



a California joint powers agency

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**NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
LIVE RACING COMMITTEE MEETING
11:00 A.M., TUESDAY, OCTOBER 6, 2009
VIA TELECONFERENCE**

Notice is hereby given that a teleconference meeting of the Live Racing Committee will commence at 11:00 A.M., Tuesday, October 6, 2009. The meeting will be held at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California 95815.

The Public and members of the Live Racing Committee may participate from the following locations:

Alameda County Fair
4501 Pleasanton Ave.
Pleasanton, CA 94566

Humboldt County Fair
1250 5th Street
Ferndale, CA 95536

Solano County Fair
900 Fairgrounds Drive
Vallejo, CA 94589

The Big Fresno Fair
1121 S. Chance Avenue
Fresno, CA 93702

San Joaquin Fair
1658 S. Airport Way
Stockton, CA 95206

Sonoma County Fair
1350 Bennett Valley Road
Santa Rosa, CA 95404

California State Fair
1600 Exposition Blvd.
Sacramento, CA 95815

San Mateo County Fair
2495 South Delaware Street
San Mateo, CA 94403

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CALIFORNIA AUTHORITY OF RACING FAIRS

Live Racing Committee

Tuesday, June 2, 2009

Minutes

A meeting of the California Authority of Racing Fairs Live Racing Committee was held at 12:30 P.M., Tuesday, June 2, 2009. The meeting was conducted at the CARF Conference Room located at 1776 Tribute Road, Suite 205, Sacramento, California, 95815.

Live Racing Committee Members attending: John Alkire, Chris Carpenter, Debbie Cook, Mike Paluszak and Stuart Titus. Joining by conference call: Tawny Tesconi.

Staff and Guests attending: Chris Korby, Larry Swartzlander, Heather Haviland, Tom Doutrich, Margot Wilson and Mike Treacy. Joining by conference call: Kate Phariss and Jeanne Wasserman.

Agenda Item 1 – Confirmation of September 1, 2009 for Next Meeting, Location to be Determined. The next CARF Board & Live Racing Committee meeting is scheduled for Tuesday, September 1, 2009, location to be determined.

Agenda Item 2 – Approval of Minutes. Mr. Titus moved to approve the meeting minutes with a minor grammatical error on page three. Ms. Cook seconded, unanimously approved.

Agenda Item 3 – Discussion and Action, if any, on Legislative Matters. Mr. Brown reported that AB 1499 (Evans) and AB 734 (Hill) have passed the State Assembly and are waiting for action in the State Senate. AB 1499 (Evans) provides workmen's compensation coverage to Emerging Breed horsemen and AB 734 (Hill) would increase satellite commissions.

Mr. Brown reported that the focus at the Capitol is on California's \$25 billion deficit. Several ideas to generate revenue have been circulating including the sale of five California Fairgrounds. Senate pro tems are pushing all policy committees to conduct hearings regarding the reorganization and consolidation of government. Specific topics affecting Fairs will include the elimination of the California Department of Food and Agriculture, the functionality of Fairs and the elimination of various agricultural programs.

Mr. Treacy reported that F&E, WFA and affiliated JPA entities have scheduled weekly meetings to brainstorm ways to preserve the basic function of Fairs while accomplishing some of the Governor's Office and Legislature's budget goals.

Mr. Korby introduced documents in the meeting packet regarding CARF legislative positions in follow-up to SB 16XX and a memorandum of understanding regarding revenue shortfalls at SCOTWInc. Mr. Korby asked the CARF Board to endorse the objectives contained in the document titled "Legislative Program: Follow Up to SB 16XX, Background, Descriptions and Objectives." Significant positions in the document include restructuring pari-mutuel distributions (including ADW) by increasing conventional and exotic takeout 3% to benefit

Horsemen, satellites and create a capital improvement fund for tracks that intend to continue racing long term.

Current ideas being circulated in the racing industry could potentially exclude Fairs from new revenue streams. The Fairs need to be ready to offer a better solution that will benefit all parties.

Ms. Violini moved that the CARF Board adopt the positions outlined in the document titled "Legislative Program: Follow Up to SB 16XX, Background, Descriptions and Objectives," giving staff the foundation to move forward in SB 16XX clean-up negotiations. Mr. Jacobs seconded, unanimously approved.

