate and or provide clarity on our ticket policy.

And I want to start by the distribution of tickets to organizations.

Under the ticket policy, the 22nd DAA has the ability to distribute tickets directly to an organization.

The District, the CEO is the District's ticket administrator.

And the District ticket administrator determines if giving these tickets out for free would serve one

of the stated public purposes in our policy.

The tickets are not given to a director, but distributed directly to the organization.

Those tickets that are distributed under our policy do need to be reported on the Form 700.

It is reported on, do not need, I apologize, do not need to be reported on Form 700.

It's reported on Form 802 that the staff completes.

Is that correct?

And correct me where I'm wrong, Josh, you're here.

Board members cannot direct Becky or the 22nd DAA to give tickets out to various nonprofits.

Board members can make suggestions.

Like we can say, I think it, I think that this nonprofit or this organization would benefit from attending this event.

And I think it would meet one of those public purposes.

In the past, the process, I'm pretty sure of this, that the board members have just really communicated if they want more tickets with the CEO and have suggested even certain organizations

provided information on that contact person.

But ultimately, Becky is the one who, as the ticket administrator, it's not going to operate outside of her as it stands today.

She is the sole one as it stands today to make that decision on whether or not the organization meets the purpose, the stated purposes.

And I guess the purpose of that with the CEO is that the way it stands now, she has a holistic view and she has to figure it out if giving these tickets to the organization, what the purpose is, does that achieve our ticket policy, and ultimately that decision-making authority lies with and stands by today with a non-director.

So in this case, it's our CEO.

Second, I want to talk a little bit about the ticket policy to give tickets to individuals.

So the bigger question that we both had, my co-chair and I, was around tickets to individuals.

The way that Josh explained it to us is that it still falls with the CEO.

She still has the authority, the direction, the directive, and it is at her discretion.

It's similar to what happens during the Fair for

concerts, and this is regarding even at the sound, that there's a request system where we all work through when we want individual tickets.

Separate from that, the DAA CEO decides whether he or she, Becky, wants to provide additional tickets to the DAA board members for business purposes stated in the policy like business development, community engagements, or promotions.

Tickets properly distributed under the DAA's policy and regulations for these purposes are reported by the agency, again, on Form 802 rather than the 700.

Meaning that Becky can decide or the organization can decide to give the tickets to individuals and report them on that farm.

Now, this is really interesting because I didn't know this, but as an example, Becky can decide, and this was a great example, if she wanted or if we wanted to give, let's say, a new owner, let's say, the wave to come into an event on the property, and so that the District can issue the tickets, not just to organizations, but to individuals.

We might want to give tickets to potential business partners or individuals.

It doesn't necessarily have to be a nonprofit.

Okay, and there's language in our ticket policy that speaks generally to business development or increasing the reputation of the Fairgrounds in the county.

So, there's a lot of discretion that Becky has around the ticket policy, allocating tickets to various groups and individuals.

We also ask Josh to provide clarity about behesting, and this is what he said about it.

Behesting, essentially, is like a request from a board member.

It's not a demand.

So, we can't demand Becky to give tickets to a particular organization.

You better.

It's a request that you distribute a certain amount of tickets to individuals.

This is part of the policy.

So, a board member can behest a ticket.

The policy says if tickets are distributed by DAA at the behest of a 22nd DAA official, such DAA official should not use one of those tickets to distribute to attend the event, which means that we

are allocated two tickets as a board member, but we can't take tickets for us or our family or any of our family in that allocation.

Is that correct?

MS. BARTLING: So, what it says is if you behest or request tickets to be given to an organization or a potential sponsor, you cannot take one of those tickets and attend whatever event with them.

Correct, Josh?

MR. CAPLAN: Yes, that's correct.

And the reason for that is that you wouldn't need to because each person sitting around this table already gained access to every event on the property without having to disclose it as a gift.

And each member of this board has the ability to bring with them to every event on the property members of your immediate family or no more than one guest.

So, certainly you would be able to accompany this potential business partner.

You just got to keep those piles of tickets separate.

MR. ARABO: And you could always purchase them as well.

MS. BARTLING: Absolutely.

MS. DeBERRY: Yes, you could always purchase them.

So, a couple of things that we are bringing to the board.

I am just looking at all of the information that Josh shared about the whole ticket policy.

First of all, when I looked at the policy, there is an extensive list and reasoning that we can use to do the things that we need to do.

It's very extensive.

The thing that I'm interested in is for our next board meeting.

And thank you, Josh, for also providing Orange County's ticket policy.

So, for us to review and bench against theirs to see if there is some room or things that we can adopt.

But one of the things that we talked about is for the next board meeting that this committee proposes that we create an action item for the next board meeting that requires ticket administration to be shared by at least two individuals selected from either the CEO or the Board Chair or the board Vice

Chair.

And this will honestly provide transparency and fairness.

And we will get guidance though from the FPPC on that and whether we can do that or not.

And it's just not left up to, because I think we have been through that and it was messy.

It was not fair.

It was not a fair process in my opinion, Donna's opinion.

So, I think that that is an action item that I would like to bring to the next board meeting.

MS. BARTLING: Can I just get clarification on that?

Are you saying to look to see if there could be additional ticket administrators?

MS. DeBERRY: Yes.

MS. BARTLING: Okay, great.

And then did you want to talk about more clarification on immediate family tickets?

Number of tickets that the board member can receive?

MS. DeBerry: Yes.

So, for the immediate family, it's two tickets.

And the children, are you talking about the children?

MS. BARTLING: Yeah, yes.

MS. MORALES-ROTH: So, as board members and ambassadors, again, to the 22nd DAA, we have, we're entitled to have a ticket with our registered partner or spouse, that's one, and all our immediate children.

That's right.

So, those do not have to be in Form 700.

That is part of our role as ambassadors.

Any extension of family, then we would have to pay for the ticket or that would have to be a completely different space.

So, that's the clarification.

We are entitled to those tickets.

And then for the business purposes, again, reinstating that if we think that there's an organization, a business, an individual that could support our operations or our business relations, then we will share.

That's probably the CEO and the second ticket administrator.

We would recommend that we provide those tickets

to them, and then they would be in the Form 802.

That is not tied to us as ambassadors because, again, we already have tickets.

MS. DeBERRY: Yeah, that's right.

But also, there was a part of that ticket policy around age.

Were the age restrictions no limit on age restrictions as it relates to family?

MS. BARTLING: Oh, yeah.

MS. DeBERRY: Yeah.

MR. CAPLAN: I think the challenge with that is that that comes from the regulations promulgated by the Fair Political Practices Commission, and it's limited to a spouse, registered domestic partner, or minor children.

So, once you have a child that's of the age of majority, they would -- you could not receive a ticket.

For example, if you had a child that was 27 years old.

If you received a ticket for that child, you'd have to either report it on your Form 700 or pay for the ticket.

But they would not be included -- you joining an

event as an ambassador, you could not bring your adult children with you for free.

You could bring your minor children and your registered domestic partner or spouse.

It's just one of those things where the, if the board has concerns with the scope of that limitation, those concerns would have to be addressed through a political process with the FPPC.

Our office's hands are somewhat tied, because, again, that's -- those rules are not regulated by the Department of Justice.

They're regulated by the FPPC.

MS. MEAD: Can I just -- I want to just be sure because I used to chair this committee, and we looked at this policy a couple years ago.

And, Josh, I just want to underscore what you said, which is not that you're entitled, but you report it.

You're not entitled.

So I don't want anybody feeling like if you have adult family members, you aren't entitled to get the tickets.

You can.

That's what this Form 700 is for, is to report.

So I just feel like it's really important to underscore that report.

It's like, if you have a conflict of interest, report that conflict.

And so it doesn't mean you can't do something.

MS. DeBERRY: Yeah.

MR. ARABO: And then to Kathlyn's point, one thing I do -- I have an outside attorney do the Form 700 with my accountants.

But one thing I like to always do, Becky knows this, I'll email different operators and say, confirm, did I receive any gift, yes or no?

And if I did, that way you have paper trail.

They'll tell you, yes, you did, or no, you did not.

That way you have it in the file, so to speak.

MS. BARTLING: And just a reminder, there is a limit on your reporting on a Form 700 by a single event.

VICE CHAIR BARKETT: Yeah, exactly.

MS. MEAD: You go first.

Go ahead.

MR. BLAIR: I don't want to open Pandora's box, but is this conversation the same for the races for

Thoroughbred Club?

Because they seem to keep coming up and saying, we want to host you.

And I say, I want to pay.

And they say, no.

I mean, they say, we want to -- are all these policies the same for the director's box?

Or is that a whole different organization?

MR. CAPLAN: The short answer is, they should be.

The DMTC can provide tickets to the organization.

And the organization, through its ticket policies, can share tickets with board members to use as permitted as the committee members have discussed.

But if DMTC is giving tickets directly to board members, those would be considered gifts.

And those would need to be reported -- paid for or reported on a Form 700.

And I think if there's specific one-off questions from board members, my recommendation would be, rather than discuss it in a board context, you're welcome to reach out to me directly offline.

If you have concerns about reporting obligations, how this ticket should be treated, I'm

happy to have that discussion with you.

MR. BLAIR: Okay.

MS. MEAD: Thank you, Donna.

I always really appreciate when a committee says, this is what I'm going to tell you next month.

The old theory behind board meetings is, tell them what you're going to tell them, tell them and tell them what you told them.

So I really appreciate that.

