

BEFORE THE
CALIFORNIA HORSE RACING BOARD
STATE OF CALIFORNIA

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REGULAR MEETING

Friday, June 1, 2001, 3:00 P.M.

BAY MEADOWS RACE TRACK,
2600 S. Delaware Street,
San Mateo, California

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CALIFORNIA SHORTHAND REPORTING
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A P P E A R A N C E S :

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6 THE CALIFORNIA HORSE RACING BOARD:

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8 ROBERT H. TOURTELOT, CHAIRMAN

9 WILLIAM A. BIANCO, MEMBER

10 SHERYL L. GRANZELLA, MEMBER

11 JOHN C. HARRIS, MEMBER

12 ALAN W. LANDSBURG, MEMBER

13 ROGER H. LICHT, MEMBER

14 MARIE G. MORETTI, MEMBER

15 ROY C. WOOD, JR., EXECUTIVE DIRECTOR

16

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18 CHRB STAFF:

19 PAIGE NOBLE,
CHIEF OF ADMINISTRATION

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21 JACQUELINE WAGNER,
REGULATIONS/LEGISLATION MANAGER

22 JOHN REAGAN

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APPEARANCES, CONTINUED:

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4 SPEAKERS FROM THE AUDIENCE:

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CHRISTOPHER KORBY, EXECUTIVE DIRECTOR
CALIFORNIA AUTHORITY OF RACING FAIRS

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RICK PICKERING, C.E.O.
ALAMEDA COUNTY FAIR

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PATRICK SHELTON, ASST. MANAGER.
SOLANO COUNTY FAIR

10

JIM GHIDELLA, DIRECTOR,
THOROUGHBRED OWNERS OF CALIFORNIA

11

12

JAMES WARNER, MANAGER
SANTA ROSA COUNTY FAIR

13

JACK LIEBAU, MANAGER
BAY MEADOWS RACE TRACK

14

15

DAVID ELLIOTT, ASST. GENERAL MANAGER
CALIFORNIA STATE FAIR

16

JERRY HOLLINGDORFER, PUBLIC TRAINER

17

CHARLES DOUGHERTY
CALIFORNIA THOROUGHBRED TRAINERS

18

19

JOHN VANDEKAMP
THOROUGHBRED OWNERS OF CALIFORNIA

20

SHERWOOD C. CHILLINGWORTH, EXEC. VICE-PRES.
OAK TREE RACING ASSOCIATION

21

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ED HALPERN
THOROUGHBRED OWNERS OF CALIFORNIA

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P R O C E E D I N G S

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MR. WOOD: Will the meeting please come

6 to order.

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Good afternoon and welcome to the

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regularly scheduled meeting of the California

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Horse Racing Board being conducted on June the 1st

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in the year 2001 at the Bay Meadows Racetrack in

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San Mateo, California.

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Present at today's meeting are: Chairman

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Robert Tourtelot; Commissioner William Bianco;

14

Commissioner Sheryl Granzella; Commissioner

15

John Harris; Commissioner Alan Landsburg;

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Commissioner Roger Licht; and, I just realized --

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Commissioner Marie Moretti, we welcome her, she

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was married a couple of weeks ago --

19

congratulations.

20

Before we go forward with the business of

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the day's meeting, I would respectfully request

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that if you give testimony in front of the Board

23

that you please state your name and association

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for our court reporter. If you have a business

25 card, give it to her since it would certainly be
26 appreciated.

27 With that, I would like to turn the
28 meeting over to our chairman, Mr. Robert

5

1 Tourtelot.

2 THE CHAIR: Good afternoon and welcome to
3 the June 2001 meeting of the California Horse
4 Racing Board.

5 The first item on the agenda is to
6 approve the minutes of the regular meeting of
7 March 30th, 2001.

8 MR. LANDSBURG: So moved.

9 MR. HARRIS: Second.

10 THE CHAIR: All in favor.

11 (Whereupon, the minutes of
12 March 30, 2001, were approved
13 by the Board without

14
15 objection.)

16 THE CHAIR: The next item is a discussion
17 and action by the Board on the Application for
18 License to Conduct a Horse Racing Meeting of the
19 Alameda County Fair at Pleasanton, California,
20 commencing June 27th, 2001, through July 18, 2001,
21 inclusive.

22 Jackie.

23 MS. WAGNER: Good afternoon. Jackie

24 Wagner, CHRB staff.

25 The application before you is from the
26 Alameda County Fair. They are proposing to race
27 from June 27th through July 8th, which is eleven
28 days, which is the same days that they raced in

6

1 2000.

2 They are also proposing to race a minimum
3 of 120 races, which is nine less than they ran in
4 the year 2000.

5 They will be racing Wednesday through
6 Sunday with five days of racing the first week and
7 Tuesday through Sunday with six days of racing the
8 second week.

9 They are requesting the option to
10 increase the number of races subject to the
11 availability of horses.

12 The first post-time will be at 12:15 P.M.
13 daily post-time.

14 They are offering the Select Four. And
15 we have received an amendment to the application
16 indicating that the Alameda County Fair would also
17 like to offer Rolling Doubles as part of their
18 wagering program.

19 They will be utilizing CHRB rules.

20 We have a couple of items that are still
21 missing from the application. And these include,
22 from the fair, we are still missing the fire

23 clearance, the name of the Thoroughbred Clerk of
24 the Course, the name of the Clocker, the Track
25 Announcer.

26 And we have received the Thoroughbred
27 Horseman's Agreement. So the only horseman
28 agreement that we are missing is the Quarter Horse

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1 and the Appaloosa.

2 Staff would recommend that the Board
3 approve the application contingent upon us
4 receiving the missing information.

5 THE CHAIR: Any questions to Jackie with
6 respect to this application?

7 COMMISSIONER HARRIS: I just wanted to
8 clarify; the minimum of 120 races, is that a
9 minimum or a maximum?

10 MS. WAGNER: That's the minimum.

11 MR. HARRIS: What if they can't fill --
12 on some given day they couldn't fill the card,
13 they end up with 119 races, what happens?

14 MS. WAGNER: The representative from the
15 Alameda County Fair may want to answer that
16 question.

17 MR. HARRIS: I'm not sure if this really
18 makes that much difference. Is that a requirement
19 of the law or something?

20 MS. WAGNER: No. That is not a
21 requirement of the law.

22 MR. KORBY: Chris Korby, California
23 Authority of Racing Fairs on behalf of
24 Alameda County Fair.

25 I'm sorry, Mr. Harris, I didn't hear that
26 entire question back there.

27 MR. HARRIS: I think the question is just
28 that Miss Wagner stated that you have said you are

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1 going to run a minimum of 120 races, which is
2 fine, but I didn't know if that was really a
3 requirement that you had to complete.

4 It's seems like there should be some
5 flexibility there, you are not going to lose your
6 race dates next year if you don't run 120 races.

7 MR. KORBY: Yes, sir, that is correct.
8 That is not an absolute minimum.

9 THE CHAIR: Isn't that nine less than you
10 had last year?

11 MS. WAGNER: Yes.

12 MR. KORBY: Yes.

13 MR. Harris: Is that because of the horses?
14 A rhetorical question.

15 THE CHAIR: That's 87 Thoroughbred races
16 and 33 emerging breed races that you are
17 scheduling?

18 MR. PICKERING: Rick Pickering, CEO,
19 Alameda County Fair Agricultural Association.

20 Mr. Chairman, in the year 2000, we had

21 requested 100 Thoroughbred races, which we ran.

22 This year we are requesting 87 Thoroughbred races.

23 If the fields in fact do hold up, we
24 would certainly want to add additional races. But
25 with the continued overlap with Stockton and Bay
26 Meadows we are not certain how many healthy horses
27 there will be by the time they get to Pleasanton.

28 So, instead of offering to give up

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1 another day of racing, we have gone from fourteen
2 to thirteen to twelve to eleven, we felt the
3 better strategy was to try to eliminate some races
4 as opposed to eliminate race days.

5 So that's our strategy for this year. We
6 have a horse sale going this next week and one
7 again in August, and hopefully we'll be able to
8 get some more horses.

9 THE CHAIR: What's the ratio on the
10 Thoroughbreds versus the emerging breed races?

11 MR. KORBY: I don't have a percentage
12 broken down here.

13 MS. WAGNER: I don't have a percentage
14 either.

15 THE CHAIR: You have 87 Thoroughbreds and
16 33 emerging breeds; how does that relate to last
17 year?

18 MR. HARRIS: The Thoroughbreds are
19 increasing as opposed to overall? Assume

20 emerging breeds are not typical.

21 MR. PICKERING: We are all using a pencil
22 here to try to figure out what the percentages
23 are.

24 THE CHAIR: That's alright.

25 MR. KORBY: Last year we had 29 emerging
26 breeds. This year we have 33 emerging breeds.

27 Let me back up.

28 We had 29 emerging breeds last year and a

10

1 hundred Thoroughbreds. So 29 percent, or -- okay,
2 it's not a percentage -- but 29 last year compared
3 to 33 this year, on emerging breeds.

4 We have added two Quarter Horses, we have
5 added three Appaloosas, we have kept Arabians the
6 same, and we have decreased mules by one.

7 THE CHAIR: Have the emerging breeds
8 increased from last?

9 MR. PICKERING: Emerging breeds have
10 scheduled 29 races to 33. So they have increased
11 by four. Thoroughbreds have gone from a hundred
12 races down to 87.

13 THE CHAIR: It's a sad story.

14 MR. PICKERING: A sad story.

15 MR. HARRIS: On your purses, how do your
16 purses projected for this year compare to what you
17 made our last year?

18 MR. PICKERING: Our purse projections is

19 roughly the same as last year on a race by race
20 basis. Total purses will be less on our
21 anticipated fewer races.

22 THE CHAIR: Do any of the commissioners
23 have any more questions of the gentlemen or of
24 Jackie?

25 Does anyone in the audience have any
26 comments or questions with respect to this
27 application?

28 The chair will entertain motion to

11

1 approve the application.

2 COMMISSIONER HARRIS: I so request.

3 COMMISSIONER GRANZELLA: Second.

4 THE CHAIR: All in favor?

5 (Whereupon, the motion to
6 approve the

7 application was

8 unanimously passed.)

9 THE CHAIR: The application is approved.

10 MR. WOOD: Mr. Chairman --

11 MR. PICKERING: Thank you.

12 MR. WOOD: -- they have increased the
13 fairs over other racing associations, the number
14 of races stated in the application, submitted them
15 to the staff for administrative approval, we would
16 like to request that they do the same thing.

