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01 BEFORE THE CALIFORNIA HORSE RACING BOARD
01
02 OF THE STATE OF CALIFORNIA
02
03 ROBERT H. TOURTELOT, CHAIRMAN
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06 In the Matter of the)
07 Regular Board Meeting of the)
07 California Horse Racing Board)
08)
08 Re: AGENDA ITEM NOS. 1 through 11)
09 Discussion and Action on the Approval)
09 of Application for License to Conduct)
10 Horse Racing Meetings.)
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16 TRANSCRIPT OF PROCEEDINGS
17
17 Sacramento, California
18
18 Wednesday, May 31, 2000
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25 Reported by:
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26 Rhonda Harris
26 CSR No. 10145
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27 Job No. :
28 CHBB887
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01 BEFORE THE CALIFORNIA HORSE RACING BOARD
01
02 OF THE STATE OF CALIFORNIA

02
03 ROBERT H. TOURTELOT, CHAIRMAN

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06 In the Matter of:)
07 CALIFORNIA HORSE RACING BOARD)
07 REGULAR MEETING)
08)
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15 TRANSCRIPT OF PROCEEDINGS, taken
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16 at the Radisson Hotel, 500 Leisure Lane,
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17 Sacramento, California, commencing at
18
18 1:30 p.m., on Wednesday, May 31, 2000,
19
19 heard before ROBERT H. TOURTELOT, Board
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20 Chairman, reported by Rhonda Harris,
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21 CSR No. 10145, a Certified Shorthand Reporter
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22 in and for the State of California.

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01 APPEARANCES:
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02 Chairman: Robert H. Tourtelot
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03 Vice-Chairman: Joseph B. Fenley
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04 Commissioner: Sheryl L. Granzella
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05 Commissioner: Marie G. Moretti
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06 Deputy Attorney General: Tom Blake
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07 Executive Director: Roy C. Wood
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01		I N D E X
02	AGENDA ITEM NUMBER:	PAGE
02		
03	1 - Approval of Minutes of Regular Board	5
03	Board Meeting of May 7, 2000	
04		
04	2 - Discussion and Action on the Application	6
05	for License to Conduct a Horse Racing Meeting	
05	at Del Mar Thoroughbred Club	
06		
06	3 - Discussion and action on the Application	10
07	for License to Conduct a Horse Racing Meeting	
07	at Solano County Fair	

08
08 4 - Discussion and action on the Application 15
09 for License to Conduct a Horse Racing Meeting
09 at Sonoma County Fair
10
10 5 - Discussion and action on the Application 16
11 for License to Conduct a Horse Racing Meeting
11 at San Mateo County Fair
12
12 6 - Discussion and action on the Application 17
13 for License to Conduct a Horse Racing
13 Meeting at Humboldt County Fair
14
14 7 - Discussion and action on the Application 19
15 For License to Conduct a Horse Racing
15 Meeting at The California Exposition
16 And State Fair
16
17 8 - Discussion and action by the Board on 20
17 the distribution of Bay Meadows
18 Operating Company in the amount of
18 \$43,265
19
19 9 - General Business 21
20
20 10 - Old Business 21
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21 11 - Executive Business 21
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01 Sacramento, California, Wednesday, May 31, 2000
02 1:30 p.m.
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05 MR. WOOD: Ladies and Gentlemen, I'd like to
06 welcome you to the California Horse Racing Board regular
07 meeting. This is being conducted on Wednesday, May the
08 31st, the year of 2000, at the Radisson Hotel in
09 Sacramento, California.

10 Present at today's meeting are the Chairman
11 of the California Horse Racing Board, Mr. Robert H. Tourtelot;
12 Vice-Chairman, Joseph B. Fenley. Also in attendance are
13 Commissioner Sheryl Granzella and Commissioner
14 Marie Moretti.

15 Before we go forward with today's business
16 meeting, I would like to welcome each of you and ask
17 respectfully that if you give testimony in front of the
18 Board, that you please state your name and your

19 association for our court reporter. If you have a
20 business card to give her, we would very much appreciate
21 it.