Agenda Item 4 – Discussion and Action, if any, on Agency Disbursements of Racing Revenues to Fairs and Reimbursements of Racing Expenses by Fairs. Mr. Korby explained that for Live Racing Fairs, CARF is the conduit for distributing revenues generated as well as paying a large portion of operational expenses. At the end of the racing season, shared racing expenses (i.e. racing office equipment, signal distribution, staffing, etc.) are split amongst the racing Fairs via a pre-established formula and each Fair is invoiced for its share of the actual expenses.

This system has the potential for creating a cash flow problem for CARF if a Fair has received most of its racing commissions but fails to pay the invoice for actual expenses.

Staff has provided a 2009 projection for racing expenses and the Finance Committee recommends that CARF hold a dollar figure equal to 85% of the estimated expenses for each Fair from racing commissions until the season-end invoice is paid in full. The withholding will occur at the end of the Fair meet.

Mr. Titus stated that an 85% withholding would create a financial hardship for Humboldt County Fair, especially since commissions generated from ADW are typically paid late.

Mr. Jacobs moved that CARF withhold monies equal to 65% of a Fair's projected expenses from racing commissions until such time that the Fair pays the CARF invoice for actual racing expenses on a one-year trial basis. The withholding will be re-evaluated for 2010. Ms. Violini seconded, unanimously approved.

Agenda Item 5 – Update, Discussion and Action, if any, on Service Contracts Related to the Conduct of Racing. Mr. Korby introduced a working draft of the 2009 Race Meet Agreement with the Thoroughbred Owner's of California (TOC), a copy of which is included in the meeting packet. Based on concerns brought about by the MAGNA bankruptcy, TOC is asking for additional Paymaster procedures to further protect purse funds for Horsemen. CARF Staff is working with the TOC to establish procedures that are most efficient for Fair racing.

Mr. Swartzlander reported that all service contracts are complete and there is no new business to report.

Agenda Item 6 – Discussion and Action, if any, on CARF Contracting with NCOTWInc. for Payroll Services on Behalf of Member Fairs. Mr. Korby reported that the NCOTWInc. Board of Directors took the position that they will not enter into contract for mutual department payroll services with Stockton, Vallejo or Ferndale. NCOTWInc. will enter into contract with CARF on behalf of those Fairs.

Mr. Korby stated, with direction from the Live Racing Committee and guaranteed financial protection, CARF will oversee contractual obligations between Fairs and NCOTWInc.

No action was taken.

Agenda Item 7 – Discussion and Action, if any, on Racing Dates. Mr. Korby stated that the Live Racing Committee has previously agreed it will develop a recommendation regarding Fair Circuit race dates from mid-June to mid-October for presentation to the rest of the racing industry. A large part of this planning relies on California State Fair's intent to potentially shift their Fair dates to early summer.

Mr. Paluszak reported that a representative from the Solano County Fair of Board of Supervisors and Solano County Fair met with the TOC to discuss horse racing issues both globally and as they pertain to racing at Vallejo. Mr. Paluszak felt it was a very productive meeting.

Mr. Korby stated that he felt the TOC has become more receptive to the concept of compensating a racing venue that is attempting to transition out of racing.

Agenda Item 8 – Update, Discussion and Action, if any, on Alameda-Solano-CARF Agreement for Race Dates. Mr. Korby reported that the parties are very close to drafting a final contract. A version of the agreement is included in the meeting packet, but there have been very recent revisions to that document.

Agenda Item 9 – Executive Director's Report. Mr. Korby reported that Mr. Pickering is still recuperating from his health concerns, but is feeling much better and hopes to be back full-time soon.

Mr. Korby reported that Ms. Violini has been elected Representative for the Northern California Satellite Wagering Facilities on the CARF Board of Directors. This leaves a vacant At-Large position on the Board.

Respectfully submitted,

Heather Haviland

CALIFORNIA AUTHORITY OF RACING FAIRS
Live Racing Committee
Thursday, August 6, 2009

Minutes

A teleconference meeting of the California Authority of Racing Fairs Live Racing Committee was held at 2:00 P.M., Thursday, August 6, 2009. The meeting was conducted at the CARF Conference Room located at 1776 Tribute Road, Suite 205, Sacramento, California, 95815.

