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

TUESDAY, OCTOBER 20, 2020

1:30 P.M.

REPORTED BY: Kathryn L. Edwards, CSR No. 7288

1 IN ATTENDANCE

2 OFFICERS:

3 Richard Valdez, President

4 Lisa Barkett, Vice President (via Zoom)

5 Carlene Moore, Interim CEO/General Manager

6 DIRECTORS PRESENT:

7 Michael Gelfand (via Zoom)

8 Kathlyn Mead (via Zoom)

9 Donald Mosier (via Zoom)

10 Sam Nejabat (via Zoom)

11 G. Joyce Rowland (via Zoom)

12 Frederick Schenk (via Zoom)

13 Pierre Sleiman (via Zoom)

14 OFFICERS ABSENT:

15

16 DIRECTORS ABSENT:

17

18 ALSO PRESENT:

19 Donna O'Leary, Executive Assistant

20 Josh Caplan, Deputy Attorney General (via Zoom)

21 Katie Mueller, Business Services Officer

22 Melinda Carmichael, Business Development Officer

23

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1 DEL MAR, CALIFORNIA, TUESDAY, OCTOBER 20, 2020

2 1:30 P.M.

3 ---o0o---

4 PRESIDENT VALDEZ: Hello, everybody. Welcome
5 to the October 2020 meeting of the Board of Directors of
6 the 22nd DAA. Can you all hear me? I think I've got a
7 major delay going on.

8 DONNA O'LEARY: Yeah.

9 DIRECTOR GELFAND: Can you talk a little
10 louder?

11 (Delayed audio replaying through speakers.)

12 DIRECTOR GELFAND: Richard, can you speak a
13 little louder or turn up your volume?

14 PRESIDENT VALDEZ: Hold on one second.

15 AUDIO TECHNICIAN: All right. Try again. Go
16 for it.

17 PRESIDENT VALDEZ: All right. I'm gonna try
18 this one more time, and hopefully I won't hear myself a
19 second time. That's what was happening. I was stating
20 it, and then I was hearing myself again.

21 So hello, everybody. Welcome to the October
22 2020 meeting of the Board of Directors of the 22nd DAA.

23 Donna, can you please call roll.

24 DONNA O'LEARY: Sure.

25 President Valdez.

1 PRESIDENT VALDEZ: Here.

2 DONNA O'LEARY: Vice President Barkett?

3 VICE PRESIDENT BARKETT: Here.

4 DONNA O'LEARY: Director Gelfand?

5 DIRECTOR GELFAND: Here.

6 DONNA O'LEARY: Director Mead?

7 DIRECTOR MEAD: Here.

8 DONNA O'LEARY: Director Mosier?

9 DIRECTOR MOSIER: Here.

10 DONNA O'LEARY: Director Nejabat?

11 DIRECTOR NEJABAT: Here.

12 DONNA O'LEARY: Director Rowland?

13 DIRECTOR ROWLAND: Here.

14 DONNA O'LEARY: Director Schenk?

15 DIRECTOR SCHENK: Here.

16 DONNA O'LEARY: And Director Sleiman?

17 DIRECTOR SLEIMAN: Here.

18 DONNA O'LEARY: Great.

19 PRESIDENT VALDEZ: Great. Thank you. Great

20 to see everybody, and -- well, except for Director

21 Sleiman, who is on the phone.

22 DIRECTOR SLEIMAN: I'm here.

23 PRESIDENT VALDEZ: I know.

24 A few housekeeping items that I want to

25 address first, before we hit any agenda items. First of

1 all, I want to let everybody know I am changing an
2 agenda item. So 5(F), Community Relations Committee,
3 will become 5(E), and 5(E), Land Use/Environmental
4 Committee, will go to 5(F). So it will go Community
5 Relations and then Land Use.

6 Secondly, I wanted to let everybody know that,
7 given the full agenda that we have, as well as likely a
8 lengthy closed session, and the large number of folks we
9 have signed up for public comment, we are, once again,
10 going to limit public comment to two minutes, and that
11 will be across the board, for all speakers, on all
12 topics.

13 Thirdly, as is required by Bagley-Keene,
14 whenever there is any action that takes place during
15 closed session of any board meeting, our requirement is
16 to, at the latest, address that and report that out at
17 the next board meeting. So at the September -- I think
18 it was 15th board meeting, which was our last meeting of
19 the board, yes, during closed session, the full board
20 unanimously approved the separation agreement between
21 Tim Fennell and the 22nd DAA.

22 The official retirement date for Mr. Fennell
23 is November the 2nd, and this will be our last meeting
24 before that official date. So I just want to say, on
25 behalf of the board, thanks to Tim Fennell for 27-plus

1 years of service to the 22nd DAA and the Del Mar
2 Fairgrounds in the capacity of general manager and CEO.
3 We appreciate all that he did for a very long tenure at
4 the Del Mar Fairgrounds and wish him only the very best
5 going forward.

6 Those were the housekeeping items that I
7 needed to report out on. And so, on to the next item on
8 the agenda, the Consent Calendar. Do I have a motion to
9 approve?

10 VICE PRESIDENT BARKETT: So moved.

11 PRESIDENT VALDEZ: That's Barkett.

12 A second?

13 DIRECTOR MEAD: Second.

14 PRESIDENT VALDEZ: That's Mead.

15 Any discussion?

16 Donna, take the vote.

17 DONNA O'LEARY: President Valdez?

18 PRESIDENT VALDEZ: Aye.

19 DONNA O'LEARY: Vice President Barkett?

20 VICE PRESIDENT BARKETT: Aye.

21 DONNA O'LEARY: Director Gelfand?

22 DIRECTOR GELFAND: Aye.

23 DONNA O'LEARY: Director Mead?

24 DIRECTOR MEAD: Aye.

25 DONNA O'LEARY: Director Mosier?

1 Director Mosier?

2 DIRECTOR MOSIER: Aye.

3 DONNA O'LEARY: Director Nejabat?

4 DIRECTOR NEJABAT: Aye.

5 DONNA O'LEARY: Director Rowland?

6 DIRECTOR ROWLAND: Aye.

7 DONNA O'LEARY: Director Schenk?

8 DIRECTOR SCHENK: Aye.

9 DONNA O'LEARY: And Director Sleiman?

10 DIRECTOR SLEIMAN: Aye.

11 PRESIDENT VALDEZ: Okay. Motion carries
12 unanimately.

13 On to the management report, Interim CEO
14 Carlene Moore.

15 CARLENE MOORE: Thank you.

16 We're gonna start today's meeting with
17 recognition of one of our longtime employees, Ray
18 Renteria, Jr., for his 20 years of service to the
19 District. I think one of the words that probably best
20 describes Ray is that he is the ultimate dirt mover and,
21 really, ultimate mover of so many things.

22 So he was originally hired as a -- a tractor
23 operator-laborer -- there is a State title for you --
24 but -- and has been integral to the success of so many
25 of our events, especially things taking place in the

1 arena, now over at Horsepark, as well, the Del Mar
2 National and -- and so on. So please join me in
3 congratulating him for his 20 years of service.

4 And, Ray, if you'll come on up to the front,
5 we'll present you with your pin.

6 (Pin presentation and photographs.)

7 And then, with that, we're gonna have our
8 business services officer, Katie Mueller, give an update
9 on Scream Zone.

10 KATIE MUELLER: Hi, everybody. I'm really
11 excited to share with you how Scream Zone's been
12 operating. It started on October 1st, as you recall,
13 and it will be over on October 31st, and we have a
14 little, tiny slide show presentation to show you. Let's
15 see. It's getting loaded.

16 So, as you recall, we kind of had to switch up
17 our business model a little bit, and we converted Scream
18 Zone -- we reinvented Scream Zone into a drive-through
19 experience called Road Kill.

20 You can go to the next slide.

21 DIRECTOR GELFAND: Good graphics, by the way.

22 KATIE MUELLER: Thank you. That was done by
23 our in-house graphic design team.

24 So as you may recall, this is the route that
25 the Scream Zone takes you through. So you enter through

1 the main lot. We queue everybody up. You drive through
2 the red lot, which is on the south side of the property,
3 all the way to the backstretch area, and it takes you
4 through a one-mile course of different props and themed
5 haunts and actors and fun lighting and fog effects
6 before you are exited out the Solana Gate. So it takes
7 about 25 minutes to complete the whole route. It's
8 3 miles per hour, but we find that people like to drive
9 much, much slower, actually, because they want to take
10 in the full experience.

11 The next slide. So we're killin' it in Scream
12 Zone. It's literally been sold out every single night
13 it's been open, starting with opening night, and it's
14 sold out through Halloween. I have to give a huge shout
15 out to the box office department, Lena Jouldjian and
16 Mary Lawson, who put this event together and did all of
17 the research and made sure that we were compliant with
18 all the rules and regulations regarding social
19 distancing and using the proper PPE and, you know,
20 limiting, again, the number of customers that we served
21 each night, making it a safe experience for everyone.
22 And, knock on wood, it has been a safe experience for
23 everyone that's participated.

24 We anticipate we'll have a final P&L ready in
25 November that will include the food and beverage sales

1 that have occurred outside of the event. Also, we've
2 been selling merchandise, fun Scream Zone-themed face
3 masks, T-shirts, pins that say "Scream Zone," that kind
4 of thing. But our anticipated admission gross, just on
5 the car vehicle admissions, is \$580,000, and we
6 anticipate netting around \$185,000.

7 DIRECTOR GELFAND: How many cars does that
8 represent on a typical night?

9 KATIE MUELLER: So on Sunday through Thursdays
10 we're open from 7:00 to 10:00 P.M., and on Fridays and
11 Saturdays we're open from 7:00 to 11:00. Sixty-five
12 cars are allowed, is our limit per half-hour session, so
13 about 400 cars on the weeknights and 500 cars on the
14 weekend nights.

15 DIRECTOR GELFAND: Since you're selling out,
16 do people, like, backup onto Via De La Valle and have to
17 be turned around, or how do you handle --

18 KATIE MUELLER: No. We actually have enough
19 queuing area, and it works out really well because it's
20 a timed ticket. So people come at their designated
21 time, whether that's 7:00 P.M., 7:30, 8:00. It's every
22 half hour. So when we queue -- When we have the cars,
23 we've got plenty of room to queue the cars between the
24 main lot and what we call the red lot, which is where
25 the R.V.s stay. We've got plenty of room to queue cars.

1 And then we do have quite a few vehicles that
2 pull up. We ask them initially -- When our parking
3 directors first greet them at the fire gate, we make
4 sure, "You've got your tickets, right?" And if they
5 somehow sneak past there or get past that point, we also
6 are scanning their tickets over near the entrance. And
7 we -- That's where we verify that they do, in fact,
8 have a ticket, and then they can exit quickly out of the
9 Solana gate. We have a third lane that we can exit them
10 out if they don't have tickets. So we're pretty strict
11 about that. If you don't have tickets, you're not gonna
12 get into the haunt.

13 DIRECTOR GELFAND: Just out of curiosity, if
14 you had a car with some kids -- with kids who just got
15 too scared by the whole thing, could they pull out of it
16 or, once you're in, you're kind of stuck?

17 KATIE MUELLER: Yes. We have a few emergency
18 exits located throughout the haunt, that we can pull
19 people out of. But to be honest with you, we have not,
20 to date, have had to do that yet. It's really a
21 family-friendly event, and parents with kids of all ages
22 come to the event. We've got young adults that come.
23 We've even got seniors that I've seen coming to visit
24 the haunt. So it's been just a really fun experience
25 for all that are involved. You can roll your windows up

1 if you get too scared. So there's some options for
2 that. But, yes, we do have a way to exit people out if
3 they really and truly can't finish the course.

4 So these are some pictures, and I wanted to
5 share these pictures with you because we've done
6 something really creative. And this was Mary's idea, I
7 believe. To have the PPE in place, as -- If you will
8 look closely at this picture, you hopefully can see it
9 on your computer screens, it's Freddy Krueger from the
10 *Nightmare on Elm Street* movies. He's one of our actors.
11 But what he's wearing, from the nose down, is actually a
12 mask. So he's really only made-up on the forehead. And
13 then, what he has below that is a mask. And I've
14 brought a few examples, that I can show you after the
15 slide show is over, of the creativity of the masks.

16 So what we've been able to do is take these
17 canvas masks and have an artist, who paints in acrylic,
18 paint these faces on them, and it protects the actors
19 and also protects the people that have their windows
20 rolled down in the cars. And we do require, if you're
21 in your car with the windows rolled down, that you also
22 are wearing a mask.

23 And then you'll see, included in your board
24 packet is some of our social media reviews and also a
25 really, really thorough review done by a group called

1 Hollywood Gothique, and I think it really captures the
2 experience of the event very well. And once these
3 reviews came out, the tickets just went. We didn't have
4 to do any marketing at that point.

5 You may have seen, over the past couple of
6 days, we've had some media do some morning hits out
7 there, but it's just because the media wanted to and not
8 because we needed to sell tickets, which is really
9 unusual. We're always trying to pedal tickets. So it's
10 been a lot of fun to be sold out every night. So --

11 DIRECTOR GELFAND: Is this something that you
12 could contemplate doing post COVID, in addition to other
13 haunted house activities, or you see it going away once
14 COVID is gone and you get back to normal?

15 KATIE MUELLER: You know, I think that people
16 are really enjoying the experience of being in their
17 car, whether or not COVID is a factor. So, yes, I could
18 see that something -- as something we contemplate going
19 into the future.

20 You can't -- We can't accommodate the number
21 of people we've been able to in the past with a
22 traditional haunted house. So we'll have to do some
23 financial analysis of all that, but it's just a great
24 family experience. And at the past, in the -- during
25 the Scream Zone, you'd see a lot of parents dropping

1 kids off and that kind of thing, and now you see them
2 taking them through it together. So it's just -- it's
3 really a fun experience.

4 But these are the masks. I don't know if the
5 camera can pan over here or not. Yeah, but these are
6 what the masks look like. So these are kind of like
7 Billy Bob teeth. You only have to be made-up from the
8 forehead up, because you've got this made-up mask that
9 goes on.

10 And, you know, there's a lot of protections in
11 place. Masks are cleaned and -- or washed and
12 disinfected every single day, along with the costumes
13 and everything else. So --

14 CARLENE MOORE: I'll just add to that. It was
15 actually our employee Mary and her mom who sewed and
16 made the masks, and then one of the makeup artists did
17 the painting of the masks, so that that's -- and that's
18 why it blends so well with the makeup artistry of the
19 actual actors' faces. So it's really been a great job
20 by everybody and a real team effort to pull this off,
21 and we're just thrilled with the success of it.

22 And so, with that, we'll turn to Melinda
23 Carmichael for an update on other events and activities
24 that we have going on.

25 MELINDA CARMICHAEL: Good afternoon, everyone.

1 So, yes, I'm excited, as well, that we do have
2 events, and we are doing them a little differently this
3 year. As you know, we are hosting Concerts in Your Car
4 by the promoter CBF Productions. And so --

5 DIRECTOR GELFAND: What's the name of the
6 promoter?

7 MELINDA CARMICHAEL: I'm sorry?

8 DIRECTOR GELFAND: What's the name of the
9 promoter?

10 MELINDA CARMICHAEL: It's CBF Productions.

11 And so far, to date, out of the -- well, we've
12 had four weeks, but out of the three weeks of Concerts
13 in Your Car, which includes both movies and concerts,
14 we've had -- we've earned approximately \$40,000 net and
15 we've seen about 3,000 cars come through. So it's a new
16 way for us to earn business. And as you've seen from
17 the drive-through with Scream Zone, this is another
18 opportunity.

19 However, with that, we've had some challenges
20 with noise coming from the concert. Because it's
21 concerts in the round, the speakers go all the way
22 around. And so we've been working to mitigate, with the
23 promoter, to make sure that we have adjusted that. And,
24 initially, we did have several complaints from our
25 neighbors, and we apologized to them and are working

1 hard to move forward, and we had zero complaints this
2 last weekend. So that was good news with some of the
3 adjustments. And we're also going to continue to try
4 and move the speakers in a different angle, so that
5 doesn't disrupt the community. So that's exciting.

6 And, in addition, we have partnered with the
7 County to do some COVID testing for the school district,
8 and we have two fundraisers. We're still running our
9 Mainly Mozart concerts, and we have seven of them in
10 October, along with four horse shows.

11 And then, for November, we also have some
12 additional horse shows and our Christmas tree lot coming
13 back to us. And, currently, we have SnowJam scheduled,
14 which is also another exciting opportunity because it's
15 a new retail format, which the promoter has put together
16 a very healthy plan with protocols to keep all safety
17 criteria in effect, and we partnered with our county, to
18 ensure that that's in line with that, and they will be
19 operating at a 10-percent capacity.

20 So we're continuing to look at other ways to
21 earn revenues and rent out our facility in a healthy and
22 safe manner, and that's all I have to report.

23 DIRECTOR GELFAND: While you're still there,
24 I've got a question about the car concerts --

25 MELINDA CARMICHAEL: Sure.

1 DIRECTOR GELFAND: -- and sound complaints.

2 If I'm not mistaken, we've got microphones
3 surrounding the perimeter of the property, that monitor
4 the decibel levels and automatically send emails to
5 staff when the, you know, maximum levels are exceeded.
6 Is that still in place? Was that operational during
7 these concerts?

8 MELINDA CARMICHAEL: Yes, we do have the
9 tutors around the grounds, on the perimeters, and that
10 is monitored. And Dustin Fuller does a great job of
11 monitoring and making sure that we all have that
12 information, and he has been integral in working through
13 a plan with the promoter to ensure that we continue to
14 decrease that noise level, and I think we have achieved
15 that by way of making a few adjustments.

16 DIRECTOR GELFAND: Were we exceeding the
17 levels when we got the complaints, or were we within the
18 levels and we got complaints anyways?

19 MELINDA CARMICHAEL: We were exceeding by
20 1 decibel. And so, I think, one of the bigger issues,
21 though, was one of the acts that we had, which had some
22 vulgarity in the performance. And so, with that, I
23 think that was the larger concern with the community,
24 along with the noise. So we've adjusted the noise and
25 we've also changed some of the lineup. So we did have

1 an additional rap band that was scheduled, and we had
2 eliminated that so that we have more family-friendly
3 performances.

