

Handout 1.

California Authority of Racing Fairs Consolidated Purse Report					
	Arabian	Mules	QTR	TB	Total
2016 & 2017 Overpayment Carryover w/Vanning '17 Excess	(\$44,486.79)	(\$82,732.11)	(\$42,115.41)	(\$539,431.17)	(\$708,765.48)
2017 50% Fair Contributions					\$117,923.50
NET EACH BREED FOR 2018	(\$15,848.69)	(\$13,033.62)	\$4,136.66	\$51,752.85	\$27,007.20
NET 2018 with 2016/2017 Net	-60,335.48	-95,765.73	-37,978.75	-487,678.32	-563,834.78
		Mixed Breeds	-194,079.96		

Handout 2.

HCF Commissions Proposal		
	Projected	Projected
	Changes in	Balance to Offset
	2019 Purses	HCF Commission
HCF Commissions Generated from Unoverlapped		\$189,552.00
HCF Purses Generated from Unoverlapped	\$159,437.00	
TOC Purses Supplemented for 2019	\$200,000.00	
2% Funds Generated for VS in 2018		
2% Funds Generated from Unoverlapped		
Estimated 2% Funds to be Generated in 2019		
Stabling Costs to GGF in 2019		
Stabling Funds Reduction from 2018		
2% Purse Funds Generated in 2019	\$50,532.50	
2% Commissions Generated in 2019		\$50,532.50
Purse Overpayment Refund for 2017 and 2018		\$38,002.00
Projected Purse Overpayment 2019		\$17,261.00
CARF Augmentation Credit		\$62,500.00
PLN, SAC, FNO Purse Overpayment Reduction	\$62,500.00	
2017 & 2018 HCF Purse Overpayment Adjustment	\$38,002.00	
Net Gain/Loss Commissions		(\$38,517.50)
*Augmentation Loss to Fairs reimbursed from		
\$91,095.5 additional Purse Generation.		
Total Potential Reduction in Purse Generation	(\$9,406.50)	
Assumptions:		
<i>Handle will remain the same in 2019.</i>		
<i>\$117,953 Purse overpayment will be reduced to -\$9,406.5</i>		

Handout 3.

Consolidated Purse Fund: Mr. Swartzlander reported, as in prior meetings, that the overpayment balance for the Consolidated Purse Fund is projected to be \$285,206 at the end of 2018 and that he recommends the Board consider the fiscal responsibility of the agency by withholding the anticipated shortfall from Fair commissions generated in 2017. A spreadsheet titled “2017 Consolidated Fair Purse Report” with proposed withholdings by Fair and updated figures was provided in the meeting packet. During the February meeting, the Board chose to defer the item and directed Ms. Gibbons to keep the CARF books open until a decision was reached at this meeting.

The group discussed options, current accounting practices at Fairs and consulted Ms. Gibbons regarding logistics. Each Fair discussed their individual position.

[3]

{ACTION} Mr. Pickering moved to allocate 50 percent of the 2017 commissions recommended by staff to pay down the liability created by the Consolidated Purse Fund without reducing the actual overpayment that has been distributed to horsemen in purses. Mr. Hoban seconded, unanimously approved.

Handout 4.

From: Josh Rubinstein [mailto:josh@dmtd.com]

Sent: Wednesday, January 23, 2019 10:04 AM

To: Scott Daruty (scott.daruty@stronachgroup.com) <scott.daruty@stronachgroup.com>; TOC <gavioli@toconline.com>; larry@calfairs.net; Doug Burge <dburge@ctba.com>

Cc: Frank DeMarco (Frank.DeMarco@santaanita.com) <Frank.DeMarco@santaanita.com>

Subject: Horse Racing United - Sports Wagering Financial Impact Study

All,

In 2013 our collective entities formed Horse Racing United, LLC (HRU) to focus industry efforts related to I-poker while showing a united front in Sacramento. The initial cash raise was \$10k per member. While I-poker never made it through the Assembly, we kept the HRU entity alive with the hopes of a future collaborative effort. I'll defer to Treasurer DeMarco, but I believe HRU has a few thousand dollars in savings.

