

CALIFORNIA AUTHORITY OF RACING FAIRS

Live Racing Committee
Tuesday, February 5, 2008

Minutes

A meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, February 5, 2008. The meeting was conducted at the CARF Conference Room located at 1776 Tribute Road, Sacramento, California, 95815.

Board of Director Members attending: John Alkire, Joe Barkett, Rick Pickering, Tawny Tesconi and Forrest White. Joining by conference call: Stuart Titus.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Margot Wilson, Rick Wood, Raechelle Gibbons, Louie Brown, Kelly Baldwin, Mike Treacy, Dan White, Kate Pharris and Steve DeMarta. Joining by conference call: Chris Carpenter.

Agenda Item 1 – Approval of Minutes from Jan. 9, 2008 Meeting. Mr. Pickering moved to approve the meeting minutes as presented. Mr. White seconded, unanimously approved.

Agenda Item 2 – Report, Discussion and Action, if any, on Current Legislative Issues, Referenda and Election Matters. [FROM 11:00 A.M. CARF BOARD MEETING]. Mr. Brown reported that the bill introduction deadline is February 22, 2008 and that most members and staff are back in their districts campaigning for presidential candidates, initiatives and referendums. Mr. Brown expects that propositions 94, 95, 96 and 97 will pass with a “YES” vote.

The CARF spot bill language for the \$40 million guarantee, AB 2258 should be back from review with legislative counsel soon. As soon as that language is received, there will be a follow up meeting with Assembly Member Evans. Other lobbyists involved with the issue have reviewed the language and everyone seems to be on board. Mr. Brown does expect resistance from the TOC.

Agenda Item 3 – Discussion and Action, if any, on a Proposal from AMRA for a Mule Starter Series at CARF Racing Fairs. Mr. Korby introduced Mr. DeMarta and Ms. Pharris to present to the Board a proposal to run a Mule starter series of races on the 2008 Northern California Fair Circuit. Ms. Pharris proposed that a series of races (one leg to be run at Pleasanton, Vallejo, Santa Rosa, Ferndale, Sacramento, Stockton) be run for Mules, three-years old and up, which have started for a claiming price of \$5,000 or less or have run in a speed index race of 80 or less in 2007-2008 on the California Fairs. Points would accumulate in each race and the ten fastest mules would run in a championship race at Fresno for a large purse (pending sponsorships).

Mr. Korby noted that the series would not cost Fairs any additional money and would provide an interesting series for both horsemen and fans. Fairs could add additional funds to the purse money at their discretion.

Mr. Pickering moved to support the Mule Starter Series concept, as presented, for the 2008 Northern California Fair Circuit. Mr. White seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on Supplemental Purse Program. Mr. Korby presented a spreadsheet detailing supplemental purse funds allocated versus monies spent in 2007. The current balance is \$30,839, which is low relative to prior years. Rain on the second Friday at Fresno significantly impacted handle relative to purses paid for the races offered that day. A significant overpayment occurred which Mr. Korby recommended that the supplemental purse fund cover. This would reduce the safety net usually available for incremental weather and other unforeseen reductions in handle.

Mr. Korby requested that the group approve the payments as presented, including the additional support to Fresno. The group discussed how this request might negatively affect Thoroughbred and Emerging Breed starter fees, especially with the addition of California State Fair in 2008 and how much of a cushion should be allocated for 2008.

Mr. White made a motion to approve the supplemental purse fund payments as reflected in the presented report. Mr. Pickering seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any, on Distribution of Expense Related to \$80,000 Payment made to California State Fair. Mr. Korby asked that the group review the division of the \$80,000 payment to Cal Expo for conducting harness racing in 2007 and determine how the expenses be distributed. The group already approved the \$80,000 payment in a prior meeting, but a determination needs to be reached on whether the expenses are distributed by handle or by number of racing days.

Mr. White presented a motion to distribute the expenses based on total handle, with the clarification that this motion not set precedence for the distribution of future expenses. Ms. Tesconi seconded, unanimously approved.

Agenda Item 6 – Report, Discussion and Action, if any, on Out-of-State Horse Recruitment Program. Mr. Swartzlander reported that he and Mr. Titus will be visiting Portland Meadows in Oregon on March 9, 10 and 11. The situation in Oregon is less than ideal and Mr. Swartzlander feels that the changes in the 2008 racing calendar will produce a good turnout of Oregon horsemen and starters.

Mr. Swartzlander visited Turf Paradise in Arizona in December and will hold a reception for Arizona horsemen in April. The CARF reception is the event of the year at Turf Paradise and Arizona horsemen have continued to support the Fairs with runners.

Agenda Item 7 – Update on Contracts for Summer Racing Support Services. The 2008 racing calendar has created a situation with Pegasus Communications in which TV production equipment and labor will be stretched thin. Mr. Korby has asked Pegasus to provide a proposal to address additional equipment required by overlapping dates as part of a contract extension. Other contacts coming up for consideration are Plusmic (Bill O'Brien) for photo

finish, Incompass Solutions for online paymaster accounts and the Pegasus Communications maintenance contract.

Mr. Pickering asked for a comprehensive list of contracts and rates. Mr. White asked about the possibility of the Fair's hiring one racing secretary in 2008. Ms. Tesconi stated that it would be beneficial in her situation to have a one sheet document outlining the benefits of having a single racing secretary for the Fair circuit.

Agenda Item 8 – Discussion and Action, if any, on Racing Calendar in 2009 and Beyond. Mr. Korby reported that he has been in discussions with Robert Hartman at Golden Gate Fields who is supportive of a CARF block of dates run from mid-June to early October with exact dates and locations to be determined.

Mr. Korby distributed the 2008 Fair dates and asked that the Committee members get back to CARF as soon as possible with dark days and post times so they can be distributed to the off-track wagering network.

Agenda Item 9 – Executive Director's Report. [FROM 11:00 A.M. CARF BOARD MEETING]. Mr. Korby reported that Hollywood Park will most likely return to a Wednesday through Sunday racing schedule.

CHRB developing regulations for the "mini-satellite" concept brought about by the passing of AB 241 (Price). Mr. Korby will circulate that language as soon as it becomes available.

Mr. White expressed concern that CARF take a position in regards to the night signal now that harness racing is making a move to run solo on Monday nights. Mr. White and Mr. Jacobs volunteered to poll the individual sites to determine exactly who is taking the night signal and how there facility is performing. Mr. Korby offered staff help to facilitate the polling.

Respectfully submitted,

Heather Haviland, Meeting Secretary