4 DIRECTOR GELFAND: Thank you.

5 MELINDA CARMICHAEL: You're welcome.

6 CARLENE MOORE: All right. With that, next up
7 is Chana with the Don Diego Foundation report.

8 CHANA MANNEN: Well, today in your board
9 packet you will find a little salute to Yessica Vargas,
10 our 2016 Spanjian Scholar, which means that she ended up
11 with a \$10,000 scholarship for us. She graduated Vista
12 High School. She was a star FFA student, but she came
13 from a family of nine or ten kids, none of whom had ever
14 participated in any kind of agriculture. But the ag
15 teacher at Vista High School started her off with
16 raising some rabbits, and she ended up with a pig and
17 won a blue ribbon at the San Diego County Fair.

18 Off she went to Cal State San Marcos. She
19 graduated in three years, got her teaching credential,
20 and this fall she's starting as a brand-new teacher in
21 the Vista Unified School District.

22 And she has told us, on many occasions, that
23 the \$10,000 that she got from Don Diego was that money
24 that made it possible for her to get through the first
25 two years -- that extra money that made her get through

1 two whole years at Cal State San Marcos and not have to
2 worry about paying for her books or any of her classes.
3 She had a lot of other help, too, but we appreciate
4 her -- her thoughtful gratefulness towards us.

5 And then, too late to get into your board
6 packet, I just want to tell you about a special offer.
7 We had our Don Diego board meeting on Thursday, and last
8 month I told you we were working on procuring more
9 endowed scholarships so that going forward every year
10 we're not madly raising money to fund the next year's
11 scholarships. So we have developed an endowed
12 scholarship program. At the moment we have four
13 scholarships that are fully funded, that are going to be
14 paying their first scholarships next year, and our board
15 decided that we wanted to encourage more people to
16 participate. So from now until December 31st, if you
17 want to create an endowed scholarship to honor somebody,
18 remember yourself, reward kids, whatever your motivation
19 is, with the minimum donation of \$10,000, Don Diego will
20 match your donation two for one out of our unrestricted
21 reserves. We are fortunate to have enough money to be
22 able to do this. So if you put up a \$10,000 donation,
23 as my husband and I are going to do, Don Diego will
24 match it two for one. That will create a \$30,000
25 endowed scholarship. So going forward, the Mannen

1 Family Scholarship will be offered to employees of the
2 fair for years to come.

3 So I would invite you to either go to our
4 website -- there's a lot of information there -- call or
5 email me, because I'd be delighted to help you set up a
6 scholarship. And thank you.

7 CARLENE MOORE: Thank you, Chana.

8 Well, as you can see, we have a lot of very
9 exciting things that are going on and really falls more
10 into the realm of what we're used to, which is
11 celebrating, you know, celebrating everyday life, just
12 bringing people together and things like that. But
13 unfortunately, it's also -- as we all know, some of this
14 creativity is the result of what has been a challenging
15 year for all of us; not just us as an organization, but
16 truly each and every one of us, those of you out there
17 in TV land right now, that we can't, you know, all be
18 together for meetings and such.

19 And so really, the hardest time, though, for
20 us, as an organization, has really taken place over
21 these past four months as we have slowly said good-bye
22 to a lot of our permanent staff, you know, some who
23 retired along the way, some who left for other
24 opportunities along the way, but the most significant of
25 that and really culminating last week was our layoffs.

1 So earlier this spring we had already parted
2 ways with about 99 percent of our temporary and seasonal
3 workforce, approximately 102 seasonal employees and
4 retired annuitants, which truly are part of civil
5 service in the state of California, and then just last
6 week, again, our layoffs culminated. If you recall,
7 back in June we had notified 115 employees of those
8 pending layoffs -- it's approximately a four-month
9 period -- and during that time with the anticipation
10 that we would be laying off 92 employees. And so I am
11 actually excited to be able to report that a number of
12 our employees either took the opportunity to retire,
13 that were eligible, of which 18 did, and another 15
14 found other employment: 8 people transferred to other
15 state agencies; 7 people found employment in the private
16 sector. It's our understanding that a few more
17 employees have prospects. They're going through
18 background checks and things like that with other state
19 agencies. We have 6 employees that wound up remaining
20 with us via demotion. So the position that they were in
21 was being eliminated, but they had the opportunity
22 for -- to demote down to a lower position, and so 6 did
23 stay with us for that. And so, at the end of the day,
24 we were left ultimately laying off 58 people, with no
25 other -- with no other options for them at this time.

1 So in all, staff is -- You know, we talk in
2 terms of our staffing being reduced by 60 percent. And,
3 really, we've been reduced much larger than that,
4 because those seasonal employees, those temporary
5 employees that have always been a part of our team, were
6 significant to that, as well. And so, in terms of that,
7 we are well below the 30-percent mark of the small but
8 mighty force that we have going forward.

9 And so, with that, we're also making some
10 additional changes that you'll see when you do have the
11 opportunity to come back to the fairgrounds, what --
12 the biggest of which is we're closing many of our
13 satellite offices -- these are offices throughout the
14 fairgrounds property -- and really bringing all our
15 remaining employees together under, kind of, three
16 umbrella areas: Our operations department area, our
17 public safety, and then all of the remaining employees
18 into the administration building.

19 So we've got quite a bit of physical shuffling
20 taking place right now, as well. So if we're not as
21 responsive in returning a phone call or an email, please
22 know it's because potentially we are truly physically
23 moving folks around at this point.

24 DIRECTOR GELFAND: So you're saying the area
25 where your H.R. offices are and board meetings normally

1 took place is those -- that staff are moving into the
2 offices near the paddock area or whatever?

3 CARLENE MOORE: Yes. That's some of our staff
4 we're relocating into the administration building, yes.

5 And so, with that, I just kind of want to take
6 a moment and also give the opportunity to the board, as
7 well, to really just honor the employees that have been
8 here for so long. This has not been an easy process on
9 any one of us. I know this board. This was not a light
10 process. It wasn't for those remaining, but truly for
11 those employees that unfortunately are no longer in our
12 employment just in the foreseeable future. We will miss
13 them terribly.

14 PRESIDENT VALDEZ: I want to take a moment to
15 also echo what Carlene had just stated.

16 My understanding, Carlene, is that you're now
17 down to 62 permanent staff members.

18 CARLENE MOORE: Correct.

19 PRESIDENT VALDEZ: So we went from about 158,
20 before COVID, to 62. I had the good fortune of being
21 able to, at least me, attend an all-staff meeting a
22 couple months ago, to give me an opportunity to -- at
23 least virtually, mostly, but there were plenty of staff
24 members here at the time, to be able to address the
25 staff from the board.

1 As you know, many of our staff would come to
2 our board meetings. We would have the occasion to see
3 our staff at the various events that were taking place.
4 And I told them I felt a real COVID disconnect with
5 them, because there really was that, and I wanted to
6 make sure that they understood that, just because we
7 hadn't been in contact, the board with them, it wasn't
8 that we didn't understand and know what was going on.
9 And while certainly the decisions of layoffs is an
10 operational one for senior staff to make, the board was
11 cognizant of all the steps necessary for that to happen.

12 I was able to convey to them my thanks and the
13 board's thanks for all that they've done and an
14 understanding of what all they've been through and,
15 also, to those who are remaining with us, who have had
16 to deal with the same issues as those who are leaving,
17 and also understanding that there will be high
18 expectations on them and fewer staff members and still,
19 you know, heavy workloads. So I really want to thank
20 all of the staff who are departing. It was with a heavy
21 heart that I saw them depart. I've known them for the
22 full six years that I have served on this board and have
23 repeatedly been very positive on what I've seen with
24 their dedication to the fairgrounds. And I also was
25 able to convey to those who remain, and I do that again

1 today, thank you for all that you've done and are doing
2 for the fairgrounds.

3 So I just wanted to make sure that everybody
4 was hearing from the board president on that. And then,
5 if there is anybody else who wants to chime in on that,
6 in that regard, please do so.

7 VICE PRESIDENT BARKETT: I'd like to thank
8 everyone that has given so much to Del Mar, the
9 fairgrounds, the staff, each other, and you supported
10 each other, and I think the staff has been amazing.
11 I've been on the board a long time, and it's like
12 family. And so I truly want to thank each and every one
13 of you. And if there's anything we can do for you,
14 please reach out. And if I can help, I will, and I know
15 many of us feel the same way.

16 So these are tough times. But you know what?
17 It will get better. And I'm a very positive thinker
18 always in what comes around my way. And you're just
19 such wonderful, genuine, hardworking people, and my
20 gratitude abounds to each and every one of you. You've
21 given so much to all of us. So thank you very much, and
22 I wish you the best.

23 DIRECTOR SCHENK: I'll just join Mr. Chairman.
24 Director Barkett and I have sat in these chairs for a
25 long time and have gotten to know so many of these

1 friends and colleagues. Tim would always say --
2 admonish us in referring to everyone as team members,
3 and I was always mindful of that and appreciated that.
4 But as Lisa said, they're really more than team members.
5 They were family members. And when you lose someone
6 from your family, they move away, they go somewhere
7 else, you don't forget them, but you do miss them. And
8 we will not forget, but we will continue to miss this
9 dedication and commitment to the 22nd DAA.

10 As I've said often, most of these people were
11 not doing it for the money. They did it out of a real
12 sincere commitment to this state agency. And what has
13 made the 22nd DAA rise above all of the others has been
14 the people who make it so. And so my personal thanks
15 and good wishes to those who are no longer with us and
16 appreciation for those who are staying, because we will
17 be rebuilding.

18 DIRECTOR GELFAND: Would it be appropriate for
19 me to pose a motion in supporting a resolution
20 acknowledging our thanks and support to all of the staff
21 members who are leaving, as well as thanks to those who
22 are staying and the "above and beyond the call of duty"
23 work that they'll be doing?

24 PRESIDENT VALDEZ: I think that's an
25 appropriate motion.

1 Mr. Caplan, is there any issue with respect to
2 that sort of motion for a resolution in that kind,
3 that's not necessarily on the agenda?

4 DEPUTY STATE ATTY. GEN. CAPLAN: No. I think,
5 because it's more ceremonial in nature, I wouldn't have
6 any objection to it. It's simply -- It sounds like
7 Director Gelfand wants to find a way to formally
8 acknowledge all the employees that have left the
9 fairgrounds through one of the avenues Carlene spoke
10 about and for those that remain and continue to work at
11 the fairground. So I don't have an objection to that.

12 PRESIDENT VALDEZ: Thank you.

13 So I have a motion. Do I have a second?

14 DIRECTOR MEAD: Second.

15 PRESIDENT VALDEZ: That's Director Mead.

16 Any further discussion?

17 DIRECTOR SCHENK: That was actually Barkett, I
18 think.

19 VICE PRESIDENT BARKETT: That's okay. That's
20 okay.

21 PRESIDENT VALDEZ: I saw a hand and a voice.

22 DIRECTOR SCHENK: I saw mouths moving from
23 Lisa. So I didn't hear the voice.

24 VICE PRESIDENT BARKETT: That's no problem.

25 DIRECTOR SCHENK: Mr. Chairman --

1 Mr. President, may we just move by acclamation, since
2 this is not an agenda item? Can't we just say by
3 acclamation --

4 PRESIDENT VALDEZ: Yes.

5 DIRECTOR SCHENK: -- we support this motion?

6 PRESIDENT VALDEZ: Yes, by all means. Thank
7 you very much. All right.

8 DIRECTOR SCHENK: Thank you.

9 PRESIDENT VALDEZ: Thank you for doing that,
10 Direct Gelfand.

11 Anything further, Director -- I mean CEO
12 Moore?

13 CARLENE MOORE: So just -- So now moving
14 forward, and I think that that was really -- Thank you,
15 to all of you as board members, for that acknowledgment
16 of everybody, not just those remaining, but, again,
17 those -- those who have -- who have left our employment.

18 But moving forward now, just a little bit of
19 industry news updates. So the California Fairs Alliance
20 met last week. They had a call. So just as an update,
21 if you recall, in the governor's message for the 40.- --
22 AB-75, the \$40.3 million funding, there was also, in the
23 close of that, about, you know, reorganizing the DAAs
24 for the future, and so that work is still continuing.
25 CDFA is working with an internal committee on that and

1 how that -- the relationship may be redefined in the
2 future. And so I'll keep you posted if there are any
3 updates to that.

4 And then the other thing that came up during
5 that call and discussion is that the industry continues
6 to request better definition and direction from
7 Governor Newsom in regards to the structure of the
8 events as we see, you know, more and more activity
9 opening up, where it seems like some events that are
10 typically thought of as mass gatherings fall into that
11 realm. I think a great example, you know, was presented
12 just a little bit ago with -- in terms of our SnowJam
13 event and fitting into the mold, really, of a retail
14 experience, and so following those guidelines. And so
15 we'll continue to keep you apprised on that, as well,
16 and then our work with County Public Health to help make
17 some of these activities available and viable here at
18 the fairgrounds again.

19 Just so that you're all aware, I did receive
20 an award; one of five women to receive an award from --
21 a scholarship award from IAVM's foundation for 100+
22 Women, and that is to attend their virtual conference
23 next week, VenueConnect, which is gonna be -- there's
24 gonna be a lot of really great information about venues
25 across the country and just efforts that are being made

1 to reopen and recover from what we're all still facing,
2 as we're the last ones, really, to be reopened.

3 And then just a quick note. It came up at
4 last month's meeting, but I want to let you know that we
5 are working to pull together all the previous policies
6 and board resolutions into a -- well, two documents,
7 really, so that we have that information available and
8 on hand for you as board members in the future. So
9 we're continuing with that project, as well.

10 And with that, that concludes my Manager's
11 report.

12 PRESIDENT VALDEZ: Thank you.

13 DIRECTOR ROWLAND: I have a question for
14 Carlene.

15 PRESIDENT VALDEZ: Yes. Director Rowland.

16 DIRECTOR ROWLAND: Yes. I was wondering if the
17 still-forthcoming guidelines for reopening of a venue
18 like Disneyland, is that something that is relevant to
19 the mass gatherings, that the fair might look forward to
20 next year?

21 CARLENE MOORE: Absolutely it is, and we have
22 been -- we have spoken with and it's been shared with
23 us, with County Public Health and OES, the reopening and
24 recovery team, they've already -- they have shared some
25 documents with us, that others have developed both in

1 the outdoor marketplace, so to speak, as well as indoor
2 facilities. And so we're working to develop our own,
3 but we'll definitely be monitoring the progress of, you
4 know, Disneyland, Legoland, SeaWorld, in essence, the
5 amusement parks being able to reopen and what that
6 criteria might look like for them, so that we can model
7 ourselves off of that, as well.

8 DIRECTOR ROWLAND: Thank you.

9 And has the Orange County Marketplace
10 reopened?

11 CARLENE MOORE: I don't believe so.

12 DIRECTOR ROWLAND: Okay. Thank you.

13 CARLENE MOORE: Not to my understanding. They
14 had challenges, alone, just getting their fair food
15 event open. So we are very fortunate to be in the
16 county that we are in, and we really appreciate our --
17 like I said, it's a combination of public health and OES
18 leading that effort --

19 DIRECTOR ROWLAND: Right.

20 CARLENE MOORE: -- and working so closely with
21 us.

22 DIRECTOR ROWLAND: Thank you.

23 PRESIDENT VALDEZ: Any other questions?

24 Okay. Thank you, Carlene.

25 There was another housekeeping item that I did

1 want to address before we get to committee reports. I
2 just want the board to know this, and then also for the
3 public to know. The procedures that we follow and
4 attempt to be uniform on this, if there is any
5 communication from the public to the board by way of
6 letter or email, those communications are included in
7 the board packet, as well as are provided to the board
8 as a whole when received. Attachments to
9 communications, which can be sometimes voluminous, are
10 not necessarily included in the board packet; however,
11 they are included in the dissemination to the board
12 members. So the board members have the correspondence,
13 as well as the attachments, available to them. The
14 attachments will likely not be in the board packet
15 itself. They are available by way of public records
16 requests, because they are part of the public record,
17 but just not part of the packet simply because of the
18 volume of paper and the time necessary to have included
19 it all. But for everybody's edification, the
20 communication themselves are in the board packets.

21 I want to make sure if there's any questions?

22 Okay. On to committee reports, "A", and we
23 have a few members of the public that I'm gonna call on
24 their public comment first and, again, limited to two
25 minutes.

1 Donna, do you have your time?

2 Okay. So first up is Mary Talley.

3 MARY TALLEY: Hello. Can you hear me?

4 PRESIDENT VALDEZ: We can.

5 MARY TALLEY: Hi. Good afternoon. My name is

6 Mary Talley. I'm the president of State Fair

7 Spectaculars and vice president of Talley Amusements and

8 have been an independent ride operator at the San Diego

9 County Fair for the past 18 years.

10 Small businesses in the outdoor entertainment

11 industry have all took a big hit due to Covid-19. There

12 are only a handful of fairs in the United States who

13 could qualify to be --

14 PRESIDENT VALDEZ: Ms. Talley --

15 Ms. Talley -- Ms. Talley, we have a court reporter.

16 MARY TALLEY: Yes.

17 PRESIDENT VALDEZ: We have a court reporter --

18 We have a reporter that has to -- that's the lawyer in

19 me. Sorry. She's just a reporter here. So she's

20 taking down everything that is being said. And in order

21 for her to be able to do that, you're just gonna have to

22 slow down just a tiny bit. I know that you're within a

23 two-minute limit, but please slow down just a tad, so

24 that she can get the record straight.

25 You can start all over again.

1 MARY TALLEY: Okay. So do I get my full two
2 minutes again?

3 PRESIDENT VALDEZ: You'll get your two --

4 MARY TALLEY: Do I get my full two minutes,
5 sir?

6 PRESIDENT VALDEZ: Yes. Start all over.
7 We'll give you two minutes.

8 MARY TALLEY: Okay. I'm the president of
9 State Fairs Spectaculars, vice president of Talley
10 Amusements, have been at San Diego County Fair as a ride
11 operator for 18 years.

12 Our businesses in outdoor entertainment are
13 taking a big hit due to COVID-19. There are only a
14 handful of fairs in the U.S. that qualify to be an
15 independent midway. Having an independent midway allows
16 your fair to select the best and newest equipment
17 available in the United States.

18 Tim Fennell just recently was interviewed by
19 *CarnivalWarehouse* and quoted yesterday to say, "I've
20 seen fairs that are dictated by a ride operator because
21 the fair has given up so much control. The fair can
22 make 5 to 10 percent more on the revenue split with an
23 independent midway."

