

CALIFORNIA AUTHORITY OF RACING FAIRS

**Live Racing Committee
Thursday, October 11, 2012**

MINUTES

A teleconference meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Thursday, October 11, 2012. The meeting was hosted at the Big Fresno Fair, 1121 South Chance Avenue, Fresno, CA, 93702.

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

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Louie Brown, Chris Borovansky, Tom Sawyer and Barbara Boester-Quaid. Joining by conference call: Cindy Olsen, Jim Morgan, Dave Moggi, Jeff Farley and Amelia White.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Live Racing Committee meeting will be held November 13, 2012 via teleconference.

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

Agenda Item 3 – Report on CHRB Action Regarding 2013 Racing Calendar. Mr. Korby reported that the California Horse Racing Board (CHRB) Commissioners approved the calendar included in your meeting packets, titled “*2013 Proposed Northern California Racing Calendar (Hosted Days) – GGF/CARF/TOC 9-6-2013,*” the only outstanding element being the host designation during two weeks in August (14-25) in Northern California. The existing calendar shows those two weeks being run concurrently at Humboldt County Fair and Golden Gate Fields. The matter of host designation or revenue sharing is still under discussion and negotiation between all parties involved and will be on the agenda for the October CHRB meeting.

Agenda Item 4 – Report, Discussion and Action, if any, on Legislation for 2012 and Beyond. Mr. Brown reported that the Legislature is on break and the new session will begin December 3, 2012. When the new session begins, approximately half of the Legislature will be brand new. Legislative staff has begun the 2013 planning process with Mr. Korby, but has nothing to report at this time.

Mr. Korby reported that preliminary recommendations for the CARF 2013 legislative program will be presented at the next meeting.

Agenda Item 5 – Executive Director’s Report. Mr. Morgan requested an update regarding the status of negotiations with Golden Gate Fields, Del Mar and TOC in regards to Humboldt County Fair and August 2013 host revenues. Mr. Korby responded that he has been in correspondence with

Joe Morris over the last couple of days and has drafted documents that both summarize the 2012 arrangement and outline possible scenarios for 2013. Those materials were distributed to Humboldt County Fair and the CARF Board of Directors yesterday afternoon.

Mr. Korby circulated copies of the materials and verbally reviewed them in detail for Mr. Morgan. Mr. Korby recommended, as part of these negotiations, that any money derived from purses at either Del Mar or Golden Gate Fields be put directly back into purses at Humboldt. Mr. Morgan reiterated his concerns for the survival of Humboldt County Fair and asked to be closely involved with any discussions Mr. Korby has with Mr. Morris in reference to this matter.

Mr. Pickering asked, as a matter of order, if Mr. Morgan was the person CARF should be reporting directly to, or if Mr. Titus, with a seat on the Live Racing Committee, would be reporting CARF activity and negotiations to Mr. Morgan. Mr. Titus responded that Mr. Morgan is the point person regarding Humboldt County Fair's host status and revenue negotiations. Mr. Pickering stated that the Humboldt County Fair Board of Directors will need to send a letter to the CARF Board of Directors designating Mr. Morgan as a person authorized to conduct business and make binding decisions on behalf of Humboldt County Fair or otherwise explaining the relationship.

Mr. Korby stated that Humboldt consider the document titled "*Staff Recommendation to CARF Board Regarding Humboldt County Fair Racing.*"

Mr. Alkire stated that he took offense to Mr. Morgan's memo "*Humboldt County Fair Update: A Permanent Solution to Perennial Issues*" which repeatedly stated Ferndale was the only successful CARF meet when two member Fairs (Stockton and Fresno) had yet to conduct their meets. Mr. Alkire stated Humboldt has historically made bold statements, assumed a position, changed that position and said or done things solely to get what they want while utilizing CARF as a shield.

Mr. Korby asked if Mr. Morgan would receive compensation based on payments made to Humboldt County Fair. Mr. Morgan replied that he is compensated in perks, not monetarily. He responded that he does not receive any money derived from negotiations on behalf of Humboldt County Fair. Mr. Korby asked if there is an agreement in writing for Mr. Morgan's services to Humboldt County Fair. Mr. Morgan replied that there is not a written agreement for his services.

Mr. Korby stated that next steps would involve Humboldt reviewing the material that was distributed and working toward a solution that can be presented to the CHRB.

Respectfully submitted,
Heather Haviland