22 With that, I'd like to turn the meeting over
23 to our Chairman, Mr. Robert Tourtelot.

24 MR. TOURTELOT: Good afternoon.

25 The first item on the agenda is the approval
26 of the minutes of the regular meeting of May 7, 2000.

27 Do we have a motion?

28 MS. MORETTI: I'll make a motion.

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01 MR. FENLEY: Second.

02 MR. TOURTELOT: All in favor?

03 MR. WOOD: Aye.

04 MR. FENLEY: Aye.

05 MS. GRANZELLA: Aye.

06 MR. TOURTELOT: Aye.

07 MS. MORETTI: Aye.

08 MR. TOURTELOT: Opposed? Motion approved.

09 The second item on the agenda is Discussion
10 and Action by the Board on the Application for License to
11 Conduct a Horse Racing Meeting at the Del Mar Thoroughbred
12 Club commencing July 26, 2000, through September 13, 2000,
13 inclusive.

14 MS. WAGNER: Good afternoon. I'm Jackie Wagner,
15 CHRB staff.

16 The application before the Commission is from
17 the Del Mar Thoroughbred Club. They're proposing to race
18 from July 26 through September 13, 2000, or 43 days, which
19 is one day more than in 1999. The Association is
20 proposing to race a total of 371 races, or 8.6 races.
21 They're proposing racing six days per week, Wednesday
22 through Monday with eight races on weekdays, nine races on
23 opening and closing days, and ten races on certain weekend
24 days and on Labor Day.

25 Their first post time will be 2:00 p.m.
26 daily. They will be utilizing CHRB rules for their
27 wagering program. We've received the TOC, the Horsemen's
28 Agreement, as of this afternoon. The only outstanding

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01 item on the application is the fire clearance, and the
02 staff has recommended it be approved contingent upon us
03 receiving that.

04 MR. TOURTELOT: Any comments?

05 MR. FENLEY: I have one comment. The seating
06 increases in some cases have jumped 25 to 30 percent. I
07 would like to know how those increases came about. And I
08 understand the program is now part of the seating, but 25
09 to 30 percent is a fairly large increase. And I would
10 like some comment on that, who actually makes those
11 numbers?

12 MR. GRABLE. (phonetic): Frank Grable,
13 Del Mar Thoroughbred Club.

14 The pricing on seating programs -- all of the
15 pricing issues related to admission are set by the
16 Association. Del Mar has taking the position over the
17 years of being very cautious about price increases, and
18 historically we typically go for four or five years
19 without a particular price increase. And there are a lot
20 of factors that go into determining those, including
21 market research.

22 In the case of the increases that you're mentioning
23 this year, there are two main areas where prices will
24 increase. One is relating to the general admission. Both
25 clubhouse and grandstands went up, but in each case that
26 was packaged with a program, which in tracks throughout
27 California go for \$2. Candidly, from a general revenue
28 standpoint, this is actually a price decrease. If you

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01 assume that everyone got a program in past years, the
02 grandstand admission would have cost them \$4, plus a \$2
03 program. Now they get in for \$5, and they get a program.
04 So from my standpoint, it's actually a substantial price
05 reduction.

06 And the objective there is to get wagering
07 information to each patron. And we typically have about
08 an 80-percent penetration rate of people purchasing on the
09 admission side. And, typically, those people who did are
10 a lot of the fans that we're looking to get there on a
11 repeat basis, that being casual customers.

12 If you walk around the grandstands you'll
13 find frequently that people are just betting without any
14 information whatsoever. And we're trying to put more and
15 more information in their hands to make the game a little
16 more fun for them.

17 The other area of increase was in the
18 clubhouse boxes. We compared our pricing with
19 Santa Anita, Hollywood, and more particularly with
20 Saratoga, and found our prices are about half of what they
21 are at Saratoga for a comparable box. And so we did
22 institute a price increase. We have a continued waiting
23 list amongst patrons trying to get clubhouse boxes and
24 grandboxes to the point where we have to erect temporary
25 boxes every year to accommodate people, and we still have
26 a waiting list of people clamoring to either purchase or
27 upgrade to new locations.

28 We thought perhaps raising the price might

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01 shake a few people out that weren't using it; but, in
02 fact, I think we've had, out of several hundred boxes,
03 three nonrenewals this year. So I guess this is a case of
04 supply and demand, and maybe we didn't raise it enough.

