

CALIFORNIA AUTHORITY OF RACING FAIRS
Live Racing Committee
Wednesday, October 14, 2015

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Live Racing Committee was held at 11:00 A.M., Wednesday, October 14, 2015. The meeting was hosted at the Big Fresno Fair, 1121 S. Chance Avenue, Fresno, California.

CARF Live Racing Committee members attending: John Alkire, Richard Conway, Jerome Hoban and Kelly Olds.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Juliana Gomes, Louie Brown, Jeanne Wasserman, Allen Aldrich and Richard Lewis.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Live Racing Committee meeting is scheduled for mid-December in Sacramento.

Agenda Item 2 – Public Comment. None.

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

Agenda Item 4 – Report, Discussion and Action, if any, on CARF 2015 and 2016 Legislative Program. Mr. Brown reported that it was a quiet legislative session for gambling and horse racing. In early September there was a push to modify the statewide stabling and vanning fund legislation, which ultimately proved unsuccessful. Chairman of the Senate G.O. Committee, Isadore Hall, was prepared to author the bill and had a piece of legislation ready but was not able to proceed due a lack of agreement in Southern California. At that time, Senator Hall gave his blessing for Northern California to move language forward and industry principals in that region agreed to use CARF spot bill AB 650 (Perea). Unfortunately, the bill ultimately failed due to authorship issues. Assemblymember Henry Perea is Chairman of the Moderate Democratic Caucus which ran into political discord with the Governor and Senate leadership over environmental legislation. AB 650 required rule waivers and help from the Senate leadership which would not have been forthcoming. Mr. Brown stated that political maneuverings cannot always be anticipated in early session, but that the language is in place and ready to move in January 2016 with an urgency clause.

Mr. Korby stated that there was a notable cohesion amongst the three most interested racing parties in Northern California in developing and moving the stabling and vanning legislation.

Mr. Brown reported that looking forward, 2016 will be an election year and three of the four caucuses will have new leadership. Assemblymember Adam Gray will be focused on Internet poker legislation that was introduced late this session and the topic of fantasy sports betting.

Agenda Item 5 – Update on Conversion of Statewide Totalisator Services. Mr. Korby reported that the totalisator conversion from Sportech Racing, LLC to Amtote International is scheduled to occur October 25. Mr. Korby reported that advisories have been distributed to member fairs throughout the process and consultants, as well as Amtote representatives, have visited most sites in California to access individual satellite requirements thereby ensuring the changeover occurs smoothly. Mr. Korby stated that planning documents and installation schedules have been distributed and are posted online at www.CalFairs.net under the "publications" tab.

Mr. Korby reported that the meeting packets include a letter from Sportech suggesting that they will increase the rate for interface fees on Sportech host racetracks imported into California. This attempted rate inflation is in direct response to the change in totalisator companies. Mr. Korby stated that California principals will negotiate with Sportech and/or individual tracks to make sure that there is not a direct increase in rates.

Agenda Item 6 – Discussion and Action, if any, on Racing Dates for 2016, 2017 and Beyond. Mr. Korby requested input from Fair managers regarding strategies and representation for future race dates.

Mr. Hoban stated that the allocation of Pleasanton race dates in 2016 was not optimal and the allocation process proved frustrating. Industry principals fail to understand that the execution of a large fair involves the complex maneuvering of multiple events, one being horse racing, and keeping the fourth of July holiday in the middle of the Alameda County Fair is crucial to both the success of the fair and the many vendors that rely on the fair. Mr. Hoban stated that Pleasanton will lobby strongly for their traditional race dates in 2017 and would like to start developing and promoting a 2017 CARF calendar as soon as possible. Mr. Hoban requested that the Alameda County Fair race meet occur June 21 through July 9, 2017. Mr. Hoban also requested encouraging the industry to conduct the dates allocation process in a more open and transparent manner, precluding specific groups from manipulating the process at the time of the CHRB allocation hearings.

Mr. Olds stated that the Grape Festival in Lodi negatively impacts the San Joaquin County Fair race meet. Mr. Korby stated that we need to keep working with Stockton to help

evaluate their race meet, both in regards to the dates, events and marketing offered concurrently with the race meet and which configuration of race dates strategically present the strongest possible position for fair racing in Northern California.

Mr. Hoban stated that he believes the fair circuit benefits from retaining the existing number of race dates and that he will support Stockton if they wish to continue racing. Mr. Hoban inquired of Mr. Olds the San Joaquin County Fair Board's level of commitment to horse racing. Mr. Olds stated that he is in the process of evaluating the profitability of horse racing so his board can make an informed decision this month.

Mr. Conway stated that the Humboldt County Fair would ideally finish the race meet in the third week of August 2017, but Ferndale is dependent on the dates allocated to proceeding fairs. The dates Pleasanton is requesting push Ferndale into Labor Day which is harmful to both in attendance due to school being in session and in a lack of available labor to conduct the fair.

Mr. Alkire requested that Fresno retain their tradition dates in 2017 with the fair starting the first Wednesday in October.

Agenda Item 7 – Discussion and Action, if any, on Summer Racing Operations for 2015 and Planning for 2016. Mr. Alkire requested that CARF staff try to obtain a list of CHRB criteria for pre-meet racetrack inspections and request those inspections the first day of training so that fairs have a reasonable opportunity prepare the facility to meet the standards and to have time to fix any potential problems without disrupting horsemen. Mr. Lewis stated that a checklist will be provided to each fair and CARF staff in early February.

Mr. Alkire thanked Mr. Conway and Allen Aldrich for their recruitment efforts this year. Those efforts, in addition to the existing CARF recruitment program, kept a viable horse population in Northern California.

Mr. Hoban requested that CARF staff reactivate a symposium-style conference for educational and strategic planning purposes and offered to host the event.

Agenda Item 8 – Executive Director's Report. Mr. Korby reported that Joe Morris will step down as President of TOC to accept a position as Senior Vice President of West Coast Operations for the Stronach Group.

Respectfully submitted,
Heather Haviland