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**AGENDA**  
**CALIFORNIA AUTHORITY OF RACING FAIRS**  
**BOARD OF DIRECTORS MEETING**  
**JOHN ALKIRE, CHAIR**  
**12:30 P.M., TUESDAY, NOVEMBER 8, 2011**  
**VIA TELECONFERENCE**

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Board of Directors will commence at 12:30 p.m., Tuesday, November 8, 2011. The meeting will be held Via Teleconference only.

**AGENDA**

- I. Date, time and location of next meeting: December 6, 2011 in Sacramento.
- II. Approval of minutes.
- III. Report, discussion and action, if any, on Legislative Program for 2012
- IV. Report, discussion and action, if any, on CDFA Fairs' Consortium, Fairs Funding and Re-Structuring Fair Governance.
- V. Report, discussion and action, if any, on use of CARF project funds for operational support by member fairs.
- VI. Report, discussion and action, if any, on status of Totalisator contract.
- VII. Report on progress of working group on allocation of CARF dues.
- VIII. Financials
- IX. Executive Director's Report



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**CARF Board of Directors Meeting**  
**Toll Free Dial In Number: (800) 791-2345**  
**Participant Code: 83711 #**

The Public and members of the California Authority of Racing Fairs Board of Directors may participate from the locations on the following page.



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## **CALIFORNIA AUTHORITY OF RACING FAIRS**

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**Alameda County Fair**  
4501 Pleasanton Avenue  
Pleasanton, CA 94566

**Antelope Valley Fair**  
2551 West Ave. H  
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Ferndale, CA 95536

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1142 South P Street  
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**National Orange Show**  
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San Bernardino, CA 92408

**Riverside National Date Festival**  
46-350 Arabia Street  
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**San Bernardino Co. Fair**  
14800 Seventh Street  
Victorville, CA 92395

**San Joaquin Fair**  
1658 S. Airport Way  
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Vallejo, CA 94589

**Sonoma County Fair**  
1350 Bennett Valley Road  
Santa Rosa, CA 95404

**Southern CA Fair**  
18700 Lake Perris Dr.  
Perris, CA 92570

**Stanislaus County**  
900 North Broadway  
Turlock, CA 95380

**Tulare County Fair**  
215 Martin Luther King  
Tulare, CA 93274

**Ventura County Fair**  
10 West Harbor Blvd  
Ventura, CA 93001-2706

## CALIFORNIA AUTHORITY OF RACING FAIRS

## Board of Directors

Tuesday, October 4, 2011

## MINUTES

A teleconference meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, October 4, 2011, via teleconference.

CARF Board Members joining by conference call: John Alkire, Norb Bartosik, Dan Jacobs, Mike Paluszak, Rick Pickering and Kelly Violini.

Staff and Guests joining by conference call: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Rick Wood, Raechelle Gibbons, Rebecca Desmond, Tom Sawyer, Kevin Wong, Jaime Matthews and Louie Brown.

**Agenda Item 1 – Date, Time and Location of Next Meeting.** The next CARF Board of Directors meeting will be scheduled for first week of November, time and location to be determined.

**Agenda Item 2 – Approval of Minutes.** Mr. Pickering approved the minutes as presented. Mr. Jacobs second, unanimously approved.

**Agenda Item 3 – Report, Discussion and Action, if any, on Audit by Gilbert and Associates.** Mr. Wong presented the results of the CARF audit for year ended December 31, 2010 and 2009. The majority of the audit work was completed in May 2011 and the report was finalized and distributed in August 2011. Mr. Wong reviewed the CARF financial statements and recapped highlights from the management discussion and analysis letter.

Mr. Wong reported that CARF management was cooperative and well-prepared throughout the audit process. As in prior years, control deficiencies exist in two areas: a lack of sufficient audit evidence to guarantee the revenue from Advance Deposit Wagering (ADW) providers and a lack of checks/balances regarding paymaster duties, specifically a second signature on issued checks, which would provide stronger internal control during live racing. Mr. Wong acknowledges that due to the nature of the operations, a complete segregation of duties is not practical.

Mr. Wong went on to discuss the financials in detail as presented in the Financial Statements with Independent Auditor's Report provided in the meeting packet.

Mr. Jacobs moved to accept the 2010 CARF Audit Report as presented. Mr. Pickering seconded, unanimously approved.

**Agenda Item 4 – Report, Discussion and Action, if any, on Legislative Program for 2011 and 2012.** Mr. Brown reported that the 2011 legislative session recessed in September and the Governor has until October 9, 2011 to finish acting on the bills that were passed.

AB 270, the CARF sponsored bill carried by Assembly Member Henry Perea, which provides relief in staffing requirements for satellites handling less than \$10 million a year, was signed by the Governor and will be implemented January 1, 2012.

Mr. Brown stated that staff will begin the process of developing a legislative strategy for 2012 in time for the new bill introduction deadline at the end of February 2012. Mr. Brown expects the legislature will be preoccupied with budget negotiation since the state's revenue generation is not meeting expectations. Last year's budget specified automatic triggers to cut existing programs if specific revenue benchmarks are not met.

Mr. Korby stated that a plan for a CARF's 2012 legislative program will be brought before the Board in the upcoming months.

**Agenda Item 5 – Report, Discussion and Action, if any, on CDFA Fairs Funding and Restructuring Fair Governance.** Mr. Brown reported that Secretary Ross's Consortium on Fairs continues to meet, primarily to hear reports from the two working groups (Emergency Support/Governance).

Mr. Brown and Mr. Korby are actively engaged in the Secretary's Working Group on Restructuring Fairs Governance. The group is working on a brief white paper, which at the Secretary's request, will provide a simple and straightforward solution that allows for flexibility at the community level. The goal of this group is to transition Fairs from District Agriculture Associations to local entities through an alternative governance option that will maximize the retention and growth of fairgrounds and state employees. The strongest option for restructuring thus far is the concept of an Agricultural Fair Model that will transition DAAs to a structure similar to a Citrus Fruit Fair. The benefits of this model include transitioning to a non-profit structure, operating as a public entity, self-appointing boards, exclusion from local zoning/ordinances, eligibility for CALPERS benefits, etc. The working group has been working closely with SCIU to develop a solution that they will support.

The Secretary's deadline for recommendations to the Governor on Fair re-structuring is November 15, 2011.

Ms. Desmond reported that the Emergency Support Working Group distributed draft criteria for Fairs to consider *should* funding become available. Ms. Desmond clarified that funding has not been secured, but that Fairs should be prepared to meet the criteria if funding is made available. The working group is also outlining the importance of state owned property and fair community events.

**Agenda Item 6 – Report on Progress of Working Group on Allocation of CARF Dues.** Mr. Korby reported that the working group continues to discuss potential changes to the CARF dues structure and how those changes will impact the 2012 CARF budget.

**Agenda Item 7 – Report, Discussion and Action, if any, on Status of Mini-SWF Projects.** Mr. Korby reported that the Salinas mini-satellite project is on-hold due to the card club's temporary license status. The CHRB will require a permanent resolution of the license status before they will accept the mini-satellite application. Mr. Violini reported that the card club operators expect to receive permanent licensing after a background check is complete.

Mr. Korby reported that he met representatives of the Humboldt County Fair and Cher-Ae Heights Casino to discuss installing a mini-satellite wagering facility in Trinidad. The relationship is promising but will create new licensing complexities since the Fair will be entering into a contractual relationship with a tribal entity.

