

DEL MAR RACE TRACK AUTHORITY (RTA) AGENDA

March 30, 2022

11:30 A.M.

Del Mar Fairgrounds, Boardroom via ZOOM
2260 Jimmy Durante Boulevard
Del Mar, California 92014

As permitted by AB 361 (signed into law by Governor Newsom on September 16, 2021), the Del Mar Fairgrounds (DMF) will conduct the March 30, 2022 Board Meeting by video/teleconference via ZOOM. Please check the DMF website www.delmarfairgrounds.com for the ZOOM link and/or ZOOM dial-in instructions on how to participate and/or view this meeting.

Items listed on this Agenda may be considered in any order, at the discretion of the chairperson.
To view this agenda on the Internet, visit the 22nd DAA website: www.delmarfairgrounds.com

1. **Roll Call**
2. **Election of Officers** (Action) 3
3. **Approval of Minutes** 4-6
 - March 30, 2021 (Action)
4. **Reports**
 - 22nd DAA Financial Report (Informational) 7
 - RTA Financial Report (Action/Informational) 8
 - Status of Completion of 2021 Approved Projects (Informational) Verbal
5. **Unfinished Business**
6. **New Business**
 - The Center Update (Surfside Race Place building remodel) (Informational) Verbal
 - Consideration and vote on whether to designate Richard Valdez (President of the Del Mar Race Track Authority), Michael Sadegh (Treasurer of the Del Mar Race Track Authority) and Melinda Carmichael (Controller of the Del Mar Race Track Authority) as authorized representatives to act on behalf of the Del Mar Race Track Authority in all matters relating to the Del Mar Race Track Authority Revenue Bonds, Series 2015 (Action item) Verbal
7. **Public Comment on Matters Not Appearing on the Agenda**

Public comments on agenda items will be accepted during the meeting as items are addressed. This item is for Public comment on issues **NOT** on the current Agenda. However, no debate by the Board shall be permitted on such public comments and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item. Speaker's time is limited to **two** minutes and may be modified based on the number of public speakers. No speaker may cede their time to another speaker.
8. **Recess, if needed, to allow further State Race Track Leasing Commission actions related to this meeting**
9. **Adjournment**

DEL MAR RACE TRACK AUTHORITY ROLL CALL

22nd District Agricultural Association (22nd DAA)

Richard Valdez, RTA Board President

Lisa Barkett, RTA Board Member

Kathlyn Mead, RTA Board Member

Carlene Moore, RTA Secretary/Treasurer

Department of Finance (DOF) - Keely Bosler, Director and RTA Vice President

Gayle Miller, Chief Deputy Director, Policy, Delegate

Department of General Services (DGS) VACANT, Director; RTA Member

Jennifer Osborn, Acting Director for the Department of General Services, Delegate

Department of Food and Agriculture (CDFA) – Karen Ross, Secretary; RTA Member

Kevin Masuhara, Deputy Secretary Administration and Finance, Delegate

Office of the Attorney General California

Josh Caplan, Deputy Attorney General

OTHERS PRESENT

Kevin Civalle

Mark Young

Donna O’Leary, 22nd DAA Executive Assistant

Del Mar Thoroughbred Club

Josh Rubinstein, President

Joe Harper, CEO

Mike Ernst, Executive VP, CFO

**Del Mar Race Track Authority
Election of Officers
2022**

Per Section 2.7 of the Bylaws, the election of officers shall be the first order of business at the first meeting of the Authority held in each calendar year. The President and Vice President shall be duly elected by a majority of the Authority members.

Per Section E of the Joint Powers Agreement, the Board shall elect a President and a Vice-President of the Board from among its members and appoint a Secretary, who may, but need not, be a member of the board. Per Section 2.4 of the Bylaws, the Secretary shall be the General Manager of the District or other designee of the Board.

Section E of the Joint Powers Agreement designates the chief financial officer of the District as the Treasurer of the Authority and that the Board shall designate a Controller in the Bylaws. Per Section 2.6 of the Bylaws, the Administrative Officer of the District shall be the Controller.