While opinions from our group likely vary on the potential impact of CA sports wagering, hopefully we all agree that horse racing must be proactive and well informed. With this said, Del Mar is proposing that each member of HRU contribute \$15k for the purposes of funding a financial impact study on sports wagering in CA and provide some additional operating cash for this year. I spoke with some members of GO this week and they believe this study would be very helpful.

Please feel free to contact me if you have any questions. Also, happy to have a call with this group to discuss further.

Thanks,

Josh

Josh Rubinstein
President & COO
Del Mar Thoroughbred Club
josh@dmtd.com / 858.794.1154

Handout 5.

Jumbotron Proposals

- Bids sent out to six Jumbotron companies outside Pegasus proposal; Need a Big Screen; North State Audio Visual; Jumbotron Insane; Daktronics; Rental Partners and Big Screens.
 - Criteria was Jumbotron had to be 16.8' by 30' at a minimum
 - 13-15 mm HD presentation
 - The screen had to be elevated at least 8 feet off the ground.
-
- Only company which was able to provide the screen was Jumbotron Insane at a cost of \$110,250. This did not include raising the screen 8 feet. Any advertising on the screen or attached to the board would have to be negotiated.
-
- Pegasus is currently upgrading their Jumbotron to HD.
-
- Pegasus currently charges for a 41 day meet \$101,250. No charge for signage on the jumbotron and any advertising done on the jumbotron. Has 20+ years' experience dealing with CARF Fairs and would like the jumbotron be included in a new TV and Simulcast Contract for the next five years with no increases in costs. Current TV contract expires in Apr 2022. New five-year contract would expire in Apr 24.
-
- Recommend CARF Board approve a new Pegasus TV Production Contract to include Jumbotron at \$2550 per day for five years. No increase in TV Production and Simulcast rates.

Handout 6.



a California joint powers agency

1776 Tribute Road, Suite 205
Sacramento, CA 95815
Office: 916.263.3349 Fax: 916.263.3341
www.calfairs.com

November 26, 2018

CARF Member Fair Managers

In respect to future planning and budgeting the following are the 2019 Long- and Short-term Objectives:

Long Term Objectives (3-5 Years)

- Establish a racing calendar and facility improvement program to support racing in Northern California without Golden Gate Fields.
- In support of a CARF Northern California Racing program develop a capital improvement fund.
- Support the legislative efforts to legalize sports wagering, internet poker and fantasy sports.
- Raise 2.5 million dollars to increase overnight purses.
- Expand the Northern California mini-satellite program to include unmanned sites.
- Upgrade a satellite to replicate the atmosphere and physical layout of the Fairplex OTB.
- Complete HD upgrades of the remaining 12 CARF satellites.

2019/2020 Objectives

- Regain the Sonoma County Fair and Southern California Fair as CARF members.
- Balance the consolidated purse fund.
- Conduct visits to all Simulcast sites to strengthen membership and eliminate any lack of communications in regards to what CARF provides to them as members.
- Complete the transition of opting out of the vanning and stabling fund.
- Maintain the date's program and eliminate overlap with HCF and GGFs.
- Maintain close coordination and pressure with Sec of Ag to appoint two new commissioners who are friendly.
- Develop and sponsor the Northern California Racing Sustainability (NCRS) Act giving clarity to the racing fairs responsibilities to stabling and providing racing dates which the fairs have first right of refusal.
- Revamp the Racetrack Maintenance Program to reduce costs for high end repairs projects.
- Establish a three-person training team for all racing fairs
- Implement the tote wireless wagering program.
- Replace the current outdated Jumbotron.
- Establish salary and bonus criteria based on performance and increased fiscal profits.
- Implement players pic five with a takeout rate of 14%.
- Review benefit plans to identify any excessive benefits in order to reduce or eliminate them.
- Review the racetrack maintenance program to reduce transportation and maintenance costs. Looking at procuring additional equipment and leaving it at one fair site. Research the cost of hiring a seasonal mechanic to be on site at each live racing fair. Meeting with Belkorp Ag (Stockton John Deere dealer) to receive discounted rate for maintenance.
- Provide after action report on recommendations for improvement of facilities and procedures in support of live racing operations.