05 MR. FENLEY: And the public is, understandably, not
06 objecting to that at all?

07 MR. GRABLE: We've had a few comments, followed
08 immediately by a check when we offered to help sell the
09 boxes.

10 MR. FENLEY: Thank you.

11 MS. MORETTI: Furthermore, Jackie, I have
12 a question. Not with this one, but with so many of the
13 applications to conduct the races, there's always something
14 not here, whether it's fire clearance or this piece of
15 paper or that piece of paper.

16 Is there a typical reason for that? Is it
17 just because of the dates our meetings are set that you
18 don't have the paperwork done, or is it the local
19 authorities that don't get their act together?

20 MS. WAGNER: Typically, they are conducted closer to
21 the race meeting. As far as those missing at the time that
22 they're being submitted, it's usually because they're in
23 negotiation. And, typically, those are the two items that
24 we don't have at the time it's presented.

25 UNIDENTIFIED SPEAKER: If I could add to that.
26 Regarding the fire clearance, the fire marshall, won't
27 even do that until after the annual fair has moved out,
28 so we're generally in a position to be unable to deliver

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01 that even if we wanted to. And the Horsemen's Agreement,
02 it just takes us this long to, you know, kowtow to the
03 Horsemen's in reasonable demand on these things -- That's
04 not true, we've actually done really well. I've already
05 signed the contract.

06 MR. TOURTELOT: Any comments from anyone in the
07 audience?

08 Entertain a motion to approve the
09 application?

10 MR. FENLEY: I so move.

11 MR. TOURTELOT: Second?

12 MS. MORETTI: Second.

13 MR. TOURTELOT: All in favor?

14 MS. MORETTI: Aye.

15 MR. TOURTELOT: It's approved.

16 Next item for Discussion and Action by the
17 Board is an application for License to Conduct a Horse
18 Racing Meeting at the Solano County Fair in Vallejo,
19 commencing July 12, 2000, through July 24, inclusive.

20 MS. WAGNER: Jackie Wagner.

21 The application before you is from
22 Solano County Fair. They're proposing to race 42 days,
23 the same number of days that they raced in 1999. The
24 fair's proposing to race a total of 136 races, which is
25 one race less than 1999. They will be racing Wednesday
26 through Monday with 11 races per day on Monday, Wednesday,
27 Thursday and Friday, and 12 races on Saturday and Sunday.
28 Their first post time is 12:00 p.m. with a daily post time

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01 of 12:00 p.m. They will be utilizing CHRB wagering rules.

02 We're still missing a couple of items from
03 the application and they include the fire clearance and
04 ambulance service contract and the horsemen's agreement
05 between the Arabians and the quarter horses.

06 Staff has recommended that the application be
07 approved contingent upon us receiving the information.

08 MR. TOURTELOT: Any comments from any of the
09 commissioners?

10 MS. MORETTI: I have a question. With this fair
11 and the other fairs has there been any extra inspections
12 by any of the county health departments as to the issues
13 that are being discussed in the legislature right now?

14 MR. WOOD: Ms. Moretti, at this time the information
15 we have at the staff level is that currently no city or
16 county health officials have inspected the fairgrounds as
17 to the application before you today. We anticipate that
18 may happen, but at this time we've not seen that take
19 place.

20 Does anyone have any additional information
21 other than that? I think information that we have
22 currently is there have been some in the major race tracks
23 in Southern California, but at this time as far as
24 Northern California we have not had any inspections that
25 we know about.

26 MS. MORETTI: Okay.

27 MR. TOURTELOT: Any other comments?

28 UNIDENTIFIED SPEAKER: I have one question, the
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01 Horsemen's Agreement is still pending?

02 UNIDENTIFIED SPEAKER: My understanding from
03 Chris Corby is that the Arabian agreement is circulating
04 now and the quarter horse agreement is in the same
05 situation.

06 MR. VAN DECAMP: John Van deCamp. Just so you all
07 know, in all the fair applications this is the horsemen's
08 agreement on the thoroughbred side. So we're just missing
09 these two other breed agreements.

