

**THOROUGHBRED OWNERS OF CALIFORNIA  
BOARD OF DIRECTORS MEETING  
Friday, November 10, 2017 – 11:00 a.m.  
Del Mar**

**MINUTES**

Directors Present: Nick Alexander, Allen Aldrich, Bob Baffert (by phone), Joe Ciaglia (by phone), Mark Dedomenico (by phone), Ron Ellis (by phone), Gary Fenton, Mike Harrington, Terry Lovingier (by phone), Ed Moger (by phone), Jack Owens (by phone), Mike Pegram (by phone), Samantha Siegel (by phone), Bill Strauss, and Kathy Walsh (by phone).

Directors Absent: None.

Staff Present: Greg Avioli, Patricia Chinnici, Joe Hasson (by phone), and Elizabeth Morey.

I. Presentation by Josh Rubinstein, Del Mar

Mr. Rubinstein joined the meeting to provide a recap of the recently completed Breeders' Cup event at Del Mar. He noted that 75 percent of ticket sales were to out of town visitors. Wagering handle was second highest of all time for a Breeders' Cup and the highest since 2010. On track wagering totaled \$25 million – 20 percent above what was handled on track at Santa Anita the last year it was held there.

II. Approval of Minutes

Mr. Aldrich requested a correction to the minutes of October 20, 2017, so that the word "not" before "running overlapped" be removed from the first sentence of Agenda Item III, paragraph 4, so that it reads: "Following discussion, a motion was made by Mr. Moger to support a similar racing calendar to 2017 in the North with the exception that Santa Rosa receive three weeks when their fair is running, the two former Stockton weeks move to Golden Gate Fields, and reasonable accommodation be made for Humboldt when they are running overlapped." On a motion by Mr. Aldrich, seconded by Mr. Fenton, the minutes of October 20, 2017 were unanimously approved as corrected.

III. South Stabling Update

Mr. Avioli provided an update on Southern California Stabling & Vanning, including status of TOC staff work on trainers' stalls and starts information, exploring the reduction of training days per week at auxiliary facilities, and beginning the process of an RFP for a vanning shuttle system.

Mr. Avioli then reviewed the renewal of the Southern California Stabling & Vanning Funding Agreement for 2018, which allows for an additional .5% from market access fees to be distributed to the fund administered by the Southern California

Stabling & Vanning Committee. On a motion by Mr. Alexander, seconded by Mr. Fenton, the agreement was unanimously approved.

IV. North Stabling & Vanning Update

Mr. Avioli gave an update on Northern California Stabling & Vanning, including a letter received from CARF indicating their intent to opt out of Stabling & Vanning and the latest information about Golden Gate Fields' planned closure of their barn area this summer. Ms. Morey then gave an update on the Northern California horse count, which has stabilized down 50 horses from last year. With 1,500 stalls open, there appears to be plenty of stabling for the current population of 1,321 horses.

V. ADW Geolocation Update

Messrs. Avioli and Hasson provided an update on the ADW geolocation, a copy of which was provided to the board. They noted that the regulation to be discussed at an upcoming CHRB meeting would include laptops and satellite facilities.

VI. Game Play Network Hub Agreement Extension

Messrs. Strauss and Fenton reviewed the proposed hub agreement extension with Game Play Network, which was provided to the board. Following a brief discussion, Mr. Strauss made a motion to approve the hub agreement extension for one year, which can be terminated at any time by either party. The motion was seconded by Mr. Fenton and passed unanimously.

VII. City of Arcadia On-Track ADW Request

Mr. Avioli reviewed the proposal from the City of Arcadia to extend their statutory .33% handle distribution from on-track wagering to on-track ADW. Based on projections, the 2017 distribution would be less than \$10,000. The proposed agreement would be among the track, TOC and the City of Arcadia.

VIII. SCOTWINC / Proposal from State of California

Mr. Avioli briefly reviewed the proposal to SCOTWINC by NYX Holdings for cannabis tax collection services, which was turned down by the SCOTWINC board. It was provided in the board packet for informational purposes.

IX. Committee Reports

A. Legislative Report

Mr. Avioli provided a legislative update.

B. Finance Committee

Ms. Chinnici reviewed the October financial report, noting that with new revenue sources from CMC and Stabling & Vanning management fees and reduced expenses, we are under budget for the month and year to date. She also noted that the investment plan previously approved by the board is being rolled out.

C. Racing Affairs

Mr. Avioli gave an update that the TOC graded stakes committee had met and made recommendations for modifications to the year-round stakes schedule and that staff was working on incorporating these recommendations in to the upcoming schedule for the Santa Anita Winter/Spring meet.

Ms. Morey gave a review of the stakes proposal for the Santa Anita Winter/Spring meet recommended by the TOC Graded Stakes Committee and TOC Racing Affairs Committee. The specific recommendations were:

- Increase the purse of the Pasadena Stakes to \$200,000
- Add a new Cal Cup Race- The Cal Cup Turf Sprint
- Reduce the purse of the Santa Anita Handicap to \$600,000
- Rest the Arcadia Stakes
- Rest the Santa Anita Juvenile Stakes
- Rest the Ladaluce Stakes
- Reduce the Cal Cup Derby purse to \$200,000
- Reduce the Unusual Heat Turf Classic purse to \$200,000
- Rest the Lennyfrommalibu
- Rest the Los Angeles Handicap
- Negotiate to keep the Midnight Lute Stakes
- Retire the Precisionist Stakes

Ms. Walsh made a motion for staff to continue negotiations with Santa Anita along the lines presented, which was seconded by Mr. Harrington and referred to the Executive Committee for final approval.

X. Executive Session

The board adjourned to Executive Session.

XI. Next Meeting –

The next meeting will be Friday, December 8, at Los Alamitos at 11:00 a.m.