

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Thursday, May 16, 2019 – 11:30 a.m.
By Conference Call**

MINUTES

Directors on Call: Nick Alexander, Allen Aldrich, Joe Ciaglia, Mark Dedomenico, Gary Fenton, Rick Gold, Mike Harrington, Bob Liewald, Terry Lovingier, Jack Owens, and Bill Strauss.

Directors Absent: Bob Baffert, Ed Moger, Mike Pegram, and Samantha Siegel.

Staff on Call: Greg Avioli, Mary Forney, Patricia Chinnici, Wayne Atwell, and Joe Hasson.

I. Approval of Minutes

On a motion by Mr. Gold, seconded by Mr. Strauss, the board unanimously approved the minutes of April 1, April 5, and April 16, 2019.

II. Santa Anita Racing & Training Update

A. New PET-SCAN Machine for Santa Anita

Mr. Avioli reviewed an article by Charlie Hayward on Santa Anita's new PET-SCAN machine, a copy of which was provided to the board.

B. Race Schedule/Purses Remainder of W/S Meet

Mr. Avioli updated the board on the current status at Santa Anita, noting that they continue to run three days a week. There is no indication at this time that the race days will be expanded, particularly in light of insufficient inventory. He noted that Santa Anita agreed to co-fund the additional \$10,000 a race through the first week of June. For the remaining two weeks, they have notified us that they will not be able to continue. In light of the fact that we expect to be approximately \$700,000 to \$800,000 underpaid for the meet, the Racing Affairs committee has recommended that TOC continue to fund the \$10,000 a race for the remaining two unfunded weeks of the meet, which would put the over/under payment approximately flat at end of meet. There were no objections from the board.

Mr. Avioli added that we will be meeting with CHRB staff to begin considering future race dates. Board members were encouraged to provide any input to Mr. Fenton.

III. Legislation

A. Oversight Hearing on Horse Welfare (May 22, 2019)

Mr. Avioli reviewed the itinerary/witness list, which was provided to the board.

B. Sports Wagering Legislation / Ballot Initiative

Mr. Avioli provided an update on the current status of sports wagering legislation and possible ballot initiatives.

C. Maddy Institute Event Sponsorship

Mr. Avioli noted that the Executive Committee approved a \$2,500 donation requested by John Harris for an event benefitting the Maddy Institute. We attended an event at which Gov. Newsom was the keynote speaker. A motion to ratify the Executive Committee's approval was made by Mr. Alexander, seconded by Mr. Strauss, and unanimously approved.

D. Dept. of Homeland Security H2-B Visa Announcement

Mr. Avioli reviewed the memo regarding the loosening of restrictions on federal H2-B visas, which was provided to the board.

E. Federal Legislation Update

Mr. Avioli reviewed current and proposed federal legislation and recent articles on the subject, which were included in the board packet.

IV. CHRB Agenda / Lasix Levels

Mr. Avioli reviewed the CHRB agenda, noting that the primary purpose of the meeting is to review the upcoming race meets. He pointed out that the policy on Lasix, which has been much debated, will be a part of the discussions. However, the CHRB is not expected to authorize racing with more than 5 cc's of Lasix. Therefore, TOC is supporting the 5 cc limit but will revisit the Lasix issue with the CHRB in the Fall.

Mr. Avioli reviewed a letter from Dr. Kim Kuhlmann on the subject, and a discussion ensued.

V. PostTime Insurance Request to CTBL for Subsidy Funding

Mr. Avioli reviewed a letter from Mr. Lyon of PostTime Self Insurance, which was included in the board packet, requesting a subsidy from the CTBL for the workers' comp insurance program in the amount of approximately \$500,000. Included with the request was a financial analysis. TOC has a 47% voting interest in CTBL, and Mr. Avioli currently chairs that organization. The request is expected to be approved by CTBL. Mr. Avioli informed the board that TOC has been working to put safety improvements in place, including a fitness test for exercise riders. He also noted that the cost for the workers' comp program is largely borne by the owners either directly or through the trainers' portion passed along to owners. A discussion ensued.

VI. Finance Committee

Ms. Chinnici gave a financial report on TOC investments and financials for April and year to date.

VII. Wagering Committee

A. Monarch Request re: Triple Crown Host Fees

Mr. Avioli reviewed a request from Monarch regarding Triple Crown host fees, which was approved by the Executive Committee. He explained the background and reasons for the necessity of raising the CA host fees caps for those races. On a motion by Mr. Alexander to ratify the Executive Committee's recommendation, seconded by Mr. Fenton, the Monarch request was unanimously approved.

VIII. Owner Relations Committee

Ms. Forney reviewed the Rookie of the Year selections made by the Owner Relations Committee. The committee recommended two recipients this year: Jo Fogel and Bryan Willson. There were no objections.

IX. Racing Affairs

A. Los Al Stakes and Overnight Schedules

Ms. Forney reviewed the proposed Los Alamitos overnight and stakes schedules, which were provided to the board. Mr. Harrington made a motion to approve the Los Alamitos purse proposal, which was seconded by Mr. Fenton and unanimously approved.

B. Purse Account Status Golden Gate and Santa Anita

Mr. Avioli noted that there is still work ongoing to update and finalize the purse report system. Mr. Hasson added that we have identified the areas needing adjustment and should be able to get an updated Santa Anita report out by Saturday. Mr. Avioli reported on the progress of fully automating the purse account reports.

C. April Horse Counts

Mr. Avioli reviewed the horse counts for the North and South, which were provided to the board, noting we are considerably down from last year in horse inventory in Southern California. Mr. Alexander stressed the importance of supporting the racing program in California.

X. Adjournment

The meeting adjourned at 12:29 p.m.