Although any sitting member may be eligible for the offices of either President or Vice President, the practice of the Authority has been to elect a 22nd DAA member as President, and the Director of Finance as Vice President.

DEL MAR RACE TRACK AUTHORITY
Minutes - March 30, 2021

The Del Mar Race Track Authority (RTA) met on March 30, 2021 via ZOOM at the 22nd District Agricultural Association (22nd DAA) Mission Tower, 2260 Jimmy Durante Blvd., Del Mar, CA.

A. ROLL CALL

RTA President Richard Valdez called the meeting to order at 12:05 p.m. with all members present.

ATTENDEES

22nd District Agricultural Association (22nd DAA)

Richard Valdez, RTA Board President
Lisa Barkett, RTA Board Member
Kathlyn Mead, RTA Board Member
Carlene Moore, RTA Secretary/Treasurer

Department of Finance (DOF) - Keely Bosler, Director and RTA Vice President

Gayle Miller, Chief Deputy Director, Policy, Delegate

Department of General Services (DGS) VACANT. Director: RTA Member

Jennifer Osborn, Acting Director for the Department of General Services, Delegate

Department of Food and Agriculture (CDFA) – Karen Ross, Secretary: RTA Member

Kevin Masuhara, Deputy Secretary Administration and Finance, Delegate

Office of the Attorney General California

Josh Caplan, Deputy Attorney General

OTHERS PRESENT

Kevin Civalé
Mark Young
Donna O’Leary, 22nd DAA Executive Assistant

Del Mar Thoroughbred Club

Josh Rubinstein, President
Joe Harper, CEO
Mike Ernst, Executive VP, CFO

B. PUBLIC COMMENT, page 51

Martha Sullivan
Jane Cartmill

C. ELECTION OF OFFICERS

RTA President Valdez stated the list of officers to be voted in will be the President, Vice President, Secretary, and Treasurer (who will be the 22nd DAA Director of Finance once the position is filled). Member Kathlyn Mead moved to approve the election of 22nd DAA President Richard Valdez for President; DOF Director Keely Bosler for Vice President; 22nd DAA CEO Carlene Moore for RTA Secretary; and when filled the 22nd DAA Director of Finance for Treasurer. Delegate Member Miller seconded. Members Valdez, Barkett, Mead, Delegates Miller, Osborn, and Masuhara were in favor and the motion carried.

D. APPROVAL OF MINUTES

Public Comment on the Minutes, page 58

Martha Sullivan

1. March 30, 2020

Vice President Delegate Miller moved to approve the March 30, 2020 minutes. Member Mead seconded. President Valdez, Members Barkett, Mead, Vice President Delegate Miller, Delegate Members Osborn, and Masuhara were in favor and the motion carried.

2. December 21 2020

Vice President Delegate Member Miller moved to approve the December 21, 2020 minutes. Delegate Member Osborn seconded. President Valdez, Members Barkett, Mead, Vice President Delegate Miller, Delegate Members Osborn, and Masuhara were in favor and the motion carried.

E. RECESS TO CLOSED EXECUTIVE SESSION

The Board recessed to Executive Session at 12:19 p.m.

RECONVENE TO OPEN SESSION

The Board reconvened to Open Session at 1:07 p.m. RTA President Valdez reported that the Board conferred with and received advice from counsel on the items listed on the closed-session portion of the agenda and have nothing to report.

F. PROJECTS & FINANCIAL REPORTS

1. 22nd DAA Financial Report

Secretary Moore reviewed the year-end balance sheet for 2020 financials. 2020 was a challenging year as there was no San Diego County Fair and horse racing was held without patrons.

Public Comment on 22nd DAA Financial Report, page 64

Martha Sullivan

2. RTA Financial Report

Secretary Moore reviewed the report on pages eight to ten of the Board packet. Secretary Moore also gave a brief overview of the bonds financing and the interworking relationship of the RTLC, RTA, the District Board and DMTC.