I do want to encourage us, as you're looking at -- and I know that there's not much detail, we'll know this next month -- this question about adding board members as ticket approvers or whatever the role is.

It just feels a little bit to me like that's involving board in day-to-day operations as opposed to the board in oversight role.

So I'd just like us to consider the purpose that we're trying to do, what we're trying to do, and be very clear when you come back to us about how that is not getting in the way of the versus managerial but oversight role.

So I'd appreciate that when you come back.

Thank you.

MS. DeBERRY: Okay.

Pardon me?

Okay.

So I appreciate, definitely, what you just said.

The purpose, no matter what, is that it's more than one person.

Because if something happens -- I mean, anything, right?

We need something, she's not available on vacation, she's not -- where is that second authority?

And we need to also be careful of who that second authority is.

I'm sure Becky would not -- I mean, if it was someone on the executive team, you know, if it's a chair -- I don't think that matters, but I think what matters would be, at what level would that person be at that would be responsible for distributing those tickets if Becky was not around?

MS. MEAD: Thank you.

I appreciate that clarification.

So it's not necessarily that it has to be a board member we want to discuss, but it's the delegation of authority from Becky to staff.

So that's great.

MS. DeBERRY: Well, it could be either one, either or.

MS. MEAD: Right.

MR. ARABO: Yeah, I think it could be the more broad and "in addition to" the better, especially because I said in the past where it's kind of a weird dynamic, not with Becky, obviously, on the board.

But when you have the board as a collective is in charge of the CEO, but the CEO has the authority to behest tickets.

And it'll never happen with Becky, and I haven't seen it at all, but I brought up in the past, where a CEO could give preferential treatment to some board members' requests and not others.

I think if you add the layer of a Chair or a Vice Chair or both, either one, there's an accountability check.

Because the Chair is accountable to the board and so is the Vice Chair, obviously.

To add that "in addition to", I think it helps more than it hurts.

I think it hurts when your job as a collective board is to be in charge of a CEO.

The CEO has this power over a board member's request.

We haven't seen it, but the idea is putting checks and balances to make sure it cannot happen.

That's my personal opinion.

MS. BARTLING: Can I just ask clarification for that?

So I understand.

MR. ARABO: Yeah.

MS. BARTLING: So, would it be as an alternative?

I just don't want the process to get bogged down.

You're not suggesting that the request would come to me and then approved by the Chair?

MR. ARABO: No, I would say either or.

MS. DeBERRY: In your absence, yeah.

MR. ARABO: Even not in her absence, I would do either or.

The Chair is just as accountable.

We're all accountable to the Chair.

He represents the whole board.

MS. MORALES-ROTH: And we will fine-tune that process.

The idea is not to add layers.

It's to be transparent and equitable.

That's the whole idea.

And I think we do need to have a process that's a little bit more transparent based on the current policies because it was, again, not Becky, but it was very much certain board members would get more information, for example, around certain policies or certain tickets.

But we want to make sure that this is equal for everyone, regardless if we're here or not, but that there's a policy where the CEO, again, is a ticket administrator, but there's also a second person reviewing those.

Or it could be a different process.

We do not want to create a bottleneck.

That's definitely not the intention.

It's more transparency and equity.

CHAIR NEJABAT: All right.

That's good.

You want to move on to Item number 2?

MS. DeBERRY: So as it relates to E2, Item E2, we would like to pull that item and like to provide an update in January.

We're not ready for that.

CHAIR NEJABAT: All right.

Okay.

So now we'll take public comment on this report.

Anyone in the room would like to speak on it?

MR. ARABO: If I could, Chair, to the committee for number two.

I believe from the Attorney General's office, they said in a couple weeks they'll have some --

I don't know, Josh, if you want to mention any updates.

I know it's still pending, but just so --

MR. CAPLAN: I have nothing to add at this time.

MR. ARABO: Is that accurate, though, the timeline was a couple weeks?

MR. CAPLAN: Yes, that's correct.

MR. ARABO: Okay.

That's what I was asking.

CHAIR NEJABAT: Okay.

All right.

We do have one member signed up online, Lori Saldaña.

LORI SALDAÑA: Thank you.

I'm trying to understand why this is only a verbal report.

Are there no documents related to this that can be provided for some information?

And I see there's a couple of other items on this agenda as well that are only verbal.

And I'm curious, how do you manage ADA compliance if you're only doing verbal reports for the public?

Thank you.

CHAIR NEJABAT: Thank you for your comments.

All right.

That concludes public comment on this item.

We'll now move on to Item 6F, which is the Regulatory and Government Affairs Committee.

Again, this is an information item only.

I'd like to recognize Committee Chair Miyahara for the report.

MR. MIYAHARA: Thank you.

So the committee actually met with Mayor Todd Gloria on October 15th.

There's a lot discussed.

I'd say he was interested in a variety of different things.

But a more comprehensive conversation took place around public safety and emergency preparedness.

And he had a lot of compliments to the 22nd District about what we've done in the past and the proactive nature that we've taken.

Environmental sustainability was another hot topic, specifically the lagoon and sea level rise.

And the third thing was our master planning efforts.

We downloaded him on our roadmap where we were at in terms of process and timeline and what we've done in terms of stakeholder engagement.

We have a couple of other meetings on the horizon, including the Coastal Commission, which I believe we'll be meeting with either later this month or early next.

And then we'll also be meeting with the Assembly Member's Office in early January.

I'll turn it over to Director Morales-Roth or Becky if I missed anything.

MS. MORALES-ROTH: That was great.

CHAIR NEJABAT: Okay.

Thank you guys for being proactive on that.

All right, we'll now take any -- go ahead.

MR. BLAIR: Yeah.

Having governmental affairs, I mean, I'm sort of

still concerned about this relationship between the City of Del Mar and our board and how we get to Kumbaya.

Right?

How do we, we have a lot of really important issues that we want them to be our friend on.

And they need us to be their friend on other issues.

Governmental relations sounds like a sort of catch-all phrase that might work to bring us back together.

Because we're sort of on extremes right now, and a couple of good projects that are good for the community are not happening because of our disassociation.

Is that something your committee could take on over the next month or two?

MR. MIYAHARA: I think so.

I think the general concept of this committee is, you know, government relations.

We've met with City of Solana Beach as an example.

The State Senator.

We'll meet with the Supervisor.

In the context of what we're trying to get at, I think we're talking about instituting a biannual meeting whereby we would bring in various stakeholders, probably, you know, public officials, public elected officials, to discuss general business that impacts, you know, or overlaps, you know, the 22nd District and bordering cities or elected officials.

MR. BLAIR: Thanks, Ted.

I'm specifically concerned about, as a resident here.

I mean, I don't like our board and the city that we're in, and some of us live in, being at loggerheads, right?

And if we don't do anything, it could fester.

And then issues that we care very deeply about, they could become roadblocks, right?

By the nature of the committee, is your committee where proactive meetings could go on to find middle ground that we could work together going forward?

Or is there another way to do it?

Because at the end of the discussion today, we're still at loggerheads.

MR. MIYAHARA: Sure, I think generally speaking, the answer to that is yes.

MR. BLAIR: Your committee to work with the City of Del Mar over the next month or two?

MR. MIYAHARA: I would, I think that's a question to the Chair and to Becky, quite frankly.

I think it goes beyond just our committee.

MR. ARABO: And I think that's amiss, I don't share the same view with you, Phil, in the sense that I think that, I mean, I personally would love to work with the City of Del Mar.

That's why we invited them to show up today.

So I don't see it our side.

I don't think, my opinion, that we're not wanting the partnership.

Our hand is extended out for a handshake.

So I don't share that sentiment.

I do think the committee should definitely work with the state of California, with the incoming governor, lieutenant governor.

What happened with Midway Rising is not lost on me.

We're a state land.

This belongs to the people of California, not to

a local city, by definition.

MR. BLAIR: I think the City of Del Mar would disagree with you that we have reached out in a conciliatory way.

MR. ARABO: I mean, that's for them to come in.

MR. BLAIR: We have demanded an apology.

Their perception is that this board has demanded an apology, publicly made in front of the board.

MR. ARABO: I know, but are you now speaking on their behalf?

MR. BLAIR: Well, I'm saying the issue, right?

One is demanding an apology, and one is thinking they're reaching out.

MR. ARABO: It's open.

They can come and say, we don't apologize.

At least come, show up.

MR. BLAIR: Well, that's what their letter said.

MR. ARABO: No, the letter said we're not going to comment.

MR. BLAIR: I don't want to get into the merits of that.

I just -- it's to both of our advantages to work together.

MR. ARABO: Right.

MR. BLAIR: And if we don't do something, I'm afraid it will fester over the next two, three, four, five months, and will hinder things we really want to have accomplished.

And maybe the executive committee takes this under consideration, but we can't let this fester, right, is my point.

And right now, I think it is.

MS. MEAD: Thanks, Phil.

Committee Chair Miyahara, I would love to see the roadmap for Regulatory and Governmental Affairs when we're getting ready to start a new year.

Oftentimes with the new year, there's a work plan.

I know that I'm assuming everybody else received an invitation from Senator Blakespear's office to meet with her.

I've got an appointment schedule.

I think many of us do.

But it would be also good to know which, what's your list of trying to schedule appointments with, you know, whether it's the Mayor Gloria, Mayor of Del Mar, what is our catchment area over the next 12 months of who we'd like to meet with.

I know members of this board have relationships with various elected officials, and it would be nice to be able to provide information.

I'm not sure how that would happen still, but it would be through Becky, because I know Becky, as our CEO, is our conduit to the various committees.

