



a California joint powers agency

1776 Tribute Road, Suite 205
Sacramento, CA 95815
Office: 916.927.7223 Fax: 916.263.3341
www.calfairs.com

AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS
&
LIVE RACING COMMITTEE
CONCURRENT MEETING
JOE BARKETT, CHAIR
10:00 A.M., TUESDAY, DECEMBER 4, 2007

Notice is hereby given that a teleconference meeting of the California Authority of Racing Fairs' Board of Directors and the Live Racing Committee will commence at 10:00 A.M. Tuesday, December 4, 2007. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

AGENDA

- I. Discussion and action, if any, on Audit Report
- II. Approval of Minutes from November 6
- III. Determination of date, time and location of next meeting
- IV. Discussion and action, if any, on CDFA Funding
- V. Discussion and action, if any, on Legislative Program for 2008
- VI. Executive Director's Report

###

CARF FINANCIAL PLAN FOR HORSE RACING

On September 26, 2007, the CARF Board of Directors adopted the following plan for funding of track safety and maintenance, equipment replacement and capital investment:

Expenditure of existing available funds in FY 2006-2007:

Equipment Replacement Fund	\$ 500,000
Capital Investment (Alameda upgrades and San Mateo SWF)	\$ 300,000
Capital Investment (San Joaquin Design Study)	\$ 25,000

Expenditure of allocated funds in FY 2007-2008:

Equipment Replacement Fund	\$ 500,000
Track Safety and Maintenance Program	\$ 600,000
Capital Investment (Alameda upgrades and San Mateo satellite)	\$1,000,000

Minimum request for funds in 2008-2009:

Track Safety and Maintenance	\$ 600,000
Equipment Replacement	\$ 500,000
Capital Investment	<u>\$1,500,000</u>
Total:	\$2,600,000

Bay Meadows is scheduled to race through the first half of 2008 and to remain open for auxiliary stabling through the end of 2008. Thereafter, in 2009 and beyond, it is anticipated that approximately 100 days of racing will shift to Golden Gate Fields and fair race track facilities and that a great majority of these added dates will be run at fair facilities. Significant improvements at selected fair facilities will have to be undertaken immediately in order to meet this need.

CARF has been working on a plan for shifting racing and stabling, currently at Bay Meadows, to publicly owned facilities, i.e., existing fair race tracks, in a way that will best serve the needs of the racing public, fairs and the racing industry in general. In that connection, CARF has agreed to and advocates the following:

1. It is not practical or feasible to attempt to upgrade all fair racing facilities to the same or similar level of quality nor is it practical or feasible to spread all newly available racing

dates among the existing Northern California fairs. Racing Fairs are in agreement that they need to cooperate to make the most efficient use of their collective facilities and to share in the risks and rewards of that effort.

2. After considering several sites, CARF has determined that the Alameda County Fair at Pleasanton provides the most practical and feasible location to offer as the primary, although not exclusive, recipient of additional race dates made available by the closing of Bay Meadows. In order to do so, there will have to be a synthetic track and other improvements that are estimated to cost between \$15 and \$25 million, at least \$10,000,000 of which will need to be expended before the 2009 racing season.
3. CARF has determined that the San Mateo County Fair should begin immediately to provide a satellite wagering facility to replace, to the extent possible, the satellite wagering facility at Bay Meadows. CARF has also determined that future San Mateo County Fair race meet dates should be raced at a fair facility.
4. CARF has determined that other Northern California fair live racing facilities, including the facilities at Humboldt, Santa Rosa, Vallejo, Sacramento, Stockton and Fresno, should be upgraded to better meet the needs of racing requirements in the future or in the alternative should be a financial partner in the consolidation of such meets at upgraded fair facilities.
5. CARF has determined that where it is practical and feasible to do so, the facilities of the fair satellite network must be improved and that the satellites should work more cooperatively to accomplish facility and programming improvements that benefit the fan and the racing product.

To accomplish the above goals, it will be necessary to expend tens of millions of dollars. It is unlikely that any new private racing facility will be built in Northern California and with the CARF proposal no such private racing facility is necessary. CARF opposes any new private racing facility in Northern California because such development will most likely result in significant pressure to redirect resources and potential revenues away from fair facilities.

CARF recommends that \$1.3 million in funds currently committed to CARF for the 2006-2007 and 2007-2008 fiscal years be directed to the Alameda County Fair and San Mateo County Fair. In addition, beginning in fiscal year 2008-2009, CARF recommends that the Division of Fairs and Expositions provide a minimum of \$2.6 million as specified above. It is anticipated that at least \$1.8 million in capital funds will go to improvements at Alameda and San Mateo. CARF also recommends that F&E loan \$3 million from its existing loan fund to Alameda. To meet the immediate need, CARF is authorized to loan to Alameda and/or San Mateo up to \$1 million from its equipment replacement fund (this loan to be short term so as not to interfere with timely

replacement of any aging equipment). All of this is contingent on Alameda being responsible for coming up with at least \$5 million from other sources outside CARF and F&E and working cooperatively with CARF and the other racing fairs with respect to consolidation of fair meets where practical and feasible and in the best collective interests of all fairs involved in racing in Northern California. With respect to the San Mateo County Fair, such funding is contingent on the San Mateo Fair working cooperatively with CARF and the other racing fairs with respect to consolidation of fair meets where practical and feasible and in the best collective interests of all fairs involved in racing. For the San Mateo County Fair this means specifically agreeing to commit to racing at a fair facility for reasonable compensation commensurate with that available to other racing fairs that choose to race at another fair facility.