Live Racing Committee Members joining by conference call: John Alkire, Norb Bartosik, Debbie Cook, Stuart Titus, Mike Paluszak and Tawny Tesconi.

Staff and Guests attending: Chris Korby and Margot Wilson. Joining by conference call: Charlene King (for Chris Carpenter) and Dave Elliott.

Agenda Item 1 – Discussion and Action, if any, on 2010 Racing Dates Calendar. Mr. Korby stated that the most important issue for resolution is Cal Expo's wish to change their racing dates and what various perspectives from other members of the group are about that subject. Mr. Bartosik began by saying that Cal Expo would like to strongly consider moving their dates into what might be the void created with Solano County if they, in fact, choose not to race in the future. They have talked preliminarily with Rick Pickering about what his dates might be next year and also with Tawny Tesconi and have a parameter of where she might be; they would like to get some kind of consensus on how they can move forward on this and try and make it all work for everybody.

Mr. Korby wanted to make sure that everyone was on the same page as far as the mechanics and nuts-and-bolts were concerned and wanted to talk specifically about which dates were under discussion. According to the 2010 calendar this would be racing dates that would begin on July 14 and run through July 25. Mr. Bartosik said it would depend on when Alameda would finish and when Cal Expo could start thereafter and when Sonoma wants to start and when Cal Expo can end depending on what Sonoma wants to do. Ms. Tesconi stated that they don't want to get pushed into August any further than this year; they would like to start their meet by the 28th. Mr. Korby said the traditional two weeks for Alameda start on June 30 and run through July 11. Mr. Bartosik asked where San Joaquin was in all of this. Ms. Cook responded by saying San Joaquin was planning on staying where they have been, right in front of Pleasanton, after GGF, and she would expect that to be two weeks and not less than that; San Joaquin is also planning on extending the dates of their fair. The San Joaquin County Fair Board should probably have a decision about the length of their fair during their strategic planning meeting taking place in mid-September. Mr. Korby pointed out the number of weeks of the fair will have a bearing on the position that other interests in the racing industry take in the Fair part of the schedule for 2010. Ms. Cook said her board is waiting to see what is going to happen with the calendar; she feels her board doesn't have a problem going to a longer fair as long as they have the traditional race dates but if the dates are going to be taken away from them then they will go with a shorter fair. The Stockton dates for 2010 would be July 16-27 with nine days of racing. Ms. Cook continued by saying that if Stockton could move a week earlier, if GGF could end a week earlier, and Stockton could start a week earlier on the 10th then that could be do-able but

that does put them a week earlier than tradition. Mr. Korby stated that he believes that this scenario of Stockton moving a week earlier is unrealistic and GGF would not go for it. Mr. Alkire asked Ms. Cook if she felt that, in light of running two weeks this year and the figures that she looked at, did she feel that this would be fiscally to their benefit to try to run another week. Ms. Cook responded that she hasn't had a chance to put together all the numbers but her reaction at this point is, it can't get any worse. There would be that many more days of the fair for revenue to come in and there would be additional expenses, but the set-up costs are the same regardless if you run five days or ten days and there are that many more chances to make up for factors beyond their control – heat, for example.

Mr. Alkire continued to say that he had a chance to be part of the F&E evaluation of the Stockton Fair with Joan from Cal Expo being a part of that group as well. Candidly, he feels it would be tough to run more days of racing as there are more days of expenses, but whatever it takes to make Stockton successful is his goal as he knows that it is Ms. Cooks'.