17 THE CHAIR: So approved.

18 MR. PICKERING: Thank you very much.

19 THE CHAIR: The next item is a discussion
20 and action by the Board on the Application for
21 License to Conduct a Horse Racing Meeting of the
22 Solano County Fair at Vallejo, commencing July
23 11th through July 23rd, 2001.

24 Jackie?

25 MS. WAGNER: Jackie Wagner, CHRB staff.

26 The Solano County Fair is proposing to
27 race from July 11th through July 23rd, or twelve
28 days, which is the same amount of days that they

12

1 raced in the year 2000.

2 The fair is proposing to race a total of
3 128 races which is eight less than they ran in
4 2000.

5 They will be racing Wednesday through
6 Monday with ten races per day on Mondays,
7 Wednesdays, Thursdays and Fridays, and will have
8 twelve races on Saturdays and Sundays.

9 They are also requesting the option to
10 increase the number of races each day as
11 sufficient horses are available.

12 They will be utilizing CHRB wagering
13 rules.

14 They are offering the Select Four.

15 And we do have a couple of items that are
16 still missing from this application. These would

17 include the fire clearance, Worker's Compensation,
18 the name of the Second Patrol Judge, the name of
19 the Thoroughbred Clerk of the Course.

20 We have received a Thoroughbred
21 Horseman's Agreement. We have received the name
22 of the Track Announcer.

23 Staff would recommend that the Board
24 approve the Application contingent upon us
25 receiving this information.

26 MR. HARRIS: Is that the new provision
27 that we put into the applications with regard to
28 the backstretch conditions, is that going to be

13

1 for the fairs, also?

2 MS. WAGNER: The fairs will be inspected
3 for the conditions on the backside. That has been
4 during our track safety inspection, we have been
5 taking a look at that.

6 THE CHAIR: But, the point of my question
7 is the provision that we approve and modify the
8 application, one of the modifications had to do
9 with the representation that all the laws and
10 regulations have been complied with, with respect
11 to the backstretch.

12 Is that in the application for the fair?

13 MS. WAGNER: That is not in the
14 application as yet. Those amendments that the
15 Board has adopted have not been completed.

16 So what you are looking at is not the
17 revised application. So, they are not there.

18 MR. WOOD: That will be on the
19 application for fairs when it is adopted?

20 MS. WAGNER: Yes, That will be on the
21 application for the fairs when it is adopted, yes.

22 COMMISSIONER HARRIS: Okay, in this
23 instance, is the City of Vallejo or somebody
24 inspecting the backstretch? Who is the governing
25 authority on the housing conditions on the
26 backstretch of Vallejo?

27 MR. KORBY: There is a representative
28 here from Solano County Fair that we can inquiry

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1 of. There is a local health and housing
2 inspection jurisdiction there.

3 MR. SKELTON: My name is Patrick Skelton,
4 I am the Assistant Manager of the Solano County
5 Fair.

6 Our facilities are inspected by the
7 Solano County Health Department. And in
8 addressing the situation with the backstretch,
9 this racing season we are going to be bringing in
10 a number of portable dormitory areas and
11 additional restroom facilities.

12 Those facilities will be in shortly and
13 will house an extra 60 people during the course of
14 the racing meet.

15 THE CHAIR: Are you required to have a
16 permit for those facilities?

17 MR. SKELTON: No, I don't believe so.
18 But we will have them inspected by the County
19 Health Department, and actually they were out on
20 the grounds yesterday and we were discussing the
21 matter with them, so they are aware of what we are
22 doing.

23 THE CHAIR: I believe with respect to
24 agriculture, which may not be the same thing, when
25 they bring in the portable housing facilities,
26 they do to have to have permits. What agency
27 actually does that -- it's something the attorneys
28 have worked out -- I have had some person with

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1 that, I would imagine it's the same thing, you
2 can't just put up housing without permits from
3 someone.

4 MR. SKELTON: Well, the jurisdiction on
5 our particular property would be under the County
6 of Solano.

7 THE CHAIR: What about the
8 State of California?

9 MR. SKELTON: Well, we would certainly
10 work with whatever department of the State is
11 involved in that, sir.

12 THE CHAIR: The reason I am asking all of
13 this is because there has been quite of bit of

14 publicity, as you know, in the last year. And we
15 as a Board have the responsibility to ascertain
16 whether or not the applicant has and is complying
17 with all the local, state, and federal regulations
18 and laws regarding the backstretch.

19 MR. KORBY: Mr. Chairman, if I might?
20 Each of the fairs is required to comply with the
21 local housing and health jurisdictions in order to
22 operate their fair.

23 I would also like to note that we have
24 been working with Board staff members since last
25 fall, going to each individual fair that has
26 racing and looking at improvements that need to be
27 made to the backstretch areas.

28 The Department of Food and Agriculture

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1 has allocated 1.8 million dollars which is being
2 spent on improvement at backstretch facilities at
3 fairs.

4 So we are actively engaged on this issue
5 and believe we are making good headway in
6 improving the facilities back there.

7 THE CHAIR: I assume that the Board will
8 have staff monitoring the backstretch?

9 MR. WOOD: That correct, Mr. Chairman.
10 It is as Mr. Korby has stated. The staff members
11 have been involved for almost a year making
12 periodic inspections not only at the fair

13 backstretch issues, but in that sense we do
14 inspections, so we are actively involved and
15 interested.

16 THE CHAIR: Good.

17 MR. LANDSBURG: Can we look to
18 Workman's Comp being taken care of, that is, your
19 policy in place, before you start racing?

20 MR. SKELTON: Yes, sir, we will have
21 that in place.

22 MR. LANDSBURG: So, it's underway.

23 MS. WAGNER: Absolutely.

24 MR. LANDSBURG: Because we are still
25 looking and waiting for Workman's Comp to be
26 revised for racing. It is one of the promises
27 made to this Board.

28 THE CHAIR: We are also looking for an

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1 industry-wide plan that TOC is working on, to have
2 a statement by combining the various associations
3 under one plan.

4 Does anybody know whether we are making
5 any headway on that? That's not your problem.

6 MR. WOOD: Mr. Chairman, I think the last
7 report we had that was from TOC -- Jim, didn't
8 you indicate one of the things you were working on
9 a program for is consolidation of Workman's
10 Compensation Insurance?

11 Mr. Jim Ghidella from TOC is here to shed

12 some light on that, I believe.

13 MR. GHIDELLA: In fact, we had our first
14 meeting.

15 MR. WOOD: State your name for the
16 record.

17 MR. GHIDELLA: James Ghidella,
18 Thoroughbred Owners of California,
19 Northern California director.

20 We had our first meeting last Friday with
21 management regarding this program, prospective
22 program. In fact, I was very encouraged.

23 We have come up with a lot of solutions
24 and we have come up with a lot of deadends. And
25 we finally have something that looks pretty good,
26 a self-insured type of program that would include
27 the front side also, it would include Magna,
28 Del Mar, Knotwink, Scottwink, that kind of thing.

18

1 By putting in these codes, codes that the
2 reinsurers are more comfortable other than the
3 backside, would entice them to take this on.

4 So, I know that management is very
5 cognizant of the problem of, you know, having the
6 impediment of Worker's Comp to racing in
7 California, and they just need know what their
8 risks are.

9 In any self-insured program, reinsured or
10 not, there are risks. And they need, obviously,

11 to know what those risks are. And we are
12 endeavoring to get -- the final numbers and coming
13 up with some solid quotes to take back to them.

14 And I think in the next at least two
15 months we will do that. So, it's still
16 prospective but it is positive, and that's all I
17 can say.

18 This will not pertain to the fairs
19 because the fairs have their own pool. So this is
20 an industry-problem, but not particularly relevant
21 to the fairs directly.

22 THE CHAIR: Thank you for the update.

23 MR. GHIDELLA: Sure.

24 COMMISSIONER HARRIS: In the case here,
25 the fairs, you have got Worker's Comp now, I
26 think. Why can't you just tell us what you have?

27 The fairs have got employees working
28 everyday, so hopefully you have that worked out,

19

1 so why you can't you disclose it?

2 MR. PICKERING: Well, we certainly can
3 disclose it. We do have Worker's Comp for our
4 employees, so it is in place at the fairground.

5 We can certainly provide whatever proof
6 or requirements that you need, that is in place.

7 And I am sure that if it is there it was
8 inadvertent if it is left out.

9 COMMISSIONER HARRIS: It's not only you,

10 but a lot of these applications come in without
11 it, and I just think it's maybe an oversight
12 somewhere, but I hate to have a lot of things just
13 hanging on these applications.

14 MR. KORBY: If I am not mistaken, and if
15 I might ask Jackie, it's a matter of furnishing
16 the certificate --

17 MS. WAGNER: Absolutely, that's what
18 we're missing.

19 MR. KORBY: It's not a question about
20 whether they have insurance, it's a matter of
21 whether we have the certificate on record.

22 MS. WAGNER: That's correct, whether or
23 not we have it in the file.

24 COMMISSIONER HARRIS: You know, I just
25 think we need to be a little more prudent in
26 getting that stuff in.

27 MR. KORBY: We'll pass that message on.

28 THE CHAIR: What is the bottomline?

20

1 We're just waiting for the certificate?

2 MS. WAGNER: Yes.

3 THE CHAIR: You have insurance in place
4 for the period IN question?

5 MR. KORBY: Yes, sir, we do.

6 THE CHAIR: Well, we'll entertain a
7 motion unless anyone else has any questions or
8 comments.

9 We'll entertain a motion that would be
10 subject to the certificate being, the Item G, 10-G
11 -- why wasn't this certificate attached to the
12 applications?

13 MR. PICKERING: I'm afraid I don't know,
14 sir, I'm sorry.

15 THE CHAIR: Does anybody know?

16 MR. PICKERING: I'm sure it was an
17 oversight on our part, sir.

18 THE CHAIR: Okay. Let's say that we have
19 that to the Board offices by, let's say, next
20 Wednesday?

21 MR. PICKERING: Yes, sir, we will have it
22 there.

23 THE CHAIR: Subject to that, the Chair
24 will entertain a motion to approve the application
25 of this.

26 MR. LANDSBURG: Yes,

27 MR. BIANCO: Second.

28 THE CHAIR: All in favor?

21

1 (Whereupon, the application
2 was unanimously approved.)

3 MR. WOOD: Mr. Chairman --

4 MR. PICKERING: Thank you.

5 MR. WOOD: -- request to increase the
6 number of races each day if sufficient horses are
7 available, we respectfully ask that it be

8 administratively approved, and the staff has
9 disclosed in the case. That's on either one of
10 these applications. It's historically a staff
11 recommendation.