**Agenda Item 8 – Financials.** Mr. Korby reported that current financials are included in the meeting packet.

**Agenda Item 9 – Executive Director's Report.** Mr. Korby reported that the Santa Barbara County Fair in Santa Maria has closed the satellite wagering facility located on the fairgrounds. SCOTWinc. will be operating a mini-satellite at the Original Roadhouse Grill in Santa Maria.

Mr. Korby reported that Robert Hartman has left his position at Golden Gate Fields and has accepted a position of CEO of the American Contract Bridge League. Joe Morris, formerly of the NTRA, is now Interim General Manager at Golden Gate Fields.

Respectfully submitted,  
Heather Haviland

**CALIFORNIA AUTHORITY OF RACING FAIRS**  
***Prospective Legislative Efforts in 2012 Session***

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- **Fair Funding**
- **Fair Governance**
- **License Fee elimination for Racing Fairs**
- **Other**



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#### BUDGET CUTS

## State warns 26,000 prison workers of layoffs

October 22, 2011 | Marisa Lagos, Chronicle Staff Writer

**Sacramento** -- California's prison agency began sending the first of 26,000 layoff notices to employees Friday, warning prison guards, parole agents and other state workers that they may lose their jobs by February.

The warnings by the California Department of Corrections are the result of Gov. [Jerry Brown's](#) so-called realignment program that began Oct. 1 and will culminate with thousands of felons serving their sentences in local jails instead of state prisons. Brown crafted the plan as a way to tackle California's prison overcrowding problem, and it's expected to reduce spending on state prisons by \$1.4 billion over the next four years.

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Prison officials have warned for months that realignment would result in layoffs to state workers, and the corrections department has been in talks with union leaders for months, said Paul Verke, a spokesman for the department.

While many counties are beefing up probation and other law enforcement staff to prepare for the influx of some 58,000 criminal offenders by 2015, the state is planning to shrink its workforce.

Verke said the state will send a total of 26,000 layoff warnings over the next several days, though far fewer employees are likely to end up losing their jobs. About 6,000 warnings will go out per day until all 26,000 have been mailed, he said.

"We are sending these notices to employees who have 10 years (of service) or less, to tell them you may be affected and here are your options," Verke said.

Verke said state officials are asking those who receive the notices to consider transferring to prison facilities that have vacant positions, though he did not know exactly how many vacancies currently exist. Those facilities with open positions include California Medical Center in Vacaville; High Desert State Prison in Susanville; Pelican Bay State Prison in Crescent City; California State Prison-Sacramento; and Salinas Valley State Prison.

Even if fewer than 26,000 workers lose their jobs, the prison department is expected to shrink significantly in the coming years as realignment continues to be carried out. Currently, the agency employs nearly 65,000 workers.

Prison workers in the Bay Area will not be immune: According to a list posted on the department's website late Friday, as many as 180 employees at San Quentin State Prison in Marin County could receive layoff warnings, including 86 correctional officers.

Workers who will actually be laid off will not be notified until Nov. 1, and the layoffs would not take effect until Feb. 29. Verke said it's possible a second round of layoffs could commence in March, depending on prison population projections and how many vacant positions are filled in the first round.

Prison worker layoffs

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For more information, employees and others may visit the California Department of Corrections layoff website at [links.sfgate.com/ZLDY](http://links.sfgate.com/ZLDY).

E-mail Marisa Lagos at [mlagos@sfchronicle.com](mailto:mlagos@sfchronicle.com).

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## School districts wait to see if state revenue shortfalls trigger more cuts

[dlambert@sacbee.com](mailto:dlambert@sacbee.com)

Published Monday, Oct. 31, 2011

School officials are on the edge of their seats.

In six weeks, they should know if they have to cut buses, shorten the school year, ask teachers to take furlough days, raid their reserves or cut programs.

That's when revised revenue projections are expected from the state. If revenues fall short, it could trigger up to \$1.75 billion in cuts that would hit K-12 districts in February.

The state was \$654 million short of its revenue projections at the beginning of October, but school officials aren't sure how much their districts will lose and what exactly they will do if the trigger is pulled.

"It's almost impossible (to know)," said Rhonda Crawford, chief financial officer for Folsom Cordova Unified. "We do the best we can with what we know and what we can anticipate."

Schools could lose 4 percent of their state revenue for student attendance if the trigger is pulled, as well \$248 million in funds for bus transportation. The amount schools would lose depends on how close the state is to its revenue goal.

"The moving target continues to be the biggest challenge," said Gabe Ross, spokesman for Sacramento City Unified.

Meanwhile, Assembly Bill 114, passed in July, makes it difficult for districts to squirrel away money just in case. The bill says school officials must ignore the prospect of the trigger and maintain staffing and program levels at the same funding level as last year.

So most districts scuttled the "worst-case scenario" budgets they had prepared before the state's revised budget was approved and rehired many teachers and restored programs.

Now districts have fewer options, although state legislators have given districts permission to cut the school year by another seven days. Some districts have already cut the school year from the previous minimum of 180 to 175 days.

But cutting days must be negotiated with employee unions and, even if contracts are reopened, it isn't likely negotiations could be completed in two months.

"Because we've already closed our contracts for this school year, it would be difficult to get everyone back at the table," Crawford said.

There are exceptions. San Juan Unified's unions have agreed to take up to five furlough days if the trigger is pulled. And the Sacramento City Teachers Association contract allows

both the union and the district opportunities to reopen the contract several times a year, Ross said.

With transportation funding, however, there is little flexibility. Most districts have eliminated all but the most rural routes and federally mandated busing for special needs students.

Ross of Sacramento City Unified said transportation is critical for kids living in urban areas. "We considered cutting transportation last year and luckily we didn't have to," he said. "Our preference would be not to look at it."

Officials from both Folsom Cordova and Natomas unified districts say they won't cut programs this school year, even if the state cuts funding. Folsom Cordova officials said they will rely on one-time federal stimulus dollars and other belt-tightening measures to save programs. Natomas Unified will be able to fall back on a \$5 million cushion, said Walt Hanline, interim superintendent.

And, while district officials stopped short of saying they budgeted conservatively in case the trigger is pulled to comply with the new law, they do say they are analyzing district jobs and programs to find efficiencies.

They are concerned about how the faltering economy, state deferrals of school funds and budget cuts will affect their school districts over the next two years, they say.

Ron Bennet, president of School Services of California, which advises districts on fiscal matters, issued a report warning that economic indicators are pointing toward budget shortfalls for the next few years. He warns school districts to continue to negotiate with unions for concessions, to cut costs and to hold on to reserves.

"To even think we are going to have two more years of even further cuts than we've experienced, it boggles the mind," said Steven Ladd, superintendent of Elk Grove Unified.

Hanline said a trigger for the 2013-14 school year "becomes Armageddon" as teacher agreements sunset and districts run out of federal stimulus money aimed at creating jobs.

In preparation, he has turned to a committee of more than 50 community members and employees who are working on goals and objectives for the district to propose to the school board.

"We are going to make the cuts from the bottom of the priority list," he said.