But I just think it would be good to, as part of your work plan, to be able to say, here's the game plan that we're hoping to for the next year.

MR. MIYAHARA: Yeah, I think there's been a lot of discussion amongst the committee on who we're meeting with and when.

But we can put together a work plan, a roadmap alongside our thoughts and ideas around instituting a biannual meeting with elected officials and some of the major stakeholders.

MS. MORALES-ROTH: Just to share a little bit more on that, we actually have a tiered approach with all the lists that we have shared with Becky.

So we do have a Tier 1, Tier 2.

We're meeting with Tier 1 right now, which are the priority and the most that are approximate to the location.

And we do have that biannual meeting, so we can

share that.

MS. DeBERRY: And I have a quick question.

So you have a strategic plan on who you're meeting with, the dates.

So the reason for the meeting, what are you connecting that to as it relates to the Fairgrounds with each one?

I'm just curious on that.

MR. MIYAHARA: I think it's just opening up a line of communication, right?

My understanding is that this committee used to meet with a lot of these stakeholders or public officials.

And there might have even been an annual or biannual meeting.

This is our attempt to be proactive about opening up lines of communication.

What are we doing?

Where is our overlap?

How can we perhaps collaborate with these different groups?

MR. ARABO: And to the committee, we have a lot of good Coastal Commission members in San Diego.

I think it would be like Jose Preciado is a city

council member, Chula Vista.

He'd be great.

A lot of people that are in the Coastal Commission.

I encourage more state agencies and electeds.

It might be a great opportunity to also ask for help and funding for the environmental reviews and what we do for mitigating.

So many opportunities.

Thank you, Chair Ted and Elsa for your hard work.

CHAIR NEJABAT: And I'll remind not just the City of Del Mar, but all our neighboring cities that I'm always available.

Please reach out and I'd like to keep the relationship with all our working partners.

All right.

Anything else?

Okay.

We'll now take a public comment on Item 6F1.

Anyone in the room would like to speak on this matter?

Seeing nobody in the room and nobody signed up online.

That concludes public comment.

We'll now move on to Item 6G, which is the Emergency Preparedness Committee Report.

It's an information item only.

The report can be found beginning on page 67.

I'll now turn it over to Committee Chair Barkett.

VICE CHAIR BARKETT: Thank you, Sam.

Katie's going to come up and speak for me because I'm slowly losing my voice.

And I apologize for all the interference from my cough and my sneezing.

And so my apologies.

But I've been taking antibiotics, so I'm not.

MS. MUELLER: Just jump in if I'm missing anything.

VICE CHAIR BARKETT: Thank you, Katie.

MS. MUELLER: So the meeting and the committee took place in this room.

It requires this size of a room for all the people that are on this committee.

But we have a really prestigious group.

We had 23 members attend even the last meeting, which was slightly less than our first meeting.

But we also had a new member join, Dr. Lance Fuchs from Kaiser Permanente.

He joined online.

So we've got quite a group of veterinarians, animal handlers, fire chiefs, sheriffs, medical personnel that can help in the event that there's humans that need to be taken care of as well.

We have a pharmacist.

So just a really, really great breadth of the community emergency services.

Really importantly, we have Department of Animal Services, who is on the committee, as well as the Humane Society, which I didn't know before we started this.

But Department of Animal Services handles all animals in the county of San Diego, while the Humane Society handles all animals that are in incorporated cities.

So great to have representatives from both.

The topic of discussion, we actually did a training on October 22 of our regular full-time staff.

And as you may or may not be aware, in the event of an emergency, all of our staff are designated as

emergency workers.

And it had been a long time since we'd done any training.

We have a lot of new staff that we didn't have prior to 2020.

And so in this room, we gathered so that we can have a nice view of the area.

We designated roles for every single staff person, what their role would be in the event of an evacuation situation.

We focused mainly on an animal evacuation event because we've seen to have more of those over the years than anything else.

And so we all have our designated roles.

We created a little handbook for everybody.

We talked about what all those roles are and the part everyone will be playing.

And then Brian Waterman, our public safety supervisor, actually took the group through pictures of an evacuation scenario and what different areas of the backstretch are used for.

Everything from donations to check in to where the animals are going to be housed, where the media is going to park, you know, all of those kinds of

things.

We also got an update on our first 50 group, which is a group that we are reconvening, group of volunteers with animal handling experience, to be able to assist with unloading of animals, getting them to horse stalls, that kind of thing.

And so we've reached out to that group with a new application.

We've asked everybody to apply again.

As of the date of the meeting, I don't have a current number today, but as of the date of the meeting, we had 10 people from that group who were interested in re-upping.

A lot of them have moved away and that kind of thing since the group was originally formed in 2017.

So from there, we will take a look at our total numbers who've applied, and then we will do some outreach so that we can get closer to that 50 number that we feel comfortable with being able to help us staff the backstretch area.

We talked a little bit about FEMA, and they have stated that states are going to be having to lean on themselves for money in emergency situations.

VICE CHAIR BARKETT: And reimbursement.

MS. MUELLER: We talked a lot about that and how important documentation was, because there are sources of reimbursement through other channels and that kind of thing.

And then Lisa doesn't even know this, because I just got the email this morning from Kendra King, who's with the Department of Animal Services.

So we're working on an MOU which would make us an official evacuation site with the county, registered with the county.

We would have insurance.

They would have insurance.

We would outline exactly how we would get activated and all of those kinds of things.

So we've been working with her on setting up a meeting so we could take a look at the MOU and get one started for this facility.

So she's finally been able to get back to me, and we'll get going on that.

So it's great, because they have a lot of resources, too, for the animals that we can tap into.

VICE CHAIR BARKETT: And then we did go over Becerra's plan, California Disaster Preparedness and Resiliency Plan, which is fabulous.

And surprisingly, Cal Fire said, you're doing all this already, Lisa.

And he goes, this team is amazing.

So it's nice to know we're following right in line with our governor's plans.

MS. MUELLER: So our next plan, Jennifer here, our marketing director, is working on updates to the website.

And we're looking at January, having a community meeting, possibly at the Ranch of Santa Fe in with the community of Ranch of Santa Fe specifically, because that's where a lot of the horse owners and horses are, and talking about just how they can find information, how we're available as a resource, how they can know when we're open and when we're not.

Because obviously, during racing and the Fair and things like that, we're not available.

But just giving them kind of some heads up.

MR. BLAIR: Katie, we keep talking about horses.

MS. MUELLER: Yes.

MR. BLAIR: Dogs, cats, birds, what all could be pulling up in our driveway?

MS. MUELLER: Well, as Becky will tell you, from the times she's been involved, anything could be

pulling up in our driveway.

But we really are want the Department of Animal Services will help us determine whether we should be taking small animals in as well.

Of course, if people are showing up at our door, we'll give them a temporary place to regroup until we have better direction.

But really, we've been designated as primarily a horse and large livestock event evacuation site.

MR. BLAIR: We may want to clarify that.

If we mean primarily like 99.9%, then people that have dogs and cats and birds that need somewhere to put them because they can't take them with them, we need to refer them somewhere.

MS. MUELLER: Absolutely.

Yeah, definitely.

VICE CHAIR BARKETT: And the website will list all of that too.

MS. MUELLER: Yes, we'll have on our website other resources that they can check out.

The message we want to get out to the public is that just like you need to plan for your family for an emergency, you need to have a plan for your animals, especially the large ones that require a

horse trailer and transportation.

You really got to think it through because not everybody owns a horse trailer and that kind of thing.

So that's the message.

VICE CHAIR BARKETT: I want to thank you, Katie.

You're doing a fantastic job as our staff liaison.

And I really want to thank you and Becky too for showing up at the meetings.

It's great.

MS. BARTLING: Well, Katie's doing the heavy lifting.

She's doing an amazing job.

MR. BLAIR: Katie, are you going to tell us about the chocolate bars?

MS. MUELLER: Later.

That’s later in the agenda.

CHAIR NEJABAT: Anything else?

VICE CHAIR BARKETT: That concludes my report.

Thank you.

CHAIR NEJABAT: Thank you so much.

I mean, just a refresher, this was a new committee.

So the progress that you've made, Lisa and the team, Katie, and everyone, it's amazing.

Yeah, great work.

VICE CHAIR BARKETT: Thank you.

No, it sets the board.

You're going to be all set.

I mean, unfortunately, if we have a major disaster, this board will be able to field it, work with it, work with the community.

It's going to be great.

And CAL FIRE, by the way, has been awesome.

Yeah, they've been amazing.

MR. ARABO: Great job.

Great job, Lisa, for leading it.

VICE CHAIR BARKETT: Thank you.

MR. ARABO: I can connect you to someone from DHS, Department of Homeland Security.

Do you have someone already on the committee from them?

VICE CHAIR BARKETT: We don't have DHS yet, no.

MR. ARABO: I have a good friend that works there.

VICE CHAIR BARKETT: It's a great idea.

MR. ARABO: I'll give it to you to connect to the

committee.

VICE CHAIR BARKETT: Awesome.

MR. ARABO: Incredible work.

It's so important.

Thank you.

CHAIR NEJABAT: All right, we'll now move on to public comment.

Anyone in the room who wants to speak on this matter?

Okay, we have one member online, Lori Saldaña.

LORI SALDAÑA: Thank you.

I actually had my hand up on the previous item.

I don't know what the process is for asking to be recognized, but I appreciate you calling on me for this.