24 Everybody that's been a carnival vendor at the
25 SD Fair has closely watched the previous RFPs for

1 digital ticketing. It's been known in the fair industry
2 that an RFP can be written to favor one participant. In
3 the previous two carnival midway-related RFP, favoritism
4 has been obvious. Chris Leavitt, a family member of
5 RCS, was awarded the first digital contract. Chris's
6 father and mother, Guy and Charlene Leavitt, principals
7 of RCS, were awarded the second digital contract. Both
8 of these awards were protested and RFPs were canceled by
9 fair staff.

10 The fair has continued to show special
11 treatment to RCS in secret communications and
12 operational privileges. Through the Freedom of
13 Information Act, I've obtained emails of these
14 communications in 2018 that resulted in the award of the
15 digital ticketing contract being awarded to RCS.

16 Letting one company have a trial year without
17 the required State competitive bid process is simply
18 unfair and illegal and should've never happened or been
19 allowed by your board. It is my belief that Tim Fennell
20 was forced to retire and obviously took the fall for his
21 staff for the lack of due process. There is a
22 requirement for a State-funded event. This fair staff
23 has a predetermined agenda to give RCS more and more
24 until they completely are in control of the midway.

25 Now is the worst time imaginable for the fair

1 staff to recommend this change. Issuing a favored RFP
2 for a single-source carnival after knowing everything
3 that the fair has learned about the development of the
4 previous RFPs is a recipe for disaster and serious
5 lawsuit.

6 Thank you so much.

7 PRESIDENT VALDEZ: Thank you.

8 On to Michael Wood.

9 MICHAEL WOOD: Yes. My name is Michael Wood,
10 and I, too, have a been a participant at your fair, my
11 family has, since 1984 when my father served as one of
12 your first third-party safety consultants, and we've
13 provided equipment since 1988.

14 And, you know, there's the comments of
15 Mr. Fennell. And, certainly, I'm not in a position to
16 tell you all what to do with your fair, but what I will
17 say to you is you have a really good thing going. And
18 the recommendation to staff is that the -- you know, the
19 lack of staff is the driving force behind doing this.
20 And I know there's an extensive organization that goes
21 on with any event like this. However, the interaction
22 that we have as vendors, albeit amusement ride vendors,
23 is with all third parties anyway. You have a
24 third-party electrical contractor. You have a
25 third-party midway coordinator. You can get a

1 third-party ticket sales company, if you so need. Or
2 even if we get through this digital ticketing, you know,
3 there are automated systems there that require less and
4 less labor as the technology evolves and gets better.

5 And so my question to you is, you know, why is
6 this necessary?

7 Thank you.

8 PRESIDENT VALDEZ: Thank you.

9 On to Paul Nemeth.

10 HENRY RIVERA: Paul is no longer on the queue.

11 PRESIDENT VALDEZ: Marlene Vandervorste.

12 BRIAN VANDERVORSTE: Hello. This is Brian
13 Vandervorste, and I just wanted to let you know that my
14 family has been participating since the beginning in
15 '86, and I was born in 1987. So me being or having my
16 whole life, pretty much, growing up on the fairgrounds,
17 it's a special thing for me. And, you know, I get a
18 little emotional about it, but I just wanted to let you
19 know that I would miss it. So that's all.

20 And I'd like to be a part of the change.

21 Thank you.

22 PRESIDENT VALDEZ: Thank you.

23 On to Corey Oakley.

24 COREY OAKLEY: Good afternoon. Can you hear
25 me?

1 PRESIDENT VALDEZ: Yes.

2 COREY OAKLEY: Thank you.

3 My name is Corey Oakley. I am the vice
4 president of Helm & Sons Amusements. Our owner will be
5 talking shortly, as well. I wanted to comment on just a
6 couple of points.

7 I am a former fair CEO. So I certainly
8 understand the issues that you are facing there relative
9 to your staffing and funding and the challenges. Of
10 course, none of us have been through a challenge like
11 COVID. However, I certainly understand the issues that
12 were addressed earlier with regard to staff.

13 You know, there were -- there's about two
14 dozen companies, partners, families associated with this
15 independent midway, and we have definitely been part of
16 the success of the San Diego County Fair. And it's
17 because of the toilage [sic] of that group of people
18 that has made the county fair literally millions of
19 dollars.

20 The fair -- The independent midway is not a
21 cost center. It is a -- It is, actually, a revenue
22 generator. And so, from that, in terms of that, we're
23 certainly -- the partners that you have within that
24 group are certainly revenue generators for you and
25 should be looked at thusly.

1 My two quick issues are simply one of
2 notification and to let you know that Helm & Sons
3 Amusements has been either the largest or second largest
4 provider of rides, amusement rides, for you for at least
5 the last six or seven years, and we had not received any
6 information regarding this change or this suggested
7 change, nor has anyone other than -- that I know of,
8 other than yesterday when it sort of came out. Granted,
9 we could certainly review the agenda, but I certainly
10 didn't get reached out to from any of the staff for our
11 recommendations, our thoughts, or anything as far as an
12 impact to us. And as partners, that would be something
13 that we would certainly expect to have happen.

14 And second and most importantly, I think, is
15 the issue that Mr. Woods brought up, which is that you
16 basically have a contract management midway in place
17 now. You've kept folks that are familiar with it now in
18 your organization, who are familiar with it, who could
19 certainly supervise --

20 DONNA O'LEARY: Mr. Oakley, your time is up.

21 COREY OAKLEY: Oh, okay.

22 PRESIDENT VALDEZ: Thank you very much.

23 COREY OAKLEY: Thank you very much.

24 PRESIDENT VALDEZ: Appreciate it.

25 On to Michael Winchester.

1 MICHAEL WINCHESTER: Can you hear me?

2 PRESIDENT VALDEZ: Yes.

3 MICHAEL WINCHESTER: Hey, my name is Michael
4 Winchester. Good afternoon, and thank you for letting
5 us participate in the board meeting.

6 A We've been a vendor there for over 30 years.

7 We provided games and a food wagon on the midway.

8 (Indecipherable audio transmission.) -- essential party
9 of our livelihood.

10 DONNA O'LEARY: He's cutting out.

11 PRESIDENT VALDEZ: You're cutting out a little
12 bit. So I'm not sure what you can do about that, but we
13 can only hear every other word or so. If you want to
14 start all over.

15 MICHAEL WINCHESTER: I'm pressing the space
16 bar, as it's telling me that's the only way that I'm
17 un-muted.

18 PRESIDENT VALDEZ: Okay.

19 MICHAEL WINCHESTER: Can you still hear me --

20 PRESIDENT VALDEZ: Yes.

21 MICHAEL WINCHESTER: -- word for word?

22 PRESIDENT VALDEZ: Better now.

23 MICHAEL WINCHESTER: Okay. I -- Again, we've
24 been a part of the fair for 30 years. I wanted to start
25 by congratulating Tim Fennell for 27 years of service.

1 But we -- I would like to touch on the
2 merchandising aspect of our games. Being on the midway
3 in 2019, I did -- was able to monitor the lack of
4 merchandise being given out on the midway. And with an
5 independent midway and the competitive nature, we're
6 able to keep the prices low and offer the patrons a
7 higher percentage of merchandise. So I do support Mary
8 Talley and an independent midway in that respect.

9 So thank you for your time.

10 PRESIDENT VALDEZ: Thank you.

11 Next is Adam West. You're muted. There you
12 go.

13 ADAM WEST: Can you hear?

14 PRESIDENT VALDEZ: Yes.

15 ADAM WEST: Can I speak after the committee
16 report?

17 PRESIDENT VALDEZ: I think it's best if we
18 kept all the public comment together. I think that just
19 makes more sense to have it done now.

20 ADAM WEST: Okay.

21 PRESIDENT VALDEZ: Thank you.

22 ADAM WEST: President Valdez, Chairman Schenk,
23 board members, and fair staff, good afternoon. My name
24 is Adam West.

25 There have been a lot of changes with respect

1 to the carnival midway over the last couple years. The
2 COVID-19 crisis has definitely forced the District to
3 make a lot of challenging decisions. Whatever way the
4 fair decides to go, I only ask that it is done in a
5 fair, open, transparent way.

6 Everyone speaking today has had the privilege
7 to be a big part of this fair, this great fair. We have
8 all been able to play in the San Diego County Fair's
9 sandbox for many years. I don't have the right to tell
10 the District what's right for the fair, but over the
11 last few years I have learned that, if the District
12 decides to be unbiased and let competition work, great
13 things can happen.

14 President Valdez, at the last board meeting,
15 you asked for us to submit our comments to the board
16 after you suggested that Debraun West my wife's comments
17 were inaccurate. Have you had time to review our letter
18 with the attachments that unfortunately weren't added to
19 the board packet, that I think sheds a lot of light on
20 the accuracy of our comments? But have you had time to
21 review those comments?

22 PRESIDENT VALDEZ: This isn't a
23 question-and-answer process, Mr. West. It is a public
24 comment. Please proceed.

25 ADAM WEST: If there's anything inaccurate,

1 that you'd like me to elaborate on or explain, I have a
2 little bit of time left to discuss anything that you may
3 have found inaccurate about the comments that we have
4 previously made.

5 PRESIDENT VALDEZ: Thank you.

6 DIRECTOR GELFAND: Can I ask a question?

7 PRESIDENT VALDEZ: Director Gelfand, yes.

8 DIRECTOR GELFAND: Forgive my naivete, but
9 people keep referring to "midway." What's "midway"?

10 PRESIDENT VALDEZ: That is the -- It's
11 actually where you would have the rides and the games
12 and some of the concessions. It's in the rear portion,
13 the most western portion, of the fair.

14 DIRECTOR SCHENK: The main thoroughfare.

15 DIRECTOR GELFAND: So is it -- So the
16 entrance in -- in between the exhibit halls and the
17 grand stand, as well as the large area in the back, with
18 all the gaming or the amusement park rides?

19 DIRECTOR SCHENK: Mr. Gelfand, when you walk
20 in the door, you look straight back and you'll see the
21 Ferris wheel.

22 DIRECTOR GELFAND: Yeah.

23 DIRECTOR SCHENK: Basically, everything in
24 between.

25 DIRECTOR GELFAND: Okay. Perfect. Thank you.

1 CARLENE MOORE: And includes our -- It's --
2 Basically, starts at Mission Tower. And, again, it's --
3 as President Valdez says, it's the carnival rides, the
4 game operations, and there are some food concessions
5 within that footprint. To us, it's also known as the
6 west lot. And then that also includes the infield,
7 which is the -- more of the kiddie rides that take
8 place.

9 DIRECTOR GELFAND: Okay.

10 CARLENE MOORE: But your midway is typically
11 carnival rides, games, and food.

12 DIRECTOR GELFAND: And is that typically
13 leased out to one or more separate temporary operators?

14 PRESIDENT VALDEZ: Director Gelfand, what
15 we're -- what I'm gonna do, let's get through public
16 comment, because I'd like to get all of that done, and
17 then we can have all of the directors' questions done
18 with Director Schenk's report, as well. I think that
19 will just be a little bit more orderly of a way to do
20 it.

21 So I'm gonna go with Katrina McDonald.

22 HENRY RIVERA: She is not on the queue.

23 PRESIDENT VALDEZ: And John Taggart.

24 CARLENE MOORE: You're muted. John, if you're
25 speaking, we can't hear you yet. John, can you un-mute

1 yourself? You were there for a moment. John, can you
2 un-mute yourself? There you are.

3 JOHN TAGGERT: Okay. I'm John Taggert,
4 president of Big T Concessions. I've been with the fair
5 over 40 years.

6 I've been to the fair. The first time it was
7 independent. I was with -- there when it went from
8 independent, back to a carnival, when John Lopez and
9 Larry Davis had it for several years, and then it went
10 independent again. It's always a better way of having
11 it when it was independent. You get the best operators
12 in the world. We work the best at it, to give a great
13 product to the fair.

14 Noticing on Tim Fennell's speech, he said
15 going independent brought the fair up from, I believe,
16 eighth in the country to number five of the largest
17 fairs in the country. It's because of the independent
18 status. We're all good at what we do. It brings out
19 the best in all of us. One operator, not me, not Adam,
20 and definitely not RCS, not one operator can run a fair
21 of that size to the maximum. An additional 5- to
22 10-percent net is from an independent midway, and this
23 is from your CEO of 17 years, on a retirement interview
24 he made in *Fair News*.

25 So I hope you just take in information. There

1 was nothing wrong with what you had. It was the best in
2 the country. Go back to it. Look at it. Go back for a
3 year. Give us all back a chance. If you see something
4 you don't like, tell us. And then, if you want to put
5 us to pasture, you can. But it's -- you have the best.
6 Don't slaughter it.

7 Thank you.

8 PRESIDENT VALDEZ: Thank you.

9 And last speaker on the item is Davey Helm.

10 DAVEY HELM: Hello.

11 PRESIDENT VALDEZ: Hello.

12 DAVEY HELM: Hi. How you doing? My name is
13 Dave Helm, and can you hear me?

14 PRESIDENT VALDEZ: Yes.

15 DAVEY HELM: Hello.

16 CARLENE MOORE: Yes, we can hear you, Davey.

17 DAVEY HELM: As a -- All right. Thank you.

18 As a third-generation showman who has
19 partnered with you for over half my life, I feel
20 compelled, as I have been on fairgrounds all over our
21 country, and I firmly believe, and I've said this on
22 record many times, that the talent collection on
23 Del Mar's independent midway is the finest group of
24 operators and people in the country that can possibly be
25 obtained in our industry.

1 I have and I will continue to be open to
2 helping our fair, as a valued partner, in any way
3 possible that is -- (Indecipherable audio
4 transmission.) For my family's sake, for our company's
5 sake, for our employees' sake, and for all that rely on
6 us for what we provide for, I hope to be a part of
7 Del Mar for years to come.

8 Thank you.

9 PRESIDENT VALDEZ: Thank you very much.

10 That concludes the public comment portion of
11 this agenda item. On to Director Schenk.

12 DIRECTOR SCHENK: Thank you, Mr. Chairman.

13 About an hour and 15 minutes ago, Dr. Mark
14 Ghaly, who is the California health secretary, announced
15 new requirements for Disneyland and other theme parks,
16 coincidentally, within the last -- at about 1:15 this
17 afternoon. What Dr. Ghaly has addressed and has
18 provided to the State is that only those counties that
19 have a minimum spread of 1 per 100,000 will be allowed
20 to reopen. Which means, as we were discussing earlier
21 about Disneyland and others of that industry, looking to
22 what their future will look like, I would say that in
23 the next year it doesn't look good. And Disneyland's
24 response, within the last hour, is appropriately one of
25 angst and concern.

1 We let go 20 people who -- and we said earlier
2 our acknowledgment of so many, but 20 of those
3 individuals were directly involved in working in the
4 fair operations for the 22nd DAA. We have now gotten
5 down to numbers that we've never seen before. And as I
6 listen, and with tremendous empathy to those men and
7 women who spoke to us over the last half hour about
8 their families and their employees, all I could say is I
9 get it, because we have to do the same thing with our
10 family and employees, in saying to them that, at least
11 for now, we cannot provide the -- the kind of fair that
12 we have provided for decades, as some of our speakers
13 spoke about.

14 It's not a situation that any of us are
15 pleased with. It's not a situation that any of us are
16 happy with. But the reality is that, in order for us to
17 survive, we're going to have to look very, very
18 carefully at how we can move forward and provide a
19 meaningful summer fair. We're not sure what it's going
20 to look like. We don't know how many days we'll be able
21 to accommodate. We don't know how many people we'll be
22 allowed to admit. But what I can tell this board is
23 that we're gonna do everything we can to make it a safe
24 and -- and well-run summer fair.

25 It may not look like it did for the last

1 eleven years that I've been involved or for the 30 years
2 that so many of these other men and women have been
3 involved, but we have to do that which will make it safe
4 and accommodating and one that can provide the kind of
5 standard that we deserve to -- and our community
6 deserves to expect from us.

7 So I'm gonna ask Katie to speak to what she
8 and Carlene and Director Mead and I met over last week
9 to discuss, some of the options that we have and are
10 going to be considering at least for the next year, and
11 to share what our intentions are and why -- how we got
12 to this decision. But by the end of this meeting, I
13 suspect we will be in a place where we're going to
14 recommend an RFP and invite the entire industry, the
15 entire industry, to participate in offering up their
16 best opportunities to make sure that our next summer
17 fair is successful, safe, and up to the highest
18 standards that we can achieve, considering the
19 tremendous losses that we have suffered in having to let
20 go so many of our team members.

21 Katie.

22 KATIE MUELLER: Thank you, Fred.

23 I want to start off by thanking all of the
24 previous speakers for taking their time out of their day
25 to come and share their thoughts and feelings with us.

1 I want to echo Fred's sentiments that this is not a
2 decision that we take lightly or that, you know, we
3 thought that we would find ourselves in nine months ago
4 when this pandemic first broke out, but we have done a
5 lot of soul searching over those nine months, and we've
6 found our business really evolving over the past nine
7 months.

8 And what we've concluded is that we need to
9 find ways, with the reduction in staff that we've
10 experienced and the financial challenges that we
11 continue to experience, to operate more efficiently, and
12 we believe that this is one of those areas that we can
13 do that with limited staff that we have. As Carlene
14 reported, you know, we have 62 employees left on staff,
15 but many of those are in the operations and security
16 department. So the folks that we have left to plan and
17 program the fair are very few and far between.

18 We've been working and engaging with our
19 county public health and OES officials, as was mentioned
20 earlier. They are helping us greatly. They want to see
21 us succeed, but they are limited by what the State
22 allows health officials to do. And so they provided us
23 with Legoland's reopening plan and they provided us with
24 the San Diego Convention Center's reopening plans, which
25 they considered to be well done and ones that we can

1 model ourselves off of, and we are in the process of
2 developing a plan of our own.

3 That being said, you know, we know that today
4 drive-in events are allowed, and we've been successful
5 in doing that. There may be -- You know, there's three
6 different scenarios that we're looking at. We're
7 looking at a drive-in-only event. We're looking at, you
8 know, opening with some restrictions. We're trying to
9 determine whether or not, you know, that's financially
10 feasible for us to do so. And then we're also looking
11 at, you know, returning to normal operations, but that
12 seems very uncertain, especially in light of what we
13 just heard. So we'll continue to look at those three
14 different scenarios.

15 And I would encourage everyone that spoke on
16 this call today to take a look at the RFP that we're
17 sending out. It's not biased. The scoring will not be
18 biased. It will be in the interest of fairness and,
19 frankly, what each of us here is responsible for doing,
20 and that is in determining what is in the best interest
21 of the 22nd District Agricultural Association.