12 THE CHAIR: That will be with respect
13 every fair application?

14 COMMISSIONER HARRIS: Well, I don't know
15 on that, if you've have got a total of the summer
16 meet; so, you might have sufficient horses on the
17 final date, but it might damage the subsequent
18 meet. So I don't know if there should be a lot of
19 latitude in creating more races right at the end
20 of the meet, it could cannibalize the next one.

21 THE CHAIR: How about last year,
22 historically? How many times did you have to go
23 to the Board to ask to increase the races?

24 MR. WOOD: I don't think there was any at
25 all. The only reason we asked was just as
26 Commissioner Harris said, we don't want to have
27 some dramatic increases at the last couple of days
28 of racing put on top of the next fair coming after

22

1 if we don't have to.

2 So it's an administrative approval. We
3 have to see the activity as it goes on.

4 THE CHAIR: I think Commissioner Harris
5 is certainly correct. I don't imagine it would be
6 too much of a problem.

7 MR. KORBY: I might note, sir, that
8 Alameda County Fair and Solano County Fair and
9 Sonoma County Fair have the same racing secretary.

10 So, there will be coordination from that
11 aspect of it.

12 THE CHAIR: And that's approved.

13 MR. KORBY: Thank you.

14 THE CHAIR: The next item is the
15 discussion and action on the Application for
16 License to Conduct a Horse Racing Meeting of the
17 San Mateo County Fair.

18 MR. WOOD: Excuse me, you skipped one.

19 THE CHAIR: Oh, Sonoma.

20 We'll move back. We have a motion, we
21 have a second on the Solano County Fair
22 application.

23 All in favor? Opposed? I'm sure we did
24 that. All right. That's approved.

25 MR. KORBY: Twice is better than not at
26 all.

27 THE CHAIR: Item number 4 is the
28 application for a License to Conduct a Horse

23

1 Racing Meeting of the Sonoma County Fair at
2 Santa Rosa, commencing July 25th through August
3 6th, 2001.

4 MS. WAGNER: Jackie Wagner, CHRB staff.

5 The Sonoma County Fair is proposing to

6 race twelve days this year which is the same as
7 they raced in the year 2000.

8 The fair is proposing to race a total of
9 132 races which is twelve less than they ran in
10 the year 2000.

11 They will be racing Wednesday through
12 Monday with ten races per day on Mondays,
13 Wednesdays and Thursdays, and twelve races on
14 Fridays, Saturdays and Sundays.

15 The number of races will, of course, be
16 programmed depending on the breed and the number
17 of horses that are available.

18 Their first post-time is 12:45 P.M.
19 daily.

20 They will be utilizing the CHRB rules on
21 their paramutual wagering program.

22 They also have a couple of items that are
23 missing from the application: the fire clearance,
24 a copy of a Worker's Compensation Insurance, the
25 name of the Thoroughbred Clerk of the Course, the
26 name of the entity that will be providing the
27 sound system.

28 We have received the Thoroughbred

24

1 Horseman's Agreement. We are still missing the
2 agreement for the Quarter Horse and the Appaloosa.

3 The staff would recommend that the Board
4 approve the Application contingent upon us

5 receiving the missing information.

6 THE CHAIR: Any comments from the Board?

7 MR. HARRIS: Alameda County Fair wanted
8 to do Rolling Doubles; is Rolling Doubles part of
9 this application, too?

10 MS. WAGNER: I have not received an
11 amendment to this application for the Rolling
12 Doubles.

13 COMMISSIONER HARRIS: One of my concerns
14 is -- well, I personally like the idea of Rolling
15 Doubles -- once in a while I am still alive after
16 one race.

17 But there is an inconsistency in racing,
18 north and south, you know, satellites are coming
19 in, and I think it would be nice if the fairs were
20 consistent with Conoga Park and Del Mar on the
21 one racing program.

22 THE CHAIR: Sir?

23 MR. KORBY: Each fair sets up its own
24 wagering format. I have not had communication
25 with the Sonoma County Fair about whether or not
26 they wish to revise their application to
27 accommodate Rolling Doubles.

28 MR. WARNER: I'm Jim Warner, I'm the

25

1 manager at Santa Rosa.

2 And we would be happy to amend our
3 application to make us consistent in our wagering

4 consistent with the other fairs.

5 I frankly thought that they were, but I
6 was aware, as the previous applications have been
7 considered, that the Pick 4 also was not included
8 in our application, so I intend to submit our
9 request to amend our wagering pattern anyway to
10 make us consistent with everybody else.

11 THE CHAIR: Thank you.

12 Any other questions from any members of
13 the Board?

14 COMMISSIONER HARRIS: On these general
15 wage options that we have, if we approve it, is
16 that the limit of what they can do or is there
17 some flexibility there? Can we simply add
18 something else? Could they have two supervisors
19 do it or not?

20 MR. WOOD: Mr. Harris, they can do that.
21 It has to be administratively approved on our
22 level. If they ask for that, we have the option
23 to approve that, basically, through the authority
24 granted us by the Board several years ago to
25 manage the paramutuals. The came back with some
26 directions and submitted those to us. So, we can
27 make those amendments if they are submitted to us.

28 COMMISSIONER HARRIS: Well, I was just my

26

1 concern, I was just wondering --

2 THE CHAIR: Any questions from the Board

3 or from the audience?

4 The chair will entertain a motion to
5 approve the application for the Sonoma County
6 Fair.

7 MR. WOOD: So moved.

8 COMMISSIONER MORETTI: Seconded.

9 THE CHAIR: All in favor? All those
10 opposed? The Application is approved.

11 (Whereupon, the motion to
12 approve the
13 application was
14 passed.)

15 MR. KORBY: Thank you.

16 THE CHAIR: Item 5, discussion and action
17 by the Board on the Application for License to
18 Conduct a Horse Racing Meeting of the
19 San Mateo County Fair at Bay Meadows, commencing
20 August 8th through August 20, 2001, inclusive.

21 Jackie?

22 MS. WAGNER: Jackie Wagner, CHRB staff.

23 The San Mateo County Fair is proposing to
24 race twelve days, which is the same that they
25 raced in the year 2000.

26 They are also proposing to race a total
27 of 143 races which are 24 more races than they ran
28 in the year 2000.

27

1 They will be racing Wednesday through

2 Monday with 11 races per day on Monday, Thursday
3 and the second Wednesday. Twelve races will be
4 run on Friday and the first Wednesday. And
5 thirteen races will be run on Saturday and Sunday.

6 The number of races that are programmed
7 daily for each breed, of course, will be
8 determined upon the number of horses that are
9 available.

10 Their first post-time will be 1:15 P.M.
11 daily with a 6:45 P.M. post on Fridays.

12 They will be utilizing CHRB rules for
13 their wagering program.

14 We are missing from this application the
15 fire clearance. We have received the Thoroughbred
16 Horseman's Agreement. The Quarter Horse Agreement
17 and the Appaloosa Agreement is still outstanding.

18 The staff would recommend that the Board
19 approve the application contingent upon us
20 receiving the missing information.

21 THE CHAIR: Ms. Moretti?

22 COMMISSIONER MORETTI: Yes. I would like
23 to -- Commissioners received a letter from
24 Mr. Dave Elliott regarding the types of races and
25 dates of races.

26 Could you comment on that, Mr. Liebau and
27 Mr. Elliott? I would like to hear from the both
28 of you in terms of the 24 more races.

1 MR. LIEBAU: Jack Liebau, Bay Meadows,
2 who manages on behalf of the San Mateo County
3 Fair, the racing aspect of their fair. Yes, I can
4 speak to that.

5 First of all, the number of races that
6 were entitled to run if the license is granted
7 includes a number of races for emerging breeds,
8 which frankly have not filled historically at the
9 San Mateo County Fair.

10 As far as the Thoroughbred races is
11 concerned, there never has been any cap imposed by
12 the Horse Racing Board on the number of
13 Thoroughbred races run by a fair.

14 However, notwithstanding that, the
15 San Mateo County Fair will not run more than 8.6
16 races, which is the same number of races which is
17 imposed upon a private association.

18 I would say that, you know, we would hope
19 to be able to fill that many races. We may not be
20 able to fill that many races. And I would like to
21 point out some differences between the
22 San Mateo County Fair and the other fairs,
23 specifically those applications that you are
24 considering today.

25 Luckily, we have the use of a turf
26 course. We would assume that we would try to call
27 somewhere between two and three turf races a day,
28 and that that would result in some of the turf

1 horses that have left Northern California and
2 gone, presumably, to Del Mar, to return early and
3 lay over between the close of the San Mateo County
4 Fair and the opening of the Bay Meadows meet.

5 We also are very hopeful that we will be
6 able to attract horses from Emerald Downs that
7 closes the first part of September or thereabouts
8 and have them come down earlier because of the
9 turf racing and the fact that the purses at
10 Emerald Downs are not as favorable as they were
11 when those people went up there.

12 So, I think the two things that would
13 distinguish us is that we do hope to offer two or
14 three turf races a day. That would be there for
15 horses that might not otherwise be on the fair
16 circuit. That we are bound by the 8.6, and, as I
17 said, we will be lucky to fill those, and we hope
18 to have an in-flow of horses from his Emerald
19 Downs.

20 COMMISSIONER MORETTI: Jack, I'm sorry,
21 I'm -- why do you think that -- I mean, that would
22 be nice because I keep hearing that our horses are
23 going elsewhere, but now you are saying Emerald
24 Downs --

25 MR. LIEBAU: Purses have been cut at
26 Emerald Downs, and their purse schedule to begin
27 with did not relate or compare favorably with
28 Northern California to begin with, and now they

1 have become less favorable. We would hope that
2 those people would make the move earlier than
3 usual, now, to Bay Meadows and the San Mateo
4 County Fair.

5 THE CHAIR: Dave Elliott, do you have any
6 comments with respect to this application?

7 MR. ELLIOTT: Yes, thank you.
8 Dave Elliott, California State Fair.

9 I applaud Mr. Liebau's efforts to reach
10 out to the Emerald Downs trainers to get them to
11 come to California, because if that does in fact
12 happen, obviously there will be some racing for
13 them on the fairs as well.

14 No. 2, that would be great if Bay Meadows
15 schedules two to three turf races a day during the
16 twelve-day run of the San Mateo County Fair. That
17 will be 24 to 36 turf races, of which horses can
18 participate up here in the north that may not go
19 down to Del Mar and fill the races down there --
20 I'm not saying against Del Mar, I'm just saying it
21 would nice to have that, because the horsemen,
22 obviously, would like to see turf racing in
23 Northern California.