When I represented San Diego in the legislature, we had the devastating wildfires in 2007, and evacuations were ordered throughout the county, and they ended up in my district at the old stadium site in Mission Valley.

So I actually introduced legislation to require that every large public facility have some provisions for serving as evacuation centers after that experience.

So I'm happy that this is finally coming to pass, that there is now active coordination looking at state property and how you can manage potentially long-term care of people, large animals, et cetera, in case of major disasters.

I would also hope that this includes an evacuation strategy for leaving the Fairgrounds in case of flooding or anything else that would impact your facilities.

But this is the reality of climate change, more fires, more flooding, big storms.

So I'm happy to see this report, and I appreciate the detailed written report that you provided for people.

Thank you.

CHAIR NEJABAT: Thank you.

All right.

That concludes public comment on this committee report.

We'll now move on to Item 6H, which is the DMTC Liaison Committee Report.

This is an information item only.

You can find the reports beginning on page 69.

I'll now pass it on to Committee Chair Arabo for

the report.

MR. ARABO: Thank you, Chair.

First of all, I'd like to call on Josh Rubinstein, CEO of the DMTC.

We had Director Barkett and I, Vice Chair Barkett and I had a great meeting, as usual.

We're very proud of the great work DMTC does and their commitment to equine safety and to help the District maximize the revenue, make sure everyone's safe.

And I'd like to, the items in the packet are page 69 to 88.

Usually we do a recap when the summer and fall meets, just for the sake of giving everyone a real transparent and accurate picture.

It might be better in general to do that.

But I want to recognize Josh Rubinstein, and the floor is yours to talk about anything you think the board needs to know.

JOSH RUBINSTEIN: Thank you, Director Arabo.

Excuse me.

First off, congratulations to the new board leadership, Chair Nejabat, Vice Chair DeBerry, and Vice Chair Kathlyn Mead.

It's not too late to back out, guys.

No, seriously, I look forward to working with you in 2027.

So as Director Arabo mentioned, our third quarter results are in your board package, and we are stipulated by the operating agreement to submit those third quarter results by October 31st, which we did.

The fall meet runs through November 6th through November 29th.

In these results, which are traditionally 20% to 25% of the full year, revenues or expenses are not included in the third quarter.

Those will be included in our next quarter.

So as Director Arabo said, we're happy to have any discussions you would like on the third quarter.

But in order to get the full picture of the year, we'll wait until the fall meet results are in to talk about 2026.

Some highlights from the third quarter, total wagering was up 3.4%, largely due to our excellent racing product.

We saw a very slight decline in attendance at 1%, and that was due to a reduction in GA walk-up sales.

If you remember, we had incredibly hot and humid temperatures throughout the summer, and that definitely impacted our GA sales.

The good news is the high margin areas, trackside tables, boxes, suites, group sales, those were all up significantly, and I should note that those are all high margin food and beverage areas.

Erin Bailey, our Vice President of Marketing, will provide a 2026 promotions and marketing overview at an upcoming meeting, but you've heard from us before.

We continue to really lean into our social and media digital efforts, including influencer partnerships to drive attendance with young adults.

Also, our promotions are mostly food and beverage centric in order to prioritize F&B revenues, which increased by 2% during the summer meet.

Total F&B sales were $11.7 million, and as we've reported previously, all of those net F&B revenues fall directly to the District.

Last, but certainly not least, safety and welfare of our equine athletes continues to be our top priority.

While there's always more work to be done, we

are very proud of our protocols, which have resulted in Del Mar being among the safest racetracks in the country.

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

MS. DeBERRY: I have a question, a couple.

Thank you for that report.

First of all, the college days, is this the first time for college days, or do you do it every year?

JOSH RUBINSTEIN: So we do it every year during the fall.

We also have one at the closing week of the summer as schools are getting back in session earlier and earlier.

I think you were here on Saturday.

We had a lot of dressed up young adults having a good time, fraternities, sororities, and we're continuing with that outreach to local colleges, San Diego State, UCSD, USD, with ambassadors at each school, and we'll continue to do more and more with that in both the summer and the fall.

MS. DeBERRY: And the second question, I'm just going down the row here, the uncorked wine tasting, do you choose particular vendors for that, or is it

whatever you have in stock?

JOSH RUBINSTEIN: Sure, great question.

And that is one of our most successful promotions.

We do it in the summer and the fall.

We work with a promoter, I believe we've worked with the same promoter for the last seven years.

And that is the type of event that I'm really pushing our team to embrace, where we are working with an existing promoter with a great list of folks who come to their events, and we're able to pluck that event from an area in Orange County.

Since moved it here, it sells out every summer and every fall, so she does a great job working with Premier in bringing in wines not only from all over California, but all over the world.

And it's really a terrific event.

MS. DeBERRY: I like that.

What would you consider the most successful one of the ones that I mentioned?

JOSH RUBINSTEIN: That sells out every year, both summer and fall.

We'll get about 2,500 people.

And it's really important to mention that these

are not typical racing fans.

Our promotional calendar, and you've heard us report on this before, we have a two-pronged marketing approach.

We have a database of right around 350,000 people, and that's our core audience.

So that's the group that we're promoting, wagering and select deals for our Diamond Club members, that's our loyalty club.

But the second tier of our promotion strategy is to go after people that aren't core racing fans and bring them to the property for events that are appealing to them.

So if that's wine tasting, a taste of New Orleans, a college day.

So we continue to come up with new events.

And certainly on the board level, if you guys have any recommendations, we would love to hear those and work with our marketing team.

MS. DeBERRY: I was just thinking about something for women.

I'm just thinking about the NFL.

All of a sudden, it's switched drastically from the marketing side, where now women have just the

gear, and they have their own day, and they actually get together and go into the bars and watch.

So I'm just thinking out loud, but that's something.

JOSH RUBINSTEIN: That's a great idea.

And we have hosted in 2024 and 2025 an organization, Women in Horse Racing.

So we hosted an event for them.

Stephanie Hronis, who I believe you know, is the Chair of that organization.

So yeah, we're happy to look at doing more and more.

MS. MEAD: Thank you for your presentation, Josh.

I really appreciate it.

This is really just a plug for board members to especially come out during those event days.

It's really nice to visit with everybody in the director's room, whether it's us or all of the guests.

But I really recommend that you go out and meet the people who are here for these events, because they really aren't the traditional horse racing crew.

But when you talk to them, they all say, this is what brought me here, beer and tacos or the wine

events.

This summer, the New Orleans event was just great.

And people have said to me, I'll come back.

And that's good.

I think the idea is to introduce them.

And hopefully, they'll come back for a horse race later without the event.

So get out of the director's room and go meet some of these people.

It's pretty fun.

JOSH RUBINSTEIN: Thank you for saying that.

I think it is important for all of our guests to see board members at the facility, including the newcomers.

And also, we've gotten probably more participation from this board than I've ever seen with horse racing.

And we very much appreciate it.

And it really goes a long way, when we have industry stakeholders here, for them to meet with you all.

And when they're talking about things like the Breeders' Cup, to really see that there's an interest

on the board level.

It certainly goes a long way.

MR. ARABO: A couple of points, Josh.

Thank you for being so committed to equine safety and helping out the backstretch workers.

Any ideas you have, as far as the board to consider, or the committee in the future, for small investments that could increase revenue for the District and could have a quick payback?

JOSH RUBINSTEIN: Yes.

So we've had a couple of meetings with Becky and Katie and others at the District.

And discussed some things.

We certainly are very sensitive to this is a massive property.

And there's a lot of repairs and maintenance that need to be done.

So we certainly don't want to be selfish and just look at racing things.

But I think there are a few items that we spoke about at our last meeting.

I mentioned what we see during the races, especially in the summer, the high-end inventory, the suites, the box of trackside tables, those all sell

out.

The last things to sell are just the traditional stadium seats.

And that's not unique to us.

I think most sporting entertainment venues, people are looking for that high-end experience.

So we did discuss the possibility of extending our celebrity suites.

We currently have five.

Those are the suites that hold about 50 patrons.

And they're just to the west of the director's room.

So to look at potentially taking out some of the grandstand seats and putting in the celebrity suites.

And we think there could be a pretty quick payback for that.

And the nice thing is, the farther west we go, those suites would be more applicable for the Fair during your concerts.

Just more central to the stage.

MR. ARABO: How quick of a payback do you expect?

JOSH RUBINSTEIN: So we're getting some numbers now on what the build-out is.

But conservatively, we think that's something, a

two-year payback would be very reasonable.

MR. ARABO: And right before Breeders' Cup, hopefully, if they come back.

JOSH RUBINSTEIN: Yep.

MR. ARABO: Well, I want to thank you very much for everything you do.

I have questions in the packet, but I could wait until the full fall meet's done.

Josh and his team has been amazing and engaging people.

DMTC has been very vocal about introduce people and your stakeholders to DMTC as guests of DMTC.

They want them there to increase DMTC.

So thank you, Josh, for being out in the community and increasing the horse racing fever with safety always at the forefront in our minds.

And I know we have our struggles in the industry, but we're bucking the trend.

So thank you, Josh.

JOSH RUBINSTEIN: Thank you.

It's truly a team effort.

MR. BLAIR: Josh, when will we hear any news about the Breeders' Cup?

JOSH RUBINSTEIN: Hopefully, very soon.

Hopefully, we'll have some positive news to be in front of you.

MR. BLAIR: Very soon, days, weeks?

JOSH RUBINSTEIN: Well, I don't know.

MR. ARABO: They haven't signed the deal yet.