In order to be able properly to implement the early phase of the capital improvement plan CARF requests that F&E commit to annual funding for a period of at least five years and at a minimum the level of expenditures requested for FY 2008-2009. After five years, it is anticipated that CARF and F&E will reassess the progress made and any adjustments to the development plan deemed necessary. During the course of the first five year phase, CARF expects that F&E will have the right to reject the specific recommendations for expenditures of the capital investment fund if for any reason F&E determines that the expenditures are not meeting the goals established as set forth in this document. Currently, the following projects are anticipated for 2009 and beyond:

- Santa Rosa backstretch and grandstand improvements
- Vallejo backstretch, grandstand and lighting improvements for year round harness racing
- Stockton track surface improvements
- Fresno track surface improvements
- Humboldt backstretch upgrades.

Christopher Korby

From: "Christopher Korby" <korby@calfairs.net>
To: "Rick Pickering" <Rick@AlamedaCountyFair.com>; "Stephen Chambers" <stephenc@fairsnet.org>; "Tawny Tesconi" <tawny@sonomacountyfair.com>; "Rebecca Desmond" <rebeccad@sisqfair.com>
Cc: "Michael Treacy" <MTreacy@cdfa.ca.gov>; <Joebarkett@aol.com>; "Dan Jacobs" <dan@avfair.com>; <jalkire@fresnofair.com>; "Bruce Lim (E-mail)" <blim@cdfa.ca.gov>; "Forrest White" <forrest@sanjoaquinfair.com>; "Stuart Titus" <humcofair@frontiernet.net>
Sent: November 02, 2007 3:51 PM
Attach: Testimony-California State Board of Food and Agriculture-Korby-Aug 2007.doc; CARF FINANCIAL PLAN FOR HORSE RACING-Adopted 070926-pdf format.pdf
Subject: Re: CFA Support of Racing Funding

Stephen,

Thanks for your strong expression of support, articulated in Tuesday's e-mail. We appreciate your position that CFA support of the Expenditure Plan is contingent on a similar level of support from CARF.

You note in your e-mail: "CFA has consistently looked to CARF as the leader in the development of racing related policy and funding strategy."

The CARF Board and Live Racing Fairs have stepped up to do just that: develop a comprehensive racing policy and funding strategy. We've made big strides in developing a strategic approach for funding that will allow Fairs to respond effectively to the challenges and opportunities ahead. (See attached: CARF FINANCIAL PLAN FOR HORSE RACING.)

CFA's support will help us realize this plan's important objectives.

The plan that we've proposed to F&E has been unanimously adopted by both the CARF Board and the Live Racing Fairs. You know that unanimous support amongst that many Fairs is not easily accomplished. I mention it as a measure of the commitment, hard work and collective effort that have gone into forging this plan.

The funding amounts in our recommendation are in line with those of previous years. The big difference is in the strategic allocation of the funds.

Our plan states early on:

"It is not practical or feasible to attempt to upgrade all fair racing facilities to the same or similar level of quality nor is it practical or feasible to spread all newly available racing dates among the existing Northern California fairs. Racing Fairs are in agreement that they need to cooperate to make the most efficient use of their collective facilities and to share in the risks and rewards of that effort."

11/28/2007

This plan is especially timely and important because privately owned race tracks are about to begin closing in California. The land on which the tracks sit has become too valuable--owners can make more money by developing it than by using it for racing. It appears likely that Bay Meadows will close their doors in late 2008. Hollywood Park, also owned by Bay Meadows Land Company, a developer, is probably not far behind.

Fairs need to step up to fill the vacuum left behind when the private race tracks go out of business. If we falter in our response to these changes, racing in California will be in jeopardy. Faced with uncertainty, horsemen will take their horses and move to other jurisdictions. This will badly hurt racing in California, including racing at Fairs, and will ultimately diminish revenues to F&E Funds even further.

These circumstances represent an unique opportunity for us to expand our role in horse racing and move into better control of the single biggest revenue source for the Fair industry. Fairs, as publicly-owned facilities, operate under different parameters than private associations: we can reinvest profits back into facilities rather than distribute them to shareholders or investors. Fairs, horsemen and the racing industry can benefit through this virtuous cycle of re-investment.

There's a good reason that Fairs should step up with investment in Fair racing and satellite facilities: it's in our interest to do so. Racing has generated many millions of dollars in support of Fairs over the years and continues to generate millions every year for Fairs. Racing is a \$3 Billion component of California's ag economy that employs thousands of Californians. The racing industry needs Fairs and Fairs need a healthy racing industry. A healthy and viable horse racing industry is critical to the sustained flow of revenue to F&E, which in turn supports Fairs generally.

I'm attaching a copy of the testimony offered to the State Board of Food and Agriculture in August. This testimony describes our vision of the current state of racing and the mutual opportunities for ahead for Fairs and the horse racing industry. You were there and testified as well, but other recipients of this e-mail may not have seen it.

It's important that Fairs re-invest in racing facilities not only because of the opportunities ahead, but because Fairs need to protect their huge existing investment in racing facilities. Fairs own nine race tracks and twenty-three satellite wagering facilities, a scale of investment that dwarfs the investment by any other race track owner. Fairs' capital investment in the racing industry can be measured in the hundreds of millions of dollars. We cannot afford to put this enormous existing investment at risk.

We also need to protect this major business conducted at Fair facilities. In 2006, patrons at California Fair satellite facilities wagered over \$650 million. Racing revenues generate every dollar that goes into the F&E Funds. If you measure the Fairs' satellite wagering business at \$650

million in annual sales, our funding recommendation for investment back into the business is modest and prudent.