Mr. Korby stated that from the Group's perspective we want to keep the two weeks under discussion for racing in Stockton, wherever they're run, in the Fair block of dates. As far as CARF's representation to the rest of the industry in Northern California and the Horse Racing Board, when the time comes to have those discussions we want those dates run as Fair dates. Ms. Cook asked if there was someone willing to step up to the plate, say they'll take those five days of racing and pay for them; she has had no conversations with anyone about that at all. Mr. Korby answered by saying that the Alameda County Fair was willing to do that with the Solano County Fair and the last answer he had from Alameda on that hypothetical question was they were willing to talk about that; preliminary numbers from Alameda are still pending. Ms. Cook asked Mr. Paluszak if Stockton could look at that contract. Mr. Paluszak said that document had been shared with everyone in draft form and, unless Rick Pickering objects, he does not have a reason not to share it with this Group; however, he wants to keep it within the Group. Mr. Korby requested the formality and courtesy of asking Mr. Pickering's permission for Stockton and the Group to view the document but he did not foresee it being a problem. Mr. Paluszak agreed that a big part of the concept (and certainly one of the advantages) of running the Fairs as a combined meet is that all those Fairs determine internally how that revenue would be shared. It's going to be really important if we're going to adjust our Fair calendar coincidentally with the racing calendar.

Mr. Korby noted that although Ms. Cook had given some background on the thinking at San Joaquin, Solano County is the critical Fair in discussions of a Cal Expo move. Mr. Paluszak told the Group that a board meeting is scheduled for next Wednesday and at the request of their racing committee, they're meeting prior to that to discuss this very topic; the conversation going into his fair and the sense that he gets is that they're very open minded to how they can best support that combined racing concept and how they move forward. Not only are they receptive to the scenario that this Group wants to paint but they're open for creative thinking. He doesn't think there is a scenario they wouldn't look at and there are positive advantages to both the collective Racing Fairs and to their fair to perhaps encourage the notion that Cal Expo is pursuing to move into their traditional slot and they, in turn, move into Cal Expo's dates. They're open to change and they're open to ideas.

Ms. Tesconi was asked for her comments; she responded by saying that big picture wise what they would like are additional days of racing in general and wouldn't want to be pushed any deeper into August since their schools are already starting two days after their fair this year and then they have their Harvest Fair right behind that. If Vallejo was interested in getting out of racing and not holding those dates, Santa Rosa would be interested in Vallejo's dates, if Cal Expo wasn't interested in them. They still have a turf track they have to pay a good size loan (around \$900,000) and they need some more race dates to do that. Mr. Bartosik asked Ms. Tesconi if based on the schedule Santa Rosa has this year and what they had talked about, what would be their preferred start date and when would they start racing. She responded by saying that if everyone were to start over they would prefer three weeks of racing starting on July 21, have three weeks of fair with that, and probably close Mondays and Tuesdays. If Cal Expo were to pick up the two weeks before them and there was an opportunity for Santa Rosa to pick up that third week, they don't want to go deeper into August but if they were to go three weeks of racing and try to do a little bit of a fair along with it that last week, they would probably like to consider that too. Mr. Bartosik continued by saying that assuming the State Fair runs for a three week period or eighteen days, as they've traditionally done, and they were to follow the calendar with Pleasanton ending July 11, they could start the fair around July 14 or 15 and start racing on July 14 or 15 and go through August 1. The California State Fair and Santa Rosa's Fair would overlap a week but the racing wouldn't, but that may be the consequence if that is what has to be done to make all of this work for all. Santa Rosa would want to start on July 27, racing the 4th or the 5th. With that scenario, Cal Expo picking up July 14-25, Santa Rosa could do July 28 – August 8, their traditional slot. Referring to Mr. Korby's original comment about not changing GGF earlier start, Mr. Bartosik speculated that if Cal Expo were to move off the Labor Day weekend and it was agreed that it was in all of the Fairs best interests to shift, if GGF got that last Labor Day weekend, wouldn't that be an incentive for them to move a week earlier or end a week earlier. Mr. Korby said that it still wouldn't help the Pleasanton July 4th issue. Mr. Bartosik disagreed by saying that it would take Pleasanton through July 4th and put forth the following scenario: Pleasanton starts on June 23, Stockton would end on June 20, if GGF ended a week earlier Stockton could start on June 9 and go through June 20, Pleasanton could start on June 23 and run through July 4th or 5th (with their fair dates), Cal Expo could come in behind that through July 25, Sonoma could start on July 28 and go through August 8, then if you wanted to throw a split meet back, go back to Pleasanton and give them more dates from August 11-22 rather than go to GGF and GGF could come in after that on August 25 and go through Labor Day or beyond that with their own traditional timing.