22 So this RFP, if recommended to go out, will
23 hopefully go out within 30 days. No, we have not made
24 our intentions clear to anyone yet. We have not sent
25 out a letter of intention or notified anyone. We wanted

1 to bring that to the board first, after discussion with
2 the Fair Operations Committee. But, believe me, by the
3 end of the week we will be letting everyone in the
4 industry know what our intentions are. And again, you
5 know, we are making a decision that is in the best
6 interest of the District and, I think, will allow us to
7 operate more efficiently than we've been able to in the
8 past.

9 We simply don't have the bandwidth to manage
10 an independent carnival the way we have in the past. So
11 I really appreciate everyone's understanding and
12 everyone's patience as we work through the many, many
13 aspects of the very complex event known as the San Diego
14 County Fair and get answers to all of these questions
15 which will arise. And there's many other areas we're
16 gonna have to do business differently than we've done
17 before, to hopefully be able to get back to where we
18 were. If not 2021, hopefully '22 or '23.

19 And that's pretty much -- That's pretty much
20 it, outside of what's in the staff report.

21 Is there any questions?

22 PRESIDENT VALDEZ: Director Gelfand.

23 DIRECTOR GELFAND: Well, just so I have this
24 in the right context, if we just found out today that
25 the State is suggesting that Disney not open until the

1 rate of COVID cases is 1 per 100,000, I just looked at
2 the County of San Diego statistics, and we're at
3 somewhere like 1550 cases per 100,000. 1550, down to 1,
4 that's -- that's a long ways to go. So unless something
5 miraculous happens in terms of a vaccine that works,
6 that's widely distributed, it is hard to imagine that
7 they would allow us to open at least in a conventional
8 sense. So I assume that's going to be --

9 DIRECTOR SCHENK: Michael, what it says is
10 it's -- the yellow or minimal tier means daily cases
11 number less than 1 per 100,000. That's a different
12 number.

13 DIRECTOR MOSIER: Could I just weigh in? The
14 current rate, using that statistic, is about 6 cases per
15 100,000.

16 DIRECTOR SCHENK: That's correct. That's
17 correct.

18 DIRECTOR MOSIER: And we'd have to get down to
19 1. So that's a very tough target.

20 DIRECTOR GELFAND: From 6, to 1, is a lot
21 easier than 1500, to 1. So it makes me feel a lot
22 better.

23 KATIE MUELLER: The other thing I'd like to
24 point out, while this is new for the San Diego County
25 Fair, this is not new for fairs in the state of

1 California or the vast majority of fairs across the
2 country, having a single carnival operator. And we're
3 fortunate in that the California Department of Food &
4 Agriculture will provide us and has provided us the
5 exact path that we need to take to create this RFP and
6 to send this RFP out and to notice all of the industry
7 about what we are planning on doing, because this is the
8 way that all fairs in California, with the exception of
9 one, the Ventura County Fair and, of course, ourselves,
10 operate.

11 DIRECTOR ROWLAND: I have a question about
12 that.

13 PRESIDENT VALDEZ: Director Rowland.

14 DIRECTOR ROWLAND: So does --

15 PRESIDENT VALDEZ: Go ahead, Director Rowland.

16 DIRECTOR ROWLAND: Thank you.

17 So does the structure of the RFP -- I mean, I
18 understand what you're saying about single contractor,
19 but does the structure also allow for the possibility of
20 a third-party managing a broader set of vendors, or is
21 that -- is that done in the industry? Because there,
22 I'm sure, are different models.

23 KATIE MUELLER: I'm not sure. Maybe you can
24 clarify for me a little bit. But what the scope of this
25 RFP would be, just to manage the carnival or midway, as

1 it's known as, and that includes the games, rides, and
2 food that's only inside of that area. So I think --

3 DIRECTOR ROWLAND: So let me clarify what I'm
4 asking. So you have a primary contractor and then you
5 have subcontractors, potentially, to that primary.

6 KATIE MUELLER: Yes.

7 DIRECTOR ROWLAND: Are you expecting the prime
8 contractor to be the one who actually runs all of the
9 booths and kind of owns those, or are you looking for
10 subcontracts, as well? What is the flexibility that's
11 allowed for within that?

12 KATIE MUELLER: So the benefit of having a
13 master contractor is that they're responsible for all of
14 the subcontracts in that area. That is something that
15 we anticipate is going to be allowed, obviously, that a
16 master carnival, you know, contractor could subcontract
17 in other rides, games, or food.

18 Does that answer your question?

19 DIRECTOR ROWLAND: It does. Thank you.

20 Sometimes contracts actually encourage that,
21 so that there is a greater diversity in terms of the
22 contractors who are involved.

23 KATIE MUELLER: Uh-huh.

24 DIRECTOR ROWLAND: Is there an encouragement
25 of that, or is that --

1 DIRECTOR SCHENK: May I speak to that,
2 because --

3 KATIE MUELLER: Yes.

4 DIRECTOR SCHENK: Yeah. During our meeting
5 last week, something that I raised was just that. I
6 wanted to make sure that we include diversity, that we
7 look to have women-owned businesses and encouraged to
8 apply, as well as diversity of applicants. So I can
9 tell you that, as chair of Fair Ops, I'll be very much
10 aware of that. And I'm sure that my co-chair,
11 Director Mead, will be very much aware of that, as well.

12 DIRECTOR ROWLAND: Thank you, Director Schenk.

13 And I'd just like to also add that, given the
14 impact that COVID has had on a whole range of small
15 businesses, I hope that any prime contractor would be
16 very openminded as to that inclusion.

17 Thank you.

18 PRESIDENT VALDEZ: Carlene, do you have
19 anything to add to that?

20 CARLENE MOORE: Yeah. Just to that point, it
21 typically -- and especially for a fair of our size, but
22 typically, throughout the industry, it is not that a
23 single, in essence, operator has to provide all of those
24 rides, all of those games, all of those food. And so
25 what happens in the -- in terms of those RFPs, is a

1 minimum number of what they own has to be provided. And
2 then, yes, that encourages -- and it's very common
3 throughout this industry for, you know, any one carnival
4 that's operated at the fairgrounds to actually have
5 other partners, you know, subcontractors, in terms of
6 rides, games, and as well as food.

7 PRESIDENT VALDEZ: Any other questions?

8 I was -- Both -- Both Director Schenk and
9 Katie had mentioned this, and I appreciate it greatly,
10 is, you know, we are -- we find ourselves in a different
11 world, literally, today, given COVID and then, also, the
12 financial crisis that it has caused us. And so we are,
13 basically, in every avenue of our business, having to
14 look at everything and reassess and determine whether or
15 not what we did in the past works for us now and will
16 work us -- will work for us in the future. And I really
17 appreciate staff's commitment towards that and looking
18 for opportunities that might be new.

19 And always challenging for folks when we have
20 done things a certain way for so long, but I also want
21 to thank Director Schenk for the recognition of how we
22 know this does affect our family members and our
23 partners. And -- And we hope that you understand that
24 these are challenging decisions that we have to make in
25 order for us to survive and get through all of this.

1 And so they are challenging issues and hard decisions,
2 but they must be made, and I appreciated that, that
3 recognition of that.

4 I don't believe that this requires a motion.
5 I would like clarification from Mr. Caplan here. I
6 think this is just simply a situation where the Fair Ops
7 Committee and staff is bringing to the board's attention
8 and to the public's attention the issuance of the RFP
9 and that there is no formal motion or vote that needs to
10 be taken in that regard. And I wouldn't want to have to
11 do that here and then set a precedent that is somewhat
12 unnecessary. Is that correct?

13 DEPUTY STATE ATTY. GEN. CAPLAN: I think
14 that -- Yeah, that's -- Chair Valdez, that's correct.
15 And historically the District typically will defer to
16 staff on determining whether an RFP might be
17 appropriate, working with the committee to finalize the
18 RFP, because ultimately the board will need to approve
19 any contract that would be awarded following any RFP
20 process. So the board has ultimate authority on the
21 contracting side, but the RFP process has traditionally
22 been an operations piece, and staff has the expertise to
23 make sure all the pieces are in place to finalize and
24 disseminate the RFP.

25 PRESIDENT VALDEZ: Thank you.

1 DIRECTOR GELFAND: So is the plan that there
2 will be one RFP that presumes full fair operations and
3 the possibility of some limited operation, possibly even
4 vehicular only? Or is -- Would it be potentially two
5 separate RFPs, one that's a limited -- maybe car-only
6 operation versus a full fair operation? How is that
7 gonna be handled?

8 CARLENE MOORE: No. This is for -- This
9 situation would only arise not for having a vehicle-only
10 event, because people couldn't get out of their cars.
11 This is just for the carnival rides, the games, and
12 those food operations within the carnival area. So in
13 terms of the rest of the fair operations, that will
14 either be staff and/or there may be other, you know,
15 RFPs or IFEs coming forward in the future for some of
16 those operations, as well.

17 DIRECTOR GELFAND: Okay.

18 DIRECTOR SCHENK: Director Gelfand, we're --
19 as I -- as I indicated, we don't know yet what it's
20 going to look like, but we have to be prepared in case
21 it does happen, any semblance of a fair that we -- that
22 is a traditional type of fair. We want to hit the
23 ground running, and we don't have an inordinate amount
24 of time.

25 I would tell you this. Typically, in every

1 other year, we'd be well on our way toward -- beyond
2 theme, we'd be on our way to signing contracts and
3 engaging vendors. So -- And with what just happened
4 today, it really will require a real -- a focus on how
5 we're gonna get there and a drilling down on how the
6 best way to get there on a very short timeline.

7 So we'll report back once we get to that
8 stage, but I appreciate everybody's comments and
9 support. And we will -- we will make this as strong and
10 fun and safe fair as we possibly can coming into 2021.

11 If there are no other comments, I -- I do want
12 to have a little bit of fun with the next topic that we
13 have, which is the San Diego International Beer Festival
14 update.

15 Katie, are you gonna provide that?

16 KATIE MUELLER: Actually, Jacky, who is on the
17 line, is going to --

18 DIRECTOR SCHENK: Jacky, okay. Great. Jacky,
19 you get the fun topics.

20 PRESIDENT VALDEZ: On to you, Jacky.

21 JACKY ESHELBY: I'm waiting for production to
22 let me --

23 DIRECTOR SCHENK: Maybe they've been tasting
24 too much of the beer.

25 HENRY RIVERA: You're good, Jacky. Go ahead.

1 JACKY ESHELBY: No, I'm not. I don't have the
2 ability to share, because you guys changed my status.

3 PRESIDENT VALDEZ: I hate when that happens.

4 CARLENE MOORE: It's so difficult when you're
5 a quilt and cookies and accounting person, huh?

6 JACKY ESHELBY: It's a full-time gig.

7 HENRY RIVERA: Stand by. We're have a --
8 we're trying to find her. And if not, we also have it
9 on our -- on our -- Here you go.

10 Jacky, are you still there? There you are.

11 PRESIDENT VALDEZ: Hey, welcome.

12 HENRY RIVERA: Now you need to un-mute.

13 JACKY ESHELBY: Can you hear me?

14 PRESIDENT VALDEZ: Yes.

15 DIRECTOR SCHENK: Yes.

16 JACKY ESHELBY: So, yes, I get to talk about a
17 fun topic.

18 Back -- If we rewind back into March, we were
19 getting close to the deadline for our entries of our
20 international beer competition, which is known
21 nationwide and generally celebrates over 1500 entries of
22 mead, cider, and beer. And when we went in to postpone
23 the fair in April, it would have been right about the
24 time we would have been judging. And after talking to
25 our coordinators, we just decided to let everything sit.

1 We had already had, roughly, 8- to 900 entries. This
2 group is notorious for, sort of, entering late, and we
3 thought we'd just see where we'd go.

4 So we ended up opening everything up and
5 deciding to extend the deadline, and our entry deadline
6 was August 21st. We accepted entries from the 24th to
7 the 28th. And what we did was they had to go into a
8 Survey Monkey and reserve a time, which was great
9 because we knew what beers were coming when. We had
10 staff with all the safety protocols. We had areas for
11 them to drop off there at O'Brien Hall with safety
12 measures in place, all the hand sanitizers, masks, not
13 leaving their car.

14 And then we did the judging, and we used a lot
15 of the protocols and worked closely also with Sue Walls
16 at DMTC, that they had put in place. So we knew we had
17 the right signage and equipment and PPP [sic].

18 So this is kind of an overview of what the
19 judging looked like. We ended up with 62 judges.
20 Basically, over the course of three days we had a
21 limited staff and judging panel on Sunday. Twenty-five
22 of the San Diego Fair staff filled in the blanks of what
23 we normally have for volunteers. So we had everyone
24 from contracts and operations, from security to
25 production who helped be beer stewards, and then we had

1 12 of our normal volunteer beer stewards that came in.
2 Everybody was masked, had proper handling.

3 We worked closely -- We got a great deal from
4 Board & Brew, a sandwich place who did individual
5 lunches for us that included chips and a sandwich for
6 \$6.50. So we actually did better and received tons of
7 compliments from the judges on the actual lunches.

8 The outcome was we ended up with over a
9 thousand entries; 162 breweries, meaderies, and cideries
10 participated. The gross revenue with our entry fees was
11 \$62,550. We're still getting all the expenses in, but
12 we're thinking we're gonna net right around 55,000.

13 Then what we did is the big part of the beer
14 festival, that everybody loves, is on Saturday, when we
15 give out the awards. So taking everything we learned
16 from our Junior Livestock to our home winemaking, we
17 went live with virtual awards and had the top three
18 finalists in the categories of Brewery of the Year,
19 Meadery of the year, Best of Show Mead, and Best of Show
20 Beer live.

21 And I have it -- Once again, I have to put
22 hats off to our production crew here at the fairgrounds,
23 because they're pretty awesome and what we've
24 accomplished has been pretty amazing. It kind of felt
25 more like watching a podcast than a live feed. So here

1 is just a little blimp into when we picked Brewery of
2 the Year. So you can see, before I start this, the
3 three different breweries that were patched in live.
4 Two were in the state of California, one was in the
5 state of Iowa, and then our two coordinators and our
6 emcee. So let me get this going for you.

7 (Video playing.)

8 So that kind of gives you an idea what it felt
9 like. The Brewery of the Year was actually the one that
10 was in Newton, Iowa. So, to me, it was so exciting to
11 get to see these people joining us from all over the
12 nation. And Oscar and I actually were talking in the
13 middle of it, saying we've got to do this -- if we ever
14 go back -- well, when we go back live, to be able to
15 patch people in that aren't necessarily here at the
16 festival and to have them get to participate in the
17 awards.

18 The Brewery of the Year, for mead and cider,
19 was Moonlight Meadery, and they were out of
20 New Hampshire, and they were live. They had
21 participated for a number of years, and they were
22 extremely excited. And then Best of Show Mead/Cidar was
23 Batch Mead, out of Temecula.

24 The final award that we gave out was Best of
25 Show, and we got fortunate because the winner was out of

1 Carlsbad. So although they knew to call in and they
2 were one of the finalists, what they didn't realize is
3 that we had Jason outside their establishment. And so
4 when we went live to announce them, he walked in the
5 door with the actual big trophy already engraved, just
6 like you were here at the fairgrounds, and it was pretty
7 spectacular. They gave us -- They were pretty excited.
8 They were shooting off the beer, and they were all
9 there, and it was -- it was just a great experience.

10 Going through everything that's been happening
11 here at the fairgrounds the last couple months has
12 definitely not been fun. And as Fred said, the exhibits
13 department is pretty much down to me. And, you know,
14 having staff having something to focus on, that was, you
15 know, positive, was great. It was bittersweet, but we
16 learned a lot of things.

17 We adopted a lot of techniques to kind of deal
18 with the COVID, and it really opened up opportunities.
19 As I mentioned, you know, having a designated time to
20 bring in your entries to -- we usually have to print out
21 this 100-page book on styles. When they're judging, we
22 did it with QR codes. So we also learned that it was a
23 great time of year to have the competition, because it's
24 when one of the inner- -- big other competitions in
25 America is happening, and they're brewing those products

1 for that competition. So to be able to do that and
2 coincide ours was a great addition.

3 So it was -- It was a proud moment, but, you
4 know, a week later I had to say good-bye to the staff
5 that made it happen. So I can't thank them enough in
6 our exhibits department and all the staff around the
7 fairgrounds that jumped in and participated and helped
8 us get this accomplished.

9 PRESIDENT VALDEZ: Any questions?

10 Well, once again, Jacky, I just love your
11 presentations. They're fun. They're exciting. They
12 make me remember why we're here. And -- And I really
13 appreciate that energy and positivity you bring. So
14 great report. Love it. Thanks so much for what you did
15 and for your entire department, as well.

16 DIRECTOR SCHENK: Well, that concludes the
17 Fair Ops reporting.

18 And, Jacky, thank you. I -- I hope you had
19 fun reporting out on that one. I look forward to next
20 year.

21 DIRECTOR GELFAND: I can only say, as a board
22 member, I'm disappointed that we don't get samples of
23 the winners.

24 PRESIDENT VALDEZ: Next time.

25 All right. Thank you, Director Schenk.

1 We are going to item B, DMTC Liaison
2 Committee, and I'm gonna ask for Josh Rubinstein.

3 CARLENE MOORE: You're muted, Josh.

4 PRESIDENT VALDEZ: Yeah, we can't hear you,
5 Josh.

6 HENRY RIVERA: Star 6. Since you're on the
7 phone, star 6. There he goes.

8 JOSH RUBINSTEIN: Okay. All right. Good
9 afternoon, everyone.

10 Del Mar Thoroughbred Club's fall meet begins
11 this weekend and runs from October 31st through
12 November 29th. We will operate a 15-day race meet over
13 five weekends. And the biggest difference between the
14 fall race meet and the summer are the number of horses
15 and personnel in the stable area. During the summer, as
16 we've previously reported, we have approximately 1800
17 horses and about 1,000 stable-area personnel on site.
18 The fall meet has a much smaller footprint, with
19 approximately 400 horses and 250 stable personnel. The
20 majority of horses that run during the fall season ship
21 in on race day.

22 As was the case during the summer meet, due to
23 the pandemic, the fall season will be held without fans
24 and under strict or stringent COVID-response protocols.
25 Our COVID-response plan has been vetted by medical

1 experts at Scripps and the County's health and human
2 services department. This is the same operating plan
3 that you saw prior to our summer season, which include
4 daily health screens for everyone on property, on-site
5 medical professionals, and mask wearing and social
6 distancing are required.