24 However, I do not believe that the
25 San Mateo County Fair condition book has ever
26 contained 24 turf races for their twelve-day race
27 meet. It would be wonderful if it happened this

28 year, but I don't believe it has ever happened.

31

1 I sent a letter, I faxed a letter to this
2 Board. I did fax the letter to Mr. Liebau letting
3 him know in my letter what my thoughts were.

4 Every single fair, every application that
5 you have heard today, including mine next up, has
6 asked for a specific number of races. We are
7 asking California State Fair to run five less
8 Thoroughbred races this year in our application.
9 We are not going to fill 96. We are going to try.
10 We never even come close, though.

11 The reason we don't come close is because
12 the meet preceding ours is San Mateo County Fair
13 and Ferndale. We are preceded by a double
14 overlap. Yes, the cheaper Thoroughbreds are up in
15 Ferndale and the Northern California Thoroughbred
16 trainers that wish to stay at Bay Meadows and
17 stable at Bay Meadows and Golden Gate Fields year
18 around basically race Bay Meadows and they sit and
19 wait.

20 To allow Bay Meadows -- last year they
21 ran 108 -- I am simply asking this Board to limit
22 their Thoroughbred races to eight per day, which
23 would be in-line with the same decrease that every
24 other fair has come forward to you today and asked
25 for, a decrease in the number of Thoroughbred
26 races.

27 They are asking for 8.6, that's 103 races
28 for the twelve days, it's 103. Last year, they

32

1 ran 108. That five less, that's a help. But, I
2 would ask that they fall in line with the same
3 percentages as the other fairs as far as a
4 percentage decrease in the number of Thoroughbred
5 races offered.

6 COMMISSIONER MORETTI: Dave, do you have
7 an estimate -- I mean, if they were to have fewer
8 races here, I mean, do you have a guesstimate on
9 how many more that you would get?

10 MR. ELLIOTT: Absolutely not. If
11 San Mateo County Fair ran 70 Thoroughbred races,
12 there is still no guarantee that any of the
13 horsemen at Golden Gate Fields or Bay Meadows
14 would ship over to Sacramento and participate in
15 my meet. But at least it gives me a shot, it
16 gives me a slight chance.

17 MR. LIEBAU: Maybe there could be a point
18 of clarification here. I didn't realize that the
19 Horse Racing Board had imposed a limit on anybody
20 running a given number of races. I had thought
21 that in response to Mr. Harris' comment or
22 question that it was said that there that was a
23 minimum, and if there was horse population
24 available that more races would be run.

25 We can't fill races unless we have a

26 sufficient number of horses. I mean, that's the
27 way it is.

28 COMMISSIONER HARRIS: It would be my

33

1 concern that if you fill the races, that's one
2 thing. But the way it is going, it seems like it
3 would be difficult to run that many more races
4 this year than last year.

5 MR. LIEBAU: I don't think we are
6 planning on running any more races, Mr. Harris. I
7 think that those races that are down there are for
8 emergent breeds which probably aren't going to
9 fill.

10 I mean, our problem is that we have been
11 unable to fill emerging breeds here for whatever
12 reasons. So when you are talking about the
13 San Mateo County Fair having 8 Thoroughbred races,
14 that's it. When you are talking about these other
15 fairs, I mean, they have mule races, they have
16 Appaloosas, they have Quarter Horses; I mean, we
17 have had a number of years where we have had a
18 problem because we didn't, you know, have Quarter
19 Horse races, but no quarter horses ever showed up.
20 I think we ran one or two last year.

21 But, I mean, the horses that are
22 available to the San Mateo County Fair are
23 Thoroughbreds.

24 MR. LICHT: Does Magna factually limit

25 the amount of turf races that the fair can race
26 during their fair meet?

27 MR. LIEBAU: No, they don't.

28 MR. LICHT: So, how does that govern? I

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1 mean, in other words it would be eight turf races
2 a day.

3 MR. LIEBAU: If we could, but, I mean, I
4 did say -- and I don't want to mislead anybody --
5 that we would offer two or three turf races a day.
6 Now, whether we fill them or not is the \$64.00
7 question.

8 MR. LICHT: I understand. But I'm
9 saying, you probably have a better chance of
10 filling additional turf races, but, on the other
11 hand, Magna sure wouldn't want to see its turf
12 horse abused during the fair meet.

13 So there's no contractual limit, it's
14 just a rapport that you have with the racing
15 secretary?

16 MR. LIEBAU: Exactly. It will be two or
17 three, at the most.

18 MR. WOOD: Mr. Liebau, your application
19 proposes to race 143 races? Which are 24 more
20 than 2000 -- of 143 races, how many are
21 Thoroughbreds, how many are emerging breeds?

22 MR. LIEBAU: 106, which we reduced to
23 103, if I go to the 8.6. And the rest are

24 emerging breeds.

25 Jackie, why don't you read it?

26 MS. WAGNER: The application is proposing
27 106 Thoroughbreds, 16 Quarter Horse, 12
28 Appaloosas, 6 Arabians, 3 Paints; and then we have

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1 an "other" categories.

2 MR. LIEBAU: In the past, Mr. Wood, when
3 we have included those races we have been
4 criticized for not having them in our application,
5 in prior years. So, we will offer those races.
6 But I am saying, if past precedence is of any
7 indication, they probably will not fill.

8 MR. WOOD: What I was trying to clarify
9 is that the actual increment in Thoroughbred races
10 that you are asking for is three; is that correct?

11 MR. LIEBAU: Last year we ran 108. This
12 year we are proposing 103.

13 MR. WOOD: So you are asking for five
14 less Thoroughbreds.

15 MR. LIEBAU: Exactly.

16 MR. WOOD: So the 25 more are made up of
17 actually 29 emerging breed races?

18 MR. LIEBAU: Exactly.

19 COMMISSIONER HARRIS: So, really, that is
20 probably an outside number that you probably
21 wouldn't --

22 MR. LIEBAU: Oh, absolutely. If we did

23 not include these opportunities for emerging
24 breeds, I can assure you that the representatives
25 of those associations would be up and --

26 COMMISSIONER HARRIS: Realistically, how
27 many of those do you think you can fill?

28 MR. LIEBAU: Last year we did six Quarter

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1 Horses, two Arabians, and three Appaloosas for a
2 total of eleven out of those 29.

3 THE CHAIR: The twenty --

4 MR. LIEBAU: That means that, if that
5 trend continues, we would be offering 9.6 races a
6 day.

7 MR. WOOD: All of those are not
8 Thoroughbreds, though.

9 MR. LIEBAU: Right.

10 MR. WOOD: So, if you ended up with a 143
11 granted, your statement earlier that you only
12 plan to run 103 Thoroughbreds --

13 MR. LIEBAU: That's exactly correct.

14 COMMISSIONER HARRIS: I noticed the one
15 thing, that there is only one stakes race, that I
16 recall, they used to have several stakes at Bay
17 Meadows -- do you anticipate you'll have overnight
18 stakes or just that one stake?

19 MR. LIEBAU: Well, I think that because
20 of the purse money we're projecting that that's
21 all we can afford to have. We do not get any

22 supplemental purse funds.

23 THE CHAIR: I'm guess I'm confused, Jack.

24 My question was, what is the basis for your belief

25 that you can fill those additional emerging breed

26 races when you have a problem getting emerging

27 breeds at Bay Meadows?

28 MR. LIEBAU: Last year we were able to

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1 fill eleven emerging breed races.

2 THE CHAIR: Now you're talking about 29.

3 MR. LIEBAU: No. If the emerging breeds

4 showed up in sufficient quantity, we do not want

5 to be foreclosed from offering them the

6 opportunity to run.

7 THE CHAIR: I understand. You said you

8 were criticized in the past for not putting them

9 in. I don't remember that, but that may have been

10 out of season racing.

11 COMMISSIONER HARRIS: I think part of the

12 emergent breed problem is that you're going

13 against Ferndale and a lot of emerging breed --

14 MR. LIEBAU: Exactly. I mean, for

15 instance, the mules do not run here because the

16 jockeys that are here will not ride the mules, as

17 I understand it, because I think mule racing is

18 great, Mr. Commissioner, I'm all for it. If I

19 owned Black Ruby, I would be in better shape than

20 I am owning some Thoroughbreds. But the jockeys

21 that go to Ferndale evidently will ride the mules,
22 so they have mule racing and I can't.

23 THE CHAIR: Right now we are talking
24 about 103 Thoroughbreds.

25 MR. LIEBAU: Yes. Down from 106.

26 THE CHAIR: I don't perceive any --

27 MR. LIEBAU: We ran 108 last year. We
28 are going down to 103.

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1 THE CHAIR: Will you keep it at a 103
2 even if you can't fill all the emerging breeds
3 races?

4 MR. LIEBAU: I will be very pleased if we
5 are able to fill 103 races.

6 THE CHAIR: Dave?

7 MR. ELLIOTT: I just wanted to clarify
8 one point. Because of the calendar, the emerging
9 breeds don't race at Bay Meadows for one simple
10 reason: They are not stabled here.

11 After the Santa Rose Fair, the Sonoma
12 County Fair, all of the emerging breeds that do
13 not go up to Ferndale, we open our doors at Cal
14 Expo and we offer stabling four days earlier than
15 we normally have to.

16 And operationally, if I ran Bay Meadows,
17 which obviously will never happen, that would be a
18 nightmare for me, too, to be able to bring
19 emerging breeds in for the San Mateo County Fair

20 and move them out so that the Thoroughbred
21 horsemen could move back in also.

22 That is one of the reasons that they are
23 not able -- and I don't want this Board to
24 misunderstand that fact.

25 THE CHAIR: Well, then, I guess we can
26 assume that you are not going to have much more
27 than eleven emerging breed races, if you have
28 that. So that's a total of 114 racing?

39

1 MR. LIEBAU: That's correct.

2 Mr. Tourtelot? We do have some Quarter Horses
3 that are stabled at Bay Meadows and Golden Gate.

4 THE CHAIR: Well, I don't want to beat a
5 dead mule, but you are talking about when you put
6 in 29 emerging breed races --

7 MR. LIEBAU: I'll be glad to take those
8 races out of the application.

9 THE CHAIR: I understand there's a reason
10 for it, but it seems so far afield. Is there any
11 possibility of coming near that?

12 MR. LIEBAU: I think that, hopefully, we
13 would be able to run the eleven emerging breeds
14 that we ran last year, which is one race a day or
15 less than one race a day.