Public Comment on 22nd DAA Financial Report page 77 of transcript

Martha Sullivan

3. Status of Projects Funded with 2015 Bonds

Secretary Moore referred to pages 11 and 12 of the Board packet. All projects are complete

Public Comment on 22nd DAA Financial Report page 78 of transcript

Martha Sullivan

4. Status of Completion of 2020 Approved Projects

Secretary reviewed the completion of the 2020 projects as listed on page 13 of the Board packet.

Public Comment on 22nd DAA Financial Report page 82 of transcript

Martha Sullivan

G. OTHER BUSINESS

1. The Center Update

Secretary Moore reported that the project is nearing completion. It is hoped that the grand opening will be in the fall. When the Center is completed satellite wagering activities will resume in that building, currently they are taking place in the grandstand.

H. RECESS if needed, to allow further State Race Track Leasing Commission actions related to this meeting.

There was no further business with RTLCL.

I. ADJOURNMENT

The meeting adjourned at 1:47 p.m.

Subject to Board Approval

22nd DAA
Income Statement
For the Period Ending December 31, 2021

	<u>December 2021</u>	<u>Year-to-Date</u>	<u>2021</u>	<u>YTD</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
REVENUES				
Admissions Revenue	0	1,883,942	2,352,000	(468,058)
<i>Gates</i>	0	1,883,942	0	1,883,942
Concessions Revenue	366,287	17,185,648	8,725,045	8,460,603
<i>Food & Beverage Contract</i>	366,272	14,103,629	7,871,942	6,231,687
<i>Other Food & Beverage</i>	0	1,075,739	753,103	322,636
<i>Midway</i>	0	1,860,513	0	1,860,513
<i>Merchandise</i>	15	104,845	100,000	4,845
Facility Rentals Revenue	284,104	1,776,176	2,028,767	(252,591)
<i>Commercial</i>	0	236,000	512,800	(276,800)
Leases Revenue	841,688	3,049,155	3,273,924	(224,769)
Program Revenues	88,982	2,104,121	1,502,050	602,071
<i>JLA</i>	0	214,525	0	214,525
<i>Parking</i>	52,370	1,175,117	1,124,050	51,067
<i>Participation Fees</i>	7,050	135,090	18,000	117,090
<i>Satellite Wagering</i>	29,562	579,389	360,000	219,389
OPERATING REVENUE TOTALS	1,581,061	25,999,042	17,881,786	8,117,256
Contributions	4,316,968	20,823,512	17,685,370	3,138,142
<i>Government Funding</i>	4,153,418	19,658,829	15,056,170	4,602,659
<i>Grants</i>	0	28,789	1,764,000	(1,735,211)
<i>Sponsorships</i>	163,550	1,135,895	865,200	270,695
Other Non-Operating Revenue	78,453	8,026,667	384,594	7,642,073
<i>Interest Earnings</i>	15,236	35,114	108,000	(72,886)
<i>Pledged Revenue</i>	0	7,300,000	222,017	7,077,983
Reimbursed Costs	205,595	2,085,996	847,911	1,238,085
Prior Year Revenue	0	893,607	0	893,607
NON-OPERATING REVENUE TOTALS	4,601,016	31,829,782	18,917,875	12,911,907
TOTAL REVENUE	6,182,077	57,828,823	36,799,661	21,029,162
EXPENSES				
Payroll & Related Expense	653,617	8,296,066	10,303,558	(2,007,492)
<i>Professional Development</i>	1,039	10,845	45,000	(34,155)
Professional Services Expense	685,353	13,388,166	10,597,501	2,790,665
<i>Food & Beverage Expense</i>	518,550	11,680,868	7,087,005	4,593,863
Insurance Expense	96,806	1,184,587	4,355,500	(3,170,913)
Facility & Related Expense	731,761	3,939,510	5,133,876	(1,194,366)
<i>Telephone & Internet</i>	9,100	98,332	132,756	(34,424)
<i>Utilities</i>	346,744	2,774,254	3,612,080	(837,826)
<i>Repairs & Maintenance</i>	352,234	912,028	1,053,834	(141,806)
Supplies Expense	10,786	255,674	215,102	40,572
Marketing & Related Expense	14,020	95,097	76,875	18,222
Program Expenses	75,285	2,056,080	706,587	1,349,493
<i>Prizes & Premiums</i>	0	219,350	8,000	211,350
<i>Artists & Entertainment</i>	0	204,580	250,000	(45,420)
<i>Midway Expense</i>	0	1,143,676	0	1,143,676
Other Operating Expense	(44,061)	509,168	70,323	438,845
<i>Bank & Service Fees</i>	644	486,627	53,348	433,279
OPERATING EXPENSE TOTALS	2,223,568	29,724,347	31,459,322	(1,734,975)
<i>Interest Expense (including bonds)</i>	229,882	2,820,318	5,705,819	(2,885,501)
<i>Capital Improvement Projects</i>		643,000	1,764,000	(1,121,000)
<i>Reimbursed Expenses</i>			258,081	(258,081)
<i>Prior Year Expense</i>	280,471	5,064,151	0	5,064,151
NON-OPERATING EXPENSE TOTALS	1,077,321	15,476,255	7,727,900	(6,149,217)
TOTAL EXPENSE	3,300,890	45,200,601	39,187,222	(7,884,192)
NET OPERATING INCOME (LOSS)	(642,507)	(3,725,305)	(13,577,536)	9,852,231
NET INCOME (LOSS)	2,881,187	12,628,222	(2,387,561)	28,913,354