7 On the non-COVID front, we continue to work
8 with District staff so interim events, such as car
9 concerts and SnowJam, can take place alongside horse
10 racing. Our teams are working very well to ensure
11 operationally that that happens.

12 Our fall season, we're proud to say, is -- is
13 the premier race meet during the month of November. We
14 anticipate stables from the East Coast running during
15 the fall, especially over Thanksgiving weekend, which
16 offers several high-profile stakes races.

17 Next fall, we are proud to host the Super Bowl
18 of horse racing, the Breeders' Cup, which will be held
19 November 5th and 6th of 2021. When we last presented
20 the Breeders' Cup, in 2017, the first ever Breeders' Cup
21 at Del Mar, it was the most financially successful event
22 in the Breeders' Cup's 36-year history, and the positive
23 economic impact to the community was over \$100 million.
24 We're fortunate that the '21 Breeders' Cup is over a
25 year from now, and hopefully we'll be in an environment

1 we'll be able to have fans on site.

2 As far as this year's fall meet, which opens,
3 as I said, next Saturday, I'm here, as well as Kim
4 Jacobson, our risk manager; and Joe Harper, Del Mar CEO.
5 We're happy to answer any questions this board may have.

6 PRESIDENT VALDEZ: I'm hearing none.

7 Okay. Included in the board packet is the
8 Satellite Wagering report from Kevin Buenafe. And I
9 think that, since there are no questions, I'm going to
10 go on to public comment for this item. And remember,
11 we're limited to two minutes for everyone today.

12 First up is Martha Sullivan.

13 MARTHA SULLIVAN: Hello. This is Martha
14 Sullivan from Imperial Beach.

15 I just want to emphasize to the board that so
16 far this year California racetracks have killed one
17 horse every three days. So if they're saying that
18 Del Mar is reopening on Halloween, it's very fitting,
19 because it's Halloween every day for the horses.

20 There were five horses that died in the
21 summer. Mean Sophia died on September 5th. Her trainer
22 is Peter Miller. Plum Dandy died on August 31st from a
23 stall accident. The trainer is Sal Gonzalez.
24 Irreproachable died in training on August 24th. The
25 trainer is Philip J. D'Amato. A pony horse, the

1 Armenian, died on July 21st. And Lovely Lilia died in
2 training on July 11th, and her trainer was Vladimir
3 Cerin.

4 You know, the training accidents are just as
5 significant as the racing accidents. There's been
6 research recently published on this, because the
7 injuries that occur in training have been documented,
8 that lead, you know, to the catastrophic failures. And
9 whether they happen in training and whether they happen
10 in racing, it really doesn't matter.

11 I also want to point out that there --

12 DONNA O'LEARY: Ms. Sullivan, your time is up.

13 MARTHA SULLIVAN: -- we are tracking several
14 horses --

15 DONNA O'LEARY: Your time is up.

16 MARTHA SULLIVAN: -- that have basically gone

17 MIA --

18 HENRY RIVERA: That's time, Martha.

19 MARTHA SULLIVAN: -- after racing at Del Mar.

20 PRESIDENT VALDEZ: Thank you.

21 On to Jane Cartmill.

22 JANE CARTMILL: In his October 8 letter to the
23 California Horse Racing Board, Hall of Fame jockey, Mike
24 Smith, writing on behalf of the Jockeys' Guild,
25 criticized the restrictive riding crop rule that was

1 adopted by CHRB in March of 2019 and finally went into
2 effect October 1st. As you know, the rule limits the
3 manner and frequency with which jockeys may use the crop
4 and will be in use for the fall meet at Del Mar.

5 Smith, who rides regularly there, complained
6 that the rule is contrary to the instincts of jockeys,
7 it's hazardous to the profession, and has a serious
8 impact on the integrity and outcome of the races.
9 Although there were 18 months in which to prepare for
10 this, jockeys continued to agitate [sic] for delay in
11 implementing the rule.

12 Quoting from his letter, "In multiple races
13 over the weekend, jockeys were limited in the
14 encouragement they were able to give to the horses,
15 which in turn impacted outcome of the race and jockeys
16 were unable to maximize placing of the horses. The
17 owners, along with the betting public, both of whom are
18 the driving force behind our sport, were not afforded
19 every possible opportunity to maximize return on their
20 investment."

21 So despite the claim later in his letter that,
22 quote, "the ultimate goal is to establish a standard
23 that is in the best interest of the welfare of the
24 horse," unquote, it is clear that the crop represents
25 means to an end, the end being the financial welfare of

1 the owners and betters and jockeys.

2 It's not about safety. It's about pushing the
3 horse to the limit to run faster and faster and place
4 better and make more money. The Hall of Fame jockey is
5 telling you that this is the truth about horse racing.
6 And calling whipping encouragement, now there's a
7 euphemism if ever there was one.

8 I regret that the Del Mar Fairgrounds
9 continues to host and promote this industry whose
10 participants debate only the degree of abuse which can
11 be inflicted on horses.

12 PRESIDENT VALDEZ: Thank you.

13 On to Jim Coleman.

14 JIM COLEMAN: Good afternoon, everybody, and
15 thanks again to the board for allowing me to share some
16 thoughts with you again. First I want to express my
17 appreciation to the 22nd DAA board and Carlene and her
18 team for the creativity you've all come up with to keep
19 our fairgrounds functioning as great as possible. So
20 you have my deep thanks for that.

21 Back to the agenda item. I want to
22 congratulate the Thoroughbred Club for an outstanding
23 and safe race season this summer. DMTC has
24 demonstrated, with the COVID procedures that were put in
25 place, that they work and worked really well. Fewer

1 horses and backside workers coming for the fall meet,
2 this should really be a piece of cake to have a safe,
3 healthy, and successful race meet.

4 Speaking on behalf of our business community
5 of Del Mar and the surrounding areas, we're excited for
6 the fall meet. That even though we won't be open to
7 fans -- the racetrack won't be open to fans, trainers
8 and owners will be in town. They'll be in hotel rooms.
9 They'll be supporting restaurants and retailers, and
10 this is at a time when we -- that need is critical. So
11 thank you so much for supporting that, and now it's time
12 to look forward to huge successes as we move forward to
13 the fall and into 2021.

14 Thanks so much for your time.

15 PRESIDENT VALDEZ: Thank you.

16 Onto to Oscar de la Torre.

17 OSCAR DE LA TORRE: Yes. Hi. Can you hear
18 me?

19 PRESIDENT VALDEZ: Yes.

20 OSCAR DE LA TORRE: Okay. Thank you. First
21 of all, thank you all for your service, everyone on the
22 board of the 22nd DAA.

23 My name is Oscar de la Torre, and I'm a worker
24 advocate. And I'm just calling to just, you know,
25 really -- really, in appreciation for DMTC and echoing

1 what the last caller just said in terms of the
2 successful summer season. There was concerns, you know,
3 about COVID and the infection being spread. And, you
4 know, with working in collaboration with the public
5 health officials that signed off on the -- on all the
6 planning on the COVID plan, you know, workers were kept
7 safe. All the workers I've talked to, you know, felt
8 very, very secure working at Del Mar and in the
9 racetrack and in the stable area, and all the protocols
10 kept them safe.

11 I talked with Doug O'Neil, and he had all of
12 his workers safe. No one -- No one came out positive.
13 So that was very good to hear. We're now approaching
14 another -- the fall season, and we're -- we're -- you
15 know, we want to make sure that, you know, the protocols
16 continue. We want to advocate for that. You know, the
17 fall workers want to, you know, continue with those
18 protocols to keep everybody safe, you know, because it's
19 so important.

20 I mean, earlier we heard of the economic pain
21 caused by the job losses because of the cancellation,
22 you know, of the annual San Diego County Fair. This is
23 economic devastation for a lot of families that depend,
24 you know, on -- on the fair. And, likewise, without
25 live racing, there would be a lot of people -- a lot of

1 families that wouldn't be able to make it. You know, in
2 the middle of a pandemic, with our homelessness crisis
3 increasing, you know, we need to be thoughtful of the
4 consequences of what we're advocating for. Those who
5 are advocating for an extreme ban on horse racing need
6 to really reflect on that.

7 And we care about the horses, obviously,
8 because we support the reforms that make Del Mar, you
9 know, the safest racetrack in America. I mean, that's
10 something we should all be proud about. But we also
11 need to think, also, about the workers. So we care
12 about the horses and also about the workers.

13 So thank you very much.

14 DONNA O'LEARY: Oscar -- Mr. de la Torre,
15 your time is up.

16 PRESIDENT VALDEZ: Thank you.

17 Paul Nemeth.

18 HENRY RIVERA: No longer on the queue.

19 PRESIDENT VALDEZ: And Kim Marrs.

20 HENRY RIVERA: No longer on the queue.

21 PRESIDENT VALDEZ: That brings Item B to
22 conclusion. On to Item 5(C), the Contracts Oversight
23 Committee. I'm gonna hand this over to Carlene first,
24 for the revised delegation of authority item.

25 CARLENE MOORE: So if as you recall, at last

1 month's meeting this board approved the delegation of
2 authority for check signing and contract limitations.
3 In submitting then the paperwork to the various banking
4 institutions, the local agency investment fund, or as we
5 commonly refer to it as, as LAIF, has actually requested
6 that we specifically use their resolution form to update
7 the signers on the account.

8 And as you can see -- So this is the
9 resolution from LAIF directly. And then, as you can see
10 on the -- the signers on the account -- and, Lisa, we
11 have corrected the spelling of your last name on that
12 document -- but also it holds the position of it, in
13 essence, authorizes the titles for signing authority on
14 the account. And though our -- currently our CFO
15 position is vacant, in the future, when that position is
16 filled, without having to bring it back before the
17 board, because that position is already authorized, it
18 would be included in the adoption and the approval of
19 this resolution.

20 PRESIDENT VALDEZ: So do I have a motion to
21 approve the resolution set forth on pages 27 and 28 of
22 your board packet?

23 KATHLYN MEAD: I -- (Unintelligible audio
24 transmission.)

25 PRESIDENT VALDEZ: Was that a motion?

1 DIRECTOR MEAD: Yes.

2 DIRECTOR ROWLAND: Joyce Rowland said, "So
3 moved."

4 DIRECTOR MEAD: Kathlyn Mead.

5 DIRECTOR ROWLAND: Joyce Rowland.

6 PRESIDENT VALDEZ: Rowland did the motion.
7 Mead did the second. Any questions?

8 DIRECTOR ROWLAND: I have just a minor
9 question, in addition to the motion.

10 So I see here we are moving both by title and
11 by name, with the exception, as you mentioned, of the
12 CFO. Will these resolutions carry over for future
13 presidents and vice presidents, or do these have to be
14 redone at that time?

15 CARLENE MOORE: Based on the explanation from
16 LAIF, currently it would be -- it sounds like it would
17 carry over in the titles, but we'll be confirming that
18 with them in terms of the start of the year, because
19 I've seen that done both ways with LAIF.

20 DIRECTOR ROWLAND: Okay. All right. Okay.
21 Thank you.

22 PRESIDENT VALDEZ: Any other questions?
23 Donna, the vote.

24 DONNA O'LEARY: President Valdez?

25 PRESIDENT VALDEZ: Aye.

1 DONNA O'LEARY: Vice President Barkett?

2 VICE PRESIDENT BARKETT: Aye.

3 DONNA O'LEARY: Director Gelfand?

4 DIRECTOR GELFAND: Aye.

5 DONNA O'LEARY: Director Mead?

6 DIRECTOR MEAD: Aye.

7 DONNA O'LEARY: Director Mosier?

8 DIRECTOR MOSIER: Aye.

9 DONNA O'LEARY: Director Nejabat?

10 DIRECTOR NEJABAT: Aye.

11 DONNA O'LEARY: Director Rowland?

12 DIRECTOR ROWLAND: Aye.

13 DONNA O'LEARY: Director Schenk?

14 DIRECTOR SCHENK: Aye.

15 DONNA O'LEARY: And Director Sleiman?

16 DIRECTOR SLEIMAN: Aye.

17 PRESIDENT VALDEZ: Okay. Motion carries

18 unanimately.

19 On to the Item 2, recycled water amendment.

20 CARLENE MOORE: So in accompanying the
21 agreement, the amended agreement, as well, there's a
22 report in your board packet on page 29, but just to give
23 you a little bit of background on this. We've had a
24 longstanding agreement, as you can see, since 1997, with
25 the San Elijo Joint Powers Authority for the use of

1 recycled water. Over the years our use of recycled
2 water has declined. And, in part, that's due to the
3 awareness and, therefore, the need to protect storm
4 drain -- you know, stormwater runoff into our streams
5 and oceans. So, as an example, it used to be that
6 recycled water might get utilized to wash down, you
7 know, buildings or parking lots or things like that.
8 But in protecting -- because that's treated water and
9 the need to protect that, we've had to move away from
10 that.

11 So over the past few years, we have actually,
12 at the end -- the contract runs July 1 to June 30th of
13 each year, and at the end of that we've actually owed
14 more because we haven't used as much of that
15 contracted -- that minimum contracted water, the
16 per-acre foot, and so we notified the JPA. It's a
17 one-year notice to cancel the contract. So we did that.
18 And that, from there, we entered into negotiations with
19 them. And so our contracts department did a really
20 great job in working with them, and -- and the JPA was
21 also very accommodating of how our needs have reduced
22 over the years.

23 And so what you have before you is an amended
24 contract that reduces the per-acre foot to the --
25 approximately what we have been utilizing over these

1 past several years. So it's based off of that and, in
2 essence, extends this for an additional two years. Now
3 during that time we'll be able to further evaluate our
4 recycled water use, see if there are other potential
5 sources for us to increase that and, before we make any
6 additional changes going forward, of whether or not we
7 need to increase or decrease the contract with the JPA
8 in the future.

9 PRESIDENT VALDEZ: Any questions?

10 Hearing none, do I have a motion to approve
11 and accept the Second Amendment to the Reclaimed Water
12 Sales Agreement between the San Elijo Joint Powers
13 Authority, the City of Del Mar, and the 22nd District
14 Agricultural Association set forth on pages 30 to 33 of
15 your board packet?

16 DIRECTOR MOSIER: So moved.

17 PRESIDENT VALDEZ: That was Director Mosier.
18 Second?

19 VICE PRESIDENT BARKETT: Second.

20 PRESIDENT VALDEZ: That was Barkett, right? I
21 think.

22 And any further discussion or questions?

23 Okay. Donna, vote.

24 DONNA O'LEARY: President Valdez?

25 PRESIDENT VALDEZ: Aye.

1 DONNA O'LEARY: Vice President Barkett?
2 VICE PRESIDENT BARKETT: Aye.
3 DONNA O'LEARY: Director Gelfand?
4 DIRECTOR GELFAND: Aye.
5 DONNA O'LEARY: Director Mead?
6 DIRECTOR MEAD: Aye.
7 DONNA O'LEARY: Director Mosier?
8 DIRECTOR MOSIER: Aye.
9 DONNA O'LEARY: Director Nejabat?
10 DIRECTOR NEJABAT: Aye.
11 DONNA O'LEARY: Director Schenk?
12 DIRECTOR SCHENK: Aye.
13 DONNA O'LEARY: And Director Sleiman?
14 DIRECTOR SLEIMAN: Aye.
15 DIRECTOR ROWLAND: Did I get missed?
16 PRESIDENT VALDEZ: Yes.
17 DIRECTOR ROWLAND: Oh.
18 DONNA O'LEARY: I'm sorry.
19 Director Rowland?
20 DIRECTOR ROWLAND: Aye.
21 PRESIDENT VALDEZ: Okay. Motion carries, and
22 unanimously.
23 Martha Sullivan is signed up for this item.
24 Martha, you can speak now.
25 MARTHA SULLIVAN: Yeah. I'm here now. I'm

1 actually kind of confused that -- What's the point in
2 taking comment after --

3 PRESIDENT VALDEZ: My apologies.

4 MARTHA SULLIVAN: -- two votes have been
5 taken?

6 PRESIDENT VALDEZ: My apologies. I should
7 have asked you to give your statements prior to the
8 vote. And I -- That was my error. I apologize.
9 You're right. It should have -- You should have been
10 asked first. You can offer your -- your --

11 MARTHA SULLIVAN: Well, it -- and it's
12 actually -- in this particular instance, it doesn't
13 make, you know, any difference, because the nature of my
14 comment, in reading this agenda item, the background
15 material, I saw that the CFO is listed as vacant, which
16 I had not understood previously, because last month the
17 report was, I think, in the minutes maybe, it was
18 documented that Ms. Walz was on leave. So I just wanted
19 to confirm that indeed Rita Walz is no longer the chief
20 financial officer.

21 PRESIDENT VALDEZ: I will answer that
22 question, Ms. Sullivan. Ms. Walz had announced her
23 retirement effective October the 16th, and we thank her
24 for her service. And again, I apologize.

25 MARTHA SULLIVAN: I see. Thank you. I just

1 wanted to confirm that.

2 PRESIDENT VALDEZ: And again I apologize for
3 my error in not calling you at the proper time, and I
4 appreciate your comments in regard -- in that regard.
5 That won't happen --

6 MARTHA SULLIVAN: Thank you.

7 PRESIDENT VALDEZ: That won't happen again.

8 MARTHA SULLIVAN: Thank you.

9 PRESIDENT VALDEZ: You're welcome.

10 Okay. That concludes Contracts Oversight
11 Committee. On to 5(D), Food & Beverage Committee.

12 Director Mead. You're on mute.

13 CARLENE MOORE: Kathlyn, you're muted.

14 PRESIDENT VALDEZ: You know what? Maybe we're
15 gonna -- Perhaps she had to step away for a minute. So
16 I think her report is relatively short. I might want
17 to --

18 CARLENE MOORE: There she is.

19 PRESIDENT VALDEZ: Oh, there you are.

20 DIRECTOR MEAD: I apologize. I did have to
21 step away. I was interrupted. So thank you. I was
22 racing back. Thank you so much.

23 I am assuming we are calling on me for the
24 Premiere -- for the F&B report.

25 PRESIDENT VALDEZ: We are. Thank -- Thank

1 you.

2 DIRECTOR MEAD: Cool. Timing was bad.

3 Well, you are exactly right. My report is
4 short, because I want to introduce the GM of Premier,
5 Mark Wiggins, who will provide the F&B report to us this
6 month.