Re-investing in racing also helps defend against attacks on our funding. If Fairs stop making an active contribution to the health of the racing industry, other sectors of the industry will try to take our money away. Right or wrong, this is a reality of the politics of horse racing.

Here's an example of the above. Two weeks ago, I was testifying before the CHRB Parimutuel Operations Committee regarding a not-very-complimentary report that had been prepared on satellite wagering facilities, including Fair SWF's. In the course of that testimony, I told the commissioners on the committee that we needed them (Board members) to make a stronger effort to collect the outstanding, unpaid license fees owed to Fairs by racing associations because we use the funding from those license fees to maintain, improve and develop satellite facilities. At that point, the President of Thoroughbred Owners of California (TOC) came forward to challenge how those funds were spent. TOC believes that license fees would be better directed to payment of purses, which benefit owners.

That brings me to another area in which we can and should work together in our mutual interest. We need to make sure that F&E knows it has our help and support to keep pressure on the CHRB to collect the \$1.5 million in unpaid license fees. To that end, I've put together some ideas for prospective action that I'd like to discuss further with you and F&E.

We all recognize that funding is short and that our industry must be smart, strategic and realistic in decisions about the funding allocations that we hope will both grow and protect our industry. Now more than ever we need to work together and use our limited resources wisely.

When it comes to working together, I want to mention one little-known but important example. The CFA Board should know that over the last three years, CARF has stepped up financially by returning money to F&E to help F&E can meet its allocation commitments. In 2005, CARF returned \$432,216; in 2006, \$414,000; in 2007, \$700,000. This was a total over the last three years of \$1,546,216.00 that CARF returned to support allocation commitments. We recognize that this funding need is critical to all Fairs, particularly smaller Fairs, and that we're all in the same boat--that's the reason we didn't hesitate to step up. By doing so, CARF helped protect the \$9.7 million loan/reserve fund. It also meant that CARF had less funding available to undertake the important tasks ahead. At some point soon, together, I'd like to suggest that we take a look at the policy governing the \$9.7 million loan/reserve fund.

We also support multi-year planning, particularly when we're looking ahead at changes of the magnitude described above. To quote from our plan's recommendation to F&E: "In order to be able properly to implement the early phase of the capital improvement plan CARF requests that F&E commit to annual funding for a period of at least five years and at a minimum the

level of expenditures requested for FY 2008-2009."

We see significant opportunity ahead. Our funding plan will help Fairs begin to realize those opportunities.

Thanks again for the CFA position of support that you articulated.

Best regards,
Chris

----- Original Message -----

From: "Rick Pickering" <Rick@AlamedaCountyFair.com>
To: "Stephen Chambers" <stephenc@fairsnet.org>; "Tawny Tesconi" <tawny@sonomacountyfair.com>; "Rebecca Desmond" <rebeccad@sisqfair.com>
Cc: "Michael Treacy" <MTreacy@cdfa.ca.gov>; <korby@calfairs.net>; <Joebarkett@aol.com>; "Dan Jacobs" <dan@avfair.com>; <jalkire@fresnofair.com>; "Bruce Lim (E-mail)" <blim@cdfa.ca.gov>; "Forrest White" <forrest@sanjoaquinfair.com>; "Stuart Titus" <humcofair@frontiernet.net>
Sent: October 30, 2007 1:31 PM
Subject: CFA Support of Racing Funding

Stephen:

Thank you for your call of support this morning and your follow-up email. I was pleased to hear from both you and Rebecca that CFA did not have much input into the portion of the Expenditure Plan that addresses funds for racing; that CFA in general does not have a deep understanding of horse racing; that CFA would not have taken any position on funding for racing without first talking with CARF; and finally, that CFA had not seen the details of the Plan for 2008-2018 until the document came out yesterday. I also appreciated your very positive comments regarding CARF's current leadership and strategic planning efforts.

Based on our conversation it was my understanding that CFA has offered full support of CARF's position in this matter. Thank you for reiterating and solidifying CFA's position in your email, which notes that, "Our (CFA's) support of the Expenditure Plan is contingent upon a similar level of support from CARF."

We look forward to further clarification from F&E as to their intent and plan. Hopefully the bell can be "un-rung" on this before it gets to those who would use it against Fairs, against Fair racing, and ultimately against paying License Fees into the F&E Fund.

Again, thank you for responding with such strong support so quickly. I agree that we have not overreacted, but have tried to strategically think ahead of how this will be interpreted and used by the power

11/28/2007

brokers in California racing to their advantage. If we do not strategically think ahead we will be buried in fighting the skirmishes as defined by these power brokers.

Rick

-----Original Message-----

From: Stephen Chambers [mailto:stephenc@fairsnet.org]

Sent: Tuesday, October 30, 2007 11:41 AM

To: Rick Pickering; 'Tawny Tesconi'; 'Rebecca Desmond'

Cc: 'Michael Treacy'; korby@calfairs.net; Joebarkett@aol.com; 'Dan Jacobs'; jalkire@fresnofair.com; 'Bruce Lim (E-mail)'

Subject: Fair Funding

Rick,

Thank you for your notes regarding the 2007-08 Expenditure Plan. The CFA Board has met with Mike and other Division staff three times this year to provide input to the plan. All of our meetings have focused solely on the sections of the plan that provide funding for all fairs. We do not engage in the planning for CARF funding as we assume that this is one of CARF's primary tasks. It was our understanding that CARF and the other agencies participated in a "Future Vision" planning session early in the year to establish their respective planning goals. CFA has consistently looked to CARF as the leader in the development of racing related policy and funding strategy.