JOSH RUBINSTEIN: Soon.

MR. BLAIR: My grandfather said, over yonder.

JOSH RUBINSTEIN: Right.

MR. ARABO: You know, also be good, Josh, for the committee.

In the future, we should maybe reach out to Santa Anita and see what their thoughts are.

And in general, I mean, we hear everyone when they say they're worried about the industry.

We want to make sure that everyone's going in the same direction.

JOSH RUBINSTEIN: Yeah, we're, you know, obviously, we have regular conversations with Santa Anita.

We have a very good relationship with their management team.

But your point is well taken.

We would be happy to have a representative from the management team as a part of an upcoming liaison

committee so you can hear directly, you know, from them.

The good news, you know, I will say about Santa Anita is they are the equestrian home of the 2028 Olympics in Los Angeles.

And there has been significant infrastructure made to host those Olympics.

And some of it is permanent.

And in addition to the Olympics, in fact, there's a big equestrian show at Santa Anita this weekend.

So while it would be great if they were investing on the thoroughbred racing side, we've, you know, our view is that any investment in the property related to horses is a good thing.

So we'll certainly continue to update the board on those improvements.

MR. ARABO: It's been running since 1937.

JOSH RUBINSTEIN: Yes.

MR. ARABO: Since 1937, the racetrack's been operating.

So great job.

Almost 100 years soon.

JOSH RUBINSTEIN: Thank you.

CHAIR NEJABAT: Thank you.

We'll now move on to public comment.

Anyone in the room who wishes to speak?

MARTHA SULLIVAN: Martha Sullivan from Imperial Beach.

Reported in the Los Angeles Daily News on November 5th, quote, the death of Pine Run, a five-year-old thoroughbred gelding who left the track in the ambulance after finishing sixth in a cleaning race on Saturday night at Los Alamitos Racecourse was the 32nd of 26 in racing and training at Los Al, Santa Anita, and Del Mar, according to the unofficial count of fatalities listed by the California Horse Racing Board.

That's more than the average of 27.8 deaths from January 1st to October 31st in the past five years at the three Southern California racetracks.

And by the way, those are the only three left in California now from 9 and 2024.

A report on racetrack deaths in SoCal this year and HelloPaddock.com on October 25th really captures what this looks like.

Quote, trainers and groups of greens absorb the losses first in the barn before any protest forms.

They also live with the consequences.

Wider, tighter scrutiny from regulators, harder conversations with owners, and a public that hears about their workplace mostly when a horse dies.

The industry's usual response, a necropsy pending and no comment, leaves the people inside the gate with nothing to say to the people outside it, end quote.

The DMTC's refusal to acknowledge the raced horses who died racing and training during its summer meet don't make these deaths disappear.

It only serves to reinforce the general public's impression that they don't care.

Four horses died this summer.

They haven't said a peep about it.

ALLISON PRATER: Allison Prater again.

I want to congratulate the board on the new roster, and I also want to say, Director Arabo, I'm very sorry to hear what your family has gone through.

Four racehorses died during this year's Del Mar summer meet.

Three racing and one training.

Cornucopian, Can You Dream, Valentina Jan, and Champs Ourae.

Last year, there were two racing deaths in Del Mar's summer meet and two racing deaths in its fall meet.

Three racing deaths and one training death during this year's summer meet is an ominous sign of what is to come in the four-week fall meet.

Cornucopian is the 85th horse to die in training by Baffert's care since 2000, per records of this board and media reports.

Another of these deaths was at Del Mar, two-year-old, quote, Pastor T, who died training on August 26th for his second racing start of a fractured fetlock, just like the three horses who have died racing at Del Mar this summer.

And last week, it was reported that the 86th racehorse died in Baffert's care in Kentucky, three-year-old Colt Potente, who raced in this year's Kentucky Derby.

Also per the CHRB, Valentina Jan's trainer, Steve Knapp, had five other horses die in his care since 2021, all at Santa Anita Park.

No legitimate sport would tolerate these deaths of its athletes, and the public is increasingly aware of them, as reflected in the closure of at least 53

U.S. tracks since 2000.

Thank you.

CHAIR NEJABAT: We'll now move on to the callers online.

MR. RIVERA: Do we have your microphone?

CHAIR NEJABAT: Moving on to the public comment folks online, Chaun Reynolds.

MR. RIVERA: Shawn is not in the queue.

CHAIR NEJABAT: Jane Cartmill.

JANE CARTMILL: Why does the Del Mar Thoroughbred Club, regularly claiming the safest racetrack, allow horses to be entered to race on only one to two weeks rest, contrary to the North American standard?

As reported by Equine Edge, a 21- to 36-day break is the standard cycle on many North American circuits because it balances recovery and fitness.

Yet, Friday, November 6th, race four, three-year-old filly, Barra Roza, had just raced on October 24th at Santa Anita Park.

Race five, four-year-old filly, Perfect Life, had just raced November 1st at Los Alamitos in a mixed race at night.

Saturday, November 7th, race one, five-year-old gelding Henry Adams had just raced October 30th at

Santa Anita Park.

Race eight, six-year-old gelding Mr. Disrespectful had raced October 30th at Santa Anita Park.

Race nine, three-year-old filly, Latte Luv, was just raced on October 25th at Santa Anita Park.

Sunday, November 8th, race five, four-year-old filly, Angelica Bay, raced three times in 26 days by trainer Doug O'Neill and owner Danny Eplin, October 24th and October 12th at Santa Anita.

Race eight, three-year-old filly, Lino's Angel, was just raced October 30th at Santa Anita Park.

Thank you.

CHAIR NEJABAT: Thank you.

Lori Saldaña?

LORI SALDAÑA: Thank you.

I was reading over the report and I'm trying to determine the accuracy of one of the statements about the safety.

I'm not sure how you can quantify the safety and compare it to other tracks completely because only a couple of states report injuries and deaths.

And we've heard this for years at different hearings, not just here for the Fairgrounds but the

horse racing board.

And yet the numbers of injuries and deaths seem to be pretty consistent over time.

So I don't think it's the condition of the track.

I don't think it's the fields.

I think it's just the nature of this type of event.

And that is a concern in the same way that seeing traumatic brain injuries in professional football players is a concern.

And that league has taken steps to reduce that type of injury.

So when horses continue to die, when jockeys continue to be injured, and more tragically when horses are injured or simply not able to race and end up in horrible circumstances, I think at some point the humanitarian, the humane treatment of these animals, this board really needs to consider.

Do you want to be linked to an industry that is leading to suffering and pain of animals that during the Fair, you actually are putting on display farm animals, agricultural, about humane treatment of these animals.

And then you have the racing industry sharing that property where animals are subjected to such pain and suffering.

It's just a real conflict for many of us.

And I hope at some point the board will seriously look at phasing this out and looking for other ways to get revenue into this state property.

CHAIR NEJABAT: Thank you.

All right, that concludes public comment on Item 6H.

We'll now move on to Item 6I, which is the Food and Beverage Committee report.

This is an information item only.

I'd like to recognize Committee Chair Barkett to give the report.

VICE CHAIR BARKETT: Thank you.

Becky, do you want to take it?

MS. BARTLING: Sure.

VICE CHAIR BARKETT: Okay.

Do you want my notes?

You can read them.

MS. BARTLING: Those are a lot of notes.

VICE CHAIR BARKETT: I know.

Always take a lot.

MS. BARTLING: So in the packet, you have the food and beverage report for September ‘26.

And you also have it for the Sound.

It's actually, if you look at the report for the overall Fair, it's positive to budget for September ‘26, which is very good.

Because typically, once the races are over, it gets pretty quiet.

Overall actuals for the year, we are up compared to budget.

And up compared to last year, which I think is always good.

Some of the things that we've been looking at and following are cost of goods.

There's a little bit of an increase in those.

And it's completely understandable with what's going on with the economy and such.

Payroll.

We have been, since I came on board, having lots of conversations with Premier slash Legends about watching payroll.

Because that had increased significantly over a period of five or six years.

So I know that they are paying very strong

attention to that.

So overall, it's positive.

And positive to budget is always a very good thing.

Also, just wanted to let you know that we, on a monthly basis, go over a deeper dive into Premier's financials that looks at cost of goods.

And it looks at overhead costs and that kind of thing.

So that's very positive.

And then the Sound, again, if you look at overall year to date, we are up.

And also September, we are up.

And at the Sound, if you look at what the total payroll is, it's much less than it is when you look at the overall Fairgrounds.

It's pretty simple over there as far as food and beverage.

It's a lot of beverage sales, alcohol sales.

And it doesn't have the more complex services that we have during the races.

So their labor is significantly different at the Sound.

And that's kind of it.

VICE CHAIR BARKETT: Yeah.

I mean, just as you said, it was strong revenue despite higher payroll and operating expenses which are going up.

The cost of goods is definitely a concern because it increased by 76.7%, which is growing faster than the revenue, which is scary.

So there has to be definitely some assessment.

And we talked about, Becky and I went over all this, and we talked about purchase pricing with invoices.

Let's look at that unit cost, et cetera.

Something similar to mark what you suggested to in the past.

And sales mix and pricing would be interesting.

Where is the customer spending their money?

Are they buying lower or are they buying higher?

Waste and inventory review I think is a huge big thing too.

Spoilage, overproduction, inventory count adjustments.

And then I even talked about verified portion size.

Everyone's eating less.

So we don't have to go with the big American.

In your lap.

And so nicely presented, lovely, good food for good value.

And then the Sound is doing well, actually.