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# FABULOUS FALL

STUART WEITZMAN

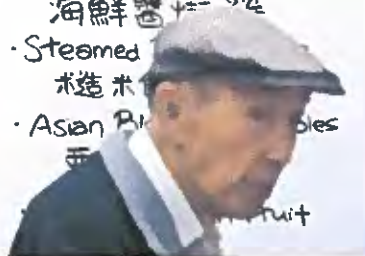
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### Activities

10:45AM Exercise  
11:05AM Roll Call  
Fire Drill  
12:30PM Consumer Education  
1:00PM BINGO

### Lunch

• Asian Cucumber Salad  
亞州青瓜沙律  
• Chicken w/ Hoisin-Orange  
Zest Sauce  
海鮮醬炸雞  
• Steamed  
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• Asian Pickles  
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Aditya Sambamurthy/The Bay Citizen

The schedule at Golden Gate Adult Day Health Center. Due to state budget cuts, California's 274 adult day health care centers are scheduled to lose their Medi-Cal financing at the end of November.

By KATHARINE MIESZKOWSKI  
Published: October 27, 2011

The elderly people who gathered for a recent protest at City Hall in San Francisco waved placards and chanted in English and Chinese, "We won't go to a nursing home!"

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Sitting in folding chairs or wheelchairs, surrounded by caregivers and relatives, the protesters cheered speakers who stood at the top of the City Hall steps and railed against the impending closing of adult day health care centers because of the California budget crisis.

More than 150 people, many of them too frail to stand, had gathered to protest the

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Adithya Sambamurthy/The Bay Citizen  
In addition to medical care, the centers also provide an opportunity to build friendships.

elimination of the centers, which serve about 35,000 elderly and disabled Californians, including 1,500 annually in San Francisco. The rally drew at least four mayoral candidates, including Mayor Ed Lee, who this week proposed to the Board of Supervisors that the city put \$3.4 million toward keeping the centers open.

Because of state budget cuts, California's 274 adult day health care centers, including 10 in San Francisco and 23 more in Bay Area

counties, are scheduled to lose their Medi-Cal financing and related federal matching funds at the end of November. One San Francisco center closed earlier this year and another one plans to shut in November.

The centers provide medical and therapeutic care. But they also stand as a bulwark against some of their clients' greatest fears: being isolated at home by their disabilities or, worse, forced to move into institutions, losing their independence and daily contact with friends and family.

Deundra Hundon of Bayview stood at the top of the City Hall steps during the rally and addressed the crowd. Ms. Hundon's mother, Sadie Fenley, 77, who has [Alzheimer's](#), stayed by her side as she spoke.

"If we didn't have adult day health, can you imagine what her day would be like?" Ms. Hundon said. "Please don't close adult day health care unless you want people like my mom to be home alone without friends or in a nursing home."

The centers, located in stand-alone buildings or homes for the elderly, are a medical and social hub for their clients, many of whom have multiple chronic conditions like [dementia](#), [diabetes](#) and depression. The programs, which qualified people covered by Medi-Cal attend free of charge, monitor and maintain the clients' shaky health, helping them to continue to live in their homes, rather than in institutions. In San Francisco, almost half of the clients of the programs live alone.

"This is home away from home," said Moli Steinert, executive director of SteppingStone, a nonprofit organization that runs four adult day health care centers in San Francisco. Ms. Steinert said that 60 of the 80 people at Golden Gate Adult Day Health Center in the Tenderloin District could end up institutionalized within six months if the center closed.

The state has been paying about \$169 million annually to support the adult centers. Norman Williams, a spokesman for the California Department of Health Care Services, said the state would save money by using other means, like managed care plans, to pay for the medical services the centers have provided.



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"Our transition plan is designed to provide the types of services that they need to remain independent in the community," Mr. Williams said.

Still, the state expects that some clients will receive fewer medical services when the centers close, he said.

Disability Rights California, an advocacy group, has filed suit in federal court to try to halt the elimination of Medi-Cal financing for the centers. "If you eliminate this program without providing adequate alternative services that keep people in their own homes, that is a violation of the Americans With Disabilities Act," said Elizabeth Zirker, a lawyer with Disability Rights California. A federal district court in Oakland will hold a hearing on the case on Nov. 8.

Mr. Williams of the state's Department of Health Care Services declined to comment on the pending litigation.

At the City Hall demonstration, Leland Yee, a state senator who is running for mayor, chided Gov. Jerry Brown for claiming that alternative services would be found when the centers are shut down. "Guess what? There ain't no alternative," Mr. Yee said.

1 2 [NEXT PAGE »](#)

[kmieszkowski@baycitizen.org](mailto:kmieszkowski@baycitizen.org)

A version of this article appeared in print on October 28, 2011, on page A21A of the National edition with the headline: Budget Cuts Erase a Daily Lifeline for the Elderly and Disabled.



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## CARF MEMBER FAIRS TOTAL HANDLE - SATELLITE &amp; LIVE RACING FAIRS

DRAFT - 3

## SUPPLEMENT TO EQUIPMENT REPLACEMENT FUND MONEYS HELD ON DEPOSIT FOR ALL CARF MEMBERS: TOTAL \$1,000,000

Location	Off-Track S/W Handle	On-Track Handle	Out-of-State Handle	Off Track Handle	ADW Handle	Total Handle	% of Total	\$1,000,000.00	CARF Admin Fee 7.50%	Funding Available Balance
Anderson	2,128,019					2,128,019	0.419%	\$4,192.61	\$314.45	\$3,878.17
Tulare	3,384,271					3,384,271	0.667%	\$6,667.67	\$500.08	\$6,167.60
Ferndale	173,374	765,661	1,247,109	1,212,630	1,430,099	4,828,873	0.951%	\$9,513.82	\$713.54	\$8,800.28
Shalimar (Indio)	6,624,910					6,624,910	1.305%	\$13,052.36	\$978.93	\$12,073.43
Monterey	8,009,204					8,009,204	1.578%	\$15,779.69	\$1,183.48	\$14,596.21
Turlock	8,312,838					8,312,838	1.638%	\$16,377.91	\$1,228.34	\$15,149.56
Bakersfield	8,360,729					8,360,729	1.647%	\$16,472.26	\$1,235.42	\$15,236.84
Victorville	9,094,338					9,094,338	1.792%	\$17,917.62	\$1,343.82	\$16,573.79
Lake Perris	15,777,120					15,777,120	3.108%	\$31,084.00	\$2,331.30	\$28,752.70
Lancaster	15,981,793					15,981,793	3.149%	\$31,487.24	\$2,361.54	\$29,125.70
Ventura	27,944,715					27,944,715	5.506%	\$55,056.53	\$4,129.24	\$50,927.29
Vallejo	17,651,053	988,623	3,569,484	5,770,841	2,150,319	30,130,320	5.936%	\$59,362.59	\$4,452.19	\$54,910.40
San Bernardino	30,869,233					30,869,233	6.082%	\$60,818.40	\$4,561.38	\$56,257.02
Fresno	11,183,418	3,330,997	5,793,375	10,476,616	4,074,850	34,859,257	6.868%	\$68,679.52	\$5,150.96	\$63,528.55
Stockton	20,109,643	1,673,003	5,196,865	10,021,748	4,050,776	41,052,035	8.088%	\$80,880.50	\$6,066.04	\$74,814.46
Santa Rosa	12,059,592	3,761,855	8,326,193	12,539,588	5,027,465	41,714,694	8.219%	\$82,186.06	\$6,163.95	\$76,022.11
Sacramento	28,432,047	2,787,250	5,563,234	13,235,109	5,263,598	55,281,238	10.891%	\$108,914.79	\$8,168.61	\$100,746.19
Pleasanton	41,035,610	6,251,700	10,169,316	15,520,927	6,579,985	79,557,537	15.674%	\$156,743.83	\$11,755.79	\$144,988.04
San Mateo	83,652,961					83,652,961	16.481%	\$164,812.61	\$12,360.95	\$152,451.66
<b>Totals</b>	<b>350,784,867</b>	<b>19,559,090</b>	<b>39,865,577</b>	<b>68,777,459</b>	<b>28,577,091</b>	<b>507,564,084</b>	<b>100%</b>	<b>\$1,000,000.00</b>	<b>\$75,000.00</b>	<b>\$925,000.00</b>