We did encourage F&E to include multi year strategies in the planning process for 2007-08. At the same time, we all understand that the law only allows for single year commitments from the Secretary and that future year planning establishes goals rather than commitments. Over the years we have had occasion to elevate our funding negotiations to the next level, in our case, the CDFA Secretary's desk. If CARF would like to enlist CFA in a more active role in the development of CARF funding we are more than willing.

Our goal is to support CARF and its leadership. Our support of the Expenditure Plan is contingent upon a similar level of support from CARF.

Let us know how we can help.

Stephen

Referendum Petition to Overturn Amendment
to Indian Gaming Compact



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2007 Initiative Update

V.

Initiative Update as of November 26, 2007

Changes since the last update:

- 1296. (07-0064) Marijuana. Repeal of Criminal and Civil Penalties. Release from Jail. Statute. ADDED to Initiatives in Circulation.
- 1297. (07-0065) Tangible Ballots. Direct Recording Electronic Devices. Statute. ADDED to Initiatives in Circulation.

Changes since the November 21, 2007 update are marked with the **NEW** button below.

Past Updates:

[11/21/07](#) [11/20/07](#) [11/19/07](#) [11/15/07](#) [11/09/07](#)

<u>Qualified for 2008 Pres. Primary:</u>	7 - Propositions qualified for the February 5, 2008 Presidential Primary Election ballot
<u>Qualified for 2008 State Primary:</u>	0 - Propositions qualified for the June 3, 2008 Statewide Direct Primary Election ballot
<u>Qualified for 2008 General:</u>	1 - Proposition qualified for the November 4, 2008 General Election ballot
<u>Raw Count:</u>	2 - Initiative pending raw count of signatures
<u>Signature Verification:</u>	0 - Referenda pending signature verification
<u>Failed:</u>	1 - Initiatives failed to qualify
<u>Withdrawn:</u>	3 - Initiatives withdrawn
<u>Circulating:</u>	40 - Initiatives and Referenda in circulation
<u>Attorney General:</u>	22 - Initiatives pending at the Attorney General's Office

The full texts of the initiatives listed on this page are available on the Attorney General's website at <http://ag.ca.gov/initiatives/activeindex.php>.

The complete Ballot Pamphlets for current and previous elections are online. They include the full text of the ballot propositions.

- [November 7, 2006 General Election](#)
- [June 6, 2006 Primary Election](#)
- [November 8, 2005 Special Statewide Election](#)
- [November 2, 2004 General Election](#)
- [March 2, 2004 Primary Election](#)
- [October 2003 Statewide Special Election](#)
- [November 2002 General Election](#)
- [March 2002 Primary Election](#)
- [November 2000 General Election](#)
- [March 2000 Primary Election](#)
- [November 1998 General Election](#)
- [June 1998 Primary Election](#)
- [November 1996 General Election](#)
- [March 1996 Primary Election](#)

University of California Hastings College of the Law maintains a comprehensive, searchable database of information on California ballot initiatives from 1911 to the present. The database contains the full text of the initiatives, accompanying material relating to their filing & qualification, related legal and legislative history, and digital images of pertinent documents. To go to the California Ballot Initiatives Database, click the link below:

- [California Ballot Initiatives Database](#)

University of California Hastings College of the Law also maintains a comprehensive, searchable database of California ballot measures from 1911 to the present. The Hastings site also offers PDF versions of ballot pamphlets from 1911 to the present. To go to the California Ballot Propositions Database, click the link below:

- [California Ballot Propositions Database](#)

Ballot measures that have qualified are listed below. In addition, you will find a list of initiatives that are currently circulating for possible placement on the next ballot.

California uses the direct initiative process, which enables voters to bypass the Legislature and have an issue of concern put directly on the ballot for voter approval or rejection. There are two types of initiatives that can be placed on the ballot: 1) *statute revision*, which requires signatures equal to five percent of the total votes cast for Governor in the preceding gubernatorial election, and 2) *constitutional amendment*, which requires signatures equal to eight percent of the Governor's total vote in the preceding gubernatorial election.

As new initiatives enter circulation or qualify for an election ballot, the Secretary of State's office will issue initiative status updates.

Suggested Initiative Deadlines

Contact the Elections Division at (916) 657-2166 for further information.

[\(Top of Page\)](#)

[Top](#) | [Qualified for 2008 Presidential Primary](#) | [Qualified for 2008 Statewide Direct Primary](#) | [Qualified for 2008 General](#) | [Pending Raw](#) | [Pending Sigs](#) | [Failed](#) | [Withdrawn](#) | [Circulating](#) | [Attorney General](#)

**Propositions that are on the
February 5, 2008 Presidential Primary Election Ballot**

**Initiative Constitutional Amendment and Statute
Proposition 91**

1182. (SA2005RF0123)

Transportation Funding. Initiative Constitutional Amendment and Statute.

Proponent: James Earp, c/o Richard D. Martland (916) 446-6752

Prohibits retention of funds earmarked for the Transportation Investment Fund in the General Fund for use unrelated to transportation after 7/1/08. Requires repayment by 6/30/17 of transportation funds retained in the General Fund in years prior to 2007-08. Eliminates General Fund borrowing of specified transportation funds, except for cash-flow purposes (repayment required within 30 days of adoption of budget); current law allows borrowing for three years where Governor declares transfer would cause significant negative fiscal impact on governmental functions and Legislature enacts authorizing statute. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: No revenue or cost effects. Increases stability of funding to transportation in 2007-08 and thereafter; reduces somewhat the state's flexibility to use specified transportation funds for other (nontransportation) activities. (SA2005RF0123) ([Full Text](#))

**Initiative Constitutional Amendment and Statute
Proposition 92**

1226. (06-0030)

Community Colleges. Funding. Governance. Fees. Initiative Constitutional Amendment and Statute.

