

CALIFORNIA AUTHORITY OF RACING FAIRS

Live Racing Committee

Tuesday, June 7, 2011

MINUTES

A teleconference meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, June 7, 2011. The meeting was hosted at the California Authority of Racing Fairs Board Room, 1776 Tribute Road, Sacramento, CA, 95815.

CARF Live Racing Committee members attending: John Alkire, Norb Bartosik, Rick Pickering, Tawny Tesconi and Stuart Titus. Joining by conference call: Janet Covello and Mike Paluszak.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Amelia White, Tom Doutrich, Raechelle Gibbons, Rebecca Desmond, Dave Mogni, Tom Sawyer, Dave Elliott, Ed Clites, Louie Brown, Dan Jacobs, Carlene Marlo, Vince Agnifili and Richard Lewis. Joining by conference call: Kate Phariss, James Jimenez and Cindy Olsen.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board & Live Racing Committee meetings will be scheduled for September 6, 2011 in Sacramento.

Agenda Item 2 – Approval of Minutes. Mr. Pickering moved to approve the meeting minutes as presented. Ms. Tesconi seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Programs for 2011 and Beyond. This item will be covered during the CARF Board of Director's meeting at 12:30 p.m.

Agenda Item 4 – Report, Discussion and Action, if any, on Funding Disbursements from F&E for CARF Programs. Mr. Korby reported that the meeting packets contain an up-to-date tracking log for funding disbursements from F&E to Fairs for CARF programs titled "2010/2011 Live Racing and Satellite Wagering Facility Programs." CARF staff has been maintaining the log in conjunction with Troy West at F&E. The log provides a detailed accounting of each Fair's status in the agreement, application, fee payment and final disbursement process.

Mr. Korby thanked F&E and Fair staff for completing the complicated sequence of transactions in a timely manner to ensure the procurement of project funds at Fairs. Mr. Alkire added that the process was able to flow smoothly due to the detailed plan Mr. Korby and F&E staff created and executed.

Agenda Item 5 – Report, Discussion and Action, if any, on Re-Allocation of Change Fund. Item not specifically discussed during Live Racing Committee meeting.

Agenda Item 6 – Report, Discussion and Action, if any, on Adoption of Zero-Tolerance Policy with Respect to Alcohol and Substance Abuse in the Race Track Workplace. Mr. Korby reported that specific incidents of reported substance abuse in 2010 precipitated CARF to consider the adoption of a zero-tolerance policy with respect to alcohol and substance abuse at CARF facilities. The race track workplace inherently has areas of responsibility that pose potential dangers and risks to employees and the racing participants they are responsible for (both human and equine). The dangers and risks of these jobs are magnified when drugs and alcohol are present.

Mr. Korby reported that CARF staff coordinated a management orientation and training with Bob Fletcher, Executive Director of the Winner's Foundation, at the Stockton satellite wagering facility on June 6. Funded by the racing community, Winner's Foundation is a non-profit organization established to assist men and women involved with the racing industry whose lives are adversely affected as a result of substance abuse. In the management orientation, Mr. Fletcher provided Fair staff with tools for identifying potential signs of abuse, non-confrontational methods for confronting the employee, methods of testing, what to expect during/after treatment and the role Winner's Foundation can play in supporting both the track and employee.

Mr. Korby asked that the Fairs, as individual employers, support CARF as an employer at racing Fairs in implementing and executing a zero-tolerance policy for substance abuse in the workplace.

Ms. Tesconi moved to adopt a zero-tolerance policy with respect to alcohol and substance abuse at Fair race tracks. Mr. Pickering seconded, unanimously approved.

Agenda Item 7 – Discussion and Action, if any, on Impact of 4-day vs. 5-day Weeks on Purse Overpayment/Underpayment and on Number of Available Runners. Mr. Korby reported that the intent of this agenda item was to provide the CARF Live Racing Committee with an open forum to determine whether there is an impact and resulting consequence for Fairs that have firmly decided to run 5-day weeks despite the CARF Staff recommendation for Fairs to reduce racing to 4-day weeks. Fairs conducting 5-day weeks of racing are inherently more susceptible to creating significant purse overpayments.

Mr. Doutrich reported that the current horse population is down 15-20% from last year. While the decrease is not positive, the closure of Yavapai Downs in Arizona and other recent factors have made the projected horse population better than CARF Staff was expecting in early spring. Golden Gate Fields recently reduced the number of days run per week to four and are averaging 6.6 horses per race. The Fairs would not be able to produce a viable product with an average of 6.6 horses per race. Running 5-day weeks creates a scenario where the racing office is forced to use horses to create a Wednesday, Thursday, Friday card and then struggle immensely to fill weekend cards. Santa Rosa and Sacramento are in the best position to race 5-day weeks running concurrent with Del Mar, while benefiting from reduced racing at Stockton and Pleasanton.

Mr. Doutrich reported that the Stockton and Pleasanton condition books have been printed and distributed.

Mr. Korby asked if Santa Rosa is prepared to eliminate Wednesday racing if Del Mar reduces to 4 day weeks. Ms. Tesconi stated that box seats and VIP tents have been sold and that at this point the Fair is committed to racing 15 days. Ms. Tesconi stated that by the time CARF staff made the 4-day week recommendation, the Santa Rosa box seats and VIP tent reservation had already been sold. Ms. Tesconi stated that the Fair would prefer to reduce the number of races per day in 2011 to eliminating race dates.