10 MR. TOURTELOT: So the thoroughbred agreement is in
11 place, right, but the Arabian --

12 MS. WAGNER: And the quarter horse agreement.

13 UNIDENTIFIED SPEAKER: And when do you anticipate
14 getting that?

15 MR. BREED: Mr. Breed on behalf of the Pacific Coast
16 Quarter Horse Racing Association.

17 We are in a position right now where we do
18 not want to sign an agreement -- not just Solano County
19 Fair but all the fairs, because of what's called, I think,
20 a "Starter's Fee." Presently a starter's fee is given to
21 a quarter horse at \$50, under the proposed agreement from
22 the fairs for a quarter horse, and \$100 for a thoroughbred
23 horse. And so what we would like to do is get that up
24 closer to the \$100 figure to start a quarter horse as the
25 fee, so they're the same.

26 MR. TOURTELOT: Where do you stand?

27 MR. BREED: We understand that we're open to
28 negotiate that area with the fairs before we sign.

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01 MR. TOURTELOT: Thank you

02 UNIDENTIFIED SPEAKER: Chris, with California
03 Authority Racing Fairs. I was just informed about this
04 request about the quarter horses, and told Mr. Breed that
05 we would be glad to sit down with them as soon as we can
06 get a number of fair managers together and discuss this
07 issue.

08 MR. TOURTELOT: What do we do as a Board as far as
09 having to approve or not approve the application? We
10 certainly don't want to not approve it, yet we don't have
11 all the agreements, and all we have is the statement that
12 the parties are going to talk.

13 Well, the fair starts July 12th --

14 UNIDENTIFIED SPEAKER: That's correct.

15 MR. TOURTELOT: What comfort can we get on
16 the Board that there's going to be some agreement before
17 July 12?

18 UNIDENTIFIED SPEAKER: We would ask that the
19 Commission approve the contract --

20 MR. TOURTELOT: I realize that you just found out
21 today that the quarter horses aren't happy with the starter
22 fee?

23 UNIDENTIFIED SPEAKER: That's correct.

24 MR. TOURTELOT: Is that the first time you heard
25 about this?

26 UNIDENTIFIED SPEAKER: Yes, it is.

27 MR. TOURTELOT: When did you all start talking
28 about the agreement? When did you know its application is

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01 coming up for approval on a certain date?

02 UNIDENTIFIED SPEAKER: We've been discussing this
03 for probably three months -- discussing the contract --
04 the agreement.

05 MR. TOURTELOT: You've been discussing it for three
06 months and no one ever raised this issue?

07 UNIDENTIFIED SPEAKER: Not to me, sir.

08 MR. BEBOU: Jack Bebou from Bay Meadows. In the
09 absence of Don Robins, I think I should speak here.

10 MR. TOURTELOT: I saw Don Robins. I saw him unless
11 I was hallucinating.

12 MR. BEBOU: At any rate, I think the regulations
13 are rather precise as to what happens. And that is, one,
14 you don't need a Horsemen's Agreement, but if one is not
15 signed, the one from the preceding year is in full force
16 and effect.

17 And I'm sure the staff can confirm that, but Don
18 used to always get up and say that.

19 MR. TOURTELOT: The Board appreciates that. And we
20 certainly want to approve the application, and so I guess
21 my recommendation is we approve it with the stipulation
22 that you'll work diligently to reach an agreement, but if
23 you don't, I guess last year's agreement applies.

24 MR. BEBOU: And we'll begin these discussions as
25 soon as we can get the parties together.

26 MR. TOURTELOT: Any other comments?

27 MR. WOOD: Mr. Chairman, I would respectfully ask
28 that -- in the request for Solano County Fair, they asked

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01 that the number of programmed races reached be determined
02 by the horses available, and as to those changes that they
03 be allowed to do that. I respectfully request that if
04 they make those changes, they would check with
05 administrative staff, so we can kind of come up with what
06 changes are being made, in the case of wanting to raise
07 the number of races beyond that what you already
08 authorized

09 MR. TOURTELOT: I don't have a problem with that.

10 All right, then the chair entertains a motion
11 to approve the application for the Solano County Fair,
12 conditioned upon -- well, conditioned upon if you don't
13 reach agreement, then you keep it with last year's.

