

CALIFORNIA AUTHORITY OF RACING FAIRS

Live Racing Committee
Tuesday, October 4, 2011

MINUTES

A teleconference meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, October 4, 2011, Via Teleconference only.

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

Staff and Guests attending by conference call: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Raechelle Gibbons, Rebecca Desmond, Dave Mogni, Tom Sawyer, Jeff Farley, Cindy Olsen, John Burger and Kate Phariss.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next Live Racing Committee meeting will be scheduled for the first week in November, date and time to be determined, in Sacramento.

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

Agenda Item 3 – Report, Discussion and Action, if any, on Racing Dates for 2012 and Beyond. Mr. Korby reported that the meeting packets contain three proposed racing schedules presented to the California Horse Racing Board (CHRB) showing inclusive calendar dates for each association meet. The first calendar is the CARF calendar that was unanimously approved during the September Live Racing Committee meeting. The second calendar was submitted by Golden Gate Fields and the third calendar represents the recommendation put forth by the Thoroughbred Owners of California (TOC). These calendars will be discussed in detail at the CHRB meeting on October 6, 2011 to begin the initial discussion regarding the 2012 racing calendar.

Mr. Bartosik stated that representatives from Cal Expo would not be able to attend the meeting.

Mr. Alkire requested that a representative from Stockton report to the group on the San Joaquin County Fair's transition to September dates. Mr. Sawyer reported that the Fair has recently secured Kate Post, Executive Director of the Stockton Asparagus Festival, to secure sponsorships and extend community outreach. Mr. Pickering stated that the CHRB might press Mr. Sawyer for detailed financial information, such as how much cash the Fair has in reserve and whether it can make payroll through year end. Mr. Sawyer stated that he would be prepared to answer those questions.

Mr. Mogni thanked Mr. Korby for travelling to Humboldt County and joining Fair board members in meeting with the representatives of Cher-Ae Heights Casino to install a mini-satellite wagering facility in Trinidad. Mr. Mogni stated that he and Cindy Olsen would be attending the Thursday CHRB meeting and requested that they be introduced to the CHRB board members if possible.

Mr. Mogni asked for clarification in regards to the 2012 CARF calendar submitted to the CHRB. Mr. Mogni believed that the calendar that was voted on during the September CARF Live Racing Committee meeting did not specify that August 22 and August 23 would be designated "simulcast-only" days. Mr. Korby reported that for the past two years Ferndale has run an eight day meet. Suggesting to the CHRB that Ferndale is requesting the option to run 10 days is unrealistic given projected purse generation on a Wednesday/Thursday and the current horse population. Simulcast-only days offer Ferndale an opportunity to gain purse money back through the simulcast outlets wagering on other signals without the liability of paying out purse money ontrack.

Mr. Korby stated that the calendar should be changed to reflect the position the CARF Live Racing Committee wants to represent to the CHRB on Thursday. Mr. Alkire asked if anyone wished to make a motion to modify the calendar included in the meeting packet. No motion was offered.

Agenda Item 4 – Report, Discussion and Action, if any, on Consolidated Purse Program for 2011. Mr. Korby reported that staff has been conducting a thorough analysis of the consolidated purse balance on a day-to-day basis and the results of the consolidated purse program will be presented to the committee after the conclusion of the Fresno meet.

Agenda Item 5 – Report, Discussion and Action, if any, on Legislative Program for 2011 and 2012. Mr. Brown will make a legislative report during the CARF Board of Director's meeting.

Agenda Item 6 – Report, Discussion and Action, if any, on Solano County Fair Request for Consideration of Revenue Replacement Funding. Mr. Paluszak reported that he requested this item be placed on the agenda to receive feedback from the committee regarding the topic of replacement revenue. The Solano County Fair is preparing next year's budget and is facing difficulty not only from the elimination of state Fair funding, but more importantly from not being able to identify a source of revenue replacement from CARF in 2012. Mr. Paluszak stated that he received the capital improvement funding from F&E with the understanding that those funds be used to improve the satellite wagering facility and then waited for the Fair race meets to finish before requesting feedback from the Live Racing Committee. Mr. Paluszak stated that he, Mr. Bartosik and Ms. Tesconi invested a great deal of time establishing a framework to provide revenue replacement to the Solano County Fair over a seven-year span.

Mr. Korby stated that it would be beneficial to Solano County Fair, as well as the racing industry as a whole, to reactivate conversations with mini-satellite partners to establish a new revenue source.

Mr. Pickering asked if Mr. Paluszak was requesting to use the money received from F&E for capital improvement to the Vallejo satellite for general operations in lieu of replacement revenue. Mr. Paluszak said he would be willing to consider any and all options to fill the budget gap.

Ms. Tesconi stated that it is important to do whatever was needed to keep Fairs open, but that any decision of this nature would need to be made available globally to all members. Mr. Pickering stated that from a live racing perspective, it is important to protect the satellite network and make sure the facilities are up-to-date and well equipped.

Mr. Alkire requested that Mr. Palusak bring a proposal to the CARF Live Racing Committee if has a specific alternative plan for using the funds.

Mr. Alkire asked if any member wanted to put forth a motion to allow a Fair to use the F&E capital improvement monies allocated for horse racing to fill a general operation budget gap. With no motion presented, the CARF Live Racing Committee remains in support of using the F&E capital improvement allocations for horse racing projects only.

Agenda Item 7 – Discussion and Action, if any, on Review of Racing-Related Expenses. Mr. Korby reported that CARF staff met with Cal Expo racing/accounting staff to review racing-related expenses that come through CARF and racing expenses absorbed by Fairs. As a result of that meeting, CARF would like to meet with all Fairs to review racing expenses and eliminate potential duplication of positions/services.

Agenda Item 8 – Executive Director’s Report. Mr. Korby reported that Robert Hartman has left his position at Golden Gate Fields and has accepted a position of CEO of the American Contract Bridge League. Joe Morris, formerly of the NTRA, is now Interim General Manager at Golden Gate Fields.

Respectfully submitted,
Heather Haviland