Proponents: Dennis Smith and Scott Lay c/o Eugene Hill (916) 442-2952

Establishes in state constitution a system of independent public community college districts and Board of Governors. Generally, requires minimum levels of state funding for school districts and community college districts to be calculated separately, using different criteria and separately appropriated. Allocates 10.46 percent of current Proposition 98 school funding maintenance factor to community colleges. Sets community college fees at \$15/unit per semester; limits future fee increases. Provides formula for allocation by Legislature to community college districts that would not otherwise receive general fund revenues through community college apportionment. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: Potential increases in state spending on K-14 education of about \$135 million in 2007-08, \$275 million in 2008-09, and \$470 million in 2009-2010, with unknown impact annually thereafter. Annual loss of fee revenues to community colleges of about \$71 million in 2007-08, with unknown impacts annually thereafter. (06-0030) ([Full Text](#))

**Initiative Constitutional Amendment
Proposition 93**

1238. (07-0004, Amdt. #1S)

Limits on Legislators' Terms in Office. Initiative Constitutional Amendment.

Proponents: Robin B. Johansen and Kari Krogseng c/o James C. Harrison (510) 346-6200

Reduces the total amount of time a person may serve in the state legislature from 14 years to 12 years. Allows a person to serve a total of 12 years either in the Assembly, the Senate, or a combination of both. Provides a transition period to allow current members to serve a total of 12 consecutive years in the house in which they are currently serving, regardless of any prior service in another house. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: This measure would have no direct fiscal effect on state or local governments. (07-0004) ([Full Text](#))

**Referendum
Proposition 94**

1260. (07-0037)

Referendum Petition to Overturn Amendment to Indian Gaming Compact.

Proponent: Jack Gribbon

If this petition is signed by the required number of registered voters and timely filed with the Secretary of State, it will stop the law (Chapter 40, Statutes of 2007) from going into effect, unless a majority of voters at the next statewide election vote in its favor. The challenged law ratifies an amendment to an existing gaming compact between the state and Pechanga Band of Luiseno Mission Indians; exempts certain projects from the California Environmental Quality Act; requires that revenue paid by tribe be deposited in the General Fund. (07-0037) ([Full Text](#))

JACK GRIBBON
243 GOLDEN GATE AVENUE
SAN FRANCISCO, CA 94102

July 27, 2007

RECEIVED

JUL 27 2007

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Request for Title and Summary for Proposed Referendum

Dear Sir or Madame:

Pursuant to Article II, Section 10(d) of the California Constitution, I am submitting the attached proposed statewide referendum of SB 903 (Ch. 40, Stats. 2007) to your office and request that you prepare a title and summary of the measure as provided by law. Included with this submission is the required proponent affidavit signed by the proponent of this measure pursuant to section 9608 of the California Elections Code. My address as registered to vote is provided on Attachment 'A' to this letter.

Thank you for your time and attention to this important matter.

Very truly yours,

Jack Gribbon

Encl.

Senate Bill No. 903

CHAPTER 40

An act to add Section 12012.49 to the Government Code, relating to gaming

SECTION 1. Section 12012.49 is added to the Government Code, to read:

12012.49. (a) The amendment to the tribal-state gaming compact entered into in accordance with the Indian Gaming Regulatory Act of 1988 (18 U.S.C. Sec. 1166 to 1168, incl., and 25 U.S.C. Sec. 2701 et seq.) between the State of California and the Pechanga Band of Luiseño Mission Indians, executed on August 28, 2006, is hereby ratified.

(b) (1) In deference to tribal sovereignty, none of the following shall be deemed a project for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code):

(A) The execution of an amendment to the amended tribal-state gaming compact ratified by this section.

(B) The execution of the amended tribal-state gaming compact ratified by this section.

(C) The execution of an intergovernmental agreement between a tribe and a county or city government negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(D) The execution of an intergovernmental agreement between a tribe and the California Department of Transportation negotiated pursuant to the express authority of, or as expressly referenced in, the amended tribal-state gaming compact ratified by this section.

(E) The on-reservation impacts of compliance with the terms of the amended tribal-state gaming compact ratified by this section.

(F) The sale of compact assets, as defined in subdivision (a) of Section 63048.6, or the creation of the special purpose trust established pursuant to Section 63048.65.

(2) Except as expressly provided herein, nothing in this subdivision shall be construed to exempt a city, county, or city and county, or the California Department of Transportation, from the requirements of the California Environmental Quality Act.

(c) Revenue contributions made to the state by the tribe pursuant to the amended tribal-state gaming compact ratified by this section shall be deposited in the General Fund.



The Web Site of The Sacramento Bee

This story is taken from [Sacbee](#) / [Politics](#).

LAO says budget problem grows to nearly \$10 billion

By Judy Lin and Dan Smith - jlin@sacbee.com
Published 9:34 am PST Wednesday, November 14, 2007

Legislative Analyst Elizabeth Hill on Wednesday morning released her forecast for the 2008-09 state budget -- and it's not a pretty picture. Declining revenues and increased expenses add up to nearly a \$10 billion problem for the fiscal year that begins July 1, she said.