Mr. Pickering stated that the CARF Live Racing Committee has been discussing the possibility of reducing racing for the last several years. The manner in which Fairs are currently sharing purse overpayments/underpayments is extremely beneficial to the network, but if the Live Racing Committee doesn't consider capping overpayments there will be less of an incentive for a Fair to cut back because purse subsidies will make up the difference. Mr. Pickering stated that the Alameda County Fair has built language into their box seat contracts to cover cancellations and has moved senior days from Wednesdays to Thursdays to accommodate potential reductions. These are proactive steps that other Fairs could consider.

Agenda Item 8 – Report, Discussion and Action, if any, on Racing Dates for 2012 and Beyond. Mr. Korby reported since the Live Racing Committee last met, a meeting of the Stakeholders of Northern California was conducted at Golden Gate Fields. Attendees at the meeting included representatives from Golden Gate Fields, trainers, owners, TOC board members and Fairs. Discussion regarding the 2012 racing calendar was virtually uncontested, but topics of conversation/debate included the future of Golden Gate Fields, Stockton's desire to move to September dates, whether Northern California would adopt 3-day or 4-day race weeks and Humboldt's request for a minimum of five days without overlap.

The resulting conversations and outcomes are reflected in the calendar presented in the meeting packet titled "2012 DRAFT Northern California Racing Dates Calendar." The calendar does contain a week in June, vacated by Stockton, which the Live Racing Committee should discuss. Stockton will move their race meet to September dates prior to Fresno. Mr. Korby asked if any Fair would wish to run June 13-17.

Mr. Pickering stated that he felt Golden Gate Fields would push to run through Father's Day (June 17) and that high school graduations in Alameda County would prevent Pleasanton from pursuing an additional week of racing prior to the traditional Fair dates.

Mr. Bartosik stated that Cal Expo maintained the position of aspiring to three weeks of racing to run concurrent with the California State Fair if those dates were ever made available.

Mr. Korby asked Ms. Tesconi to consider 4-day weeks in 2012 with the caveat that much of that decision would depend on Del Mar's 2012 racing calendar.

Mr. Korby asked Mr. Titus to speak to the Humboldt County Fair's request for at least five days with no overlap. Mr. Titus reported that the Humboldt County Fair Racing Committee held a productive round-table discussion to discuss all of the ideas and options that were presented at the Stakeholder's meeting. The result of that meeting is that the Humboldt County Fair wants to be actively involved in CARF policy moving forward.

Mr. Titus stated that the Humboldt County Fair (HCF) representatives have focused on the option that they believe will create the least amount of pain to the Fair/community, will not adversely affect another CARF member and will provided the Fair with the most viable chance for success and survival. The option they have chosen includes the following components: 1) HCF will make all of the provisions necessary to move the Fair/race meet one week later in August (August 15-26), 2) The first week (August 15-19) will not be overlapped with another Northern California race meet, 3) The second week (August 22-26) will overlap with Golden Gate Fields and HCF will forgive/forfeit any monies due to the Fair as a result of AB 763, and 4) HCF requests that Golden Gate Fields be offered the newly vacant week of racing in June (June 13-17). Mr. Titus stated that with the elimination of fair funding, including supplemental purse funds, five days of non-overlapped race dates is the only option for the Fair to remain viable.

Mr. Bartosik moved to support the calendar as presented with the following conditions:

- 1) The Humboldt County Fair will move their race meet to August 15-26, running without overlap as the sole Northern California signal August 15-19 and running with overlap (Golden Gate Fields) August 22-26. Humboldt County Fair will forfeit all terms of AB 763.
- 2) Fairs will retain the week of June 13-17 in the Fair block of dates on the premise that the Northern California horse population necessitates a break in the racing calendar.
- 3) Number of racing dates per week to be determined.

Ms. Tesconi seconded, unanimously approved.

Mr. Alkire asked Mr. Sawyer to update the Live Racing Committee on the Stockton Winner's Circle project. Mr. Sawyer reported that the former 12' x 20' grass winner's circle has been transformed to a 120' x 50' walking ring/winner's circle with wrought iron railing and heavily landscaped interior. The project is on schedule and under budget.

Mr. Tesconi reported that the Sonoma County Fair paddock has also been thoroughly demolished, rebuilt and enlarged for the 2011 race meet.

Mr. Korby reiterated that all Fairs should consider 4-day race weeks moving forward in all calendar discussions.

Agenda Item 9 – Discussion and Action, if any, on Kiosk Operations. Mr. Korby introduced the report included in the meeting packet titled "California Marketing Committee Promotional Kiosk

Initiative.” As part of this CMC project, a transportable kiosk will be provided at each Fair. The kiosk will be manned by a Local 280 pari-mutuel clerk and will contain a demo self-service wagering machine. The kiosk will provide a unique opportunity for fairgoers to ask questions and learn to place simple bets on the self-service machines, lowering some of the intimidation factor inherent to making a first wager.

Agenda Item 10 – Discussion and Action, if any, on Sponsorships. Mr. Korby reported that representatives from the Wathba Stud Farm in Dubai have expressed interest in sponsoring specific Arabian races throughout the Fair circuit. CARF staff will continue to update the group as the sponsorship negotiations continue for the 2012 race meets.

Agenda Item 11 – Executive Director’s Report. Mr. Korby reported that samples of the 2011 program covers are included in the meeting packets.

Mr. Korby reported that Craig Fravel, President of the Del Mar Thoroughbred Club, is being considered for the C.E.O. position of the Breeder’s Cup. Mary Forney, who was a long-time staff person at TOC, has been hired by the news/blog site Paulick Report.

Mr. Titus reported that there have not been any discussions regarding a mini-satellite in the Humboldt County area with Robert Hartman. Those conversations might be useful in the overall calendar discussions.

Respectfully submitted,
Heather Haviland