14 MS. MORETTI: I'll move the motion.

15 MR. FENLEY: Second.

16 MR. TOURTELOT: All in favor?

17 MS. MORETTI: Aye.

18 MR. TOURTELOT: Opposed? The application is
19 approved.

20 The Fourth Item is Application for License to
21 Conduct a Horse Racing Meeting at the Sonoma County Fair,
22 Santa Rosa, commencing July 26 through August 7, 2000,
23 inclusive.

24 Jackie?

25 MS. WAGNER: Jackie Wagner, CHRB Staff.

26 This application is from Sonoma County Fair.
27 They are proposing to race from July 26 through
28 August 7, 2000, for 12 days, which is the same as 1999.

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01 The fair's proposing to race a total of 144 races, which
02 is the same as 1999. They will be racing Wednesday
03 through Monday with eleven races per day on Monday,
04 Wednesday, and Thursday, and 13 races on Friday, Saturday

05 and Sunday. Their first post time is a daily post of
06 12:45 p.m. And they will be utilizing CHRB wagering
07 rules.

08 We do have a couple of outstanding items that
09 are noted in the application, and staff recommends that
10 the Board approve the application contingent upon
11 receiving them.

12 MR. TOURTELOT: Any comments from Commissioners?
13 Any comments from the audience?

14 The Chair entertains the motion that we approve the
15 application.

16 MS. MORETTI: I make a motion for approval.

17 MR. FENLEY: Second.

18 MR. TOURTELOT: All in favor?

19 MR. WOOD: Aye

20 MR. TOURTELOT: Opposed? Motion approved.

21 The fifth item is the Application for License
22 to Conduct a Horse Racing Meeting in the San Mateo County
23 Fair, San Mateo, from August 9, 2000, through August 21,
24 2000.

25 MS. WAGNER: Jackie Wagner, CHRB.

26 San Mateo County Fair proposes to race from
27 August 9 through August 21, 2000, the same amount as in
28 1999. This fair proposes to race a total of 143 races,

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01 which is 27 races more than in 1999. They will race
02 Wednesday through Monday with eleven races per day on
03 Monday, Thursday, and the second Wednesday; 12 races on
04 Friday and the first Wednesday; and 13 races will be run
05 on Saturday and Sunday.

06 They are requesting a first post time of 1:15 p.m.
07 for Monday, Wednesday, Thursday, Saturday and Sunday.
08 Friday they are asking for a first post time of 6:45 p.m.
09 They will be utilizing CHRB wage rules.

10 We have a couple of outstanding items on this
11 fair, and staff would recommend that the Board approve the
12 application contingent upon receiving this information.

13 MR. TOURTELOT: Thank you.

14 Any comments from the commissioners? Any
15 comments from the audience?

16 MR. WOOD: Mr. Chairman, they've also requested
17 that they be allowed to increase the number of races if
18 sufficient horses are available, and with respect to that
19 I would request they clear that administratively due to
20 staff.

21 MR. TOURTELOT: That would be included.

22 All in favor?

23 MR. WOOD: Aye.

24 MR. FENLEY: Aye.

25 MR. TOURTELOT: Opposed? The application has been
26 approved.

27 Next is an Application for License to Conduct a
28 Horse Racing Meeting of Humboldt County Fair at Ferndale,

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01 August 10, 2000, through August 30.

02 MS. WAGNER: Jackie Wagner, CHRB staff.

03 Humboldt County Fair proposes to race from
04 August 10 through August 20, 2000, or 10 days, the same as
05 they raced in 1999. The fair's proposed to race a total of
06 74 races, which is one race more than 1999. Racing will
07 commence on Wednesday through Monday with six races per day

08 on Monday, seven races on Wednesday and Thursday, nine
09 races on Friday and Sunday, and ten races on Saturday.
10 Their first post time is 1:55 p.m. on Saturday and Sunday,
11 a 2:25 p.m. post time for Monday, Wednesday, and Thursday,
12 and a 3:25 p.m. post time on Friday.