Lower property taxes are increasing the state's obligation to schools, the general softness in the economy is hammering major tax receipts and a likely delay in the anticipated sale of EdFund are all contributing to the problem, the report says.

Absent corrective action, the gap between revenues and expenses will grow to \$8 billion in the fiscal year. In addition, the state will enter the fiscal year about \$2 billion in the hole from this year. In all, lawmakers will have to adopt about \$10 billion in solutions next year, Hill said.

And the situation isn't expected to improve any time soon. In 2009-10, the state faces a shortfall of \$8 billion in the general fund, the report said.

The state enacted a \$102 billion general fund spending plan in August that contained a \$4 billion reserve. But lower tax receipts and higher expenses will pull the state \$1.8 billion into the hole by next June, according to the report.

On Tuesday, Assembly Republican Mike Villines of Clovis said the Legislature earlier this year squandered an opportunity to create a "playbook" for the budget in good times and bad. He said lawmakers will not be able to dodge the worsening deficit this time around.

Hill's report on Wednesday offered some solutions that would certainly invite political opposition, including eliminating programs, shifting costs and raising taxes.

Hill suggested immediate cuts be made now to "double up" savings for the new year. The report said suspending a cost-of-living increase scheduled to go into effect in June for aged, blind and disabled poor receiving Supplemental Security Income/State Supplementary Program benefits would generate a \$250 million savings.

Gov. Arnold Schwarzenegger also has the authority to delay \$1.6 billion in debt payment, according to the report. The suggestion was made during the 2007-08 budget negotiations, but governor refused.

Presently, state revenues are \$1.1 billion below forecast, according to the latest financial bulletin. Finance Department officials attributed the decline largely due to the weakened real estate market.

According to the legislative analyst's report, a drop in local property tax revenue will place an extra burden on the state general fund. Because property taxes help offset education expenses, the state will have to contribute \$1 billion more to fund Proposition 98, the state law guaranteeing schools a minimum level of funding.

Other factors driving down revenue forecasts include a delayed sale of EdFund, the state's student loan guarantee program.

And instead of pulling in \$1 billion, as the budget assumes, the analyst now assumes the state will receive \$500 million in the 2008-09.

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**SAN MATEO COUNTY EXPOSITION & FAIR ASSOCIATION
BOARD OF DIRECTORS' MEETING –NOVEMBER 14, 2007
MINUTES**

A meeting of the Board of Directors was held November 14, 2007 at the San Mateo County Event Center, 2495 South Delaware Street, San Mateo, CA 94403.

I. CALL TO ORDER

The meeting was called to order by President Olsen at 4:08 P.M.

II. ROLL CALL

Roll call was taken as follows:

Present: Jack Olsen, President
Melanie Hildebrand, Vice-President
Peter Chartz, Secretary-Treasurer
Steve Karp
Mark Norris
John Zirelli

Absent: Tony Clifford

Also Present: Chris A. Carpenter, General Manager
Dana Stoehr, Assistant General Manager
Diane Baumann, Accounting Manager
Geoff Hinds, Fair & Festivals Manager
Charlene King, Office Manager
Portor Goltz, County Counsel
John Quiroz, Division of Fairs & Expositions
Rick Pickering, Alameda County Fair
Chris Korby, CARF
Robert Hartman, Golden Gate Fields
Peter Tunney, Golden Gate Fields
Charlie Neary, Ovations
Tony Green, Ovations
Steve Bellacross, Ovations

III. ORAL COMMUNICATIONS

A. Board

President Olsen welcomed and introduced all the guests to the meeting.

B. Public

There were no oral communications.

IV. APPROVAL OF MINUTES

Director Hildebrand motioned to approve the minutes from the October 24, 2007 Board Meeting and the November 7, 2007 Special Board Meeting. Motion seconded by Director Karp, and unanimously carried.

V. PRESIDENT'S REPORT

A. Discussion and action regarding contract with Bay Meadows Racing Association for the 2008 live race meet

President Olsen reported on the proposed 2008 live race meet agreement. Manager Carpenter reported he has had verbal discussions with Bay Meadows regarding this agreement but there have been no commitments in writing. He reported he has also talked with the Alameda County Fair and Golden Gate Fields about possible 2008 race dates. Rick Pickering reported that he had met with CARF and Golden Gate Fields and they collectively agreed they would help to support the San Mateo County Fair's race meet. There was discussion regarding the possibility that Bay Meadows may not run our race meet dates. Director Hildebrand questioned how much notice would be necessary to obtain dates at Golden Gate Fields. Robert Harman responded that January 1st would be a reasonable date to give notice as Golden Gate Fields books many interim events. President Olsen reported we would need to move forward with this item and approve an agreement at the next Board meeting. It was agreed Manager Carpenter and Deputy County Counsel Goltz would work together on the contract language and present the proposed agreement to Bay Meadows and obtain proposals from other interested parties as well.

B. Discussion and Action Regarding Satellite Wagering Facility funding offer from CDFA and CARF

President Olsen reported on the signed copy of the financing package offered by CDFA and CARF for the development of a satellite wagering facility. Director Norris motioned to approve the financing package as presented, seconded by Director Hildebrand, and unanimously carried.

Chris Korby thanked the Board for their approval of the financing package. He stated CARF is looking forward to working with the SMCEC on this project.