1/1/09-12/31/09 Handle

## CARF MEMBER FAIRS - SATELLITE WAGERING ONLY

## CAPITAL IMPROVEMENT PROJECTS AT FAIR SATELLITE FACILITIES WITH NO LIVE RACING: TOTAL \$1,000,000

Location	Off-Track S/W Handle	On-Track Handle	Out-of-State Handle	Off Track Handle	ADW Handle	Total Handle	% of Total	\$1,000,000.00	CARF Admin Fee 7.50%	Funding Available Balance
Anderson	2,128,019					2,128,019	0.967%	\$9,666.66	\$725.00	\$8,941.66
Tulare	3,384,271					3,384,271	1.537%	\$15,373.26	\$1,152.99	\$14,220.26
Shalimar (Indio)	6,624,910					6,624,910	3.009%	\$30,094.06	\$2,257.05	\$27,837.00
Monterey	8,009,204					8,009,204	3.638%	\$36,382.30	\$2,728.67	\$33,653.63
Turlock	8,312,838					8,312,838	3.776%	\$37,761.57	\$2,832.12	\$34,929.45
Bakersfield	8,360,729					8,360,729	3.798%	\$37,979.12	\$2,848.43	\$35,130.69
Victorville	9,094,338					9,094,338	4.131%	\$41,311.59	\$3,098.37	\$38,213.22
Lake Perris	15,777,120					15,777,120	7.167%	\$71,668.53	\$5,375.14	\$66,293.39
Lancaster	15,981,793					15,981,793	7.260%	\$72,598.27	\$5,444.87	\$67,153.40
Ventura	27,944,715					27,944,715	12.694%	\$126,940.58	\$9,520.54	\$117,420.03
San Bernardino	30,869,233					30,869,233	14.023%	\$140,225.38	\$10,516.90	\$129,708.48
San Mateo	83,652,961					83,652,961	38.000%	\$379,998.69	\$28,499.90	\$351,498.79
<b>Totals</b>	<b>220,140,131</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>220,140,131</b>	<b>100%</b>	<b>\$1,000,000.00</b>	<b>\$75,000.00</b>	<b>\$925,000.00</b>

1/1/09-12/31/09 Handle

## CARF MEMBER FAIRS - LIVE RACING FAIRS

## CAPITAL IMPROVEMENTS AT LIVE RACING FAIRS: TOTAL \$2,100,000

Location	Off-Track S/W Handle	On-Track Handle	Out-of-State Handle	Off Track Handle	ADW Handle	Total Handle	% of Total	\$2,100,000.00	CARF Admin Fee 7.50%	Funding Available Balance
Fresno	11,183,418	3,330,997	5,793,375	10,476,616	4,074,850	34,859,257		\$525,000.00	\$39,375.00	\$485,625.00
Santa Rosa	12,059,592	3,761,855	8,326,193	12,539,588	5,027,465	41,714,694		\$525,000.00	\$39,375.00	\$485,625.00
Sacramento	28,432,047	2,787,250	5,563,234	13,235,109	5,263,598	55,281,238		\$525,000.00	\$39,375.00	\$485,625.00
Pleasanton	41,035,610	6,251,700	10,169,316	15,520,927	6,579,985	79,557,537		\$525,000.00	\$39,375.00	\$485,625.00
<b>Totals</b>	<b>92,710,667</b>	<b>16,131,802</b>	<b>29,852,119</b>	<b>51,772,240</b>	<b>20,945,898</b>	<b>211,412,726</b>		<b>\$2,100,000.00</b>	<b>\$157,500.00</b>	<b>\$1,942,500.00</b>

## SPECIAL CIRCUMSTANCES

Ferndale	173,374	765,661	1,247,109	1,212,630	1,430,099	4,828,873		\$100,000.00	\$7,500.00	\$92,500.00
Stockton	20,109,643	1,673,003	5,196,865	10,021,748	4,050,776	41,052,035		\$100,000.00	\$7,500.00	\$92,500.00
Vallejo	17,651,053	988,623	3,569,484	5,770,841	2,150,319	30,130,320		\$200,000.00	\$15,000.00	\$185,000.00



**2010/2011 Live Racing and Satellite Wagering Facility Programs**

V.

Fair ID	Fair Name	Program	Eligibility	Fund Agmt Sent to Fair	Fund Agmt Rec'd from Fair	Initial Claim Processed (15%)	CARF Board Approval	Project Application to CARF	CARF Admin Fee Received	Final Claim Processed (85% or 100%)	ERF Allocation to Fair	Remit to CARF Date Received
2	San Joaquin County Fair	Eqpt Replacement Fund	\$80,880.50	X	X	4/20/2011	X	X	5/10/2011	5/13/2011	74,814.46	
		Special Circumstances	\$100,000.00	X	X	4/20/2011	X	X	5/6/2011	5/13/2011		
		<b>Total</b>	<b>\$180,880.50</b>									
7	Monterey County Fair	Eqpt Replacement Fund	\$15,779.69	X	X	4/20/2011	X	X	5/10/2011	5/13/2011	14,596.21	
		Capital Improvements at Satellite F	\$36,382.30	X	X	4/20/2011	X	X	5/10/2011	5/13/2011		
		<b>Total</b>	<b>\$52,161.99</b>									
15	Kern County Fair	Eqpt Replacement Fund	\$16,472.26	X	X	4/20/2011	X	X	5/9/2011	5/13/2011	15,236.84	7/5/2011
		Capital Improvements at Satellite F	\$37,979.12	X	X	4/20/2011	X	X	5/9/2011	5/13/2011		
		<b>Total</b>	<b>\$54,451.38</b>									
21	Big Fresno Fair	Eqpt Replacement Fund	\$68,679.52	X	X	4/20/2011	X	X	5/9/2011	5/13/2011	63,528.55	7/1/2011
		Capital Improvements at Live Race	\$525,000.00	X	X	4/20/2011	X	X	5/9/2011	5/13/2011		
		Track Safety and Maintenance	\$200,000.00	X	X	N/A	X	N/A	5/9/2011	4/20/2011		5/9/2011
		Satellite Development	\$550,000.00	X	X	N/A	X	N/A	5/9/2011	4/20/2011		7/1/2011
		Change Fund	\$507,000.00	X	X	N/A	X	N/A		5/13/2011		7/1/2011
		<b>Total</b>	<b>\$1,850,679.52</b>									
24	Tulare County Fair	Eqpt Replacement Fund	\$6,667.67	X	X	4/27/2011	X	X	5/10/2011	5/13/2011	6,167.60	8/5/2011
		Capital Improvements at Satellite F	\$15,373.26	X	X	4/27/2011	X	X	5/10/2011	5/13/2011		
		<b>Total</b>	<b>\$22,040.93</b>									
27	Shasta District Fair	Eqpt Replacement Fund	\$4,192.61	X	X	4/20/2011	X	X	5/9/2011	5/13/2011	3,878.17	
		Capital Improvements at Satellite F	\$9,666.66	X	X	4/20/2011	X	X	5/9/2011	5/13/2011		
		<b>Total</b>	<b>\$13,859.27</b>									
28	San Bernardino County Fair	Eqpt Replacement Fund	\$17,917.62	X	X	4/20/2011	X	X	4/28/2011	5/13/2011	16,573.79	6/24/2011
		Capital Improvements at Satellite F	\$41,311.59	X	X	4/20/2011	X	X	4/28/2011	5/13/2011		
		<b>Total</b>	<b>\$59,229.21</b>									
31	Ventura County Fair	Eqpt Replacement Fund	\$55,056.53	X	X	4/27/2011	X	X	5/9/2011	5/13/2011	50,927.29	6/27/2011
		Capital Improvements at Satellite F	\$126,940.58	X	X	4/27/2011	X	X	5/9/2011	5/13/2011	117,420.03	6/27/2011
		<b>Total</b>	<b>\$181,997.11</b>									
38	Stanislaus County Fair	Eqpt Replacement Fund	\$16,377.91	X	X	4/20/2011	X	X	5/11/2011	5/13/2011	15,149.56	7/7/11***
		Capital Improvements at Satellite F	\$37,761.57	X	X	4/20/2011	X	X	5/11/2011	5/13/2011		7/28/2011
		<b>Total</b>	<b>\$54,139.48</b>									
46	Southern CA Fair	Eqpt Replacement Fund	\$31,084.00	X	X	4/27/2011	X	X	5/9/2011	5/13/2011	28,752.70	7/25/2011
		Capital Improvements at Satellite F	\$71,668.53	X	X	4/27/2011	X	X	5/9/2011	5/13/2011	66,293.39	
		<b>Total</b>	<b>\$102,752.53</b>									