Mr. Bartosik offered to host a meeting at Cal Expo during the State Fair to further discuss the 2010 dates. Mr. Korby said that we now have a good precedent for the block of dates running from mid-June (for 2010 that would be June 16 through the end of Fresno). Mr. Bartosik wanted to remind everybody that they went into the planning for 2009 dates with the express intent of setting dates to benefit the capital improvements at first, Pleasanton, and then wherever else it was necessary if the money was left. Mr. Korby agreed. Mr. Bartosik continued by saying that if that was the case then they needed to look at ways to maximize race dates at Pleasanton so that all of the Fairs can benefit around that as well and maybe start with a split meet at Pleasanton in 2010. Mr. Korby asked if Cal Expo gets more than two weeks of racing, then would they be willing to contribute to a capital improvement fund. Mr. Bartosik said they would. Mr. Bartosik continued by saying although he knows Cal Expo is the one that triggered this discussion, they also believe that there is some negotiating card with the Labor Day weekend

and that's a big weekend in racing and if it wasn't for Labor Day and the traditional dates they have, it wouldn't be the same. So, Cal Expo is looking at uncharted territory – they don't even know who's going to be racing in the south or where, the best guess is if Hollywood's gone they may wind up with Santa Anita, which may be okay but it's not the same as being day-on-day with Del Mar. Then there's the Pacific Classic and the Del Mar Futurity. Mr. Korby asked Mr. Bartosik if they're looking at hypothetical dates, could Cal Expo make it work with two weeks starting July 14 through 25 - presumably ten days of racing, depending on when Del Mar started. Cal Expo would be giving up one day of racing and Labor Day weekend. Mr. Bartosik asked for clarification of what would happen if Cal Expo vacated the last three weeks of August through Labor Day. Mr. Korby summed up the discussion thus far by saying that Santa Rosa wants to run in the traditional slot, which will be defined as July 28-August 8, and if there are dates available they might consider racing one more week, their preference would be if they extended a week to go the other direction which would be into July. However, if they do that, then we run into a number of obstacles with keeping the 4th of July weekend in the middle of Alameda County's run and still having a minimum of two weeks that Cal Expo could fit into. Mr. Titus commented by saying that by extending into the back-end it would obviously impact Humboldt. Mr. Korby continued by saying that he was not hearing that anybody say that they're opposed to those two weeks in July; he's hearing that there's a lot of open mindedness about that. Mr. Bartosik said he wanted everybody to continue thinking that way but he felt that they needed to all get together in one room and talk this through because he wants to hear the whole calendar of what everybody's got in mind so they know Cal Expo's trying to be equitable to everyone in terms of how this all works and be sensitive to everyone's concerns. Mr. Bartosik continued by saying that he feels the future and success of Cal Expo is to move their fair dates into a time slot that doesn't have school dates on top of it for the summer. Mr. Korby said he did not hear any objection to Cal Expo moving into the two weeks traditionally occupied by Solano, there may be some questions about the calendar before and after that if the State Fair is extended for another week, which would overlap the first week of Sonoma. Ms. Tesconi commented that the non-racing, meaning the vendors, is a bigger issue than the racing side of things. Mr. Paluszak referred to Mr. Bartosik's earlier comment by saying that, much like Cal Expo, anything that is proposed or perceived regarding redevelopment of Vallejo is probably ten years out and although the plan that is on the table today which would provide them with an opportunity to replace horseracing, as they move forward with the conversation, that can be forgotten. Mr. Paluszak continued by saying that it was his understanding that by running a combined meet it gave the Fairs an opportunity not to cannibalize each other but work together for everybody's benefit. Mr. Bartosik asked Mr. Alkire and Mr. Korby if they would like to put together "Alternatives I & II" based on what was discussed today and circulate that among the Group and maybe perhaps have Cal Expo host the Group and try to go over all this with as many people as possible together in a room. Mr. Bartosik continued by saying that the other "big elephant in the room" is what the TOC thinks about all of this and where we need to go with it. Mr. Korby replied by saying we can predict some of their positions based on conversations we've had in the past about availability of turf courses and know their opinion about some of the different locations. With respect to the calendar into the later part of August and September and then on into October, one of the thoughts that Mr. Korby had recently, partly in reaction to watching what the reduction in the number of racing days has helped with, is the contribution to the field size and the availability of horses this summer. Also, our Group recognized that a reduction in the number of racing dates, although painful, was necessary and it's turned out to be a good decision. Mr. Korby continued by saying that looking at the experience with September over the last few years