VI. MANAGER'S REPORT

A. Horse Racing Update

Manager Carpenter reported on a satellite wagering planning meeting which took place yesterday and included Chris Korby-CARF, Will Willis and Jon Pik, CCA, Nick Nicora and Charlie Neary, Deputy County Counsel Peggy Jensen, Jeanne Wasserman, Director Norris and SMCEC Operations Manager Darryl Reavis. He reported the there was discussions at the meeting regarding the planning of the SWF including the construction schedule and other details. Many ideas were shared and CCA will put together 3 schematic designs for the SMCEC's review. President Olsen reported it is likely a Special Board meeting will be called to review the designs and approve one or move forward with. Manager Carpenter reported on the possibility of having to utilize Cypress Hall for the SWF on the weekends. There was discussion regarding how this could effect current and future clients. Chris also reported we will be working on the CEQA and a JPA which will be placed on the Board of Supervisors agenda for their December 18th Board meeting .

Manager Carpenter thanked CARF, F&E and CCA for their assistance on this project. He also thanked Rick Pickering, Robert Hartman, and Peter Tunney for their support.

B. Discussion of San Mateo County Youth Commission Program

Manager Carpenter reported on correspondence he received from the Youth Development Coordinator inquiring about our interest in having Youth Commissioners assigned to the Board. Director Norris reported they would be requiring a substantial commitment from our Board to act as mentors. Director Hildebrand expressed concern regarding potential conflicts and recommends that any Youth Commissioners appointed not be involved in the Fair in any way. President Olsen reported Manager Carpenter would express the concerns to the youth coordinator and report back to the Board.

C. Ovations

Manager Carpenter welcomed Tony Green who is moving to a new facility within Ovations. He reported that Tony has been a great asset to the SMCEC and he thanked Tony for his efforts. Tony Green thanked Manager Carpenter and Assistant Manager Stoehr for their support. He reported he is sorry to leave the SMCEC but is looking forward to the new opportunity. Charlie Neary introduced the new on site General Manager, Steve Bellacose.

D. Sales Update

Assistant General Manager Stoehr reported on upcoming 2008 events.

E. Events Update

Manager Carpenter reported on the motorcycle show taking place this weekend. He also reported that Sr. Event Manager Liggio and Event Manager Yuri Castro recently attended a crowd management conference.

VII. CONSENT AGENDA

The Consent Agenda was approved as presented, motioned by Director Hildebrand, seconded by Director Clifford, and unanimously carried.

A. User Agreements

1. Hot Import Nights Car Show - #4688
2. Dog Show & Obedience Trials - #4689
3. Trade Show - #4691
4. Big Adventure Show - #4692
5. Teach Me Foreclosure & Real Estate Investing - #4693

B. Service Agreements

- a. Kitchen Works Fair Sponsorship - #08-01

Director Hildebrand motioned to approve the consent agenda as presented, seconded by Director Chartz, and unanimously carried.

VIII. FINANCE/CONCESSIONS/PARKING COMMITTEE.....Director Chartz

**California Authority of Racing Fairs
Agency Income Statement
Estimated thru December 2007**

	2005	2006	2007	2007	2007	2007
	Year End	Year End	ESTIMATED	Budget	Variance	% Budget
Revenue:						
Other Revenue	255	9,233	145	500	(355)	29%
Interest Income	35,736	48,441	55,959	40,000	15,959	140%
Member Dues	279,780	261,477	257,268	257,276	(8)	100%
CARF Admin Fee	335,413	297,943	282,231	419,925	(137,694)	67%
Total Revenue	651,185	617,094	595,602	717,701	(122,098)	83%
Expenses:						
Salaries	200,703	204,210	204,025	277,762	73,737	73%
Employee Benefits	28,803	21,363	15,517	61,108	45,591	25%
Post Retirement Benefits	22,800	27,118	31,509	32,000	491	98%
Payroll Taxes	13,519	11,471	9,758	30,554	20,796	32%
Accounting Costs	16,270	16,965	16,265	16,250	(15)	100%
Advertising Expense	0	800	0	0	0	0%
Audit Services	5,125	4,815	5,875	5,625	(250)	104%
Automobile Expense	357	0	3,363	2,000	(1,363)	168%
Contracted Services	1,928	1,198	2,119	3,000	881	71%
Depreciation	10,853	16,682	13,195	4,385	(8,810)	301%
Dues & Subscriptions	719	30,475	29,484	31,000	1,516	95%
Insurance Expense	35,110	37,763	38,457	38,151	(306)	101%
Legal Expenses	7,419	6,620	5,575	20,000	14,425	28%
Legislative Expenses	51,857	49,888	56,243	60,000	3,757	94%
Meetings Expense	2,901	6,861	2,886	6,000	3,114	48%
Misc. Bank Fees	269	29	84	1,000	916	8%
Office Supplies	14,912	17,074	14,038	15,000	962	94%
Postage & Shipping	3,201	3,570	4,269	3,000	(1,269)	142%
Rent (Tribute Road)	33,641	35,777	35,770	35,770	0	100%
Repairs & Maintenance	953	370	359	1,000	641	36%
Telephone Expense	9,437	10,660	9,940	11,000	1,060	90%
Training	0	0	0	2,500	2,500	0%
Travel Expense	23,835	24,886	28,514	27,500	(1,014)	104%
Total Expenses	484,614	528,593	527,242	684,605	157,363	77%
Income (Loss)	166,571	88,500	68,360	33,096	35,264	207%

California Authority of Racing Fairs
Southern Region Income Statement
Estimated thru December 2007