# 2010/2011 Live Racing and Satellite Wagering Facility Programs

Fair ID	Fair Name	Program	Eligibility	Fund Agmt Sent to Fair	Fund Agmt Rec'd from Fair	Initial Claim Processed (15%)	CARF Board Approval	Project Application to CARF	CARF Admin Fee Received	Final Claim Processed (85% or 100%)	ERF Allocation to Fair	Remit to CARF Date Received
50	Antelope Valley Fair	Eqpt Replacement Fund	\$31,487.24	X	X	4/20/2011	X	X	5/9/2011	5/13/2011	29,125.70	7/1/2011
		Capital Improvements at Satellite F	\$72,598.27	X	X	4/20/2011	X	X	5/9/2011	5/13/2011		
		<b>Total</b>	<b>\$104,085.51</b>									
ALA	Alameda County Fair	Eqpt Replacement Fund	\$156,743.83	X	X	4/20/2011	X	X	5/6/2011	5/13/2011	144,988.04	
		Capital Improvements at Live Race	\$525,000.00	X	X	4/20/2011	X	X	5/6/2011	5/13/2011		
		Track Safety and Maintenance	\$200,000.00	X	X	N/A	X	N/A	5/24/2011	4/20/2011		5/24/2011
		<b>Total</b>	<b>\$881,743.83</b>									
HUM	Humboldt County Fair	Eqpt Replacement Fund	\$9,513.82	X	X	4/20/2011	X	X	4/21/2011	5/13/2011	8,800.28	
		Special Circumstances	\$100,000.00	X	X	4/20/2011	X	X	4/21/2011	5/13/2011		
		<b>Total</b>	<b>\$109,513.82</b>									
NOS	National Orange Show	Eqpt Replacement Fund	\$60,818.40	X	X	4/20/2011	X	X	5/11/2011	5/13/2011	56,257.02	
		Capital Improvements at Satellite F	\$140,225.38	X	X	4/20/2011	X	X	5/11/2011	5/13/2011	129,708.48	
		<b>Total</b>	<b>\$201,043.78</b>									
RIV	Riverside County Fair	Eqpt Replacement Fund	\$13,052.36	X	X	5/13/2011	X	X	5/17/2011	6/6/2011	12,073.43	8/19/2011
		Capital Improvements at Satellite F	\$30,094.06	X	X	5/13/2011	X	X	5/17/2011	6/6/2011		
		<b>Total</b>	<b>\$43,146.42</b>									
SMA	San Mateo County Fair	Eqpt Replacement Fund	\$164,812.61	X	X	5/13/2011	X	N/A	5/26/2011	6/6/2011	N/A	
		Capital Improvements at Satellite F	\$379,998.69	X	X	5/13/2011	X	N/A	5/26/2011	6/6/2011	N/A	
		<b>Total</b>	<b>\$544,811.30</b>									
SOL	Solano County Fair	Eqpt Replacement Fund	\$59,362.59	X	X	4/20/2011	X	X	5/4/2011	5/13/2011	54,910.40	
		Special Circumstances	\$200,000.00	X	X	4/20/2011	X	X	5/4/2011	5/13/2011		
		<b>Total</b>	<b>\$259,362.59</b>									
SON	Sonoma County Fair	Eqpt Replacement Fund	\$82,186.06	X	X	4/27/2011	X	X	5/10/2011	5/13/2011	76,022.11	7/25/2011
		Capital Improvements at Live Race	\$525,000.00	X	X	4/27/2011	X	X	5/10/2011	5/13/2011		
		Track Safety and Maintenance	\$200,000.00	X	X	N/A	X	N/A	5/10/2011	4/27/2011		5/10/2011
		<b>Total</b>	<b>\$807,186.06</b>									
XPO	CA Expo and State Fair	Eqpt Replacement Fund	\$108,914.79	X	X	4/20/2011	X	X	5/10/2011	5/13/2011	100,746.19	
		Capital Improvements at Live Race	\$525,000.00	X	X	4/20/2011	X	X	5/10/2011	5/13/2011		
		Track Safety and Maintenance	\$200,000.00	X	X	N/A	X	N/A	5/19/2011	4/20/2011		5/19/2011
		Change Fund	\$507,000.00	X	X	N/A	X	N/A		5/13/2011		7/8/2011
		<b>Total</b>	<b>\$1,340,914.79</b>									
		<b>Grand Total</b>	<b>\$6,864,000.02</b>	(includes \$1,014,000 Change Fund Programs)						ERF	\$772,548.34	
										CAP	\$313,421.90	

November \_\_\_\_, 2011

Mr. George Haines, President  
Los Angeles Turf Club  
Golden Gate Fields  
285 W. Huntington Drive  
Arcadia, CA 91007

Dear George:

SCOTWINC and NCOTWINC are writing this letter on behalf of parties to that certain Totalisator Service Agreement dated June 1, 2007 (the "Agreement") other than Scientific Games Racing, LLC ("SGR"), Golden Gate Fields and Santa Anita Park. Unless the Agreement is renewed and extended, it expires "on the last day of any thoroughbred race meet operating in September of 2012. Since the California Horse Board has allocated days for a race meet to Santa Anita commencing on September 26, 2012 and ending on November 4, 2012, the Agreement, unless renewed and extended, appears to expire on November 4, 2012. The Agreement can be renewed and extended for a three (3) year period by giving SGR written notice not later than one hundred twenty (120) days prior to its expiration.

Santa Anita and Golden Gate Fields, parties to the Agreement and under common ownership with AmTote, have indicated an interest in having AmTote become the provider of a pari-mutuel totalisator system which would record and tabulate wagers made at their facilities and possibly at other tracks and off-track wagering facilities throughout California. In determining whether or not the Agreement should be renewed and extended, it is commercially reasonable that a determination be made whether comparable or better totalisator services on better terms are available from vendors other than SGR, including AmTote.

