

CALIFORNIA AUTHORITY OF RACING FAIRS
Live Racing Committee
Tuesday, April 2, 2013

MINUTES

A meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, April 2, 2013. The meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Live Racing Committee members attending: John Alkire, Janet Lockhart, Rick Pickering and Tom Sawyer. Joining by conference call: Mike Paluszak and Tawny Tesconi.

Staff and Guests attending: Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Raechelle Gibbons and Jeanne Wasserman. Joining by conference by: Louie Brown, Janet Covello, Dave Elliott, Chris Flaherty and Cindy Olsen.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Live Racing Committee meeting will be held May 7, 2013 in Sacramento. Mr. Paluszak reported that he will be unable to attend the May 7, 2013 meeting.

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

Agenda Item 3 – Report and Discussion of Planning and Implementation of Horsemen’s VIP Credentials Program for 2013. Mr. Alkire stated that Mr. Korby will not be present today due to a death in his family. Mr. Swartzlander will be handling staff matters during the meeting.

Mr. Swartzlander reported that the meeting packets contain a set of credentials that were used in 2012 as part of a “VIP Horsemen” pilot program at Stockton and Fresno. Mr. Swartzlander stated that the goal of the program is to provide key horsemen with a single set of credentials at all participating Fairs. This program will dovetail with the recruitment program in welcoming horsemen to Fairs and making the experience as pleasant and enjoyable as possible. Mr. Swartzlander stated that since the March meeting, he has had a chance to sit down with Cal Expo representatives and at this time all CARF Fairs are in support of implementing the program in 2013.

Mr. Swartzlander encouraged Fair representatives to contact CARF staff if they have additional perks, such as seating or VIP access, that they would like included in the program, or recommendations regarding expanding the program beyond the details that were discussed during the March meeting. Mr. Swartzlander reiterated that the VIP Program will be offered to select participants through the Racing Office and that distribution and use will be carefully documented.

Agenda Item 4 – Report, Discussion and Action, if any, on Legislative Program for 2013. Mr. Brown reported that the Legislature reconvened after spring recess and will be moving all legislation through various policy committees during the month of April.

CARF sponsored bill AB 1347 (Gray), a substantive spot bill to extend the California Marketing Committee (CMC) sunset, will be heard sometime this month. AB 1347 can also be used as a vehicle for other industry issues that might need to be addressed during the course of the session.

CARF sponsored bill SB 398 (Galgiani) would add authorized distributions from charity race days to include a nonprofit corporation whose sole purpose would be to support the network of California fairs. This bill sets the framework for additional revenue to flow to Fairs should the opportunity present itself. There is currently no opposition to the bill and it should move through policy committee easily.

Mr. Brown reported that there is Committee on Agriculture bill (AB 1388) that would increase the time period required for an out-of-state equine to test negative for equine infectious anemia from 6 months to 12 months prior to entering the state of California. Mr. Brown reported that Mr. Korby requested the CARF Board of Directors support this bill as it seeks to protect California's horse population from disease.

Mr. Brown reported that SB 741 (Cannella) would change the contracting standards for District Agriculture Associations. The bill will be heard two weeks from today in the Senate Agriculture Committee. An amendment that will be proposed next week will seek to revert license fee funding currently generated from racing Fairs back to Fairs that conduct live or satellite wagering. Mr. Alkire reported that he and Mr. Korby met with WFA/CDFA staff to ensure that the license fee issue is resolved in a manner that will benefit Fairs conducting pari-mutuel racing activities.

Mr. Brown reported that discussing regarding Internet and sports wagering are still ongoing and a more comprehensive update will be available for the May meeting.

Agenda Item 5 – Report, Discussion and Action, if any, on Horsemen's Agreements, Projections and Purse Schedules. Mr. Swartzlander reported that copies of the 2013 purse projections, purse schedule and stakes schedule are included in the meeting packets and that the only changes in the materials from those provided at the March meeting involve Cal Expo. Mr. Doutrich reported that a \$75,000 filly and mare stakes has been added to Cal Expo as well as supercharged purses for select optional claiming races. Mr. Swartzlander reported that the current purse projection for the 2013 meet is \$111,000 underpaid.

Mr. Swartzlander reported that horsemen's agreements are pending a formal agreement between CARF and Santa Rosa regarding 2013 CARF live racing services. Mr. Swartzlander also reported that CARF staff is working with TOC to revise language proposed by TOC regarding racing sponsorships.

Agenda Item 6 – Report and Discussion on Preparation of and Deadlines for CHRB Racing License Application. Mr. Swartzlander reported that the Alameda County Fair and California State Fair racing application will be heard before the California Horse Racing Board (CHRB) on Thursday, April 11, 2013. All materials have been submitted except for the TOC agreement which is expected to be finalized prior to the CHRB meeting.

Agenda Item 7 – Report, Discussion and Action, if any, on Planning for 2013 Fair Race Circuit. Mr. Swartzlander reported that the 2013 racing calendar is set with the exception of the Columbus holiday at Fresno and CARF staff is moving forward in preparation for the 2013 season.

Mr. Pickering requested an update regarding the estimated increase in daily racing expenses in light of Santa Rosa's decision not to participate in CARF managed services. Mr. Alkire reported that Mr. Korby will be providing an analysis for the May meeting with variances, solutions and recommended cuts.

Agenda Item 8 – Report, Discussion and Action, if any, on Racing Dates for 2014 and Beyond. Ms. Wasserman provided a pocket flyer called "Talkin Track" and offered the digital file to any Fair interested in printing them for their own meet.

Agenda Item 9 – Executive Director's Report. Mr. Alkire reiterated that Mr. Korby will be providing a financial recap regarding 2013 CARF live racing services at the May meeting.

Mr. Alkire reported that Los Alamitos has officially withdrawn their interest in expanding their racing surface in hopes of receiving Thoroughbred race dates in the event that Hollywood Park closes.

Respectfully submitted,
Heather Haviland