that the Group might want to propose another break the week following Labor Day, give everybody a rest - it's not a very good week anyway - and come back with maybe some weekends of racing for two weeks in September, and possibly, if Fresno is interested, propose a third weekend of racing in Fresno. Mr. Bartosik responded by saying it would depend on the horse population and the way things are going earlier in the summer and how everybody supports it and what the TOC feels but everybody should keep an open mind. In looking at the calendar, Mr. Bartosik proposed that since there is the WFA day & Legislators day on Thursday, August 27th, and it's a racing day as well, Cal Expo could host a morning meeting, then everyone could go to the festivities and take in the races if that is what the Group would like to do.

[At this point the teleconference experienced technical difficulties. Participants disconnected then attempted to call back in. Teleconference had to be terminated at 2:46pm (PST) due to technical difficulties.]

Respectfully submitted,

Margot Wilson

PROPOSAL

CALIFORNIA RACING FAIRS
A NEW MODEL FOR THE FUTURE

CONSIDERATIONS • BENEFITS • IMPLEMENTATION SCENARIOS

CHRISTOPHER KORBY
EXECUTIVE DIRECTOR
CALIFORNIA AUTHORITY OF RACING FAIRS

OCTOBER 2009

CALIFORNIA RACING FAIRS: A NEW MODEL FOR THE FUTURE

CONCEPT AND SUMMARY

The horse racing industry in California is undergoing profound changes. As a consequence, Fairs in the racing industry must also undertake significant changes in order to strengthen and preserve the racing industry and in order to more effectively manage their interests in horse racing. Therefore, we propose that those members of the California Authority of Racing Fairs which conduct live racing agree to re-structure their racing operations and revenue distributions consistent with the goals noted below. This new structure will be modeled on that of a sports league, in which the members engage in the conduct of a common activity and organize themselves to protect and improve their mutual interests in a manner that benefits all members and the racing industry as a whole.

GOALS

- Strengthen Northern California Summer racing through a re-structured racing program which combines and consolidates Fair racing dates June through October into a calendar featuring: 1) an appropriate number of racing dates based on optimal Fair dates and available horse population; 2) racing opportunities for all classifications of Thoroughbreds; and 3) carefully managed program for emerging breeds.
- Attract/retain owners, trainers and horses for NorCal racing June-October.
- Optimize racing program through 1) carefully structured purse/stakes schedule and 2) consolidated management of purse program through entire circuit.
- Optimize racing revenue to Fairs; provide investment capital for facility improvements.
- Provide for orderly consolidation of racing dates in a manner that assures continued revenues to Fairs which agree to reduce live racing dates or end their live racing program all together.

AGREEMENTS

- All CARF live racing Fairs agree to operate as a **combined Fair meeting** (per Ag Code 4058) so as to allow flexibility in selection of venues and dates going into the future.
- All CARF live racing Fairs agree to **consolidate the purse program** through the entire circuit to allow for 1) better management of purses; 2) closer tracking of purses paid to purses generated; which leads to 3) reduction of risk to any individual Fair. Such consolidation is already provided for in statute.
- All CARF live racing Fairs agree to enter into agreement(s) to facilitate orderly consolidation of racing dates by providing for **replacement revenues** to Fairs which agree to reduce racing dates or end their live racing program all together.
- CARF will continue to request a block of racing dates June-October. Racing dates not directly associated with Fair dates will be run as part of the combined Fair meeting and managed by CARF for mutual benefit of CARF's Live Racing Members and the racing industry in Northern California.

