

CALIFORNIA AUTHORITY OF RACING FAIRS

Live Racing Committee
Tuesday, June 3, 2008

Minutes

A meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, June 3, 2008. The meeting was conducted at the Kahn, Soares & Conway Conference Room located at 1415 L Street, Suite 400, Sacramento, California, 95814.

Live Racing Committee members attending: John Alkire, Joe Barkett, Rick Pickering and Stuart Titus. Joining by conference call: Chris Carpenter, Tawny Tesconi and Forrest White.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Margot Wilson, Mike Treacy and Dave Elliott.

Agenda Item 1 – Determination of Date, Time and Location of Next Meeting. The next CARF Board & Live Racing Committee meeting is tentatively scheduled for Wednesday, September 3, 2008 in Stockton.

Agenda Item 2 – Approval of Minutes from May 6, 2008. Mr. Barkett requested that the substitute motion in Agenda Item 4 be corrected to show two weeks allocated to Vallejo. Mr. Alkire moved to approve the meeting minutes as amended. Mr. Pickering seconded, unanimously approved.

Agenda Item 3 – Discussion and Action, if any, on a Combined Fair Meeting in 2009. Mr. Korby reported that the concept of a combined Fair meeting, which has been discussed by this group for several years, would create a single Fair meet for those Fairs wishing to participate. This method will give Fairs another measure of control over the summer racing dates and where those dates are run with continuity in racing operations (personnel, wagering menu, purse structure, stakes races, etc). A combined meeting would protect the block of dates and provide flexibility and latitude as the racing landscape in California continues to evolve.

Several technical issues were discussed such as Union seniority, legislation that might limit progress, how specific details might pan out, whether a consultant should be hired to look at the financial impact and potential autonomy of individual Fair Boards. The group came to the conclusion that the questions concerning details are numerous, but an agreement needs to be established regarding the concept of a combined meet before the details are analyzed.

Mr. Alkire moved that Fair Managers bring a position, supported by their respective Boards, regarding the concept of a combined Fair meeting to the Sept. 3, 2008 CARF Live Racing Committee Meeting in Stockton. Staff is directed to draft a one page document outlining the concept so that all parties establish a position on the same criteria. Mr. Titus seconded, unanimously approved.

Agenda Item 4 – Updates, Discussion and Action, if any, on Implementation of AB 765. Mr. Barkett reported that the California Horse Racing Board (CHRB) was not receptive to the proposed implementation of AB 765 (Evans), which is 2007 Fair legislation that authorizes

Fairs to contribute 1 percent of the total amount handled daily on their races to the Inclosure Facilities Improvement Fund for the improvement of Fair racing facilities. The CHRB Board requested more detailed information on how the money would be spent and the agenda item was delayed to the next CHRB meeting. The timing is problematic because Pleasanton will have already commenced racing by the next meeting and there will not be time to negotiate the out-of-state rates. Mr. Korby will provide the CHRB Board with a packet containing a status report on the design development of the Pleasanton engineered surface and backstretch expansion and improvements along with a financing proposal developed by Fieldman Rolapp detailing the steps required to secure financing.

Mr. Barkett expressed concerns and asked that CARF provide documentation to the CHRB outlining the plans specifically, not theoretically. Mr. Korby assured the group that the package would outline exact projects and respective costs. Mr. Korby stated that the two most logical courses of action at this point are to wait to implement the legislation in 2009 or request a special meeting of the CHRB prior to the opening of Pleasanton with the knowledge that out-of-state monies will not be captured in 2008 thereby setting a potential precedent that out-of-state entities are not required to participate.

Agenda Item 5 – Discussion and Action, if any, on a Racing Calendar for 2009 and Beyond. Mr. Korby introduced working calendars for future Fair racing. The group discussed concerns, requests and several variables that kept a consensus from being reached on the proposed calendars. Mr. Barkett requested that the group postpone racing calendar discussions to a conference call when more time can be spent on the subject.

[The meeting was not adjourned and continued via conference call on Thursday, June 5, 2008 at 10:00 a.m.]

Agenda Item 6 – Discussion and Action, if any, on Legislative Matters. [Minutes from June 3, 2008 Board Meeting] Mr. Brown reported on a meeting yesterday with racing industry principals. The consensus of the group was that AB 2258 (Evans) should move as is and no one from the group will stand in the way of its progress. Mr. Barkett expressed concern about the concept of extending the calendar window for a combined Fair meet running contrary to the Fair request to raise the Fair two week cap to four weeks.

Mr. Korby introduced the packet document listing racing issues that are currently being discussed as part of the racing industry's 2008 legislative agenda. Mr. Korby requested support on Items 5, 6 and 7 and support of the concepts on Items 2, 3 and 8.

Mr. Pickering moved to support the following changes in legislation to the Northern Zone: 1) Raise the cap on private association dates from 32 weeks up to 35 weeks; 2) Raise the 14-day cap on Fair dates to four weeks; and 3) Extend the calendar window for a combined Fair meeting to include June, making the window June 1 through October 31. Mr. Alkire seconded, unanimously approved.

Mr. Pickering moved to support the following concepts: 1) Lift the cap on imported races; 2) Support statewide, year-round additional take-out to be used exclusively for racing facility improvements; and 3) Revise the statute to specifically permit vanning and stabling fund

to be used for debt service on funding for race track and backstretch facility improvements. Mr. Alkire seconded, unanimously approved.

Agenda Item 7 – Executive Director’s Report. Mr. Korby reported that recent events have required Vallejo to open two weeks early for stabling.

Mr. Korby noted that Mr. Jacobs made a request to send CARF Board Meeting notices to all CARF members so that they can participate if they so wish.

Mr. Barkett reported that matters regarding the Humboldt County Fair will be noticed as an item of discussion at a future meeting.

Mr. Korby asked that all requests requiring staff time be placed through the Executive Director to be appropriately delegated. Mr. Barkett notified the group that meeting and communication standards will be addressed in future meetings.

Respectfully submitted,
Heather Haviland