16 COMMISSIONER MORETTI: Jackie, at the end
17 of the fair season this year could we get a report
18 that kind of gives the breakdown? Because I

19 thought it was actually helpful and interesting to
20 see the way Dave had written up that report.
21 Just so we'll see a picture of what actually was
22 run.

23 COMMISSIONER HARRIS: It is sort of
24 bothersome that you are doing a six-day week, you
25 are running quite a few more races of (inaudible)
26 than are running at your regular meet and having a
27 tough time pulling races here. So, maybe a
28 miracle will happen.

40

1 MR. LIEBAU: Well, particularly one thing
2 that has to be considered, and that is when people
3 come out for a day for a day of racing, you know,
4 we are, at the most, going to have like nine races
5 a day probably. Because it's 8.6 plus one
6 emerging breed, if we are lucky.

7 So, we still have to put on a program to
8 attract the public. And I don't think -- and if I
9 am able to fill some turf races with horses that
10 aren't otherwise on the fair circuit, we'll be
11 running less Thoroughbred races for hurt horses
12 that are on the Thoroughbred circuit than any
13 other fair, because you will have to be reducing
14 by 103 races by every race that is a turf race
15 having horses that otherwise wouldn't be on the
16 fair circuit.

17 THE CHAIR: Any more questions?

18 MR. LANDSBURG: We're back to a
19 two-month old problem. Two months ago we were
20 talking about the lack of horses that were going
21 to be available to Northern California. We are
22 back to the same problem.

23 Has anything been done to try and recruit
24 from any distant land that we can more horses for
25 our racing summer season?

26 MR. LIEBAU: With respect to the racing
27 summer season, the San Mateo County Fair was
28 approached as to whether we would put up, I think

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1 it's \$10,000.00 with some other fairs that would
2 be used as a pot.

3 I can assure you that without any
4 question we came up with the money. The program,
5 as I understand it, is being administered by CARF,
6 and specifically Chris Korby.

7 MR. KORBY: Yes, Mr. Landsburg, we have
8 been active in recruiting from states around
9 California for our northern summer fair racing.

10 Mr. Liebau is correct, a number of fairs
11 have put up some money that will help with the
12 cost of shipping horses from distant locations.

13 MR. LANDSBURG: We are coming pretty
14 close to summer, has there been any sense about
15 it?

16 MR. KORBY: The last I heard there were

17 close to 300 horses at Stockton. Turf Paradise
18 closed a little bit later this year than it has in
19 the past.

20 So, normally we would have a better
21 indication of how many horses were coming to
22 California. This year because of that later
23 closing we do not have as good a sense of that, at
24 this moment, as we would normally.

25 MR. LIEBAU: Perhaps for my edification
26 and also for that of the Board we could find out
27 what fairs are participating in that program.

28 MR. PICKERING: Mr. Chairman?

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1 THE CHAIR: Yes, sir.

2 MR. PICKERING: Mr. Chairman, Rick
3 Pickering, Alameda County Fair Grounds in
4 Pleasanton.

5 We are participating with CARF in that
6 pool. I believe there's four or possibly five
7 fairs, now we're working on a sixth fair, perhaps
8 Cal Expo can speak to their position.

9 We're hoping to get fifty to sixty
10 thousand dollars to place into that pool to bring
11 in out-of-state horsemen.

12 At the same time, Pleasanton took our own
13 employees and sent them out of state. Our own
14 barn superintendent, Paul Wait, we have sent him
15 out to Arizona on a couple of occasions to meet

16 with the horsemen, the trainers and the owners.

17 We have conducted our own independent
18 surveys in addition to CARF's surveys. We have
19 also sent our employees up to Oregon and up to
20 Washington to speak to trainers and to owners to
21 try to bring horses into California.

22 In our surveys, will have asked a series
23 of questions for those who said they are not
24 coming back to California. And the predominant
25 reason was regulations, from their point of view,
26 being surprised by those regulations last year,
27 both from OSHA as well as from California Worker's
28 Comp.

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1 However, we think the more astute
2 trainers that are coming back have realized that
3 you can't run from payroll. So, whether you go to
4 Oregon or Washington or Arizona, eventually you
5 will have to pay payroll and keep those records in
6 a proper manner, no matter what state you are in.

7 So, our records additionally indicated
8 that a number of people would be going to
9 Scottsdale. Last week we heard Scottsdale was
10 having some problems, so people would not be going
11 to Scottsdale in full force. This week we hear
12 Scottsdale is blackmailing some folks and saying
13 if you don't come anyway, then we're not going to
14 let you in when you want to come from the fair

15 circuit.

16 We have opened our barns up early. We
17 have brought trainers in from Arizona much earlier
18 and given them free rent in order to get them over
19 to our place.

20 So, just as the oldest one-mile track in
21 America, we are trying to do our part, plus the
22 horse sale we are having this week and another
23 horse sale in August.

24 But, we are open to all suggestions.

25 MR. KORBY: Mr. Landsburg, I might note
26 that we did poll trainers. Our organization had
27 an employee over a Turf Paradise three times since
28 April, spent a total of about two weeks there

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1 meeting with trainers, asking what their concerns
2 were about California.

3 There were some concerns about the
4 regulatory oversight by the Labor Commission and
5 other people last year. And we have that
6 information and we will be glad to furnish it to
7 the Board as to the number of trainers and
8 approximate estimates of the number of horses that
9 indicated that they would be returning to Northern
10 California. Whether they do, only the course of
11 time will tell.

12 THE CHAIR: I think we have one more
13 comment.

14 MR. ELLIOTT: David Elliott, Cal Expo. I
15 would like to add just one more thing, and I
16 promise I will sit down.

17 I appreciate Mr. Landsburg bringing up
18 the point of the short fields right now.

19 One only has to take a look at today's
20 Daily Racing Form. The headline is something
21 about the short fields at Hollywood Park tonight
22 and the bad card. It's awful.

23 If any of those horses from out of state
24 -- I believe Turf Paradise ended on approximately,
25 oh, about two weeks ago on a Tuesday. Maybe
26 Mr. Liebau knows the ending date -- May 16th, May
27 22nd? I don't know.

28 Anyway, they had sixteen races of

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1 ten-horse fields over there. My point to that is
2 the influx isn't here, the horses are still not
3 here. You only need to take a look at the field
4 sizes right now at Bay Meadows and Hollywood Park
5 that's racing right now. My point in allowing the
6 San Mateo County Fair to run all of those
7 Thoroughbred races with the cheaper Thoroughbreds
8 that are up at Ferndale, and all of those races
9 run at the San Mateo County Fair basically
10 devastates our meet as far as the Thoroughbreds
11 being able to race, and that's my only point.

12 As you can see on the spreadsheet, you

13 can see we rely on the emerging breeds. You can
14 see we have 64% of our meet was Thoroughbreds and
15 the other was emerging breeds. I'm just asking
16 for a fair shot.

17 MR. LIEBAU: I can't help but point out
18 that the only major fair that's not participating
19 in the joint effort to recruit horses on a
20 monetary basis is the Cal Expo that's up here
21 complaining.

22 MR. ELLIOTT: I would like to address
23 that. The reason I am not doing that is because I
24 believe -- I didn't want to address that, but now
25 that I am pushed, I'm going to address it.

26 We have trainers in California that pay
27 the highest Worker's Comp rates in the entire
28 country, probably. Their expenses, racing horses

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1 in California, are huge, they are giant. That
2 money is meant to bring trainers from out of state
3 that are not normally California trainers. They
4 are out-of-state trainers to come here to bring
5 their horseflesh.

6 None of that money, none of it, is going
7 to Art Sherman. None of it is going to Jerry
8 Hollingdorfer if he happens to race on the fairs.
9 That's why Cal Expo decided not to participate in
10 a pool where the money was only for a specific
11 group of horsemen when the California horseman,

12 they provide horses for our fair and for our meet
13 every single year.

14 COMMISSIONER LANDSBURG: I think, in
15 fairness, Dave, we have to wait and see what the
16 result is. If there is a good result from it,
17 then we will know. If there's a bad result from
18 it, then we will also know. But I don't think you
19 can now, at this moment in time, insofar as you
20 can have your own position, that's not for the
21 Board to determine, but you can't argue the point
22 that we are hurting California, which is what you
23 seem to be saying, by going out to recruit other
24 horses. If we don't get more horses in here, we
25 are dead meat as a racing state.

26 MR. WOOD: Mr. Elliott? Can I ask one
27 question?

28 MR. ELLIOTT: Sure.

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1 MR. WOOD: In your letter that you
2 prepared concerning this application, you objected
3 to the number of races.

4 Do you now object to the 103 Thoroughbred
5 races that Mr. Liebau has --

6 MR. ELLIOTT: Yes, I do. I would like to
7 see them be limited to eight Thoroughbred races
8 per day, which is 96, which is the same amount
9 that Sonoma is going to do and the same amount
10 that we're going to try to do, which I can

11 guarantee is not going to happen.

12 COMMISSIONER HARRIS: Do the TOC or CTT
13 have any feeling on this? Do the California
14 trainers or the Thoroughbreds owners have any
15 opinions?

16 THE CHAIR: They all have opinions, they
17 just don't all run in the same crowd.

18 Any other questions from the Board? From
19 the audience?

20 The Chair will entertain a motion --

21 MR. HOLLINGDORFER: Excuse me, I have
22 something to say.

23 THE CHAIR: You can use the microphone.

24 MR. HOLLINGDORFER: I am Jerry
25 Hollingdorfer, I am a horse trainer.

26 And there seems to be discussion of quite
27 a few problems that we are having here in
28 California racing.

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1 These problems are not new problems, they
2 are old problems. And they have been coming on
3 gradually, I would say, more and more every year.

4 The problem that I -- one of the main
5 problems, I think, is your format of racing here.
6 During the summer months these are prime months
7 where people go on vacation and you have a good
8 chance to attract people coming out to the races,
9 I believe, at a major facility and not a fair's

10 facility.

11 Myself, I'm in such a situation spending
12 money and investing money in horses that I have to
13 go somewhere else this summer. I am going to
14 Chicago, I'm shipping 43 horses out of here on
15 Monday. I have thirteen horses at Hawthorne right
16 now and I'll stable at Arlington this summer. The
17 reason is availability of races, timeliness of
18 races, and turf racing, which is unavailable here
19 during the summer months, except down at Del Mar.
20 Those are some of the things that I can think of
21 to say.