	2005	2006	2007	2007	2007	2007
	Year End	Year End	ESTIMATED	Budget	Variance	% Budget
Program Revenue:						
Program Sales	696,535	493,939	454,165	390,075	64,090	116%
Other Revenue	0	0	0	0	0	0%
Royalties/Fees Due Host	(629,936)	(440,394)	(407,160)	(351,067)	(56,093)	116%
Total Revenue	66,599	53,545	47,005	39,008	7,997	121%
Expenses:						
Legal Expenses	0	0	0	2,500	2,500	0%
Meetings Expense	0	0	539	1,000	461	54%
Misc Exp.(Storage)	0	0	0	1,000	1,000	0%
Postage & Shipping	0	0	0	100	100	0%
Telephone Expense	0	0	0	500	500	0%
Total Expenses	0	0	961	5,100	4,139	19%
Operating Income (Loss)	66,599	53,545	46,044	33,908	12,136	136%
CARF Admin Fee	52,255	39,146	34,181	29,256	(4,925)	117%
Rebate						
Income (Loss)	14,344	14,398	11,863	4,652	7,211	255%

**California Authority of Racing Fairs
Project Management Income Statement
Estimated thru December 2007**

	2005	2006	2007	2007	2007	2007
	Year End	Year End	ESTIMATED	Budget	Variance	% Budget
Revenue:						
CARF Admin Fee	168,072	126,419	117,249	256,250	(139,001)	46%
Project Management	67,238	76,158	79,105	85,868	(6,763)	92%
Total Revenue	235,310	202,578	196,353	342,118	(145,765)	57%
Expenses:						
Salaries Expense	47,563	56,190	58,409	51,592	(6,817)	113%
Employee Benefits	5,936	6,595	7,566	11,350	3,784	67%
Payroll Taxes	2,928	3,065	2,951	5,675	2,724	52%
Accounting Costs	6,500	6,780	6,500	6,500	0	100%
Audit Services	2,050	1,870	2,350	2,250	(100)	104%
Automobile Expense	290	0	0	4,500	4,500	0%
Contracted Services	0	0	0	1,000	1,000	0%
Telephone Expense	1,351	1,015	689	2,000	1,311	34%
Travel Expense	140	144	85	500	415	17%
Misc. Storage	480	555	555	500	(55)	111%
Total Expenses	67,238	76,214	79,105	85,867	6,762	92%
CARF Admin Fee	168,072	126,364	117,249	256,251	139,002	46%

**California Authority of Racing Fairs
Live Racing Income Statement
Estimated thru December 2007**

	2005	2006	2007	2007	2007	2007
	Year End	Year End	ESTIMATED	Budget	Variance	% Budget
Revenues:						
Change Fund Admin Fee	25,426	42,690	36,899	40,000	(3,101)	92%
Racing Fairs Admin Fee	67,660	67,743	71,902	72,418	(516)	99%
Supplemental Purses Admin Fee	22,000	22,000	22,000	22,000	0	100%
NCOTWINC Reimbursement	29,000	29,000	29,000	29,000	0	100%
Racing Fairs Reimbursement	894,677	959,886	1,011,950	965,572	46,378	105%
Advertising Revenue	3,625	3,425	4,827	3,500	1,327	138%
Total	1,042,388	1,124,744	1,176,578	1,132,490	44,088	104%
Expenses:						
Salaries	119,133	137,045	137,603	116,281	(21,322)	118%
Employee Benefits	28,745	32,501	35,136	30,000	(5,136)	117%
Payroll Taxes	7,950	9,178	23,070	12,791	(10,279)	180%
Accounting Costs	42,250	44,070	42,250	42,250	0	100%
Audit Services	13,325	12,155	15,275	14,950	(325)	102%
Automobile Expense	2,846	811	3,518	3,000	(518)	117%
Dues & Subscriptions, NTRA	150	28,125	28,125	30,000	1,875	94%
Legal Expenses	1,339	9,232	23,520	6,000	(17,520)	392%
Meetings Expense	5,722	3,429	3,483	5,000	1,517	70%
(Storage,Bank fee)	5,264	0	0	3,000	3,000	0%
Telephone Expense	1,671	932	793	2,000	1,207	40%
Travel Expense	28,822	28,650	47,070	25,000	(22,070)	188%
Sub-Totals	257,217	306,128	359,843	290,272	(69,571)	124%
Racing Support Services:						
Announcer	68,824	33,513	24,870	40,000	15,130	62%
Condition Bk/Program Cover	17,285	19,540	15,237	23,000	7,763	66%
Racing Operations Support	19,498	73,176	69,975	68,000	(1,975)	103%
TC02 Testing	42,511	50,341	59,975	51,000	(8,975)	118%
Marketing	3,769	2,095	3,297	20,000	16,703	16%
Network Management	2,666	2,748	5,186	5,000	(186)	104%
Paymaster	3,961	8,860	4,832	10,500	5,668	46%
Program Production	164,799	169,347	179,185	160,000	(19,185)	112%
Racing Office System	62,441	60,889	53,440	60,000	6,560	89%
Recruitment	11,649	13,257	15,663	10,000	(5,663)	157%
Jumbo Screen	179,350	151,025	137,700	175,000	37,300	79%
Supplies	12,444	17,968	15,253	9,500	(5,753)	161%
Tattooing	22,002	16,724	17,901	16,800	(1,101)	107%
Timing/Clocker	39,541	29,472	25,938	30,000	4,062	86%
Transportation	3,050	3,350	4,660	4,000	(660)	117%
TV Production/Simulcast	16,296	33,879	52,822	25,000	(27,822)	211%
Sub-Totals	670,085	686,183	685,933	707,800	21,867	97%
Total Expenses	927,302	992,311	1,045,777	998,072	(47,705)	105%
CARF Admin Fee	115,086	132,433	130,801	134,418	3,617	97%