7 Thank you, Mark.

8 MARK WIGGINS: Thank you, Director Mead.

9 For the month of August, we had a total
10 revenue of just slightly below \$135,000. \$94,000 of
11 that was from the Fair Fix, which is our third-party
12 operators out in the main parking lot, and we also had
13 40,000 in revenue from the live meet that made up that.
14 We were feeding the owners and the employees of the DMTC
15 staff. Cost of goods was low mostly because of that
16 \$94,000 doesn't have any cost of goods associated to it.

17 Payroll again was high, due to our health and
18 welfare cost, and other operating expenses again were
19 high due to the sales being down comparative to where it
20 normally would be year to date.

21 PRESIDENT VALDEZ: Any questions?

22 I don't believe so.

23 Anything else, Director Mead?

24 DIRECTOR MEAD: No. That's going to end our
25 report.

1 Thank you again, Mark, for your support of the
2 fairgrounds.

3 PRESIDENT VALDEZ: All right. Thank you.

4 As I stated before, I changed the order of a
5 couple of the reports. So now we are going to Community
6 Relations Committee. Director Mosier.

7 DIRECTOR MOSIER: Yes.

8 The Community Relations Committee met this
9 morning with representatives from Del Mar and
10 Solana Beach, and the major topic was a draft memorandum
11 of understanding that was passed last night at the
12 Del Mar City Council regarding affordable housing units
13 to be potentially built on the fairgrounds. The City of
14 Del Mar filed their sixth cycle housing element draft
15 with the State Housing Community Development Department.
16 That was sent off last week. And as part of that, they
17 included a potential sighting of 21 -- or 51 affordable
18 housing units on the fairgrounds, subject to negotiation
19 with the fairgrounds which, of course, owns the
20 property.

21 And in this 6th -- (Indecipherable audio
22 transmission.)

23 PRESIDENT VALDEZ: We're losing -- We're
24 losing you a bit. So you need to back up a little bit,
25 with the last -- So we ended --

1 Where did he end up, Kathryn?

2 THE REPORTER: "Which, of course, owns the
3 property."

4 DIRECTOR GELFAND: Don, because we're losing
5 your audio, you might cut off your video, so just to see
6 if we can hear you better.

7 PRESIDENT VALDEZ: The last thing the
8 report -- The last thing the reporter heard,
9 Director Mosier, was where you said, of course, the 22nd
10 owns the property.

11 DIRECTOR MOSIER: Okay. So can you hear me
12 now?

13 PRESIDENT VALDEZ: Yes.

14 DIRECTOR MOSIER: Okay. The essence of this
15 memorandum of understanding is that Del Mar needs to
16 reach a binding agreement with the fairgrounds about
17 siting of affordable housing within three years of
18 approval of their sixth element of housing, which would
19 be approved on April of 2021, and we have until April
20 2024 to sign this binding agreement. So, basically,
21 this draft MOU opens a period of negotiation about
22 whether we can reach agreement with Del Mar,
23 Solana Beach, and potentially the City of San Diego on
24 siting of affordable housing.

25 PRESIDENT VALDEZ: I have a question regarding

1 that, but I'm not sure if that completes your overview
2 or report with respect to the meeting from CRC. So I
3 don't want to interrupt you.

4 DIRECTOR MOSIER: No. That is -- There were
5 some other minor issues about fair concert sound, and
6 that seems to be well addressed by the fair staff. So
7 that is the end of my report.

8 PRESIDENT VALDEZ: Okay. I want to make sure
9 that everybody is aware of this and so that we are in
10 compliance with Bagley-Keene.

11 So the issue of affordable housing is not on
12 the agenda. We can't speak to it in any substantive
13 manner. My understanding, Director Mosier, is that part
14 of what the City of Del Mar had resolved last night at
15 their meeting was to embark on discussions with the
16 22nd DAA with respect to possibilities of affordable
17 housing being placed on the fairgrounds property. Is
18 that correct?

19 DIRECTOR MOSIER: Yes. That is correct.

20 PRESIDENT VALDEZ: Okay. And so I think that
21 one of the recommendations for the committee, and maybe
22 I'm overstepping, is that it be taken out of the
23 Community Relations Committee, this particular topic,
24 and that it be placed in another committee for those
25 discussions, if any, to take place with. Is that also

1 correct?

2 DIRECTOR MOSIER: Yes.

3 And my initial recommendation would be that it
4 go to Land Use, because we have several competing uses
5 for this -- for our -- the fairgrounds property, and it
6 needs -- this use for affordable housing needs to be
7 matched with other competing uses of our land.

8 PRESIDENT VALDEZ: Okay. So again,
9 Mr. Caplan, I want to make sure you're fine with how I'm
10 proceeding.

11 Since this is not an agenda item and the
12 request is from the chair of Community Relations
13 Committee that the particular issue that we're talking
14 about be removed from CRC and placed into a new
15 committee, and the recommendation is that it would be
16 Land Use, we can't talk about it in any substance. The
17 president of the board does have the authority, however,
18 to assign items to appropriate committees with either an
19 existing committee or create an ad hoc committee for
20 that purpose, with two board members charged with that,
21 and then with the CEO and whoever the CEO, from staff,
22 recommends to be part of it.

23 So since this is brand new and not an agenda
24 item, what I would recommend is that I take that into --
25 under advisement, that I consider -- I understand that

1 the recommendation -- I agree that the item should be
2 removed from Community Relations Committee, because we
3 are talking about a use of the fairgrounds property and
4 there are other folks involved in CRC that -- for
5 instance, the City of Solana Beach, where this doesn't
6 really -- isn't directly applicable to. Consequently, I
7 agree that it probably should be removed from that
8 committee.

9 I would like the opportunity to consider that
10 request and then inform the board members who I would
11 like to be part of that committee, and then report that
12 out at the November meeting.

13 Mr. Caplan, is all of that in compliance with
14 the Bagley-Keene Act?

15 DEPUTY STATE ATTY. GEN. CAPLAN: Yes, it is,
16 Richard.

17 PRESIDENT VALDEZ: Okay. So that's how I
18 would like to proceed on the item. Since it was
19 something that was just resolved last night from the
20 City of Del Mar, I'd like to consider it, and then I
21 will appoint, before the next board meeting, a committee
22 to that task, and we will report that out and put it on
23 an agenda at a future time, at an appropriate time.

24 Any questions about that?

25 Okay. Director --

1 DIRECTOR ROWLAND: Go ahead.

2 PRESIDENT VALDEZ: Director Rowland.

3 DIRECTOR ROWLAND: Oh, my question was, is
4 the -- is how this happened come -- how you would
5 normally expect a matter like this to come to the board?
6 I just haven't really experienced that before. Do we
7 have a heads-up that this was gonna proceed in that
8 fashion, other than conversations for many years? And
9 there's obviously a dire need for housing, but I'm just
10 kind of curious about the process and if this means
11 anything about our relationship with the City of
12 Del Mar.

13 PRESIDENT VALDEZ: I will field that question
14 directly from my vantage point. And then, if any other
15 board members, particularly those on CRC that would like
16 to chime in, or any others, I was not made aware of this
17 directly from the cities. I've not had any
18 conversations with the folks there. So this was news to
19 me and, consequently, one of the reasons why I am taking
20 a bit of time to determine the proper procedure to
21 follow and the committee that would be proper for this.

22 I'll let Directors Mosier and Barkett, if they
23 would like to respond to that, to your question, as
24 well.

25 DIRECTOR ROWLAND: Or management.

1 PRESIDENT VALDEZ: Or management, of course.
2 Sorry.

3 DIRECTOR MOSIER: This item appeared on the
4 Del Mar Council agenda that was posted last Thursday,
5 and I shared it with Carlene as soon as I saw it --

6 DIRECTOR ROWLAND: Okay.

7 DIRECTOR MOSIER: -- but the memorandum of
8 understanding was developed by the City of Del Mar
9 without any input from the fair board.

10 So it is a draft document, and I think there
11 is anticipation that the final memorandum of
12 understanding will be different from this draft
13 document. So it's really the beginning of a
14 negotiation, not the end of a negotiation.

15 VICE PRESIDENT BARKETT: And from my
16 perspective, I was not given notice, at all, that this
17 was taking place. So it did come as a shock to me when
18 I saw it on the agenda as of yesterday. I did inquire.
19 I had a meeting -- a Zoom meeting with Carlene and with
20 staff and Richard. So I was advised at that point.

21 Have I -- Have I, you know, been asked if I
22 have an opinion on it? No, I have not.

23 Discussion has been very -- Over the last
24 couple months that we've had committee meetings, the
25 discussion has arisen. But to be honest, I thought we

1 were at the site visit stage. I didn't know it was
2 entering into a formal MOU with the City. I had no
3 idea.

4 And I still -- I'm not sure if a site visit
5 has been completely done. It seems like it's been done
6 in parts. But I did gather that there has been meetings
7 with Director Gelfand on this subject already and -- as
8 your name came up today quite a bit. So it seems --
9 And maybe, Michael, you might want to shed some light on
10 it.

11 DIRECTOR GELFAND: Well, I haven't had any
12 direct discussions with anyone from Del Mar about it. I
13 only heard about it through Director Mosier, but I have
14 a process question and then a comment.

15 The process question is: Director -- or
16 Chairman Valdez, will you be -- will there be a, sort
17 of, first step, where there's a committee that looks
18 into whether or not we should enter into negotiations,
19 at all, and then that committee or a separate committee
20 to actually oversee the negotiations, or is it just
21 there will be a committee that enters into negotiations
22 only to bring the final, you know, conclusions of those
23 negotiations to the board? So those are, you know, sort
24 of process questions.

25 And then my comment would be this is not an

1 interim use that they're asking for, which I think would
2 be like appropriate for the Land Use Committee. This is
3 a permanent use of a, you know, chunk of property owned
4 by the DAA, and so it seems like it might be appropriate
5 to a committee that -- you know, like strategic
6 planning, that's more long range, or to an ad hoc
7 committee specifically devoted to this task. So --

8 PRESIDENT VALDEZ: Director --

9 VICE PRESIDENT BARKETT: If I may ask a
10 question very quickly to Josh.

11 I didn't realize that permanent housing could
12 be placed on State-owned property.

13 DEPUTY STATE ATTY. GEN. CAPLAN: Well, there
14 is -- there is some authority, under the Food & Ag code,
15 that allows for districts to effectively allow for
16 affordable housing development on State property. The
17 District also -- Although it would require the approval
18 of the Department of General Services, the District is
19 able to contract to lease or sell its property. But
20 again, it can -- the District is not allowed to transfer
21 any interest in real property without the express
22 approval of the Department of General Services.

23 So while the District has some authority to
24 entertain this idea, there are other agencies that must
25 be involved in this process and, in particular,

1 Department of General Services.

2 VICE PRESIDENT BARKETT: Right.

3 And do we have any authority to be a -- for
4 instance, a landlord?

5 DEPUTY STATE ATTY. GEN. CAPLAN: That's a
6 question that's gonna be more difficult for me to answer
7 on the spot during a meeting. I'd have to take that
8 back and look at that. Certainly, the District has the
9 ability to lease property, to generally contract for use
10 of its property. There's not anything specifically in
11 the Food & Ag code that speaks to the District's role as
12 a landlord, but I would need to take some additional
13 time to look at some other guiding documents, including
14 AG opinions and case law, to determine whether, in fact,
15 a DAA would have that type of authority.

16 DIRECTOR GELFAND: We already are a landlord
17 for commercial uses, like the RV park and the tennis
18 club and the golf and whatever.

19 VICE PRESIDENT BARKETT: Yeah. It's not
20 permanent housing, though.

21 DEPUTY STATE ATTY. GEN. CAPLAN: Well, I
22 took -- I took Director Barkett's question, when she
23 framed it as "landlord," I took that as -- as a true --
24 like a residential landlord.

25 Certainly the District rents out its property

1 for commercial uses on an ongoing basis, whether it's a
2 home and garden show or the golf center or the RV park.
3 I really took her question to ask, you know, can the
4 District be in a position where it might be required to
5 issue like notices to quit if a residential tenant is
6 holding over and not paying rent or if the District is
7 gonna be held responsible for, you know, maintaining,
8 you know, certain appurtenances in residential housing
9 that may not apply to commercial uses. So it's those --
10 It's the residential piece that makes it more difficult
11 for me to answer on the spot.

12 DIRECTOR GELFAND: Correct. And I would -- I
13 would hope -- I would assume, frankly, if we did
14 something like that, we'd be leasing it to an operator
15 who would handle bringing in evictions and all those
16 sorts of things.

17 PRESIDENT VALDEZ: Can I interrupt real quick?
18 I just want to make sure, and I -- and, Josh, I --
19 you're part of the dialogue here. So I --

20 DEPUTY STATE ATTY. GEN. CAPLAN: Yeah. You
21 caught me, Richard. In fact, as I'm answering
22 Director Barkett's question, I should -- I probably
23 should not have answered, because we're now wading into
24 a substantive discussion on this issue, which I think
25 you correctly stated at the outset we simply can't do

1 because it's not on the agenda.

2 PRESIDENT VALDEZ: Correct. Yeah. Thank you.

3 I just wanted -- Since you were part of that dialogue,

4 I didn't want to slap your hand.

5 Director Rowland.

6 DIRECTOR ROWLAND: And we haven't -- we
7 haven't allowed Carlene to speak yet. I would just note
8 that, but I also wanted --

9 PRESIDENT VALDEZ: Yeah.

10 DIRECTOR ROWLAND: I also had a question about
11 process and, you know, making sure that, as we transfer,
12 you know, this particular item to a committee of the
13 board, that we understand what is the role of management
14 in this versus the role of the board. I'm not sure that
15 the board is -- you know, it should be in negotiating an
16 agreement. I mean, I just want to understand what
17 actually is the response- -- the roles and
18 responsibilities here and just make sure that we're
19 clear on that, as well.

20 PRESIDENT VALDEZ: I do want to ask Carlene
21 her input, but there -- you now have posed this
22 question, Director Rowland, and Director Gelfand has, as
23 well. That is one of the reasons why I am not in a
24 position, at this moment, to state who I want to be
25 governing this topic, whether it is appropriate for Land

1 Use, whether it is appropriate for an ad hoc committee,
2 because I'm not certain what the purpose of that
3 committee is at the moment. So I still need to gather
4 further information. And since this is a brand-new item
5 that, basically, is a result of actions taken by the
6 City of Del Mar, I would like to catch my breath on it,
7 better assess it, and determine who would be the best --
8 what was the best committee and what is the purpose of
9 that committee and certainly with staff's involvement,
10 because I do appreciate greatly your recognition of the
11 importance of staff's involvement and the staff's role
12 in this and what this board's role is not.

13 So with that, Carlene, do you have anything
14 that you would like to add?

15 CARLENE MOORE: I would just add to that and
16 thank you for that acknowledgment that, no, this is not
17 typically, I think, how we would have seen something
18 like this be presented and coming forward.

19 I actually received the email item from the
20 city manager just moments before Director Mosier had
21 received it, as well, and then he forwarded that on to
22 Director Gelfand and myself from the standpoint of
23 the -- of land use because of other things that the Land
24 Use Committee is looking at. And then, with the
25 discussion that we had yesterday in preparing for

1 today's meeting, that's when I sent the -- notified all
2 of you, as board members, of that being on the council's
3 agenda last night.

4 So to answer that question, no, this is not
5 typically what we would have seen. And we did clarify
6 that in today's CRC meeting, because there seemed to be
7 some confusion, as well, with the City of Solana Beach,
8 that this really is a draft memorandum from the City of
9 Del Mar, but we were not actively involved in the
10 drafting of that.

11 And I think that the City of Del Mar
12 recognizes that and -- because they did speak to that,
13 you know; they would anticipate that we will now take
14 our time with it. And whatever that time is, if it's in
15 the coming weeks, over the coming months, this isn't
16 something that needs to be decided upon by next month's
17 meeting. As you know Director Mosier spoke to, the
18 clock really, in terms of substantive commitment, is --
19 starts April 1 of 2021 through 2024. So we really have
20 up until that time period to really vet, review this
21 properly.

22 And in terms of those involved in it, if you
23 look at the agenda report from the city council and what
24 their recommendation was was two council members and the
25 city manager. And I would expect the same for us, in

1 terms of, you know, two board members, in essence,
2 whether it's Land Use or another committee that's --
3 that is appointed to work with -- with staff, to work
4 with me directly on this process.

5 DIRECTOR ROWLAND: Thank you.

6 PRESIDENT VALDEZ: So I think -- Since this
7 is information only, I think we've informed fully and
8 discussed about the process. I think we probably went
9 as far as we can on discussing the topic.

10 Does that conclude your report,
11 Director Mosier?

12 DIRECTOR MOSIER: Yes. It does.

13 PRESIDENT VALDEZ: Thank you very much.

14 On to Land Use Committee.

15 Martha Sullivan, would you like to speak?

16 MARTHA SULLIVAN: I don't need to comment. I
17 sort of did it as a holding thing, in case the report
18 was something I wanted to comment on.

19 PRESIDENT VALDEZ: I'm sorry. I was not
20 hearing you correctly. Do you want to hear the report,
21 and then you speak?

22 MARTHA SULLIVAN: No. No. No. I -- I -- I
23 don't think I need to report -- comment, based on the
24 discussion I've already heard.

25 PRESIDENT VALDEZ: Thank you.

1 So we're on to the Land Use Committee. We
2 have co-chairs. So between Directors Mosier and
3 Gelfand, take it away.

4 DIRECTOR MOSIER: I'm gonna let
5 Director Gelfand talk about two pro bono contracts that
6 are -- he's arranged.

7 PRESIDENT VALDEZ: Thank you.

8 DIRECTOR GELFAND: Well, I have two different
9 companies who have offered pro bono services. One is a
10 landscape architecture planning firm, Spurlock, which is
11 based in Downtown San Diego, and the other is a
12 financial market study -- financial feasibility analysis
13 company, London Moeder, and they both have offered
14 pro bono services to help us in evaluating future
15 planning of the fairgrounds property.

16 And we're working with Josh Caplan on those
17 contracts, even though they're pro bono, to make sure
18 that they -- they work, but all of that is in the works.
19 And as the scope of their work is better defined, we'll
20 come back and make further reports for the committee.

21 PRESIDENT VALDEZ: Would you call that -- Is
22 it more in the terms of like feasibility studies,
23 Director Gelfand, that they would be embarking on?

24 DIRECTOR GELFAND: Yeah. You know, we have,
25 from what I've seen, just by talking to people in the

1 community, et cetera, we've got, you know, a list of
2 several dozen, if not 30 or more, different potential
3 uses of fairgrounds property that are being proposed by
4 different groups.