22 If you have any questions that you would
23 like ask me why I'm leaving along with other
24 trainers like Jeff Bondy, Lonnie Arderburn and
25 Brent Sumja, people who have been around here for
26 years and years, there are reasons for that. I
27 would be happy to address any questions that you
28 might have.

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1 THE CHAIR: One question, Jerry, is what
2 would you suggest as an alternative of not moving
3 the fair days to the winter?

4 MR. HOLLINGDORFER: Well, you know, you
5 are going to have to try something different.
6 Because what you're doing now -- and maybe you're
7 not doing it -- but what's in place now is not
8 working.

9 And I can not see, in the future, how it
10 can possibly work. I have built my whole life and
11 reputation in this area. All the assets that I
12 have are here. And I have been discussing with my
13 wife the possibility that we may not I finish out
14 our career here. We may have to go somewhere else
15 if we want to accomplish the things that we want
16 to accomplish in racing.

17 In order to build a program and to do
18 better, you have a availability of races and
19 timeliness of races.

20 It seems like the big meets get going and
21 then we run into the fairs every summer. To me,
22 it's been a big roadblock. I have to wait around
23 and wait day to day to see if I can get a horse
24 in.

25 And I can't build a horse's program that
26 way, and I especially can't build a young horse's
27 program that way and hope to get in some of the
28 better races in the fall, and then for the

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1 two-years-olds coming on into their three-year-old
2 year in the spring of the year.

3 So, these are the things that I am
4 thinking of. I think that the fair format is a
5 wrong format. Racing is big business now and I
6 don't think the fairs are big business, I think
7 it's on a smaller scale. And, obviously, people

8 don't want to do it or you would have enough
9 horses here to be running in those races.

10 And everything that the people are
11 proposing, as far as I'm concerned, are just
12 Bandaides that are on huge wounds that aren't
13 going to get healed unless you try to do something
14 different.

15 MR. LICHT: Do you really have resistance
16 from your Northern California owners racing in
17 Chicago?

18 MR. HOLLINGDORFER: No. As a matter of
19 fact, they want to go there, they would like to
20 race in Chicago and race some races in Kentucky if
21 the availability is there.

22 People have told me they would like me to
23 race at Keeneland in the fall. This is the heart
24 of horse racing country. My owners told me that
25 they are not going to go to the September sale and
26 spend a hundred thousand or whatever we spend on
27 yearlings and then take them up to the Vallejo
28 Fair and run them.

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1 They will be willing to run a claiming
2 operation in that kind of a setting, but for me
3 there's going to be no more buying those kind of
4 horses trying to race them at the fairs, unless we
5 absolutely have to.

6 MR. LICHT: They would rather race in a

7 place with they can even see them run, most
8 likely.

9 MR. HOLLINGDORFER: There is no
10 resistance about spending the money flying the
11 horses or anything. They want the availability to
12 develop young horses, and, you know, I have to
13 agree with them because my money is in there with
14 them.

15 COMMISSIONER HARRIS: Jerry, would why
16 would you to Chicago just versus going to Southern
17 California?

18 MR. HOLLINGDORFER: Because I was offered
19 the maximum number of stalls in Chicago. I don't
20 think I could pull that in Southern California.

21 Also, people are reluctant, even if you
22 do have good turf horses, people are reluctant to
23 go and run against Niel Drysdale and Bobby Crankle
24 and Bob Bafford, and Ron MacInally, those kind of
25 trainers, because they are entertaining the best
26 turf horses in the world.

27 Also, the younger horses down at Del Mar
28 seem to be the more expensive ones that came out

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1 of the September yearling sale, some horses
2 running for more than -- some horses that are
3 running that have been paid more than one million
4 dollars for.

5 I think you could defeat those horses on

6 some basis at some times, but, to be realistic, I
7 don't think you can take a hundred-thousand-dollar
8 horse and beat million-dollar horses consistently.
9 And that's why we are reluctant to try to move
10 into this area.

11 And, you know, I have a lot of fire power
12 with horses, to enter in races, but I think my
13 availability down there is more limited than it
14 would be in a place like Chicago. Although, I
15 could get proven wrong over there and, you know,
16 we don't really know what to expect, but we are at
17 least willing to take a chance to do that.

18 COMMISSIONER MORETTI: Mr. Hollingdorfer,
19 let me say personally it is extremely
20 disheartening to have someone of your stature want
21 to leave, they feel like they are pressed to
22 leave.

23 MR. HOLLINGDORFER: No, but -- could I
24 interrupt, please? I don't want to leave. You
25 know, like I said, I have built my whole career
26 here. I have been very successful here.

27 I am going spent this summer away from my
28 wife. We have built a new home. I would rather

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1 be here at home at night, and if I could have the
2 availability of races and accomplish what I
3 needed to accomplish during the summer, then I
4 would stay. I don't want to leave, but I am going

5 to.

6 And I am not saying that I am going to
7 leave every year, but maybe I will. And if we are
8 very successful and my owners insist, then we may
9 keep some horses back East, and that's another
10 burden on me to carry that kind of an operation
11 2000 miles, 2500 miles, away from any base of
12 operation, which is more than of
13 Northern California.

14 COMMISSIONER MORETTI: May I ask you? I
15 presume you that, obviously, you have done an
16 analysis as to whether or not this makes sense to
17 you. And you say availability of races,
18 timeliness of races, turf races.

19 Can we get a comparison? I don't know
20 from whom, but I would like to see what's going on
21 in the other states. You keep talking about our
22 horses are leaving, and I don't really know why,
23 other than people tell me purses, availability --
24 but what does that mean? Roy, do we have any
25 numbers and things that the Board can look at?

26 COMMISSIONER WOOD: We can compile some
27 numbers for you. But, historically I would say
28 that as the purse schedule in California relates

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1 today, and the purse schedule in some other spots
2 like Arlington and Delaware, purse schedules are
3 to some degree getting close to being equivalent.

4 There are different categories of races
5 that will have a better purse in Arlington or
6 Delaware than they would in Northern California.
7 But we probably run a timeframe in
8 Northern California with a class of horses on a
9 lower level that the purses were not -- not
10 subsidizing or providing income for those horses
11 -- they just run out, they just are not there. We
12 have a higher class of horse and we don't have any
13 place to run them.

14 I think the equivalency of the purse
15 structures are pretty close compared to the
16 restructures that are made in the purse schedule.
17 But, there are other expenses involved. As we
18 talked about earlier, that calls a difference in
19 the bottomline for the owner and trainer compared
20 to Northern California and a place like Arlington.

21 THE CHAIR: I don't think that answers
22 your question.

23 COMMISSIONER MORETTI: No, not really.

24 THE CHAIR: Because various meetings
25 people have said, you know, horses and trainers
26 are -- you know, there's a mass exodus of the
27 trainers from Northern California out of the
28 state. And others have said to me, in following

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1 up on what Commissioner Moretti is, I think,
2 getting at, there's been no evidence that's been

3 presented of an exodus of trainers. We have not
4 seen that.

5 COMMISSIONER MORETTI: No. But we have
6 a very competent trainer sitting in front of us
7 saying that he is going leave with 43 horses --

8 MR. HOLLINGDORFER: No. The proof that
9 --

10 COMMISSIONER MORETTI: And I would like
11 to know why.

12 MR. HOLLINGDORFER: Okay, but the proof
13 of what you are talking about is sustaining your
14 racing program, which that's not happening. You
15 are losing more and more horses for whatever
16 reasons.

17 You can not attract people to come here
18 to race for an equal purse base when their
19 expenses in places like Illinois are a lot less
20 than in a place like this. And that is not why I
21 went there, because of less expenses. I am going
22 there because of available of racing. And I feel
23 like that's where my horses belong that would have
24 a chance to race during the summer, and I cannot
25 race turf horses here during the summer because
26 you don't have any turf horses on the fairs.

27 And that's just a fact. I'm not trying
28 to take away from, you know, or destroy anything,

1 it's just that's a fact. And I think this is

2 going to happen more and more and not less and
3 less.

4 So, every market has its own place
5 whether it be stocks or horses. And people aren't
6 coming here because there are other opportunities
7 and other things that are available that are more
8 attractive than coming here and racing against
9 tough horses and tough trainers.

10 THE CHAIR: Right. But I think we're
11 talking about two separate things. If we sat
12 down, and basically we are saying the fair
13 situation, where we're running horses at the fairs
14 in the summer, was a problem.

15 MR. HOLLINGDORFER: It is a problem.

16 THE CHAIR: Right. But I think if you
17 didn't have the fairs, if you took the fairs out
18 of the picture, you would still have a big problem
19 in Northern California trying to fill the cards.

20 MR. HOLLINGDORFER: Well, I know, but if
21 you are having a problem and you keep doing the
22 same thing, then you are going to still keep
23 having the same problem.

24 If you try to do something else, which I
25 am trying to do, maybe I will be unsuccessful but
26 maybe I will be successful this summer, if you can
27 see my point of view there. At least I am trying
28 to do something to rectify my situation and my

1 owners' situation protect the investment which we
2 have on the horses, which in my case and my
3 owners' cases, is very considerable.

4 THE CHAIR: I respect for that. I'm just
5 saying I think that the problem is larger than the
6 fairs or the conflicts and the dates, running
7 fairs during the summertime.

8 MR. HOLLINGDORFER: I would agree that.

9 THE CHAIR: And that's what we have been
10 trying to discuss, briefly, in the meeting -- were
11 you there for the meeting?

12 MR. HOLLINGDORFER: I was at the last
13 meeting they had at Golden Gate, but no previous
14 meeting.

15 THE CHAIR: In any event, that's what we
16 are grappling with.

17 MR. HOLLINGDORFER: All right. Anyway,
18 ladies and gentlemen, I hope I have made some
19 points, at least a point of view, and thank you
20 for your time.

21 THE CHAIR: Appreciate your comments.

22 MR. DOUGHERTY: Commissioner Tourtelot?
23 If I may? I'm Charlie Dougherty, California
24 Thoroughbred Trainers.

25 In response to the question, Ms. Moretti,
26 that so far five trainers have left, Jerry has
27 already named them, and Jerry is leaving on
28 Monday.

1 I think Mr. Fraywell might be happy to
2 know from what I am hearing Del Mar may be getting
3 a record number of stall applications from
4 Northern California trainers.

5 I think realistically what is happening
6 here in Northern California is that for years we
7 have brought up the turf course issue, and I know
8 the fairs discount it, they say it is not an
9 issue. Well, with all the other things going on
10 here in California, especially with the
11 frustrations the Northern California trainers have
12 gone through, they are now looking for other
13 opportunities.

