

## CALIFORNIA AUTHORITY OF RACING FAIRS

Live Racing Committee

Tuesday, May 5, 2009

### Minutes

A meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, May 5, 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, Norb Bartosik, Chris Carpenter, Debbie Cook, Rick Pickering and Stuart Titus. Joining by conference call: Mike Paluszak and Tawny Tesconi.

Staff and Guests attending: Chris Korby, Larry Swartzlander, Heather Haviland, Tom Doutrich, Margot Wilson and Dave Elliott. Joining by conference call: Kate Phariss.

**Agenda Item 1 – Approval of Minutes.** Mr. Pickering moved to approve the meeting minutes as presented. Ms. Cook seconded, unanimously approved.

**Agenda Item 2 – Confirmation of June 2, 2009 for Next Meeting, Location to be Determined.** The next CARF Board & Live Racing Committee meeting is scheduled for Tuesday, June 2, 2009, location to be determined.

**Agenda Item 3 – Discussion and Action, if any, on Racing Dates for 2010 and Beyond.** Principals in the racing industry expect the Fairs to submit a 2010 calendar recommendation prior to November 2009. Mr. Korby asked participating Fairs to share their initial requests.

Ms. Cook reported that after addressing concerns at the last TOC meeting she was willing to look at the possibility of running two weeks consisting of three or four-race days (potentially Thursday, Friday, Saturday, Sunday or Friday, Saturday, Sunday). Ms. Cook stated her goal is to address some of the concerns expressed by horsemen while keeping the Fair dates to a reasonable level. The San Joaquin Fair Board has not had a chance to discuss 2010 calendar options.

Mr. Pickering stated that the Alameda County Fair Board was happy with the 15-day allocation in 2009, but the 2010 dates are contingent on the future of racing at the Solano County Fair.

Ms. Tesconi reported that the Sonoma County Fair Board would like to add a third week of racing. The placement of that third week is contingent on the actions of other racing Fairs.

Mr. Bartosik stated that ideally the California State Fair race dates would follow Pleasanton, but the Fair has many considerations to explore before committing to move 2010 Fair dates.

Mr. Titus requested that the Humboldt County Fair maintain the potentially vacant slot created California State Fair and that the Fair race unoverlapped.

The group consensus was to maintain the current calendar block with the addition of three weeks in the Spring. Mr. Korby requested that the Fair Managers work with their Boards to develop stronger positions to continue the planning process.

**Agenda Item 4 – Discussion and Action, if any, on Agreements with Northern California Off-Track Wagering Inc. (NCOTWInc.) for Payroll Processing and Other Services.** Mr. Korby reported that NCOTWInc. has taken the position that they will not enter into contract for mutuel department payroll services with individual Fairs. NCOTWInc. will enter into contract with CARF on behalf of a group of Fairs.

Mr. Korby requested that CARF be provided financial protection in the event that the agency was to oversee contractual obligations between Fairs and NCOTWInc. Mr. Korby stated that he would ask Patrice Dussen, Controller at NCOTWInc., to be available at the June meeting to provide details on the services that organization provides.

**Agenda Item 5 – Discussion and Action, if any, on Public Agency Financing of Infrastructure Improvements to Racing Facilities or for Acquisition of Racing Venues.** [Delayed to CARF Board Meeting].

**Agenda Item 6 – Discussion and Action, if any, or Interim, Temporary or Permanent Closure of Existing Satellite Wagering Facilities or Opening of New Satellite Wagering Facilities.** [Delayed to CARF Board Meeting].

**Agenda Item 7 – Discussion and Action, if any, on Legislative Matters or Statewide Initiatives.** [Delayed to CARF Board Meeting].

**Agenda Item 8 – Update, Discussion and Action, if any, on Services and Contracts Managed by CARF.** Mr. Swartzlander reported that staff would like to recommend the Committee enter into a three-year contract with Delmar Graphics to print the daily racing program. The bid from Delmar Graphics was \$0.05 cheaper per unit than the opposing bid from the Daily Racing Form. Mr. Pickering moved to enter into contract with Delmar Graphics for program printing. Mr. Paluszak seconded, unanimously approved.

Staff also recommended the Committee enter into a three-year contract with Vassar Photography for winner's circle photography. The contract includes a 20% payback and an exclusion for CalExpo. Ms. Tesconi moved to enter into contract with Vassar Photography for winner's circle photography. Mr. Titus seconded, unanimously approved.

**Agenda Item 9 – Report of California Horse Racing Board (CHRB) Action to Designate a Combined Fair Horse Racing Meeting.** Mr. Korby reported that the CHRB approved to designate racing dates from six Fairs as a combined Fair horse racing meeting.

**Agenda Item 10 – Report, Discussion and Action, if any, on Arrangements Between Solano County Fair, Alameda County Fair, and California Authority of Racing Fairs**

**(CARF) for Conduct of One Week of Racing at Alameda County Fair Ending on July 19, 2009.** Mr. Pickering reported that negotiations between Pleasanton and Vallejo initially began in 2008. At that time, the intent of the Solano County Fair Board was to secure one week of racing in 2009 to celebrate the Fair's 60<sup>th</sup> Anniversary and then to cease operating live horse racing in 2010 and beyond. In exchange for allowing the live racing Fairs to run those 10 days at a location that would best benefit Fairs as a whole, the Solano County Fair was to receive an undetermined sum of money over a period of multiple years to help them transition out of the horse racing business.

Since that time, a member of the Solano County Board of Supervisors announced at a CHRB meeting that the Supervisors would like to see the Solano County Fair allocated future racing dates. The Solano County Fair Board has been working closely with the Solano County Board of Supervisors to assess the current state of racing in the county and determine what decision will best serve the community moving forward.

Mr. Paluszak reported that he is meeting with a member of the Board of Supervisors prior to his next Board meeting to solidify the position of both groups regarding racing beyond 2009. The last position and intent of the Solano County Fair Board was to cease racing beyond 2009.

Mr. Pickering stated that a member of the Alameda County Board of Supervisors has become involved and interested in the matter.

The current one-year revenue sharing agreement being negotiated between Pleasanton and Vallejo for 2009 allocates the first \$150,000 of net profit from the last five days of racing at Pleasanton to the Solano County Fair. The second \$150,000 of net profit would go to the Alameda County Fair with the remainder of potential net revenue going to the Solano County Fair up to a \$500,000 cap. The Solano County Fair Board has not voted on this proposal.

Mr. Korby asked that the Committee vote on a recommendation to the CARF Board to transfer \$100,000 of the monies previously allocated to Pleasanton for capital improvements to the Vallejo satellite wagering facility. Mr. Bartosik moved to recommend the CARF Board transfer \$100,000 of the monies allocated to Pleasanton as part of a previously adopted three-year capital improvement program/San Mateo satellite development to Vallejo for improvements to the satellite wagering facility. Mr. Alkire seconded, unanimously approved with Mr. Pickering and Mr. Paluszak abstaining.

**Agenda Item 11 – Discussion and Action, if any, on Harness Racing at Fairs.** Mr. Bartosik asked the Committee to work together and open dialog to help the Harness industry come up with both temporary and long-term solutions to keep the California night signal viable.

**Agenda Item 12 – Executive Director's Report.** [Delayed to CARF Board Meeting].

Respectfully submitted,

Heather Haviland