September was a little mixed.

The revenue was higher than budgeted.

And profit and distribution were well above budget.

But again, it's the cost of goods slightly above.

And the gross margin rate had declined from 2025.

So we do need to reassess the Sound, definitely.

Thank you.

CHAIR NEJABAT: Any questions or comments?

Thank you.

MS. DeBERRY I'm curious, what's the average price of a drink at the Sound?

Like alcohol?

MR. ARABO: I think $20.

VICE CHAIR BARKETT: Yeah, I'd say $20, $25.

MR. ARABO: $25.

MS. BARTLING: Depends on what it is.

MS. DeBERRY: Is it a single or double?

MS. BARTLING: Is it a double mixed cocktail?

Is it a glass of wine?

Is it a beer?

MR. ARABO: It's high.

MS. DeBERRY: It's high.

I mean, just if I wanted to order like a vodka tonic or something.

Would I pay about $20?

MR. ARABO: Yeah.

VICE CHAIR BARKETT: $18, $20.

MR. ARABO: And there's contracts.

MS. DeBERRY: Huh, about $18 to $20?

VICE CHAIR BARKETT: $18, yeah.

MR. ARABO: There's contracts, I believe, with manufacturers where we have to buy the water from somewhere.

And those prices are a little bit higher than they could be, I think.

But we're tied into a contract.

VICE CHAIR BARKETT: Sponsorship.

MR. ARABO: Yeah.

I wonder what the target is from Legends because they do a great job, especially in this tough market

for food and beverage right now, tough economy with inflation.

I wonder what their target is for percentage of payroll.

Right now, it's 42.2%.

But what's their internal target?

Is it like -- are they happy with that?

Or do they want it lower?

Do you know?

MS. BARTLING: Well, we've had lots of conversations with them about it.

You know, a lot of it is generated by their contracts with the unions and increases that they have.

MR. ARABO: Which is very important.

We have to make sure people have a good living wage to understand that.

MS. BARTLING: Absolutely.

Absolutely.

So I know that they are -- it's a good question on what they're projecting.

But I know they are looking to determine what caused the big increase.

Because honestly, they took over the contract.

And I don't think this was something that anybody did a deep dive on as to why a percentage of payroll is so much higher now than it was seven or eight years ago.

So I know that I've asked them, and they have been really doing a deep dive to figure out what was the cost.

Because again, as your costs go up, you have to accommodate that somehow.

And typically, it's passed on to food prices.

MR. ARABO: And I wonder what the technology we've embraced.

Now we have those handhelds.

Have we decreased, has that helped with the labor costs?

Because now before they used to take the orders with a pen and paper and run it.

Now it's just they put it in the tablet, the kitchen should get it, and I wonder if that's helped or not.

MS. BARTLING: It's a good question.

We'll find out.

I know they had some challenges opening day in the beginning with various things.

MR. ARABO: I wonder if we could ask them in general, and I know this is Fair Ops, if they'd be interested in having booths at the Fair.

I know before in the past they have.

And we do have a good deal compared to other deals we have with the Legends.

MS. BARTLING: You mean food?

MR. ARABO: Yeah.

They did it in the past and then maybe stopped doing it.

I wonder if they'd be interested in doing it.

MS. BARTLING: They might.

I know that the old Premier tried to do it several times.

And there's just so much competition for all the other food there to find something that's unique, that's successful.

I think they've just decided to focus more on the beverage side of it.

MR. ARABO: Okay.

CHAIR NEJABAT: All right.

Go ahead.

MR. MIYAHARA: I don't mean to get into the weeds, but it's just sticking out to me.

And maybe you don't have an answer to this question, but it's great that revenue goes up and you typically expect certain costs to correspond with increased revenue.

You see cost of goods on a percentage base go down, actual versus budget, as well as payroll.

Why are other operating expenses, why is that going up?

You don't see it on the food and beverage report.

You see that happening in the food and beverage report, but you think it would correspond.

The sound, you see it going down.

But for the food -- F&B report, we're actually seeing operating expenses go up.

Why is that?

MS. BARTLING: And I actually don't have an answer to it.

It's a conversation that we've been having with them is to get more detail to what actually goes into their operating expenses.

Michael, I don't know if you have any more detail than I do, but it has been a question that I've been asking for several months.

MR. SADEGH: Those are great questions.

We are having conversations with the Legends group every month to deep dive into these categories.

I believe -- are we talking about the year or for the month?

MR. MIYAHARA: Both.

It's more apparent on the month, but even if you look at the year, it's the same operating expenses are higher than budgeted, but revenue’s higher and then you see cost of goods sold and payroll down as a percentage.

MR. SADEGH: So for the year, it's cumulative.

I'll have to go back and find out what it was.

For the month, it seems like there were a number of items, cleaning supplies, computer setup, equipment rental, and also general liability insurance that contributed to the increase for the month in terms of operating expenses.

Sometimes there are accruals that are made and then the adjustments are made based on actuals, so that could have been a contributor, but those are the categories, those are the items that contributed to the operating expenses to be higher.

MS. MEAD: Hey, Michael, I do have a question

about one-time expenses like general liability insurance, so that you don't see those spikes the months they're paid.

Do we spread those across?

MR. SADEGH: We spread them, or we usually prepay them.

Obviously, those premiums are due, depending.

You can finance it, but we typically pay up front because the financing rate at the District is a lot more amenable.

But generally, when you pay those insurance premiums, you spread them throughout the premium policy year.

I'll have to find out why this one went up.

It could have been maybe unemployment insurance that went up because those are cyclical, depending when staff is added and then terminated.

They may qualify for unemployment insurance, but we'll find out about those.

MS. MEAD: That would be helpful to see.

I know oftentimes we book based on a cash basis, but for those items that we can spread, it will help those peaks and valleys.

MR. SADEGH: We'll inquire about that, for sure.

MS. MEAD: Thank you.

MR. ARABO: I have a question, Michael.

Do they give you a breakdown of all the detailed operating expenses?

MR. SADEGH: Well, we get in the P&L, yes, there are multiple lines within those P&Ls.

We go over the spikes, and they do have a narrative for that as well.

MR. ARABO: Because their cost of goods is good, but their payroll is high and operating expenses seems to be trending.

MR. SADEGH: I think payroll, Becky provided a great explanation for that.

There are certain requirements for payroll, different categories, based on contracts they have.

Either it's union contracts that they have to stand by, and also the cyclical nature of the business, if they can find enough staff at the rate for the horse racing.

Or sometimes they may have to pay a little bit more to bring folks in to perform the work.

MS. DeBERRY: Supply and demand.

MR. ARABO: Operating expenses, more like with electricity and water, what would it be?

Because the equipment is already there.

MR. SADEGH: Right, we provide the equipment.

I don't have the list in front of me, but I can provide that for the next meeting.

Absolutely, yeah.

MR. ARABO: Thank you.

MR. SADEGH: Absolutely.

CHAIR NEJABAT: All right, thank you, Michael.

We'll now move on to public comment.

Anyone in the room who would like to speak on this matter?

All right, nobody signed up online.

So that concludes public comment on this item.

We'll now move on to Item 6J, which is the People and Culture Committee report.

Again, this is an information item only.

I'd like to recognize Committee Chair Mead to give the verbal report.

MS. MEAD: Thank you, Chair Nejabat.

And we have no report on this item.

The committee did meet, but we focused on CEO performance goals.

And we'll be reporting those in closed session.

So I'm ready to go to K.

CHAIR NEJABAT: All right, public comment.

Anyone in the room would like to speak on this matter?

Seeing nobody in the room and nobody online, that concludes public comment.

Moving on to our final item under general business today, Item 6K, the Fair Ops Committee report.

Again, this is an information item only.

And I'd like to pass it back to Committee Chair Mead to unveil the 2027 Fair logo.

MS. MEAD: Thank you.

Before I invite Katie to come up and give us the good news about the 2027 Fair, I did want to let everybody know that there's a report, page 91, 2, and 3, that I stated at the last board meeting that we wanted the previous Finance Committee Chair and co-chair, as well as the current chair and co-chair, to know that we're hearing you about your concerns regarding revenue generation.

And this was our first step to review the information about the operators and concepts.

And there's a nice chart on page 93 that shows four different categories of operators, whether

they're duplicate stands or same operator, different concepts, et cetera.

This is step one.

Last time I asked that everybody be patient with us because we're doing both a look back at last year's Fair and a look forward to next year's Fair.

So with Becky and Katie and the team, we're having more information that's made available to us in the spirit of transparency, sharing that information with you.

We'll take the next dive.

As we pointed out in the Finance Committee report, at looking at all of the components that have red indicators, which have to do with admissions and pricing and vendors, and we'll be able to present more information to you at our next meeting in January.

But this is step one.

If you have any questions, I'm happy to answer the questions regarding the report as it was presented, and Katie will help.

MR. ARABO: I have a question.

Thank you, Chair.

Thank you, Kathlyn.

Page 93, just to understand it, same operator, different concepts, 51.

Does that mean out of 105 locations, 51 are composed of the same operator?

Can you explain that?

Can you walk us down?

MS. MEAD: Yeah, I'm going to ask Katie to come up.

I do want everybody to know that our committee looked at all of our 105 vendors and information that was presented, and we'll ask Katie to provide that overview for you.

MS. MUELLER: I also brought some expertise with me.

Jason Warrensberg is our concessions manager.

So yeah, so those stands where it says same operator, different concepts, that would be a stand like Chicken Charlie's.