Because of the time necessary to evaluate the statewide totalisator services that could be provided by other than SGR, specifically AmTote, it is felt that a proposal for such totalisator services should be submitted for review by January 1, 2012. If you believe that the suggested time frame is inappropriate, please advise. Otherwise, it will be assumed that the date is appropriate.

If the installation of an AmTote totalisator system were being entertained solely in your own facilities, Santa Anita and Golden Gate Fields, we would appreciate also being so advised by January 1, 2012. In such event, it

would be mutually advantageous to commence discussions as to how the many problems that will be encountered with there being two separate totalisator systems operating in California can be resolved.

If and when you were to learn that AmTote was no longer interested in providing totalisator services either on a statewide basis or only at your facilities, it would be appropriate for the interested parties to meet regarding the renewal and extension of the Agreement. Discussions regarding the renewal and extension of the Agreement should commence no later than January 16, 2012.

Very truly yours,

Southern California Off-Track Wagering, Inc.

By\_\_\_\_\_

Northern California Off-Track Wagering, Inc.

By:\_\_\_\_\_

Cc: Greg Avioli  
Michael Ernst  
Josh Rubenstein  
Jim Henwood  
Chris Korby  
Ed Allred  
Norbert Bartosik  
Jack Liebau

# CONSIDERATIONS REGARDING SIMULTANEOUS OPERATION OF MULTIPLE TOTALISATOR SYSTEMS IN CALIFORNIA

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## DRAFT

- *Impact on Customer Service*
  - **Multiple tote systems would cause confusion and frustration for racing patrons.** Being forced to use two or more tote systems would be confusing and frustrating to CA racing patrons
  - **Forces re-instatement of provisions for multiple-system cross-cashing of tickets.** Two or more tote systems operating in California would force tracks to re-instate provisions for cross-cashing of tickets between and amongst tracks and satellites. This will add expenses for additional, duplicate terminals at each track and satellite. It will also cause confusion and frustration for patrons ("Which terminal do I use to cash this ticket?"), along with extra work and risk of mistakes for parimutuel clerks and accounting staff. We eliminated this awkward architecture in CA years ago.
  - **Requires using differing terminals for same transactions.** Two or more tote systems would require patrons to use two or more different wagering terminals for the same transactions, depending on which track is running. This would be confusing and frustrating.
  - **Creates an operating environment likely to cause costly mistakes.** Two sets of tote terminals would result in customer confusion leading to customer mistakes. This would lead inevitably to costly reimbursement of customer losses due to mistakes.
- *Impact on Costs of Operation*
  - Costs of Interface Fees between totes
  - Costs of casework and carpentry required for new terminals.
  - Costs of modifications to electrical service required for new terminals.
  - Costs of installation of data cabling required for new terminals.
  - Costs of duplicate data processing hub(s).
  - Cost of training employees.
  - Cost of reimbursing employee mistakes during initial implementation.

# CONSIDERATIONS REGARDING SIMULTANEOUS OPERATION OF MULTIPLE TOTALISATOR SYSTEMS IN CALIFORNIA

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- Cost of reimbursing customer mistakes during initial implementation.
- Duplication in costs of ticket paper and supplies.
- Duplication in costs of maintenance on terminals.
- Duplication in cost of managing and storing spare terminals.
- ***Impact on Efficiency***
  - Two or more tote systems would introduce inefficiencies due to duplicate data processing hub(s).
  - Two or more tote systems would introduce inefficiencies due to impact on employee efficiencies.
  - Two or more tote systems would introduce inefficiencies and duplication in accounting, record-keeping and reconciliations.
  - Two or more tote systems would introduce major operational complexities in the daily transition from daytime Thoroughbred racing to night quarter horse and harness racing.
  - Doubles storage costs and requirements for ticket paper and supplies. Storage and security of ticket paper and supplies is an important matter, especially at smaller satellite facilities.
  - Duplication in costs of maintenance on terminals.
  - Doubles cost for management and storage of spare terminals.
- ***Impact on Parimutuel Employees***
  - Two or more tote systems in CA will increase risk of keystroke errors by parimutuel clerks, impacting both employee efficiency and customer service.

*ALL: Review risk of repetitive movement injury issues in multiple tote scenarios: problems we might expect due to differences in heights, different keyboards, configurations of terminals, etc?*

- Asking parimutuel clerks to use two or more different terminals would be like asking your office employees to switch back and forth between using Apple and Microsoft computers. They wouldn't like it; it would cause mistakes; it would impact negatively on employee productivity.



# CONSIDERATIONS REGARDING SIMULTANEOUS OPERATION OF MULTIPLE TOTALISATOR SYSTEMS IN CALIFORNIA

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- ***Impact on Security and Integrity***
  - Requires management and secure storage for ticket paper stock from two different vendors.
  - Two or more tote systems introduce complexities and duplications in accounting, record-keeping and reconciliations, thus increasing risk of mistakes or breaches in integrity.
  - Two or more tote systems could require two separate change funds.
  - Requires monitoring and oversight for two or more different tote hubs in CA.
  
- ***Assessment as to whether operation of multiple tote systems is in the best interest of racing in California***
  - Not customer-friendly.
  - Adds to costs of operation, borne by tracks and horsemen.
  - Introduction of multiple tote terminals would create confusion and risk of mistakes for parimutuel employees and for patrons.
  - Adds unnecessary complexities to accounting and reconciliation.
  - Possible risks to integrity and change fund(s).
  - Conclusion: Not in the best interest of racing in California.

**CALIFORNIA AUTHORITY OF RACING FAIRS**  
**BALANCE SHEET**  
**September 30, 2011**

VIII.

**ASSETS**

	<b>CURRENT YTD</b>	<b>PRIOR YTD</b>
	<b>9/30/11</b>	<b>9/30/10</b>
<b>Current Assets</b>		
CASH - LAIF & INVESTMENTS	256,608	2,629,994
CASH - OPERATING/MM	2,580,175	995,650
CHECKING - TOC PURSE	142,296	225,052
CHECKING - RACING TRUST	870,302	955,967
MARKETABLE SECURITIES	2,419,230	4,389,318
A/R - DUES	85,223	77,999
A/R - PROGRAMS	33,770	89,785
A/R - RACING FAIRS	313,236	468,251
A/R - ERF/OTHER A/R	905,294	1,924,393
PREPAIDS/DEPOSITS	79,109	74,020
OPEB ASSETS	92,725	91,955
<b>Total Current Assets</b>	<b>7,777,968</b>	<b>11,922,382</b>
<b>Fixed Assets</b>		
AUTOMOBILE	36,139	574
FURNITURE & EQUIPMENT	866	1,879
COMPUTER HARDWARE/SOFTWARE	6,947	7,086
TRACK EQUIPMENT	259,712	59,400
<b>Total Fixed Assets (Net of Depr.)</b>	<b>303,664</b>	<b>68,939</b>
<b>TOTAL ASSETS</b>	<b>8,081,632</b>	<b>11,991,321</b>

