

CALIFORNIA AUTHORITY OF RACING FAIRS
Live Racing Committee
Tuesday, February 4, 2014

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Live Racing Committee was held at 11:00 A.M., Tuesday, February 4, 2014. The meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Live Racing Committee members attending: Richard Conway and Brian May. Joining by conference call: John Alkire, Jerome Hoban and Mike Paluszak.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Raechelle Gibbons, Louie Brown, Dan Jacobs, Chris Carpenter and Allen Aldrich. Joining by conference call: Jim Morgan, Cindy Olsen, Jeff Farley, Caroline Titus, Tawny Tesconi and Richard Lewis.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Live Racing Committee meeting will be held Tuesday, March 4, 2014 in Sacramento.

Agenda Item 2 – Public Comment. Allen Aldrich, racehorse owner, requested the protocol for sharing ideas and providing comment on the scheduled agenda items. Mr. Korby welcomed Mr. Aldrich's participation, noting that we ask participants to keep their comments pertinent to noticed agenda items.

Agenda Item 3 – Approval of Minutes. Mr. May moved to approve the meeting minutes as presented. Mr. Conway seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on Legislative Program for 2014 and Beyond. Mr. Brown reported that we are currently in the bill introduction phase of the legislative cycle and activity is minimal. CARF staff is working to have at least two spot bills introduced so that the agency has a vehicle working through the process as we develop our legislative program. Legislative staff is currently talking to prospective authors.

SB 777 (Hernandez) will be a bill to extend and/or reinstate the additional takeout provided for worker's compensation. The sections of the law providing the takeout were scheduled to sunset at the end of last year and legislative staff is in the process of working with the entire industry to

reinstate those sections. At this point, SB 777 faces no opposition. The bill, as it is currently written, will be revised and introduced as an urgency bill to reinstate or extend the law by March 1, 2014.

AB 1301 (Hall) will also be revised and introduced as an urgency bill. The revised bill will put language into statute to allow a non-profit association to run at a Fair in the Northern zone. This bill will allow Oak Tree Racing Association to operate at a Northern Fair. It is expected that this bill will move through the process quickly as both committees and the racing industry are supportive. If everything goes according to plan, AB 1301 will be signed an in law by March 1, 2014.

Agenda Item 5 – Report, Discussion and Action, if any, on Horsemen VIP Credentials

Program. Mr. Korby reported that CARF staff intends to continue the Horsemen VIP Credentials Program in 2014. The program has proven very successful and has become a cornerstone of our recruitment program as a way of extending both a welcome and thank you to horsemen. The parking pass simplifies many of the logistical challenges horsemen face moving Fair to Fair.

Mr. Korby stated that staff will work individually with each Fair representative to ensure that each facility is represented in the manner that works best for their operation. CARF staff encourages Fairs to implement a shuttle services from the VIP parking to the fairgrounds, specifically for elderly owners.

Mr. Korby asked if any Fair was opposed to participating in the program in 2014. No opposition was voiced.

Allen Aldrich stated that he feels the VIP Credentials Program is a great incentive and he encourages its continuation. In fact, he would like to see the program expanded to do more for the horses and grooms that ship to run at Fairs. Those grooms leave their homes early in the morning, wait at the track all day and arrive home late at night. Soda, water and food would go a long way in making them more comfortable.

Mr. Alkire thanked Mr. Aldrich for his comment and stated that opening any new avenue of customer service is ultimately beneficial for all parties.

Agenda Item 6 – Report, Discussion and Action, if any, on Planning for Recruitment in

2014. Mr. Swartzlander stated that the 2013 CARF Recruitment Program was both successful and cost effective. Instead of out-of-state trips and receptions, a direct mail campaign with a gas card voucher was implemented. In addition, trainers were offered bonuses for hitting milestones of 5 starts and 10 starts at specific Fairs, resulting in more entries and fuller fields. Mr. Alkire stated that the recruitment program works as Fresno field size jumped from 6.92 to 8.19.

Mr. Conway stated that it is imperative for Humboldt County Fair to step up recruitment efforts and offer incentives on-par with the other Fairs. Mr. Morgan discussed the negative impact overlap has on Ferndale and requested recruitment incentive equality from CARF.

Allen Aldrich shared samples of advertising collateral and media outlets that other associations use to communicate with horsemen and recruit horses.

Agenda Item 7 – Report and Discussion on CHRB Racing License Application. Mr. Swartzlander reported that the meeting packets include a copy of the 2014 CHRB license application which is similar in format to the 2013 application. The CHRB published schedule of application deadlines is also included in the meeting packet. If a need arises that would necessitate requesting a deadline extension, CARF will do so.

Agenda Item 8 – Report and Discussion on Summer Racing Schedule in 2014. Mr. Korby stated that staff will be working with each Fair to determine the exact racing schedule and dark days for each meet, allowing for flexibility within the local market and accommodating the openings and closings of Southern meets.

Agenda Item 9 – Report, Discussion and Action, if any, on Racing Dates for 2014, 2015 and Beyond. Mr. Korby stated that the 2014 racing schedule has been set by the CHRB. The prominent unresolved area in regards to dates allocation is in mid-summer 2015. The CHRB Northern California Dates Committee, consisting of Commissioners Beneto and Choper, have put forward a recommendation for three weeks of racing at Cal Expo which would necessitate moving Santa Rosa an additional week and would affect Humboldt County Fair. As part of a 2014 dates resolution, the full CHRB Board did take action to approve the concept of three weeks of racing at Cal Expo in 2015, but left the calendar dates unspecified.

Mr. Morgan asked if CARF would support the CHRB proposed “New Option B” calendar included in the meeting packet. Mr. Korby responded that CARF support would be contingent on several preceding steps before the option could be considered.

Agenda Item 10 – Report and Discussion on Horsemen’s Contracts and Planning for 2014 Purse Agreements. Mr. Korby reported that staff is in discussions with Oak Tree Racing Association as a participating association in our racing circuit. Oak Tree may race at the Alameda County Fair during their three weeks of racing. That scenario will be built into our purse structure and in negotiations with horsemen’s groups.

Mr. Swartzlander reported that the goal for 2014 is to have a zero balance purse account at the end of the summer. The plan is to hold the bottom level purses steady and tweak the stakes schedule. Mr. Doutrich updated that group regarding racing in Idaho, Washington and Southern California.

Agenda Item 11 – Executive Director’s Report. Mr. Korby reported that Chris Borovansky put forth a comprehensive plan for a Fair event, or “Fall Festival,” during the San Joaquin County Fair race meet in September. Mr. May reported that with the help of Mr. Korby and Mr. Borovansky it looks hopeful that the Fair will host an event that will satisfy the concerns of the CHRB and reconfirm Stockton’s commitment to horse racing. Mr. Borovansky stated that with the demise of Fair funding, the Central Valley Fairs are looking to stay relevant and collectively hold each other up by finding regional solutions to these tough times. Mr. Korby and Mr. Alkire thanked Mr. Borovansky for his willingness to help Stockton and innovative approach to rethinking the traditional Fair business model.

Mr. May reported that the San Joaquin County Fair has hired Kelly Olds as their Fair Manager.

Mr. Korby reported that the CHRB has filled the office of Executive Director. They have hired Rick Baedeker, former executive at Hollywood Park with a recent background in mini-satellite development.

Respectfully submitted,
Heather Haviland