14 You know, the fairs said if you don't
15 like the program, look for other opportunities.
16 They are now. And, I think, as Jerry alluded to,
17 more and more trainers are going to.

18 Art Sherman is sitting here. He's got a
19 son in Texas right now with a string of horses.
20 Every publication that comes predominantly
21 mentions the horses from Northern California. You
22 are going to see other states start coming to
23 Northern California and actively recruiting the
24 trainers here.

25 We have very good training quality here.
26 They are good horsemen, they are spending money,
27 obviously, for their owners. The owners in

28 Northern California are stepping up, they are

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1 buying better horses.

2 But, I'll tell you, a lot of owners don't
3 like shipping horses day in and day out on the
4 fair circuit. It's just a simple fact. And we do
5 have a major problem on our hands. And that's one
6 of the reasons why you see trainers sitting here
7 today.

8 The thought of losing major race dates,
9 you know, for overlap to the fairs is just
10 something that trainers cannot accept. They won't
11 accept and I think we will lose more horses.

12 MR. VANDEKAMP: Mr. Chairman, John
13 VandeKamp, TOC.

14 There's an old line that when you are
15 about to be hung it focuses the mind wonderfully
16 well. And I think California racing in the -- oh,
17 over the next year, is in a sense in that
18 position.

19 We are facing a summer full of question
20 marks. You look around the state, field sizes
21 seem to be diminishing. We have unrest among
22 trainers and unhappiness on a number of fronts.

23 And sometimes it is good to step back and
24 ask yourself what is the ideal situation.

25 Basically to start from scratch. Given the
26 present circumstances what would be the best

27 business plan for horse racing in the
28 State of California.

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1 And I would suggest to you that what we
2 have here is, in a sense, a system of compromise,
3 especially with respect to Northern California.
4 The compromise being that we give up, in
5 Northern California, the most successful racing
6 that we could have in return for giving the fairs,
7 which are enormously politically powerful, the
8 right to carry on their fair meetings unobstructed
9 by major racing in Northern California.

10 Now, that has come about because the
11 fairs have tremendous support in Sacramento.
12 Indeed, I think as they have to remember it is
13 horse racing that baled the fairs out a long time
14 ago when horse racing got started in the 1930s.
15 The money that we put in the fairs which is what,
16 30 million dollars a year or more, year after year
17 after year, has been tremendously helpful to the
18 fairs.

19 And I think this summer, looking ahead, a
20 lot of question marks as to the number of horses
21 that will be there at the fair circuit this
22 summer, that they'll be able to attract may get us
23 off the dime to start making the kind of
24 intelligent moves and readjustments that we may
25 have to make. And I doubt it is going happen

26 until the worst happens.

27 It seems to me that at a minimum in
28 California today, in Northern California, we

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1 should be running weekends at Bay Meadows or
2 Golden Gate. We are stabling at one of those
3 facilities, not both of them during the entire
4 summer, feeding the fairs.

5 By having weekend racing at one of the
6 two sites here we would be able to have the kind
7 of grass races that could keep Jerry Hollingdorsfers
8 here in California. We would give a greater
9 variety of racing to our fans and we would still
10 be able to have some fair racing, although I'm
11 sure fair racing would be impacted by this.

12 But I think it is going to be time when
13 we have to look at the main chance once again.
14 And it may not be at this meeting. We have been
15 silent with respect to the contracts and the
16 applications because we would hope -- maybe it is
17 hope beyond hope -- that we will have enough
18 horses to run more races than the minimum that
19 they are seeking, so we don't have objection,
20 really, to the license applications that have been
21 raised and hope that the Board can approve, at a
22 later time, more racing at the fairs.

23 We are doubtful that that kind of request
24 will be made, given our pessimism about the number

25 of horses that will be back here in California
26 this summer.

27 But it seems to me that what the Board
28 needs to do, and sitting down with all of us, is

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1 really asking yourself and the group here today
2 what is the optimum situation for horse racing in
3 California?

4 Once you ask that philosophical question
5 and we get some of our special interest behind
6 this, you usually come to the right conclusion.

7 Thank you.

8 ---o0o---

9 (A break was taken at 4:35 to 4:45, after which
10 the
11 following proceedings were had:)

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13 --o0o--

14 MR. WOOD: Okay, we're back in business.

15 THE CHAIR: We are kind of getting a
16 little bit off of the application. David, do you
17 want to go ahead?

18 MR. ELLIOTT: Yes. Dave Elliott, Cal
19 Expo. We did get off the application. I didn't
20 know that this turned into a dates allocation
21 committee meeting. And I respect what
22 Mr. Dougherty says, I respect what
23 Mr. Hollingdorfer says and what Mr. VandeKamp

24 says. I am not going to sit in this public forum
25 and debate history with Mr. VandeKamp, Number 1.
26 Mr. Hollingdorfer, I wish him all the luck in the
27 world going back East with 40 head and not going
28 down to Del Mar and face the tougher horses this

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1 year, and I wish him all the luck in the world.

2 That goes to my point even further.

3 Mr. Hollingdorfer is taking 40 out of state, and
4 we are not getting the out-of-state trainers to
5 come over here because of all the problems and
6 because of all the expenses. That is another
7 reason why I feel that the San Mateo County Fair
8 should at least be held to eight races per day.

9 They are telling you, they are leaving
10 the state, the horses aren't there. And, if I may
11 add, as far as the turf racing issue, if you look
12 at tonight's program, there's eight races
13 scheduled here at Bay Meadows tonight. There's
14 one turf race.

15 THE CHAIR: Weren't the dates all agreed
16 upon at the Racing Dates Committee Meeting?

17 MR. ELLIOTT: I'm sorry?

18 THE CHAIR: Was this discussed at the
19 Race Dates Committee Meeting with chairman Nicolo
20 last year?

21 MR. ELLIOTT: What was that, sir?

22 THE CHAIR: The issue about San Mateo.

23 MR. ELLIOTT: No, sir. It was not.

24 COMMISSIONER HARRIS: I think the dates
25 were authorized, it's just that they didn't talk
26 about the number of racing dates.

27 MR. WOOD: Well, number of races per day,
28 Mr. Harris, Mr. Chairman, they have been talking

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1 about it for years. the California
2 Horse Racing Board in its race day allocations
3 several years ago had allocated a limited number
4 of races per day per the racing associations.

5 And some of the issues that we talked
6 about today have been discussed many times during
7 the race allocations over the years, because they
8 have been issues were predominant than and are
9 still predominant today.

10 But 8.6 races per day was the maximum
11 number of races that a racing association has been
12 allowed to race in the last, I guess, four years
13 in California.

14 THE CHAIR: Well, I was hoping we
15 wouldn't turn today into a Race Dates Committee
16 Meeting. It is difficult with the constraints
17 that are coming out. Let's try to get back on the
18 agenda.

19 It goes without saying that it is a very
20 complex problem, and we are not going to be able
21 to eliminate the fairs, and I don't know that that

22 would change a lot of things anyway.

23 Where were we?

24 MR. WOOD: We are at a point in time we
25 need a motion on the application for the
26 San Mateo County Fair license application.

27 THE CHAIR: Alright. I'm not going to
28 cut you off. I just want to make sure that we are

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1 still on the San Mateo County Fair application, we
2 kind of moved to Cal Expo.

3 MR. PICKERING: Mr. Chairman, Rick
4 Pickering again, Alameda County Fair. And I
5 address you now as the new president of CARP. And
6 we also would concur that this discussion should
7 continue on with the Race Date Committee.

8 What we would share with you is that we
9 believe the race patron does enjoy the fair
10 circuit. Last year at Pleasanton's eleven days of
11 racing, over 36 million dollars were wagered. We
12 had four days in excess of four million dollars.

13 The twelve days which were ran for the
14 San Mateo County Fair last year only brought in 29
15 million dollars compared to a day less in
16 Pleasanton that brought in 36 million dollars.

17 So, I think there's a very strong case
18 that the player in this sport, the patron, who is
19 paying all of our way, does enjoy the fair race
20 circuit, and we will debate with Mr. VandeKamp as

21 well the history of how wagering came about in
22 California, but we choose not to take your time on
23 that.

24 Thank you.

25 THE CHAIR: Jim?

26 MR. GHIDELLA: James Ghidella,
27 Thoroughbred Owners of California.

28 We unequivocally support the

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1 San Mateo County Fair's application. We are
2 going to need a turf racing to jump-start the big
3 meet in Bay Meadows to get horses down here.

4 And it is absolutely imperative, I
5 believe. I don't know what other force is going
6 to do that. It's going to be a tough meet. You
7 know, the horsemen have long complained about the
8 absence of turf racing.

9 Jack has made a pledge in that regard, I
10 think we have to support it. And TOC absolutely
11 supports the application.

12 MR. LIEBAU: Jack Liebau again, and I'll
13 be very short period.

14 The point was brought up that there's
15 only one turf race tonight. The reason for that
16 is that our lights do not light the turf course
17 and we are only able to run one race early before
18 the sun sets.

19 As far as -- I know this isn't a Dates

20 Committee, but I welcome Mr. Pickering's
21 suggestion that we look at the amount handled at
22 various fairs, because I think that will be
23 extremely interesting to the Dates Committee.
24 Because there are certain fairs where there is
25 more bet at Bay Meadows as an off-site facility
26 than there is on-track. So, we welcome that
27 discussion later on.

28 COMMISSIONER HARRIS: Jack, on your

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1 summer fair here, what I really never understood
2 is, why is it that you can't handle -- the way I
3 read it -- it looks like you don't really do as
4 well during the summer dates, which are perceived
5 as good dates, as you do at your regular meet?
6 Why can't, on that daily basis, you do as well
7 with the fair meet as you do your regular meet?

8 MR. LIEBAU: Well, I think that one of
9 the reasons is that, first of all, we don't have
10 the horses that we do during our regular meet
11 because a lot of our trainers have down to
12 Del Mar. Now our trainers are going even
13 elsewhere.

14 We also have horses that stayed in
15 Southern California that usually come up here
16 because Fairplex and the purses that are offered
17 at Fairplex for horses that are really, to some
18 extent, Northern California horses -- I mean,

19 there used to be just more Northern California
20 horses, because the major trainers wouldn't run at
21 Fairplex, but the purses have gotten so high that
22 everybody takes their shot now.

23 But, I mean, there are a lot of
24 lower-priced claiming races at Fairplex that keep
25 horses down in Southern California. We have got
26 the Del Mar horses down there.