**LIABILITIES & NET ASSETS**

<b>Current Liabilities</b>		
A/P & WITHHOLDINGS	519,151	238,085
A/P - PROGRAM ROYALTIES TO HOST	46,117	76,737
RACING DISTRIBUTIONS	1,340,862	1,630,457
PURSES	723,080	854,350
TRACK SAFETY/MAINT.	547,068	474,054
INFOTEXT UPGRADE	0	160,738
MISC PROJECT FUNDS	0	0
LOU-1 - TIMING/TRACK SURFACE/AREA ENHANC	0	0
LOU-2 - SPECIAL EVENT CENTERS	0	0
LOU-3 - SATELLITE SURVEY/TURF STUDY	0	0
EQUIPMENT REPLACEMENT FUND	0	1,154,672
LOU-5 - SYMPOSIUM	3,805	3,805
MINI SATELLITE FUNDS	169,800	520,222
CAPITAL IMPROVEMENT FUND	0	2,999,497
<b>Total Current Liabilities</b>	<b>3,349,883</b>	<b>8,112,618</b>
<b>Non-Current Liabilities</b>		
CHRIMS FUNDS	91,461	90,625
CHANGE FUND	1,014,000	1,014,000
FAIRS - EQUIP REPLACEMENT FUNDS	2,552,267	2,016,741
<b>Total Non-Current Liabilities</b>	<b>3,657,728</b>	<b>3,121,365</b>
<b>TOTAL LIABILITIES</b>	<b>7,007,611</b>	<b>11,233,983</b>
<b>Net Assets</b>		
FUND EQUITY	709,681	728,101
F&E Net Assets	34,794	22,275
CARF@GG	0	0
RETIREMENT CONTINGENCY	0	0
NET INCOME/LOSS	329,547	6,962
<b>Total Net Assets</b>	<b>1,074,021</b>	<b>757,338</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>8,081,632</b>	<b>11,991,321</b>



**California Authority of Racing Fairs  
Agency Income Statement  
September 30, 2011**

	<b>2009 Year End Actual</b>	<b>2010 Year End Actual</b>	<b>2011 YTD Actual</b>	<b>2011 Estimated YearEnd</b>	<b>2011 Annual Budget</b>	<b>2011 Budget Variance</b>	<b>2011 % Budget</b>
<b>Revenue:</b>							
Other Revenue	148	(2,326)	0	0	500	(500)	0%
Interest Income	30,515	18,003	13,567	15,000	30,000	(16,433)	45%
Member Dues	282,532	290,107	217,066	288,330	292,913	(75,847)	74%
CARF South Programs Admin F	25,351	21,256	14,236	18,000	18,806	(4,570)	76%
CARF Projects Admin Fee	66,063	141,872	410,503	410,503	195,000	215,503	211%
CARF Live Racing Admin Fee	112,869	108,854	148,815	159,000	182,611	(33,796)	81%
CARF @ Leased Facility Rev	(311,170)	0	0	0	0	0	0%
<b>Total Revenue</b>	<b>206,308</b>	<b>577,767</b>	<b>804,188</b>	<b>890,833</b>	<b>719,830</b>	<b>84,357</b>	<b>112%</b>
<b>Expenses:</b>							
Salaries	226,671	241,506	212,934	269,934	305,173	92,239	70%
Employee Benefits	23,714	18,890	30,674	33,000	30,000	(674)	102%
Post Retirement Benefits	666,317	33,688	26,118	35,000	35,000	8,882	75%
Payroll Taxes	12,487	12,529	11,827	15,000	15,000	3,173	79%
Accounting Costs	17,209	17,272	17,697	23,400	18,750	1,053	94%
Audit Services	7,125	6,375	8,925	8,925	6,375	(2,550)	140%
Automobile Expense	435	10,650	3,015	4,000	4,000	985	75%
Contracted Services	543	10,435	1,621	5,000	5,000	3,379	32%
Depreciation	13,881	11,985	8,906	10,000	10,000	1,094	89%
Dues & Subscriptions	36,048	11,952	1,819	2,000	1,000	(819)	182%
Insurance Expense	37,784	37,127	28,035	41,000	41,000	12,965	68%
Legal Expenses	11,413	21,720	8,009	12,500	12,500	4,491	64%
Legislative Expenses	53,508	53,796	42,160	54,000	63,000	20,840	67%
Meetings Expense	5,398	6,852	3,214	5,000	5,000	1,786	64%
Misc. (Ag Day Sponsor)	2,482	2,010	(885)	0	2,500	3,385	-35%
Office Supplies	23,754	27,882	23,605	25,000	25,000	1,395	94%
Postage & Shipping	5,987	3,117	2,745	4,000	4,000	1,255	69%
Rent (Tribute Road)	38,916	38,265	26,827	45,000	45,000	18,173	60%
Repairs & Maintenance	0	674	328	1,000	1,000	672	33%
Telephone Expense	7,390	9,492	8,200	10,000	10,000	1,800	82%
Training	0	0	1,139	2,500	2,500	1,361	46%
Travel Expense	25,280	27,226	15,116	22,500	27,500	12,384	55%
<b>Total Expenses</b>	<b>1,216,340</b>	<b>603,445</b>	<b>482,030</b>	<b>628,759</b>	<b>669,298</b>	<b>187,268</b>	<b>72%</b>
<b>Agency Income (Loss)</b>	<b>(1,010,031)</b>	<b>(25,678)</b>	<b>322,158</b>	<b>262,074</b>	<b>50,532</b>	<b>271,625</b>	
<b>South Prog Income (Loss)</b>	<b>7,142</b>	<b>8,153</b>	<b>7,389</b>	<b>2,000</b>	<b>2,444</b>	<b>(4,195)</b>	
<b>Total Bal Sheet Net Income (L)</b>	<b>(1,002,890)</b>	<b>(17,525)</b>	<b>329,547</b>	<b>264,074</b>	<b>52,976</b>	<b>267,430</b>	

**California Authority of Racing Fairs  
Southern Region Income Statement  
September 30, 2011**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>
	<b>Year End</b>	<b>Year End</b>	<b>YTD</b>	<b>Estimated</b>	<b>Annual</b>	<b>Budget</b>	<b>% Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>YearEnd</b>	<b>Budget</b>	<b>Variance</b>	
<b>Program Revenue:</b>							
Program Sales	343,634	285,716	199,839	250,000	250,750	(50,911)	80%
Other Revenue	0	0	0		0	0	0%
Royalties/Fees Due Host	(311,141)	(256,307)	(178,214)	(230,000)	(229,500)	51,286	78%
<b>Total Revenue</b>	<b>32,493</b>	<b>29,409</b>	<b>21,625</b>	<b>20,000</b>	<b>21,250</b>	<b>375</b>	<b>102%</b>
<b>Expenses:</b>							
Legal Expenses	0	0	0		0	0	0%
Meetings Expense	0	0	0		0	0	0%
Misc Exp.(Storage)	0	0	0		0	0	0%
Office Supplies	0	0	0		0	0	0%
Paper Expense	0	0	0		0	0	0%
Postage & Shipping	0	0	0		0	0	0%
Printing Supplies	0	0	0		0	0	0%
Rent & Utility Expenses	0	0	0		0	0	0%
Repairs & Maintenance	0	0	0		0	0	0%
Telephone Expense	0	0	0		0	0	0%
Travel Expense	0	0	0		0	0	0%
<b>Total Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0%</b>
Operating Income (Loss)	32,493	29,409	21,625	20,000	21,250	375	102%
CARF Admin Fee	25,351	21,256	14,236	18,000	18,806	4,570	76%
Rebate							
<b>Income (Loss)</b>	<b>7,142</b>	<b>8,153</b>	<b>7,389</b>	<b>2,000</b>	<b>2,444</b>	<b>(4,195)</b>	<b>302%</b>