13 This fair is also requesting that the number
14 of races programmed be determined upon the number of
15 horses that are available. The wagering utilizes CHRB
16 rules. We do have a couple of items missing from this
17 item, and staff recommends that the Board approve the
18 application contingent upon receiving this information.

19 MR. TOURTELOT: Comments from the commission? Any
20 comments from the floor?

21 MR. FENLEY: I move we approve.

22 MS. GRANZELLA: Second

23 MR. TOURTELOT: All in favor?

24 MR. WOOD: Aye.

25 MS. MORETTI: Aye.

26 MS. FENLEY: Aye.

27 MR. TOURTELOT: The motion's carried. The motion is
28 approved.

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01 Next is Item 7, Application for License to
02 Conduct a Horse Racing Meeting of the California
03 Exposition and State Fair in Sacramento from August 23,
04 2000, through
05 September 4, 2000, inclusive.

06 MS. WAGNER: Jackie Wagner, CHRB staff.

07 The application is from the California
08 Exposition and State Fair. They are proposing to race
09 from August 23 through September 4, or 12 days, which is
10 the same as they raced in 1999. The fair is proposing to
11 race a total of 132 races, which is two races less than
12 1999. They will be racing on Wednesday through Monday for
13 eleven races each day with a first post time of 1:15 p.m.
14 daily, with a 3:15 p.m. post time on Friday.

15 They will be utilizing CHRB rules for their
16 wagering program.

17 We do have a couple of items missing from this
18 application, and staff would recommend that the Board
19 approve the application contingent upon receiving this
20 information.

21 MR. TOURTELOT: Comments from the Commission?
22 Comments from the floor?

23 MR. BLONIEN: Thank you, Mr. Chairman.
24 Rod Blonien, B-L-O-N-I-E-N, Calwas Appelates (phonetic)
25 Association.

26 The license application for the Appelates
27 duty indicates a \$7,500 race. I had a conversation with
28 Mr. Elliott and the NAPCA Association, and that's going to

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01 hopefully be a \$10,000 race. We'll work it out among
02 ourselves.

03 And I want to thank Dave Elliott for his
04 cooperation in this matter. Thank you.

05 MR. FENLEY: I'll make a motion

06 MR. WOOD: Second.

07 MR. TOURTELOT: All in favor?

08 MS. MORETTI: Aye.

09 MR. FENLEY: Aye.

10 MR. TOURTELOT: Opposed? Notice approved.

11 Item 8, Request for Approval of
12 Charity Distribution of Bay Meadows Operating Company.

13 MR. REAGAN: Good afternoon. John Reagan,
14 R-E-A-G-A-N, CHRB staff.

15 Well, Commissioners, after several years of
16 law changes on this Board and the previous Board's letting
17 us know what they wanted, we have a district agent that
18 has met the call. Bay Meadows Operating Company, for the
19 first time as its own distributing agent, is proposing to
20 distribute \$43,265 to five beneficiaries, and 100 percent
21 is to race-related charity.

22 MR. TOURTELOT: Let's applaud that.

23 MS. MORETTI: Congratulations, John. We strongly
24 recommend approval.

25 MR. TOURTELOT: Commissioner Nick Lowe will be very
26 pleased. We're fine with 50 percent, this is for 100.
27 Let's move quickly.

28 MS. MORETTI: I approve.

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01 MR. FENLEY: Second.

02 MR. TOURTELOT: All in favor?

03 THE COMMISSION: Aye.

04 MR. TOURTELOT: Opposed? Motion carried.

05 We've now come to general business.

06 Commissioners, does anyone have any general business?

07 MS. MORETTI: No, I just want to thank John. Thank
08 you very much and I hope your leadership will be followed
09 by others in the years to come.

10 MR. TOURTELOT: I see two former commissioners in
11 the audience, and it's nice to see your faces again.

12 Any old business, Commissioners? Audience?
13 It's been a real short meeting.

14 Chris, nice to see you. I want to say you did
15 a wonderful job.

16 We're going to adjourn temporarily for the
17 executive session and come back, but we'll have no further
18 business.

19 (Recess)

20 MR. TOURTELOT: Thank you very much. The meeting
21 is over.

22 (Proceedings adjourned at 2:35 p.m.)
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