CALIFORNIA RACING FAIRS: A NEW MODEL FOR THE FUTURE

CONSIDERATIONS • BENEFITS • IMPLEMENTATION SCENARIOS

A Combined Fair Meeting

- A combined Fair meeting strengthens Fairs' position for allocation of a block of summer racing dates in Northern California.
- Allows Fairs to determine if, when and where Fair racing dates will be conducted during the summer block of dates. Allows flexibility and latitude as the racing landscape in California continues to evolve.
- Gives Fairs the flexibility to combine their traditional dates with other Fairs. "Insurance policy" to help preserve racing revenues for Fairs that may be challenged during the dates allocation or license application process.
- Allows for a platform on which to begin revenue-sharing or payment of replacement revenues, should participating Fairs elect to pursue that concept.
- Strengthens negotiating leverage in negotiations with horsemen, in management of purses and in formulating summer stakes program.
- Helps assure consistent management of racing program. Allows employment of the most capable available racing personnel.
- Allows Fairs to negotiate more consistent labor agreements applicable to entire meeting.
- A meeting lasting longer than two weeks will allow significant carry-overs to develop in the Pick Six bet, a very popular wager.
- Precedents have now been established with licensing of combined Fair meeting in 2007 (two Fairs) and again in 2009 (five Fairs + CARF). CARF has now been licensed as the entity authorized in Ag Code Section 4058, and may apply for the license to conduct the meeting. This has been confirmed by Legislative Counsel's opinion and, as of 2009, by precedent.
- A combined Fair meeting strengthens Fair racing in a time of transition and uncertainty.

CALIFORNIA RACING FAIRS: A NEW MODEL FOR THE FUTURE

CONSIDERATIONS • BENEFITS • IMPLEMENTATION SCENARIOS

Consolidated Purse Program

- Purses paid to horsemen represent one of the largest expenses to a Racing Fair and represents one of the largest potential risks in the event that purse generation is interrupted.
- Consolidating purses allows for a better-managed, more balanced overall racing program for all Fairs.
- Bomber: "A consolidated purse program will help me build momentum in our program through the summer. Over time, this will help our recruitment program attract more and better horses for a stronger overall program."
- In these changing economic times, it's no longer realistic to expect that we can accurately project purse generation for two-week meets, months in advance.
- Maintaining separate purses for each two week Fair meet increases risk to each individual Fair in the event of an occurrence that interrupts the normal racing schedule and purse generation. Consolidating purses represents a prudent move in time of economic uncertainty.
- Separate purses for each Fair makes it virtually impossible to adjust purses in the course of a single two-week meet. This means that we are forced to commit to purses months in advance without the flexibility to adjust once racing begins.
- Consolidated purse program spreads the risk and obligation for purses over multiple Fairs, thereby reducing the risk to any one Fair.
- Multiple purse programs, i.e., one per Fair, make it more difficult to negotiate a consistent racing program with horsemen's groups and to manage a consistent racing program through the Fair circuit.
- B&P Section 19542 of Horse Racing Law already allows a joint powers authority to administer and distribute purses for Fairs that conduct live horse racing meetings in the northern zone. The late Senator Ken Maddy was a proponent of Fairs consolidating purses.
- Racing Fairs have already taken the most significant step toward consolidation when they agreed on a common purse structure in 2006. Two years ago we hired a single Racing Secretary. A consolidated purse program is the next step in this progression of improving management of our racing program.
- Can be implemented immediately.
- Recommended by CARF management team.
- Gives Bomber a tool he needs to take our program to the next level.

CALIFORNIA RACING FAIRS: A NEW MODEL FOR THE FUTURE

CONSIDERATIONS • BENEFITS • IMPLEMENTATION SCENARIOS

Replacement Revenues

- Maintaining safe and attractive Fair racing facilities, some of which are over sixty years old, is increasingly difficult on the declining revenues from two weeks of racing.
- Consolidation of Fair racing dates into fewer venues could strengthen the Fair racing circuit and the racing industry generally in Northern California.
- Fairs reducing or ending their racing program will require replacement revenues for those lost by changes to their racing schedule. There must be a plan to provide these replacement revenues.
- Plan will require agreement on 1) amounts of replacement revenues to be paid; 2) duration of payments; and 3) formula for sharing/underwriting the cost of providing replacement revenues.
- Several prospective scenarios for revenue transfer:
 - Replacement revenue is paid by Fairs to which dates are transferred.
EXAMPLE: Vallejo and Pleasanton shared revenues in 2009; payment flowed from Pleasanton to Vallejo through CARF.
 - Replacement revenue is paid on a shared basis by all Fairs remaining in live racing (per Tawny's idea) on the basis that those Fairs will benefit by consolidation of dates.
 - Replacement revenues are paid from license fee revenues still paid by Racing Fairs to F&E.
 - Replacement revenue is paid from moneys generated by CARF meetings run between established Fair racing dates, such as the CARF meetings at GGF in 2009.
 - Combinations of above.