5 And so this would be step one, kind of a
6 financial analysis of each of those uses: What -- what
7 might it generate in terms of net cash flow to the DAA;
8 what would it cost to create; would it be created by
9 the -- this, you know, individual user or user group or
10 would it have to be created and funded by us through
11 some -- a bond, you know, offering or some other
12 mechanism.

13 So it's a financial analysis of a whole
14 smorgasbord of different potential uses of portions of
15 the DAA property and Horsepark property and then some
16 land use planning, where we actually see which even
17 potentially all of those uses could fit, and so almost a
18 kind of preliminary supplement to the strategic planning
19 process that went on several years ago, in light of new
20 facts and circumstances.

21 PRESIDENT VALDEZ: Great. I think a really
22 important or first step with any such contract would be,
23 you know, staff -- Carlene and her staff's involvement
24 in the discussions of it, so there's a full
25 understanding of, I think, operationally. That's really

1 an important component, and I hope that's gonna be the
2 first step, so that we're all kind of literally on the
3 same page as we -- as we go forward with, you know,
4 staff's involvement.

5 Carlene, would you agree?

6 CARLENE MOORE: (Nodding head up and down.)

7 DIRECTOR GELFAND: Absolutely. Yeah. The
8 contracts that I got from both of these firms I've
9 submitted to Carlene. She'll, I assume, be working with
10 Josh and figure out our next step. It may be a further
11 refinement of the scope of what they do or whatever, but
12 it really is in Carlene's hands at that point.

13 PRESIDENT VALDEZ: Terrific. Thank you.

14 Any questions? Okay. Anything else,
15 Director Gelfand or Director Mosier?

16 DIRECTOR GELFAND: No. That completes my part
17 of the report.

18 PRESIDENT VALDEZ: Thank you very much.

19 DIRECTOR MOSIER: There will be nothing more
20 from me.

21 PRESIDENT VALDEZ: We're now on
22 Sustainability. And, Martha Sullivan, you signed up for
23 that item, as well.

24 CARLENE MOORE: Martha, you're muted.

25 HENRY RIVERA: Star 6, Martha.

1 PRESIDENT VALDEZ: Martha, still muted. Oh,
2 there you go.

3 MARTHA SULLIVAN: Hello. Could I hear the
4 report first, please?

5 PRESIDENT VALDEZ: Sure.

6 Director Mosier.

7 DIRECTOR MOSIER: Yes. I'm gonna yield the
8 floor to Dustin Fuller, who will give us an update on
9 the proposed solar battery storage project.

10 DUSTIN FULLER: Thank you, Director Mosier.
11 Hello, everybody.

12 So you have the committee report in your board
13 packet. Kind of give you a brief overview of that.
14 Back in 2019, we identified solar as a potential on
15 fairgrounds property. This is kind of good timing.
16 There is a lot of community choice alliances coming on
17 line in 2021. We did a little analysis and determined
18 that our peak demand was on summer nights between
19 6:00 P.M. and 10:00 P.M. as a result of the fair and
20 probably race concerts or things that happen during the
21 night.

22 Our proposal was to do a solar array somewhere
23 in the fairgrounds that looked at where these could
24 potentially be placed and left it to the bidders to
25 locate at different spots. We would have battery

1 storage to meet our peak demand, and then we would
2 attempt to sell back to the grid, to these community
3 choice alliances.

4 We, staff, worked with DGS to try and get this
5 going. And to our surprise, there wasn't really a State
6 agency that has done this, at least the battery storage,
7 the solar arrays, and the sellback. So we did our best
8 to draft an RFP and realized that it was a little
9 intense and there is a lot of construction components
10 that we did not have the technical expertise to address.
11 So we engaged California Construction Authority, and
12 they will be overtaking the RFP process all the way
13 through to construction. The good news is the RFP
14 should be out tomorrow.

15 That's just kind of a brief overview of where
16 we are. And if you have any questions, I'm happy to
17 address or, if I can't, I'm sure Carlene will.

18 PRESIDENT VALDEZ: Any questions?

19 Director Gelfand.

20 DIRECTOR GELFAND: Yeah. My only concern
21 about this is -- is that the panels, once installed, can
22 either be moved to accommodate future land use planning
23 or that they are, you know, on the roof of the grand
24 stands or something that isn't likely to be affected by
25 future land use planning, or that they're amortized, you

1 know, quick enough that the moving of them or whatever
2 becomes irrelevant.

3 DUSTIN FULLER: Okay.

4 CARLENE MOORE: Well, and if you recall, we
5 had discussed previously that, in terms of that, the
6 proposers, the various bidders on this, will put forth
7 their -- we've identified general areas that we are open
8 to considering, and they will actually put forth their
9 plan and recommendations. And from there, there would
10 be another step of approval in terms of us actually
11 determining where any of the -- especially the panels,
12 would be installed.

13 PRESIDENT VALDEZ: Very well taken.

14 Obviously, we have to consider future uses and
15 whether -- whether or not this is gonna be a problem.
16 So I think that the staff is well aware of that, and I
17 think that we definitely need to make sure that we're
18 cognizant of that going forward. Thank you.

19 Any other questions?

20 DIRECTOR GELFAND: Yeah, is that -- is -- is
21 that issue of the range of potential locations a
22 document that I could see currently, or is it in
23 development?

24 CARLENE MOORE: No, it's -- it's current.
25 It's actually, because it's in the -- in the RFP.

1 DIRECTOR GELFAND: Okay. If you could send
2 me --

3 CARLENE MOORE: Dustin, can you send that to
4 Director Gelfand, please?

5 But we did -- It's designed -- Again, one of
6 the things that also DGS was also challenging is that,
7 typically, when they're putting a project out to bid,
8 it's that they have an already, you know, designed and
9 engineered project that they are seeking bidders on. So
10 this was a little bit new in terms of the -- again, the
11 various proposers being able to put forth their plan.
12 So there's --

13 DIRECTOR MOSIER: If I could just respond.

14 The solar panels can be moved around and
15 reused in different locations if the land use changes.
16 Battery storage would be a little more anchored, because
17 you want the batteries pretty close to the main solar
18 panels. So I don't think it's a big challenge, but
19 we'll see what we get from the RFP.

20 PRESIDENT VALDEZ: Okay. Any other questions?

21 DIRECTOR ROWLAND: Mine is related to this
22 last comment.

23 Does the RFP include this level of flexibility
24 as a -- as a need or as something to be specifically
25 addressed?

1 CARLENE MOORE: As I recall, it does.

2 PRESIDENT VALDEZ: Any other questions?

3 Okay. Martha Sullivan.

4 MARTHA SULLIVAN: Hello again.

5 I just noticed, reading the board packet on
6 this item, there was the mention of the amount of some
7 kind of a rebate or some kind of financial incentive
8 going down at the end of this year, and it sounded like
9 the expectation was the RFP would enable the contract to
10 be awarded by the end of the year. And I guess the
11 implication was that -- that incentive, but there was
12 also a mention of Coastal Commission approval being
13 required, and I seriously doubt that's gonna happen by
14 the end of the year. So I just wanted some
15 clarification on this.

16 CARLENE MOORE: Happy to clarify.

17 It's actually that the credits drop at the end
18 of 2021. So the winning bidder would have a year, in
19 essence, to get Coastal Commission, their financing in
20 place, things of -- things of that nature. So it's not
21 that the Coastal Commission approval is required by the
22 end of this year.

23 PRESIDENT VALDEZ: Yeah, selection.

24 MARTHA SULLIVAN: Okay. Good. Thank you for
25 that, for that clarification. I appreciate it.

1 PRESIDENT VALDEZ: Okay. I think that
2 concludes Sustainability Committee. On to Surfside Race
3 Place. Director Barkett.

4 VICE PRESIDENT BARKETT: Carlene, I think you
5 have a -- Yeah. Can you hear us?

6 PRESIDENT VALDEZ: Yep.

7 CARLENE MOORE: Yep.

8 PRESIDENT VALDEZ: Yeah. She's already
9 setting that up. Thank you. Thank you, Lisa.

10 VICE PRESIDENT BARKETT: You're setting it up?
11 Okay. Thank you.

12 HENRY RIVERA: Stand by.

13 CARLENE MOORE: All right. So here is the
14 latest update. And again, you know, I start off with a
15 few photos just, sort of, reminding where we used to be
16 at. These are some photos very reminiscent of satellite
17 waging, a little bit more back in the heyday in terms
18 of -- of attendance.

19 And then just, you know, over time, how
20 that -- how that has evolved, how it has changed, and to
21 where we started a little over a year ago now, in terms
22 of construction, to really renovate the entire facility
23 into a multi-use and multi-aspect entertainment venue.
24 So this was the original cutting open of the upstairs
25 floor, to open up that space and remove, in essence,

1 that grid and install the necessary supports for the
2 upstairs viewing onto the stage area, as well. And so,
3 as you can see, by the end of August they had that
4 removed, and so you can see how the floor opened up.
5 And the photo there to the left is, in essence, the
6 seating platform in the upper -- the upper deck.

7 And then, in September, we started pouring a
8 lot of concrete. And so the photo to the left is
9 actually the foam blocks that exist, and then the rebar,
10 and then the concrete floor was poured over and through
11 that on the downstairs aspect of the building on the
12 entertainment venue side. And the photo to the right is
13 the sidewalk that had to be adjusted, additional ADA
14 access incorporated into it, and so a new sidewalk being
15 put in place there.

16 And then, in November of last year, it started
17 to take a little more shape and form, with some of the
18 walls starting to go up, everything remaining open
19 for -- ultimately, for the fire marshal's inspections.
20 And we continue to progress. The photo to your right --
21 on the left is the stage area. And what I'm really
22 excited about, I'll be honest, is the very last photo of
23 this entire slide, because you really see it really
24 start to take shape and take life, and hopefully 2021 is
25 gonna give us the opportunity to be able to showcase

1 this to folks. And the photo on the right there, that
2 is the back of the house, in essence, the loading dock,
3 which is where, you know, the large bands and equipment
4 will be coming in through.

5 And so we continued into, you know, February
6 of this year, a lot of HVAC work, you know, ceiling work
7 ongoing, walls. You can see, again, those -- the metal
8 studs of the walls taking shape in the photo on the left
9 there.

10 And then, in April of this year, started to
11 see a little bit of the interior walls going into play.
12 And if you recall, then we -- with all that was going
13 on, we suspended construction, and that didn't resume
14 until, in essence, beginning of August of this year.
15 This is the -- kind of the long bar or the foyer side,
16 into the pre-function area before going into the venue
17 and the removal of some old kind of office and
18 concession spaces, which is really gonna open up the
19 floor.

20 And so here is where we are as of last week.
21 So you can see that, in terms of the interior walls --
22 and this is the wall that separates that pre-function
23 bar area from the concert venue itself -- you can see
24 the insulation that's -- that's going in being put in
25 place to help, you know, create that sound barrier. You

1 can see here these are -- you know, the walls are
2 actually truly starting to take shape and get the
3 sheetrock and finish work started on those. You know,
4 this is the -- kind of the hallway or the entrance
5 point. In essence, you've entered into the
6 pre-function, the bar area space, and this is the -- the
7 short hallway there, the entryway, that you'd go through
8 to then enter into the concert space itself.

9 This is just, I think, a really great shot
10 from downstairs, looking up, and you can see that wood
11 railing that's going around. That's currently up there
12 for safety, and eventually that will be a railing for
13 the audience that gets to enjoy that area when we do get
14 to open this up to the public.

15 This is a shot -- That scissor lift is on the
16 stage itself, and part of that, that wood paneling that
17 you see there, that's gonna be to hold more of the
18 baffling. You can see over there on the right, those
19 images, those wood panels that are slightly curved,
20 that's part of the cloud, part of the, again, sound
21 absorption that will be in the space.

22 And then this is the picture that just I found
23 very exciting, especially just the way the lighting was
24 done. I mean, it almost seems like, you know, if you
25 can disregard all of the construction materials, but

1 really taking shape and almost has that glow like a
2 concert hall does as you're entering into it, you know,
3 before the orchestra comes out and things like that. So
4 this is a direct shot of, you know, looking at the
5 stage. Part of the structure for supporting the
6 upstairs that you see, I don't know if that kind of --
7 part of an octagon, yeah, that you see there, and just
8 really taking shape. And directly in front of us here
9 is -- this little concrete wall is actually where the
10 production table and really the controls of all that's
11 gonna take place going on in the building will be
12 handled.

13 So that's where we are on the renovation of
14 Surfside Race Place.

15 PRESIDENT VALDEZ: Any questions?

16 DIRECTOR GELFAND: What's your timetable at
17 this point?

18 CARLENE MOORE: So construction will -- should
19 be completed sometime in early February, and then we
20 have an amount of work that our staff will need to do in
21 terms of cabling runs, basically, setting back up the
22 security cameras, wide-by door locking mechanisms,
23 things like that, being able to control points of entry.
24 And so we anticipate, in a non-COVID world, that we
25 would be opening for -- to the public in March. But

1 really, the timetable, in terms of when the -- when the
2 public really gets to see this showcase, will all --
3 will be based on where we're at as far as the county and
4 state requirements and the possibility of gatherings
5 this spring, but it would be available in terms of the
6 marketplace as in March.

7 DIRECTOR GELFAND: And what's the approach in
8 terms of operation? Would it be an in-house operation
9 or leased to, you know, a Live Nation-type company or
10 something like that?

11 CARLENE MOORE: We are actually in the process
12 of part of what we are reassessing. So similar to the
13 conversation we had earlier with regard to the Fair
14 Operations Committee, it was originally planned that we
15 would be operating this in house. With given our
16 reduced workforce and, in essence, the number of people
17 that we have left and also our financial challenges that
18 we have, we're exploring all opportunities for how this
19 could be operated in the future.

20 DIRECTOR GELFAND: Thank you.

21 PRESIDENT VALDEZ: Any other questions?

22 Hearing none, anything further,
23 Director Barkett or Carlene?

24 VICE PRESIDENT BARKETT: No.

25 PRESIDENT VALDEZ: Okay. Thank you.

1 DIRECTOR BARKETT: Thank you.

2 PRESIDENT VALDEZ: On to Finance Committee,
3 and I'm going to pass this back right onto Carlene.

4 DIRECTOR GELFAND: Can I ask one more
5 question? I'm sorry, Richard.

6 PRESIDENT VALDEZ: Sure.

7 DIRECTOR GELFAND: Do you plan to acquire the
8 P.A. system and lighting that goes with it, or would
9 that be something that would be rented for specific
10 events or handled by a potential lessee?

11 CARLENE MOORE: It was actually included in
12 the construction package.

13 DIRECTOR GELFAND: Great. Thank you.

14 CARLENE MOORE: Right, Henry?

15 HENRY RIVERA: That is correct.

16 CARLENE MOORE: Okay. So on to Finance.

17 In terms of the report that's in your packet
18 on pages 43 and 44, it really just continues to provide,
19 you know, what are the background in terms of, you know,
20 the history and the discussion. And what I do is we try
21 to update that, especially towards the end, in terms of,
22 you know, approach or where we're at on things.

23 So what I really wanted to point out within
24 those last couple of paragraphs is that, based on
25 CDFA's -- You know, we've already talked about the

1 layoffs and the impact of that and our reduced workforce
2 going forward, but based on CDFA's latest interpretation
3 of Assembly Bill 75, which was the \$40.3 million that
4 was set aside in the general fund for DAAs and Cal Expo,
5 now that our layoffs have concluded in October, we're no
6 longer eligible for financial support.

7 It's important to know that we are still well
8 short of being completely solvent, and we are also short
9 of what our anticipated amount was from CDFA and what we
10 had articulated to them, back in April, when the
11 questions were raised, for all fairs, in terms of what
12 was gonna be needed in order to make it through -- make
13 it through this very odd year that we are in.

14 So we are -- we're in communication. We
15 actually just met with CDFA via a conference call.
16 Richard was able to join, as well, about a week ago
17 Friday, and we're in the process of setting up another
18 call with them for this Friday. And so we'll have more
19 information to report out on, but it's something that
20 the finance committee, you know, continues to -- to work
21 with and help support staff on and how we -- how we move
22 forward with this in terms of trying to secure
23 additional funding.

24 PRESIDENT VALDEZ: Any questions?

25 DIRECTOR GELFAND: What -- You know, just a

1 quick look at the balance sheet and income statement,
2 you know, how long can we stay afloat?

3 CARLENE MOORE: Not long.

4 PRESIDENT VALDEZ: Yeah.

5 DIRECTOR GELFAND: Okay.

6 PRESIDENT VALDEZ: So with the termination of
7 assistance from CDFA, we still have to, obviously, pay
8 our existing payroll and our mission-critical,
9 keep-the-lights-on sorts of obligations, which exceed
10 the revenues that we are receiving, which is not a
11 surprise to CDFA, at all, and one that we have
12 continually informed them of and told that we -- told
13 them that of -- that we would be in this position come
14 the end of our layoffs. So we continue -- As Carlene
15 says, we continue to discuss with CDFA, but it is at the
16 point where we're gonna have to get some real assistance
17 quickly from them or we're out of cash.

18 DIRECTOR GELFAND: So what's our burn rate?
19 What are -- What is -- What do we -- What does it
20 cost per month to operate, and what are we bringing in?

21 CARLENE MOORE: We're bringing in, on average,
22 about 600- -- it's been about 600- to 650,000 a month.
23 Our burn rate on payroll going forward, starting in
24 November, will be 600,000 a month. Previously it had
25 been approximately 1.6, 1.7. And then, in terms of

1 operating expenses, that's another 500- to 750,000 a
2 month.

3 DIRECTOR GELFAND: Does that include bond
4 payments or is that just pure expenses?

5 CARLENE MOORE: Pure expenses.

6 DIRECTOR GELFAND: Okay. Well, at least on
7 that level, we're not that far off, if we can get
8 some -- a little bit more, you know, event and activity,
9 you know, going. The bond payments, that's -- that's a
10 bigger problem. I assume -- I assume that revenue
11 level will increase a little bit next month from the
12 horse racing.

13 CARLENE MOORE: Not really. That average
14 factors in what horse racing pays us in terms of their
15 rent for the season.

16 DIRECTOR GELFAND: Oh, okay.

17 CARLENE MOORE: And, actually, that number is
18 dropping off.

19 The Fair Food Fix over the summer was a big
20 boom to that number. In October, fortunately, we've had
21 Scream Zone, which is a boom to that, but our --
22 typically, our operating expenses were in the range
23 of -- including payroll, of about \$3 million.