Respectfully Yours,

Larry A. Swartzlander
Executive Director

Handout 7.



a California joint powers agency

1776 Tribute Road, Suite 205
Sacramento, CA 95815
Office: 916.263.3349 Fax: 916.263.3341
www.calfairs.com

January 17, 2018

CARF Member Fair Managers

In respect to future planning and budgeting the following are the 2018 Long- and Short-term Objectives:

Long Term Objectives (3-5 Years)

- Establish a racing calendar and facility improvement program to support racing in Northern California without Golden Gate Fields. **A draft calendar has been completed and provided to the CARF board as well as CHRB.**
- In support of a CARF Northern California Racing program develop a capital improvement fund. **This would be contingent on CARF acquiring more racing dates.**
- Support the legislative efforts to legalize sports wagering, internet poker and fantasy sports. **Legislation will be drafted for clarifying the fair's roles in stabling and dates.**
- Raise 2.5 million dollars to increase overnight purses. **Negotiations are under way to sign a \$2.5-million-dollar sponsorship deal as well as two other minor sponsor awards.**
- Expand the Northern California mini-satellite program to include unmanned sites. **Applications have been completed for Sacramento and Turlock. Next step is CHRB approval and construction. Also coordinated with SCOTWINC staff to develop ADW lounges with no manning. HCF would be the first candidate.**
- Upgrade a satellite to replicate the atmosphere and physical layout of the Fairplex OTB. **Funds are available but need more clarity on sports wagering impact.**
- Initiate HD upgrades of all CARF satellites. **Upgraded San Mateo and Pleasanton satellites.**

2018/2019 Objectives

- Regain the Sonoma County Fair as a CARF member. **Have completed fiscal exchange clarifying they are losing money by not being in CARF, but current board SR is not interested in improving racing.**
- Balance the consolidated purse fund. **2018 Purse fund will be slightly underpaid for the first time in four years. CARF board continues to take action to reduce current \$500k deficit. Funds received from 2019 stabling and dates agreement will also reduce the deficit.**

- Conduct visits to all Simulcast sites to strengthen membership and eliminate any lack of communications regarding what CARF provides to them as members. Conducted visits to Ventura, National Orange Show, Lancaster, San Bernardino, San Mateo and San Jose to discuss the future of satellites in CARF. All visits were positive. Negotiated with Solano County Fair to regain their membership in CARF. Will visit with Southern California Fair to do the same.
- Complete the transition of opting out of the vanning and stabling fund. Board approved drafting and submitting for legislative approval the Northern California Racing Sustainability (NCRS) Act to address both stabling and dates in 2019. Negotiated plan with GGF achieved in gaining a reduction in auxiliary stabling costs from \$689,000 to \$510,000. Negotiated satellite agreements with Pacific Racing Association to maintain a NCOTWINC presence. Participated as a member of the SCOTWINC board in reaching a labor agreement with local 280.
- Maintain the date's program and eliminate overlap with HCF and GGFs. Achieved maintaining the same dates but lost one week unoverlapped for HCF. Did receive funds commensurate to what would be lost for that unoverlapped week.
- Revisit legislation which allows HCF to receive substantive compensation for being overlapped. NCRS Legislation proposed for 2019 will address this issue.
- Revisit legislation which could provide support to the fairs racing throughout the entire summer 15 June – 15 Oct. NCRS Legislation proposed for 2019 will address this issue. Developed and provided to all CARF members a list of legislative contacts in their respective areas. Developed and maintained a close relationship with the Secretary of Agriculture to keep her continually updated on CARF challenges. Developed a solid and professional relationship with all CHRB board members.
- Revamp the Racetrack Maintenance Program to reduce costs for high end repairs projects. Completed acquisition of 1% funds from F&E to acquire three new tractors eliminated an estimated \$60-70k in major maintenance repairs. Currently working with the Secretary of Agriculture to receive \$71k in annual grey area monies from F&E to defer routine annual maintenance costs.
- Review all CARF expense items for cost reductions with emphasis on relocating the CARF offices to Cal Expo or Pleasanton. Reviewed office costs and reduced annual expenses by \$2,500. Will move the CARF office in February 2019 resulting in a \$25k annual savings. Deferred filling the Legislative position saving CARF \$130k per year.
- Expand and improve the wireless wagering program. Program was deferred due to the lack of adequate high quality wi-fi in grandstands. This will be addressed in 2019 and corrected.

Respectfully Yours,



Larry A. Swartzlander
Executive Director