CALIFORNIA RACING FAIRS: A NEW MODEL FOR THE FUTURE

CONSIDERATIONS • BENEFITS • IMPLEMENTATION SCENARIOS

Replacement Revenues: Prospective Implementation Scenarios

- Starting point for discussions:
 - All parties agree to a plan for funding replacement revenues to those Fairs reducing or ending their racing program.
 - Establish reasonable assurances and guarantees for all parties.
 - Replacement revenues will be calculated on [*weekly/daily*] basis.
 - Replacement revenues will be calculated and paid on basis of commissions generated, not net revenues.
 - A Fair which reduces racing dates receives 50% of final year's commission revenue for two years, then 40% for two years, then 30% for two years and 20% in the final year. Payments are calculated on [*weekly/daily*] basis.
 - Cost of replacement revenues are underwritten by remaining Fairs and shared by an agreed-upon plan funded from the following sources:
 1. Fairs to which dates are transferred pay Fairs which reduce dates
 2. Costs are shared amongst all Fairs remaining in live racing according to agreed-upon formula
 3. Replacement revenues are paid from license fees still paid by Racing Fairs to F&E
 4. Revenue generated by CARF meetings run between established Fair racing dates, such as the CARF meetings at GGF in 2009.
 5. Combinations of above
 - Replacement revenues are adjusted each year to an agreed-upon index to account for handle increases or declines year-over-year
 - CARF will establish holding account for acceptance and transfer of funds used for these purposes.

December

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31		26
5						

January

Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
23						

May

Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
38						

September

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
6						
12						
4						

GGF Winter-Fall 85
GGF Spring 75
GGF Total 160

February

Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						
15						
1						
4						

June

Sun	Mon	Tue	Wed	Thu	Fri	Sat
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			
16						
2						
6						

October

Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
10						
11						
3						

Stockton 6
Pleasanton Summit 48
Cal Expo 10
Santa Rosa 10

March

Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
16						
5						

July

Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
9						
10						
4						

November

Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				
20						

CARF at GGF/Piston 21 Simulcast Only 13
Humboldt 8
CARF @ Piston Hall 15
Fresno 11

April

Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
22						

August

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
1						
6						
8						
15						

December

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
12						
3						

December

Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31		26
5						

GGF Winter-Fall 85
GGF Spring 66
GGF Total 151

Stockton 9
Pleasant Summit 18
CalExpo 10
Santa Rosa 15
Humboldt 8

CARF at GGF/Istos 16 Simulcast Only 15
CARF at Pleasant Spr 18
CARF at Santa Rosa Fall 10
Fishing 14

January

Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
23						

February

Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						
15						

March

Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
16						

April

Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
13						

May

Sun	Mon	Tue	Wed	Thu	Fri	Sat
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					
22						

June

Sun	Mon	Tue	Wed	Thu	Fri	Sat
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			
10						

July

Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
9						

August

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
1						

September

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
6						

October

Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
10						

November

Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				
20						

December

Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
12						

2023 NORTHERN CALIFORNIA RACING CALENDAR - CARF DRAFT C - August 21, 2006

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
27	28	29	30	31		26
5						

January						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
23						

May						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
25						

September						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		
6	10	6				

GGF Winter-Fall	85
GGF Spring	66
GGF Total	151

February						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						
15						

June						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			
10						

October						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						
10						

Stockton	6
Pleasanton	10
Cal Expo	10
Santa Rosa	15
Humboldt	8

March						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			
16						

July						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31
9						

November						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				
20						

CARF at GGFP/Iston	16	Simulcast Only	19
CARF at Pleasanton Spring	13		
CARF at S. Rosa Fall	10		
Fresno	14		

April						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	
13						

August						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				
1						

December						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
12						