He's got chicken at one stand, and he has a funnel cake stand as well.

So different concepts, completely different menu items, different look.

We have an owner this year, I can't -- his name escapes me, but he has a stand on a fish and chips

stand on the avenue, but he also opened, was able to open a gluten-free stand over on the Livestock Way for the first time ever.

Which was really exciting, brand-new concept.

He was able to take the risk because he had a proven stand already, location on the avenue.

And we took the risk with him of opening up the gluten-free stand, and it was, it just blew up, like it was all over the celiac disease Facebook pages and social media and that kind of thing.

So it was great to have that proof of concept.

So that's what it means when it's the same operator, different concepts.

And I could give you a million examples of that.

MS. MEAD: Or 51.

MS. MUELLER: 51 of them, there you go.

MR. ARABO: And a true duplicate stand.

MS. MUELLER: That's where you literally have the same concept.

So the lemonades, you'll see the little lemons all over, those are true duplicate stands because they're serving lemonade, they look the exact same, they're not a different concept.

MR. ARABO: So around, okay, so $20 million is

the revenue in, 16 million or so is from the same operator and duplicates.

Is that right?

MS. MUELLER: Different concepts.

MR. ARABO: Right, right, right.

But same operator.

And true duplicate stands.

True duplicate stands and same operator, different concepts makes up 16 million out of 21 million.

Is that right?

MS. MUELLER: I believe so.

I'm not looking at the report, but yeah.

MR. ARABO: Yeah.

MS. MUELLER: So with that, I would also like to point out, our concessions net to the District went up over $100,000 last year.

Just same exact number of days, lower attendance, and our net to the District still increased.

I think our concessions department's done an amazing job of finding that right mix of food, making food a huge demand at the Fair.

It's become the number one reason, along with

your family, spending time with family and friends, of coming to the Fair.

It's become a foodie destination.

And with that, we're going to talk a little bit about our website, because we're going to be rolling out the opportunity for new people to apply.

So we're always looking for new concepts, new, exciting, fresh ideas for food, because food is such an important part of our program.

It's not just an afterthought.

Sometimes you'll come to an event, and you're there for the fish and tackle show or whatever, and oh, maybe we'll grab a burger on the way out.

The reason people come here is for the food.

So the menu, the concepts, the things we offer are really important.

And we also have our marketing director here.

The PR mileage and the marketing mileage we receive out of our food is huge.

A lot of it's measurable.

Some of it's not.

We have a lot of influencers that come here and just talk about food.

We have our Fair-tastic Food Competition, which

has become a huge deal and really put us over the edge to encourage operators to come up with new creative concepts that, again, encourage people to come to the Fair.

They come because I want to try that one food item.

We're also mindful of trying to control costs.

It's very difficult.

We just had a big conversation about cost of goods.

It's true for these people.

Their transportation costs have gone way up.

Their labor costs are going up again in January.

Their insurance, everything has gone up.

And so we are very mindful, based on what the survey told us that we shared with you, I think it was the last board meeting, about the pricing perception.

And so we're really going to be working on that with our operators.

We started a concessions advisory committee, like I mentioned last time, to talk about some new promotions and things like that to really combat that pricing perception.

Yes, Donna?

MS. DeBERRY: Yeah, so just a quick question.

So the similar concepts with different operators would be, as an example of that, would be?

MS. MUELLER: So we have a candy operator, it's called Candy Wagon, at the entrance to the Midway.

And they sell cotton candy and caramel apples and popcorn and that kind of thing.

We have that operator.

We have another operator who owns an entirely different one at the entrance to the kid land, for example.

Same basic concept, menu items, things like that, but different operators.

Cinnamon rolls, that’s true.

We have three cinnamon roll stands, all owned by different operators.

MS. MEAD: Corn dogs?

MS. MUELLER: Oh, gosh, yeah.

MS. MEAD: We have a lot of corn dogs.

MS. MUELLER: There's a lot of corn dogs.

There's a lot of turkey legs, yeah.

So some of it's location based.

And sometimes it's a really unique concept.

The market can't bear more than one location.

But something like a corn dog, you've got to kind of have those spread around, because that is a very popular item.

And the lines would be way too long if you only had one corn dog stand in the whole Fair.

MS. MEAD: One of the things I want to get to is that, as I know, Mark, you have raised questions, especially in your role as the past Chair, about the variety of vendors that we have.

And I would really love, Katie or Becky, when we make the announcement for open stands, if you could send a one-way communication to the board that the announcement's going out on the website so that the board can also share that with their network that says there's an opening for you to apply for these open spaces.

And the other thing I do just want to point out is that, while we're looking at this report, one of the things that we try to take into consideration every year, and the committee learned a lot during this presentation, thank you very much, is there's this balance between a track record of vendors who have proven to be able to attract a concept that the

Fairgoers like, along with new concepts.

And that balance is a very delicate one, and I really just want to appreciate the staff's efforts in trying to make sure that we're working that balance.

So if you can be sure to let us know when that announcement goes out, that'd be great.

MR. ARABO: Yeah, I definitely really appreciate all the hard work from the staff.

So all my comments are more to optimize and help.

It's not to criticize.

MS. MUELLER: No, we appreciate it.

MR. ARABO: I hope that doesn't come off.

I do, like, we've had a lot of wins.

Like, if you were never to try Gluten Free, you would never know it took off.

So I really encourage, because there are now 64 companies, operators make 105 booths.

I think there's, like, room for, you know, optimization.

But our Fair food is excellent.

I love coming to the Fair.

Love the experiences.

MS. MEAD: I love the idea, Mark, of wins.

And let's be sure we think about that for our food wins next year to be able to talk about Gluten Free and the new things we're doing.

Thanks, Mark, for mentioning that.

MR. ARABO: Like the kosher or halal or, like, there's different items, you know, that are maybe cooked sushi.

MS. MUELLER: We had grilled oysters and octopus.

And it's Stizzy's Oyster Works that had -- but no, we don't have any raw sushi.

MS. DeBERRY: So I just want to make a comment.

The one thing that I love that the Port of San Diego has done is, like, how to do business with the port.

And they have an event, I think it's twice a year.

But the great news about that is for vendors who are interested in working with the Port of San Diego, they bring them in, talk about, like, the procedure, what it means, how to do it, da, da, da.

I think my recommendation is that not just send it out and depend on the board or other entities to identify, because we could, you know, we may miss someone, but to also maybe think about doing that.

Like, doing business with the Fairgrounds.

Or if you're interested, come and hear more about what we're looking for.

And if you have questions.

MR. ARABO: Especially sometimes they do, like, disabled veterans, they have those, I don't know how they have that.

The state does that.

I don't know if we could do that or not.

But there's so many different types of ways you could incorporate.

And I don't know, maybe they won't make the cut, maybe they will.

I'm really big on transparency and a fair process for everybody.

MS. MEAD: I like it.

Maybe we could reach out to the Port and see what the success factors are for their "How to Do Business With."

MS. DeBERRY: Yeah, it's packed.

MS. MEAD: Great idea.

MS. MUELLER: That's a great idea.

MS. DeBERRY: Yeah, we'll give you, I can easily give you who you need to reach out to, for sure.

MS. BARTLING: That's great.

MS. DeBERRY: Yeah.

MS. MUELLER: Is there any more questions about the concessions?

Or can we move on to the reason you have chocolate bars at your desk?

MS. MEAD: I'm ready to start eating these for lunch.

MR. ARABO: I think just for the committee to look at, it'd be great to see, without the names of the operator at all, like a map of every booth of last year, and the gross sales of each booth, without singling out.

Because I think all of our operators are great.

But just so we have situational awareness of it.

MS. MUELLER: Yeah, and we have that we can share, absolutely.

MS. MEAD: Along with an analysis of the data, which we'll do.

MS. DeBERRY: Katie, do you need a drumroll?

MS. MUELLER: Well, I want to ask Jennifer Hellman to come up.

This is our marketing department's time to shine because they really kicked the whole thing off.

And it begins with, well, it actually begins with the board approving the theme.

But then the magic comes to life when we get a logo.

And this team puts it all together, and the website.

So Jen?

MS. HELLMAN: It's very late in the day, so I'm going to be very fast, you guys.

We get asked about the Fair theme a lot.

Like, I get asked in the community, how do you come up with the Fair theme?

Everyone always wants to know that.

And it's different all the time.

And we get a lot of ideas from guests.

We have a Fair debrief.

And then we have kind of a theme team here on site that takes all of that input, and brainstorms, and puts it together.

And that's really Katie, and then the exhibits department, and the marketing department.

Because the exhibits brings it to life here at the Fairgrounds, and we bring it to life leading up to the Fair.

So we kind of put together usually about three to five, and we meet with the board ops, I mean, the Fair ops team.

And we see what they think floats to the top.

So with that, this is what floated to the top.

So get ready to peel back the wrapper, and discover a summer packed with sweet surprises at the 2027 San Diego County Fair Chocolate Unwrapped.

Bring the Wonka-worthy world of chocolate, imagination, and discovery to the Del Mar Fairgrounds, opening Thursday, June 10th, through Monday, July 5th.

Follow chocolate's journey from cacao pod to candy bar, meet larger-than-life sweets, and savor over-the-top treats.

And of course, enjoy all of the Fair traditions that you wait for all year long.

Thrilling rides, carnival games, farm animals, live entertainment, and can't-miss Fair favorites.

Your sweet summer starts right here.

So today is the day that we have, if you go to SDFair.com, it's all different.