22nd DAA
Consolidated Balance Sheet (DAA, RTA, RTLC)
As of December 31, 2021

	2021	2020	2019
Assets			
Cash	\$ 21,644,299	\$ 923,761	\$ 10,400,456
Restricted Cash - JLA	23,264	-	-
Restricted Cash - F&B Equipment Fund	338,980	422,632	292,575
Restricted Cash - RTA	11,320,043	3,244,617	11,699,085
Restricted Cash in Trust - WQI	421,064	490,065	4,137,650
Restricted Cash in Trust - The Center	1,983,024	8,842,133	12,580,716
Total Cash and Cash Equivalents	35,730,676	13,923,208	39,110,482
Accounts Receivable	5,475,109	2,008,470	2,638,671
Prepaid Expenses	462,174	389,192	1,100,910
Deferred Outflows Pension	5,422,668	5,193,040	6,683,938
Total Current Assets	11,359,951	7,590,702	10,423,519
Land	35,011,899	-	-
Building and Improvements	189,021,781	-	-
Equipment	37,989,227	-	-
Capital Projects in Process	37,060,154	-	-
Accumulated Depreciation	(173,822,663)	-	-
Total Capital	125,260,398	124,623,903	119,810,432
Total Assets	\$ 172,351,025	\$ 146,137,813	\$ 169,344,433
Liabilities			
Accounts Payable	5,641,706	1,282,558	1,464,322
Payroll Liabilities	196,003	-	-
Accrued Liabilities	1,884,427	6,513,793	2,770,886
Other Current Liabilities	970,944	1,815,939	1,309,158
Deferred Revenue	11,318,254	1,747,716	249,949
Current Long Term Debt	3,827,327	1,544,021	2,161,815
Accrued Employee Liabilities	1,012,136	2,519,123	3,222,729
Long Term Debt	64,405,737	64,203,634	64,582,444
Reserve - F&B Equipment Fund	344,475	-	-
Reserve - JLA	20,838	-	-
Pension Liability	35,184,870	37,706,271	37,870,393
Deferred Inflows - Pension	1,961,567	1,283,146	319,777
Total Liabilities	126,768,284	118,616,201	113,951,473
Net Resources			
Contributed Capital	82,170,171	44,637,405	44,637,405
Less Contributed Capital to RTA	(37,644,384)	302,100	424,135
Net Resources - Unrestricted	(8,225,351)	(7,007,956)	5,958,785
Investment in Capital Assets	(3,891,786)	-	-
	32,408,650	37,931,549	51,020,325
Net Proceeds from Operations	13,174,092	(10,409,937)	4,372,635
Total Net Resources	45,582,741	27,521,612	55,392,960
Total Liabilities and Net Resources	\$ 172,351,025	\$ 146,137,813	\$ 169,344,433