**California Authority of Racing Fairs  
Project Management Income Statement  
September 30, 2011**

	<b>2009 Year End Actual</b>	<b>2010 Year End Actual</b>	<b>2011 YTD Actual</b>	<b>2011 Estimated YearEnd</b>	<b>2011 Annual Budget</b>	<b>2011 Budget Variance</b>	<b>2011 % Budget</b>
<b>Revenue:</b>							
CARF Admin Fee	66,063	141,872	410,503	410,503	195,000	215,503	211%
Project Management	79,199	85,559	0	0	81,935	(81,935)	0%
<b>Total Revenue</b>	<b>145,262</b>	<b>227,432</b>	<b>410,503</b>	<b>410,503</b>	<b>276,935</b>	<b>133,568</b>	<b>148%</b>
<b>Expenses:</b>							
Salaries Expense	58,723	63,396	0		58,035	58,035	0%
Employee Benefits	7,287	8,538	0		9,000	9,000	0%
Payroll Taxes	2,832	3,076	0		3,000	3,000	0%
Accounting Costs	6,500	6,620	0		7,500	7,500	0%
Audit Services	2,550	2,550	0		2,550	2,550	0%
Automobile Expense	0	0	0		0	0	0%
Contracted Services	0	0	0		0	0	0%
Telephone Expense	708	754	0		1,000	1,000	0%
Travel Expense	42	68	0		250	250	0%
Misc. Storage	558	558	0		600	600	0%
<b>Total Expenses</b>	<b>79,199</b>	<b>85,559</b>	<b>0</b>	<b>0</b>	<b>81,935</b>	<b>81,935</b>	<b>0%</b>
<b>CARF Admin Fee</b>	<b>66,063</b>	<b>141,872</b>	<b>410,503</b>	<b>410,503</b>	<b>195,000</b>	<b>(215,503)</b>	<b>211%</b>

**California Authority of Racing Fairs  
Live Racing Income Statement  
September 30, 2011**

2009 = 79dys 2010 = 64 days 2011=58days

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>
	<b>Year End</b>	<b>Year End</b>	<b>YTD</b>	<b>Estimated</b>	<b>Annual</b>	<b>Budget</b>	<b>% Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>YearEnd</b>	<b>Budget</b>	<b>Variance</b>	
<b>Revenues:</b>							
Change Fund Admin Fee	17,065	14,074	2,941	5,000	15,000	(12,059)	20%
Racing Fairs Admin Fee	74,561	69,032	56,003	71,500	85,111	(29,108)	66%
Supplemental Purses Admin Fee	22,000	22,000	82,500	82,500	82,500	0	100%
NCOTWINC Reimbursement	29,000	29,000	0	0	29,000	(29,000)	0%
Racing Fairs Reimbursement	1,059,854	1,003,686	746,712	946,100	1,082,942	(336,230)	69%
Advertising Revenue	4,100	4,550	4,500	4,500	4,000	500	113%
<b>Total</b>	<b>1,206,580</b>	<b>1,142,343</b>	<b>892,657</b>	<b>1,109,600</b>	<b>1,298,553</b>	<b>(405,896)</b>	<b>69%</b>
<b>Expenses:</b>							
Salaries	230,562	255,146	181,188	250,000	251,517	70,329	72%
Employee Benefits	44,792	46,948	35,470	47,000	47,000	11,531	75%
Payroll Taxes	11,877	13,103	9,143	13,500	13,500	4,357	68%
Accounting Costs	52,250	43,035	31,692	48,750	48,750	17,058	65%
Audit Services	16,575	25,323	16,575	16,575	16,575	0	100%
Automobile Expense	1,182	64	0	1,000	5,100	5,100	0%
Depreciation	0	0	0	0	0	0	0%
Dues & Subscriptions, NTRA	12,286	10,109	0	0	1,000	1,000	0%
Insurance Expense	0	0	0	0	0	0	0%
Legal Expenses	0	8,734	0	2,000	10,000	10,000	0%
Meetings Expense	1,111	3,440	335	1,000	5,000	4,665	7%
Misc. Exp (Harness,Storage,Bank f	58	0	0	0	0	0	0%
Telephone Expense	3,363	3,924	2,239	3,000	3,000	761	75%
Travel Expense	45,184	29,898	26,583	32,000	35,000	8,417	76%
<b>Sub-Totals</b>	<b>419,240</b>	<b>439,725</b>	<b>303,225</b>	<b>414,825</b>	<b>436,442</b>	<b>133,217</b>	<b>69%</b>
<b>Racing Support Services:</b>							
Announcer	26,596	23,904	13,350	18,075	26,000	12,650	51%
Condition Bk/Program Cover	22,491	15,245	15,235	20,000	20,000	4,765	76%
Courier Service (Pgm Distribution)	0	0	0		0	0	0%
Racing Operations Support	79,601	78,325	53,339	60,000	90,000	36,661	59%
TC02 Testing	54,880	7,425	5,415	6,500	15,000	9,585	36%
Marketing	1,783	3,901	130	2,000	5,000	4,870	3%
Network Management	3,321	1,548	1,558	2,200	3,000	1,442	52%
Paymaster	20,298	8,106	3,867	5,000	11,500	7,633	34%
Program Production	178,814	179,004	136,109	180,000	205,000	68,891	66%
Racing Office System	53,156	43,739	19,528	35,000	55,000	35,472	36%
Recruitment	22,721	31,108	9,860	10,000	10,000	140	99%
Jumbo Screen	125,000	126,250	104,550	105,000	160,000	55,450	65%
Supplies	19,158	15,964	3,758	10,000	20,000	16,242	19%
Tattooing	20,469	17,200	14,759	19,000	19,000	4,241	78%
Timing/Clocker	22,430	22,805	0	0	0	0	0%
Transportation	3,465	2,150	1,708	3,000	5,000	3,292	34%
TV Production/Simulcast	20,288	17,088	57,451	60,000	35,000	(22,451)	164%
<b>Sub-Totals</b>	<b>674,471</b>	<b>593,763</b>	<b>440,616</b>	<b>535,775</b>	<b>679,500</b>	<b>238,884</b>	<b>65%</b>
<b>Total Expenses</b>	<b>1,093,711</b>	<b>1,033,488</b>	<b>743,842</b>	<b>950,600</b>	<b>1,115,942</b>	<b>372,100</b>	<b>67%</b>
<b>CARF Admin Fee</b>	<b>112,869</b>	<b>108,854</b>	<b>148,815</b>	<b>159,000</b>	<b>182,611</b>	<b>33,796</b>	<b>81%</b>

California Authority of Racing Fairs						
CARF @ Leased Facility						
September 30, 2011						
	2009	2010	2011	2011	2011	2011
	Year End	Year End	YTD	Annual	Budget	% Budget
	Actual	Actual	Actual	Budget	Variance	
<b>Revenues:</b>						
Commissions - CARF@GG	2,859,642	0	0	0	0	0%
Non Wagering Revenue - CARF@GG	0	0	0	0	0	0%
<b>Total</b>	2,859,642	0	0	0	0	0%
<b>Expenses:</b>						
PRA - Labor (Sal,Bene,Tax)	96,106	0	0	0	0	0%
PRA - COGS	0	0	0	0	0	0%
PRA - Financial Dept. Allocation	0	0	0	0	0	0%
PRA - Direct Invoices	2,998,791	0	0	0	0	0%
CARF Direct Invoices	18,531	0	0	0	0	0%
CARF Billback Allocation	57,383	0	0	0	0	0%
<b>Sub-Totals</b>	3,170,811	0	0	0	0	0%
<b>CARF @ Leased Facility Net Income</b>	(311,170)	0	0	0	0	0%