The Fairgrounds website has been completely re-skinned to reflect Chocolate Unwrapped.

And we're entering that participation phase.

And what you were just talking about with food concessionaires, actually the applications are currently open.

So this is the time that we'll send out the press releases.

A press release will go out right after today, all about theme.

And then we lead into all the different ways that you can participate.

So today opens our Fair for All ticket donation program.

So you all have connections with 501c3 organizations.

Please do send them to the website to apply for their tickets.

Last year we gave out about 25,000 tickets to 185 nonprofit organizations.

So that's a wonderful program.

Another similar program is the Community Corner.

And that's where you can apply for really drastically reduced booth rates here to have a presence here at the Fair for your community organization or nonprofit.

The Community Banner Program application's open today.

And that's where you see our banners all through the communities that you, we do a photo shoot at the community.

The community gets to pick the people that are in the banner.

Our team goes out, takes all those photos, designs, prints, and installs those banners.

So that's with business districts, councils, those kinds of people participate in that program.

So help us get the word out on that.

Retail vendors and food concessionaire applications.

So we have a whole lot of opportunity there.

Jason oversees not only the food concessionaires that we were all talking about earlier, but the retail opportunities.

So we have the big shopping halls.

We also have our San Diego Marketplace, which is home-crafted, locally crafted goods.

And that has expanded into a second location, which was in Farm to You last year.

And that's getting even bigger and better.

So that's kind of food items that are made locally, soaps made out of ag products, that kind of a thing that fit with that Farm 2 U exhibit.

The donated awards program will be opening this week.

And that has not previously been online.

It's a program that we've had for many years.

But that's all of the competitions, the arts competitions, the home and hobby, photography.

If there's a business or even an individual that wants to donate an award, it can be anything from $100 cash award to art supplies at a business.

George's Camera is one that comes back every year and donates for this.

Then that person gets to actually go pick and give an award.

So it doesn't have to be something that won first, second, or third place by our judges.

It could be that person's own pick, which is kind of fun.

And then it just is a really fun way for those participants to get acknowledged and really expand on that without raising our budget.

And then the Plant Grow Eat is going to open

this week.

And that's our field trip program that I think many of you have come out for, where kids get bussed in and they get to go visit the farm out in the infield before the Fair even opens.

So those are all what will be active.

MS. BARTLING: Jen, can I just stop you for just one second?

So Katie and I have been having this conversation about donated awards.

There's a lot of opportunities.

There's a lot of opportunities in our youth exhibit programs to donate.

I did that a lot in Sonoma County.

So I would encourage the board.

I know, Katie, you're going to send us out some opportunities for donation.

But I would encourage the board.

It's not a lot of money, but it's a great thing.

And you get your name on stuff.

MS. MORALES-ROTH: Could you send us all the categories?

Because definitely we have sponsors and funders for that, that we can get hundreds of.

Thank you.

MS. HELLMAN: It's a nice, not big commitment, like a sponsorship type commitment, but still a way to participate and really encourage creativity throughout the community, which is great.

And then something that we did last year for the first time ever that we will be doing this year is our Black Friday discount promotion, which is the buy one, get one season pass for four days only from Friday, Saturday, Sunday, Monday.

So Black Friday through Monday, you can get the buy one, get one season pass.

So you'll see that going out next week after the theme gets out there.

So thank you.

Any questions?

So now you can break into your chocolate bar.

MS. MORALES-ROTH: Question, can we start, like if we wanted to take photos, share this?

We're totally fine doing that right now?

MS. HELLMAN: Starting today!

Okay, beautiful.

Thank you.

MR. ARABO: I have a question more for the

committee, maybe for the next meeting.

I saw that there was for concerts that we give a five-year new contract to a vendor.

I don't remember seeing that.

That's what I saw with the one way today.

MS. BARTLING: Yeah, so you approved a one-year contract.

It's actually a contract that has five-year potential extensions.

MR. ARABO: Oh, okay.

MS. BARTLING: Yeah.

MR. ARABO: So it's a one year with four-year extensions, additional.

MS. BARTLING: Correct.

MS. MEAD: And the extensions can be performance based.

MS. BARTLING: Absolutely.

And also we're doing some booking ourselves.

And so they get paid specifically on the shows they book.

So there was an article, it was a little confusing because it's not a five-year deal.

MR. ARABO: Well, you're still planning on the summer socials next year?

Next Fair or no?

MS. BARTLING: We're going to have the networking dinners.

It's going to be a little different than the summer socials.

We're looking at something that is more achievable economically.

And not that we're not going to invite people to those.

But we're going to kind of change the format.

MR. ARABO: Great.

MS. DeBERRY: Would you be presenting that?

MS. BARTLING: Yeah.

So essentially, some of those programs were not really effective in the promotion of the Fair.

So that's why we kind of reviewed that and thought, you know, let's look at maybe more something that really, not that some of the people that we invited we're not inviting back.

It's just reviewing the process to be more effective in who's coming.

And are they going back out?

And are they talking about the Fair?

Are they promoting the Fair?

Or are they just coming here for a free lunch, so to speak?

MS. DeBERRY: Last comment.

Quick question, too.

So how are you measuring that, though?

How do you know the impact of that?

As an example of that is that on those summer socials, if people are upstairs having a good time, they're still coming down.

They're going to the Fair.

They're buying food.

They're buying ride tickets.

I'm assuming, right?

How are we measuring the effectiveness or whether or not that is something?

Who?

What organizations?

Or not, you know, just big question is how are we measuring that?

MS. BARTLING: So the bigger part of it is the cost of us to do it in that format that we did.

MS. DeBERRY: Okay, that's different.

That's different.

Okay.

MS. MORALES-ROTH: Yeah, I was going to have around that same question, because I understand the consolidating some of them, because some of them were empty.

And we really didn't have that ROI there.

And at the end of the day, it's more costly for us.

MS. MUELLER: I think the concept is we invite all the same people, but we let them choose what night is convenient for them to come.

And then we host, you know, in director's dining, some dinner in some format, instead of having, like, only these people can come on this night, and only these people can come on this night.

And Becky can work with you on the invitation list and what that looks like and, you know, the nights that will be available and all that.

MS. DeBERRY: So you will determine, the staff will determine the nights that are appropriate based on, those are high-performing nights or something versus low, you know, just, I'm trying to figure out how, what decision making.

MS. BARTLING: Yeah, I think we just looked at doing them probably on most nights, except for maybe

the Tuesday nights.

MS. MUELLER: And whenever Don Diego is.

MS. BARTLING: Yeah, exactly.

MS. DeBERRY: Nobody's going to compete with that.

MR. ARABO: You know, another item to look at for the concessions, just want to the committee to study.

Right now, the food deal, I guess, is 75% to the vendor, 25% to the District.

But, you know, they sell, like, Aquafina water bottles.

And the deal for that is also, they get 75%, the District gets 25%.

So it might be, to study, should that be flipped?

Because they're just selling the water bottle, should the District get 75% and the vendor get 25%.

Just something for the committee to study.

I want to flag it for you.

MS. BARTLING: Yeah, this bottle is very expensive for them to buy.

MR. ARABO: Or maybe it's the cost, and you repay them.

The District pays them cost plus, as opposed to

75% of a $5 water bottle.

Just something to look at.

MS. MEAD: Thanks, Mark.

MR. ARABO: Yeah, thanks.

CHAIR NEJABAT: Okay, all right.

Thank you, everyone, for that.

We'll now move on to public comment.

Anyone in the room who wishes to speak on this item?

No, seeing nobody in the room and nobody signed up online.

That concludes public comment on this item.

We'll now move on to Item 7, matters of information and director's requests.

At this time, I'd like to invite any board members who want to make any requests that they haven't already made for a future meeting on the agenda.

MR. ARABO: I have a request.

If we could study the solar, look at the solar, to come back to the board.

Maybe put out RFP --

MS. BARTLING: I have an update on that.

MR. ARABO: -- to make the Fairgrounds go green.

That's a great idea.

MS. BARTLING: Yeah, Dustin sent me an update.

The RFP went out.

Two responses were received, and they were deemed non-responsible.

And then a new RFP was never released.

MR. ARABO: So it might be something to look at.

MR. BLAIR: [off mic] the age of our buildings?

MS. BARTLING: Well, that'd be a thing you've got to look at.

What roofs do you want to put these on?

MR. ARABO: The Arena.

There's a lot of buildings over there, though.

CHAIR NEJABAT: Something we'll reopen and look at.

MS. BARTLING: Yeah, absolutely.

CHAIR NEJABAT: Okay, before we recess to our closed executive session, please note that the published news articles can be found beginning on page 94, and correspondence can be found on page 141.

With that, for board members, we'll move on to a closed session and do a working lunch in closed session.

The current time is 1:20 p.m., and pursuant to

the Authority of Government Code Section 11126(a)(b), and (e), the Board of Directors will meet in closed executive session on the items described in today's agenda.

Thanks.

Good job.

[The Board recessed to Closed Executive Session at 1:20 p.m.]

[The Board meeting returned to Open Session at 2:34 p.m.]

CHAIR NEJABAT: All right.

The time is 2:34 p.m., and we have returned from our closed executive session.

The 22nd DAA Board of Directors considered the advice of council on the items listed on the closed session portion of the agenda.

We have nothing further to report.

Seeing no other business before the board of directors today, the time is 2:35 p.m. on November 22nd, and the meeting of the 22nd DAA Board of Directors is hereby adjourned.

Thank you.

CERTIFICATE OF TRANSCRIBER

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