24 DIRECTOR GELFAND: Okay.

25 PRESIDENT VALDEZ: And we continue to stress

1 to CDFA that the -- we now have a staff of 62, I said
2 earlier, and we have cut to the bare minimum. A good
3 group -- A good size of that is simply security and --

4 CARLENE MOORE: About 40 of that 62 is our
5 public safety, our security department, and our
6 operations, basically, to maintain the facility, keep it
7 from falling into, you know, disrepair or, in essence,
8 becoming a public nuisance and securing both it and
9 Horsepark.

10 PRESIDENT VALDEZ: So that remains -- So
11 there's really only 20 employees who are really trying
12 to do all that's necessary on events and other
13 operational duties. So we've stressed that with CDFA,
14 that -- You know, their question might be: Why do you
15 still have the staff that you have, if you don't have
16 the revenues? Well, we also have to have the staff
17 necessary, so that -- so when we have the opportunities
18 for revenue generation, we have the staff there that can
19 actually make it happen.

20 So, you know, we're doing everything we can,
21 and then we will just have to figure out if we have to
22 take it to a next level and whatever that next level is.

23 DIRECTOR GELFAND: Because of the fairgrounds'
24 accommodation of emergency -- emergency situations, you
25 know, whether it be flooding or fires or whatever, have

1 we approached the county in terms of assisting, at all,
2 financially?

3 CARLENE MOORE: Not directly in terms of
4 something more than the current contract that we have
5 with them for the testing that's taking place. It's a
6 larger conversation that has to be had, in terms of
7 their budget and things, but it's definitely part of the
8 overall, in terms of sustaining and recovering in the
9 future of what that plan could look like, because I
10 think that we are looking at a future, and we're looking
11 at it -- quite honestly, the state legislature that is
12 looking for more local support of these, you know, state
13 agency fairgrounds.

14 DIRECTOR ROWLAND: Carlene, to that point, and
15 I know we're not the greatest counter party to a loan of
16 any sort at this time, but are we thinking about who
17 might be interested -- sufficiently community minded,
18 that they would want to see the facility sustained, and
19 who might have kind of the financial wherewithal to
20 actually make a loan, that -- have we done any thinking
21 or outreach along those lines, something that can buy us
22 through to the better days?

23 CARLENE MOORE: There's been a little bit.
24 The Finance Committee, our focus really has been on
25 trying to confirm dollars that don't require a payback,

1 because we are leveraged pretty extensively even
2 currently. And that's one of the challenges that we
3 face is that, you know, our -- our revenues, 90 percent
4 of that is based on mass gatherings. So we're extremely
5 risky. So -- But it's not out of the realm of
6 possibilities, and there has been some discussions.
7 Just our focus has been on, you know, what are the funds
8 that might be available to us, that wouldn't require
9 that payback, that really do help us get to a level
10 playing field very soon.

11 DIRECTOR ROWLAND: Yeah. And I -- I
12 completely understand the prioritization, but I hope
13 we're running parallel paths on some of that, because it
14 sounds like -- And I know Director Gelfand was kind of
15 asking for our viability, but, you know, the real
16 question is: So when do we run out of steam? I mean,
17 when -- when are we shuttering, based on what we're --
18 If nothing happens more, if nothing comes from CDFA, if
19 nothing more happens, when are we shuttering? That's
20 kind of --

21 CARLENE MOORE: Sooner, rather than later.

22 DIRECTOR GELFAND: It's one of those, as I
23 suggested, maybe talking to the county, because, if you
24 imagine a worst-case scenario, the 40 people that we
25 have doing security would, for all intents and purposes,

1 have to be replaced by county sheriffs. You know, it's
2 gonna -- it's gonna cost the county money if we end up
3 broke. I mean, that's just one example of why it might
4 be in the best interest of the county to get involved
5 somehow.

6 PRESIDENT VALDEZ: What I'd like to suggest to
7 the board, at this point, is that I think we're
8 teetering on discussions that would be better served and
9 more appropriate in closed session, given the parameters
10 of our closed-session discussions. So I think that it
11 would be best if we tabled these discussions, so that
12 they're better presented and more fully discussed in the
13 closed-session area.

14 So any other questions?

15 DIRECTOR ROWLAND: Yeah. Thanks for that,
16 Direct- -- I mean Chair. It's hard to know sometimes
17 what can and can't be done in open versus closed
18 session. So I appreciate your clarification on that.
19 Happy to discuss it then.

20 PRESIDENT VALDEZ: I completely appreciate
21 that, Director Rowland, because we have to be in
22 accord with Bagley-Keene, and part of my job is to
23 be able to figure out when -- when is it best to stop
24 the open discussion --

25 DIRECTOR ROWLAND: Right.

1 PRESIDENT VALDEZ: -- and what would be better
2 for closed, and I think we got there. So I appreciate
3 your receptivity to that, as well. So --

4 DIRECTOR ROWLAND: And I -- This part is like
5 just to -- just to -- But there -- I think there is a
6 punctuation point here. We've heard of a lot of amazing
7 work that's been done by staff to continue to pull small
8 rabbits out of increasingly small hats, and I'm, you
9 know, very appreciative of that and the work that goes
10 on to create anything out of very little. But there
11 comes a point in time where it needs to be clear to all
12 of us, and clear to the community, that -- that our
13 platform is burning and that it's not gonna burn for a
14 long time. We've got a short wick on this. And that
15 whoever is in a position from the state level, from the
16 community level, from the broader level of people who
17 are community minded, to reach out and do something in
18 the form of a long-term grant that you don't pay back,
19 based on the community service that we provide, or
20 something even more creative, that don't wait; now is
21 the time.

22 PRESIDENT VALDEZ: Agreed. I appreciate it,
23 too. Thank you.

24 Anything further?

25 I believe Martha Sullivan signed up for this

1 item, as well.

2 HENRY RIVERA: Star 6, Martha.

3 MARTHA SULLIVAN: Yeah, Martha Sullivan back.

4 And I appreciate this board discussion because it filled
5 me in on several questions that I had looking at the
6 financials that were in the board package. The degree
7 to which the Del Mar Thoroughbred Club does not
8 contribute to this fairgrounds is pretty shocking, and
9 the fact that the fall meet continues to go forward, in
10 light of that, is very shocking. I mean, what I just
11 heard is that your monthly revenues account for about
12 half of your operating expenses, not evening including
13 the bond payments that are necessitated by horse racing.
14 So I guess I'm truly -- I'm flabbergasted that you're
15 continuing to allow racing. But basically, I mean,
16 they're like a vampire, you know, sucking the blood out
17 of this fairgrounds literally. I mean, they're drowning
18 you. It's really sad.

19 PRESIDENT VALDEZ: Thank you.

20 That concludes Finance Committee. On to
21 Strategic Planning Committee.

22 Before I pass it on over to Director Sleiman,
23 I wanted to announce and, first of all, thank
24 Director Barkett for her service on strategic planning
25 over the course of the last couple of years. Thank you

1 very much, Lisa, for all that you did with respect to
2 strategic planning.

3 And Director Barkett has rolled off of that
4 committee. And thank you, Director Gelfand, for your
5 willingness to join that committee. I think that's a
6 real good connection with your participation in land use
7 and with strategic planning will be quite helpful.

8 So having said that, off to Director Sleiman.

9 DIRECTOR SLEIMAN: Thank you,
10 President Valdez. And I very much echo your sentiment
11 thanking Director Barkett. I'm looking forward to
12 working with Director Gelfand on this.

13 So kind of piggybacking on the discussion just
14 now on -- on the Finance Committee, the priorities for
15 strategic planning have had to adapt quite a bit. We
16 had quite a lot of very positive momentum going into the
17 strategic planning, I guess, the plan to create a plan
18 that we had come up with. And then, shortly after, as
19 we all know, the pandemic hit, and it has completely --
20 it's no surprise to anybody, it has completely
21 destabilized our operations, our fiscal liability, and
22 we are succinctly put in survival mode.

23 So all focus has, for the last several months
24 during the pandemic, really been focused on how do we
25 survive and restabilize, and that has been kind of

1 the -- It took a lot of the energy out of strategic
2 planning from looking very far ahead and just
3 restabilizing the base that we currently have. We are
4 literally and figuratively in a new environment. So
5 the -- What we were looking at doing before probably
6 doesn't -- not all of it makes sense anymore, and we're
7 gonna have to look at new ways to do things moving
8 forward. So in a way, we have a clean slate, which is
9 that -- that is looking at the silver lining of what's
10 happening. We are going to have to adapt entirely to
11 this new situation and -- and but first look at how do
12 we stabilize ourselves right now.

13 Looking 20 years forward will be pointless if
14 there's no rock to stand on, which is what we are
15 currently looking to do as a board, as a whole. So the
16 Strategic Planning Committee is gonna be starting to --
17 well, we're kind of getting out of a -- being very
18 reactive in what has been happening, and we're finally
19 starting to shift into a proactive state again, where
20 we're having the ability to divert energy into looking
21 forward, rather than just dealing with the blows that
22 have been coming left and right.

23 So as we do that and as we shift gears and
24 start to look forward, we're gonna reengage the process,
25 reengage with -- pick up where we left off, but

1 definitely the entire process is gonna have to be
2 reevaluated in the way that we were doing it before and
3 embrace a new way of doing it looking -- going forward.
4 So that -- The committee will start to reassemble. We
5 will start to put some planning together behind that,
6 and we will -- and everyone will start to hear about how
7 we will look to reengage on -- on this topic.

8 We have received some feedback from the
9 community, or inquiries, should I say, kind of just
10 wondering what has happened to the strategic planning
11 that was being done before and where we stand today. So
12 I just want to assure the community and everybody that,
13 more than ever, strategic planning is even more
14 important today, that the plan that we had in the past
15 is no longer applicable in the environment that we live
16 in today.

17 So again, we first have to get our feet under
18 us -- under us before we can really start to pick up
19 steam going forward, but we will look at concurrently
20 solving today's issues while having a long-term vision
21 that we will be creating moving forward. So that said,
22 that kind of just captures the situation that we're in
23 right now.

24 Are there any questions that anybody has?

25 PRESIDENT VALDEZ: Anything we wanted to add?

1 I don't think so.

2 DIRECTOR SLEIMAN: Great. Hearing none, that
3 concludes my report.

4 PRESIDENT VALDEZ: Okay. Thank you very much.

5 We're on to -- There's nothing for legal
6 committee to report. We're on to public comment.

7 And again, just a kindly reminder, these
8 should be on topics that were not already on the agenda.
9 First up, Martha Sullivan.

10 MARTHA SULLIVAN: I actually signed up to
11 comment on strategic planning.

12 PRESIDENT VALDEZ: Oh, go ahead on strategic
13 planning. Sorry.

14 MARTHA SULLIVAN: Thank you.

15 I want to share some things that was recently
16 published, with the board, just for your information.
17 This is a report from an international conference on
18 horse racing that happens annually in Paris, the IFHA,
19 and as reported from the Paulick Report, which is a
20 trade -- (Indecipherable audio transmission.)

21 Quote, "which rely on high-attendance events
22 should be particularly cautious of the future also.

23 It's possible that, even once a vaccine is developed for
24 the novel coronavirus, some people may be wary of
25 gathering in groups of thousands. Panelists from

1 Britain and Hong Kong have agreed that in the meantime
2 they believe it's important to show customers stuck at
3 home that they take public health seriously and to
4 instill a sense of trust before they actually ask them
5 to come back to the facility in large numbers," end
6 quote.

7 I just wanted to share that in terms of what
8 you're looking at in the future, and what you heard
9 today from the state health officer about mass
10 gatherings certainly reinforces this point.

11 I'd also like, in the little time I probably
12 have left, really encourage the board to step away from
13 not considering cannabis, you know, at the fairgrounds.
14 I don't really understand what the federal law -- how
15 that inhibits this state fairgrounds. I'm not -- maybe
16 I'm not aware of federal funds that the fairgrounds
17 receives or some federal permit that would be
18 jeopardized, but I think, you know, everything has got
19 to be on the table. And the --

20 DONNA O'LEARY: Ms. Sullivan, your time is up.

21 MARTHA SULLIVAN: -- you know, the
22 prohibition, this mindset on cannabis has got to be --

23 DONNA O'LEARY: Your time is up, Ms. Sullivan.

24 PRESIDENT VALDEZ: Thank you.

25 Now that concludes Strategic Planning. As I

1 stated, nothing on Legal Committee. So now we are going
2 to go into public comment, and you're back up, Martha
3 Sullivan.

4 MARTHA SULLIVAN: Thanks again. I guess I
5 want to use this time to acknowledge, you know, what the
6 22nd DAA, you know, has been going through this year.
7 The staff, and -- you know, all the staff and the board,
8 it -- you know, I've been attending these board meetings
9 for over a year now, or maybe a year now, and I do
10 really appreciate, you know, what you've been going
11 through this year, and particularly the last several
12 months, and I know this is extremely, extremely
13 difficult. I went through layoffs when I worked for the
14 State from the late '70s through the late '90s. I was
15 involved in a lot of the layoff preparations and
16 meetings and notifications. So I understand, and I just
17 want to acknowledge that and express my -- I guess, my
18 gratitude to all of you for being there and for working
19 your way through this. Thank you.

20 PRESIDENT VALDEZ: Thank you.

21 On to Jane Cartmill.

22 JANE CARTMILL: I, too, am surprised to hear
23 that your monthly expenses are about twice the revenue.
24 And this has been an unusually difficult year, of
25 course, but racing is certainly a big factor. It looks

1 like at some point you will have to pull the plug on
2 horse racing. Between the financial drain and the
3 public perception of horse racing cruelty, you are
4 definitely in need of new strategic planning.

5 In spite of the affection for the riding crop
6 that was exhibited in jockey Mike Smith's letter which I
7 quoted earlier today, the Jockey Club's president and
8 CEO, Jim Gagliano, stated, during the New York State
9 Gaming Commission conference, that he felt the horse
10 racing industry needed to look outside of its own bubble
11 at the perception of the use of the whip, which he said,
12 according to a report in *Blood Horse*, is becoming
13 increasingly intolerable. He noted that Petco, the
14 largest retailer of pet supplies, recently announced
15 that it will no longer sell shock collars because it is
16 not the appropriate way to train animals.

17 A quote from Gagliano, "To me and to the
18 Jockey Club, we see a future where hitting an animal
19 with a stick won't be acceptable, certainly not for
20 urging."

21 "Urging," well, I guess that word is a little
22 more honest than "encouragement," but, again, quite a
23 euphemism.

24 The *Blood Horse* report noted that, in 2019,
25 the Jockey Club's Thoroughbred Safety Committee

1 recommended completely eliminating the use of the crop
2 for the purposes of encouragement. So while jockeys
3 like Smith may yearn to indulge what he called their
4 instincts and their former method --

5 DONNA O'LEARY: Your time is up, Ms. Cartmill.

6 PRESIDENT VALDEZ: Thank you.

7 And I'm going to remind the public that public
8 comment is supposed to be on items that are not part of
9 the agenda. And if it does happen in the future, we
10 will just turn off the mic. But since there was only
11 one more speaker signed up, I let you finish your two
12 minutes.

13 Jacalyn Horton Toft.

14 CARLENE MOORE: Jacalyn, you're muted.

15 JACALYN HORTON TOFT: Unmuted?

16 PRESIDENT VALDEZ: Yes. You're good.

17 JACALYN HORTON TOFT: Okay. Fine. Thank you.

18 First of all, I just wanted to say I have been
19 an exhibitor at the fair now for several years. At one
20 point I was involved with four different departments.
21 I've also been an exhibitor at the Riverside County
22 Fair. And I'm gonna think positive. I believe in the
23 fair, and I think that it will happen next year. I
24 trust all of you to make that happen. And those of us
25 that rely on the fair for money and camaraderie and fun

1 are counting on that.

2 However, there are two issues that I would
3 like to mention. And I would like to know how to get
4 these on the agenda at some point, because I'm kind of
5 new at this. I've only been to one of your other board
6 meetings one time.

7 One of them is the fact that I understood the
8 fairgrounds was a non-smoking venue, yet there's a
9 smoking tent for vendors, except for the fact that they
10 don't stay in that smoking tent there. It causes a
11 great deal of problem in the parking area, and I think
12 that that should be removed and made a totally
13 non-smoking area.

14 The other one regards some of your major
15 sponsors, which I myself have found to be not totally
16 100 percent honest in the way that they do business out
17 there. They -- For instance, Verizon Wireless claims
18 to be a sponsor, but the booth is not actually run by
19 Verizon Wireless. They're run by an outside sales
20 company, and we have run into a lot of problems with
21 that company. So I think that there needs to be an
22 issue addressed on how to make sure your major sponsors,
23 especially, are being honest and upfront with the
24 public, so that people don't feel like they're getting
25 ripped off when they go to the fair.

1 Thank you.

2 PRESIDENT VALDEZ: Thank you.

3 Just for clarification to the public, an item
4 is put on the agenda at the request of the president or
5 at the request of a director, period.

6 That concludes public comment, and I think
7 we're gonna take five minutes, and then we are going to
8 resume in our closed executive session, which is a
9 different -- you know the drill on that.

10 Thanks everybody.

11 (Closed Session: 4:40 P.M. to 6:31 P.M.)

12 PRESIDENT VALDEZ: We are back in open
13 session. So we're on to Item 8, Reconvene to Open
14 Session.

15 The board conferred with and received advice
16 from counsel on the items listed on the closed-session
17 portion of the agenda. We have nothing further to
18 report.

19 On to Item 9, Director's Requests and Closing
20 Comments.

21 You have, included in your board packet, the
22 board communications and correspondence, also was the
23 committee updates. The only thing that was different
24 there was the inclusion of Michael Gelfand on Strategic
25 Planning, in place of Lisa Barkett. I don't think

1 there's any questions on that.

2 And For Your Information, that's in -- I think
3 that's all the correspondence in the board packet.

4 Any other board requests or closing comments
5 from the board?

6 DIRECTOR SCHENK: Nope.

7 PRESIDENT VALDEZ: Nothing.

8 Once again, thank you very much for your time,
9 and do I have a motion to adjourn?

10 DIRECTOR SCHENK: So moved.

11 DIRECTOR ROWLAND: (Raising hand.)

12 PRESIDENT VALDEZ: All right. And the second
13 by Rowland.

14 Thank you very much for the time and the
15 energy. Always a pleasure to see your faces, and we
16 will see you in three weeks.

17 (Meeting Adjourned: 6:33 P.M.)

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