27 THE CHAIR: Yes?

28 MR. PICKERING: My application is still

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1 unapproved. I don't want to lose sight of what
2 the agenda item is.

3 THE CHAIR: Any other questions and
4 comments from the commission?

5 The Chair would entertain a motion to
6 approve the application of the San Mateo County
7 Fair meet.

8 (The motion was made and seconded.)

9 THE CHAIR: David?

10 MR. ELLIOTT: I'm sorry. Mr. Liebau
11 offered that they would limit -- obviously you
12 have to do your vote, but would the vote be on the
13 existing application or Mr. Liebau's 103 race
14 offer, for offering 103 Thoroughbred races versus
15 106 or 108, or whatever the total is?

16 THE CHAIR: Well, technically, his
17 comment was, his reply to my question was, "I

18 would hope we could fill 103, I would be glad to
19 fill 103 races," is what he said. It was not a
20 commitment to not exceed 103.

21 MR. LIEBAU: Jack Liebau on behalf of the
22 San Mateo County Fair.

23 We hereby amend our application for a 103
24 Thoroughbred races. And if by chance, which is a
25 very slim to none, our horse population allows us
26 to run more, we would like to be able to apply to
27 the executive director for that permission. But I
28 hope that might happen, but I doubt it. But in

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1 any event, the application is changed to 103.

2 MR. ELLIOTT: I'm done.

3 THE CHAIR: I had asked you before if
4 that was acceptable to you and you said no.

5 MR. LIEBAU: That's correct, sir.

6 THE CHAIR: So, it's the same as I had
7 said, if they had a turf festival in the summer
8 and a couple of days of turf racing, would that be
9 acceptable, and you said, no.

10 I think what the fairs and the
11 associations have to understand is that there has
12 to be give and take on both sides here. There
13 never has been very much.

14 MR. LIEBAU: Sure.

15 THE CHAIR: -- can always say they gave
16 up two days or whatever. But, you know, at the

17 Race Dates Committee Meeting, I said you are all
18 going to have to get together and try to resolve
19 some of these issues yourself, because if we
20 resolve them, nobody is going to like 100 percent
21 of whatever comes out.

22 And I now see after a Race Date Committee
23 Meeting and today, I'm not very optimistic that
24 you and Jack can get together and sit down and
25 come out with something that you both endorse.
26 That's just the facts. I don't know what you are
27 all going to do, but, come August we are going to
28 have race dates for 2002.

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1 And you know my thoughts about six-day
2 week in Northern California. We have overlap
3 problems, we have to deal with that. But I still
4 encourage everyone to get together independently
5 of the Board and have a meeting and try to work
6 out something you can come forward with.

7 But one of the responses was TOC and the
8 association said we accept the proposal. The
9 Board came up with the race ticket. We didn't
10 come up with any proposals, Mr. Harris pointed
11 out. That was a piece of paper that had different
12 colors marked in different months to start talking
13 from. It was a speaking paper. It is not the
14 Board's position.

15 Mr. Harris disagrees with some of it, I

16 disagree with some of it. Just to say, well, "we
17 accept that," is not going to get anywhere. It's
18 pushing the problem under the carpet.

19 John, we're going to go ahead with our
20 motion, the.

21 MR. VANDEKAMP: I understand. I just
22 want to make sure, though, that the record was
23 clarified. Because, I didn't speak to racing
24 dates. We did not speak to next year's racing
25 dates today.

26 And our position is the letter we filed
27 in February, which I think is different from the
28 position that was filed with the Board. So we did

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1 not concur necessarily with CHRB-recommended
2 racing date for next year.

3 THE CHAIR: We don't have any.

4 COMMISSIONER HARRIS: Those were not
5 CHRB-recommended dates.

6 THE CHAIR: That's what we have been
7 saying over and over and over again. And I walk
8 in tonight and somebody said, well, said we
9 endorse, you know, what the CHRB is proposing for
10 2002. Nobody seems to be listening to us. There
11 is no proposal on the table from the CHRB for
12 2002.

13 Other than there's twelve months, and
14 they all have 30 to 31 days, maybe one has 28.

15 That's it. And then we are going to fill up men
16 with colors, and I don't think anyone is going to
17 like all of it, but -- anyway, do we have a motion
18 to approve the application?

19 MR. BIANCO: So moved.

20 COMMISSIONER LANDSBURG: Seconded.

21 THE CHAIR: The application for San Mateo
22 County Fair is approved.

23 Item 6 is the application for the
24 California Expo State Fair Meet, August 22nd
25 through September 3rd, 2001.

26 Jackie?

27 MS. WAGNER: Jackie Wagner, CHRB staff.

28 The application for the California

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1 Exposition and State Fair is for twelve days,
2 which is the same as the year 2000.

3 The fair is proposing to race a total of
4 132 races, which is the same as they ran in the
5 year 2000.

6 They will be racing Wednesday through
7 Monday with eleven races each day. The number of
8 races, again, will be determined upon the number
9 of horses that are available.

10 First post-time will be 1:15 P.M. daily,
11 with a 2:45 P.M. post on Friday.

12 We have he received a request for
13 amendment to include Rolling Doubles and the

14 Pick 4 with this application.

15 The wagering program will use all CHRB
16 rules.

17 We have some items that are missing.
18 They include fire clearance, the name of two
19 placing judges, the name of the second patrol
20 judge, the name of the fitness veterinarian, the
21 name of the horseshoe inspector.

22 We have received the Horseman's Agreement
23 for the Thoroughbreds. We are still waiting for
24 the agreement for the Quarter Horse and the
25 Appaloosa.

26 Staff would recommend that the Board
27 approve the application, contingent upon us
28 receiving the missing information.

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1 THE CHAIR: Thank you.

2 Any comments or questions from the
3 Commissioners?

4 Any questions from the audience?

5 The Board will entertain a motion to
6 approve the application for the meeting at the
7 Cal Expo --

8 COMMISSIONER HARRIS: So moved.

9 COMMISSIONER LANDSBURG: Seconded.

10 THE CHAIR: All in favor?

11 So approved.

12 Next item? No. 7.

13 Discussion and action by the Board on the
14 application for license to conduct a horse racing
15 meeting of the Del Mar Thoroughbred Club at
16 Del Mar commencing July 18th running through
17 September 5th, 2001.

18 Jackie?

19 MS. WAGNER: Jackie Wagner, CHRB staff.

20 the Del Mar Thoroughbred Club is
21 proposing to race 43 days, which is the same as
22 they raced in 2000.

23 They are proposing to race a total of 370
24 races, for 8.6 races per day. They meet the 10%
25 requirement of the stakes purses paid for
26 Cal Breds.

27 They will be racing six days a week. The
28 first post time will be 2:00 P.M. daily, with a

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1 12:30 post on Sunday, August 19th; a 3:30 post on
2 Friday, August 24th and 31st; a 4:00 p.m. post of
3 Friday, July 20th, 27th, August the 3rd, 10th, and
4 the 17th.

5 We have received the Horseman's
6 Agreement. We still are looking for the fire
7 clearance and staff would recommend that the Board
8 approve the application contingent upon us
9 receiving this information.

10 THE CHAIR: Thank you, Jackie.

11 Any questions from the commissioners, or

12 comments?

13 Any comments from the audience?

14 The Board will entertain a motion to
15 approve the application for Del Mar.

16 COMMISSIONER MORETTI: I'll move it.

17 COMMISSIONER GRANZELLA: Second.

18 THE CHAIR: Approved.

19 The next item is discussion and action by
20 the Board on the request of Cal Expo to allocate
21 additional racing dates to the fall harness meet.
22 Commencement of the fall harvest meet is proposed
23 to start on September 27, 2001, a change from
24 October 11th, 2001.

25 MR. REAGAN: Good afternoon,
26 commissioners. John Reagan, R-e-a-g-a-n, CHRB
27 staff.

28 Yes, Commissioner, the State Fair,

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1 Cal-Expo, is requesting an additional two weeks of
2 harness racing; this increases the current
3 allocation this fall by starting the meet two
4 weeks earlier, depending upon the number of race
5 dates per week to be from six to eight additional
6 nights of harness racing to be determined later.
7 But, that is what is being requested today.

8 THE CHAIR: Thank you.

9 Any questions, comments from the
10 Commissioners?

11 COMMISSIONER HARRIS: Any staff
12 recommendation?

13 MR. REAGAN: We recommend approval.

14 THE CHAIR: Any other questions? Any
15 questions from the audience or comments?

16 The Chair will entertain a motion to
17 approve that request.

18 COMMISSIONER GRANZELLA: I'll make a
19 motion.

20 MR. WOOD: Second.

21 THE COURT: All in favor? Done. the
22 request is approved.

23 No. 9, a discussion and action by the
24 Board on the approval of services and stewards'
25 contracts 2001-2002 fiscal year. Service and
26 stewards.

27 MR. NOBLE: Paige Noble,
28 Horse Racing Board staff.

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1 Commissioners, each year the Horse Racing
2 Board enters into a variety of service contracts.
3 And for those contracts that exceed \$5,000.00, we
4 are required to provide a motion approving the
5 contract.

6 We have provided you with a list of
7 stewards, official veterinarian, and service
8 contracts for the fiscal year 2001-2002 which
9 begins this coming July 1st.

10 There are no significant modifications or
11 deletions to the list of contractors. The steward
12 and official veterinarian contracts are based on
13 the assignments for the 2001 racing year.

14 So, staff would recommend that the Board
15 approve the attached list of official veterinarian
16 and service contracts and service contracts for
17 fiscal year 2001-2002.

18 THE CHAIR: Any comments, questions?

19 COMMISSIONER HARRIS: I'm not really
20 clear. Are we contracting with each of these
21 stewards? Or have we? How does it actually work
22 as far as when you physically contract with a
23 given steward?

24 MR. NOBLE: Well, each steward receives
25 an individual contract, a personal services
26 contract. The contracts, there is a process of
27 being reviewed and signed by the stewards now.
28 So, does that answer your question?

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1 COMMISSIONER HARRIS: Well, I mean, are
2 these the same? What if you wanted to contract
3 with a steward not on this list? Would that be
4 possible, or are you limited by this contract to
5 contract with people on the list?

6 MR. NOBLE: No, you can contract with
7 stewards that are not on this list. We have an
8 approved list of individuals who have taken the

9 Steward's Exam. So if one of these stewards were
10 not available you could issue a contract.

11 COMMISSIONER HARRIS: Are the contracts
12 on a per-meet basis or for the year?

13 MR. NOBLE: For the year.

14 COMMISSIONER HARRIS: For the year. I
15 thought some of these stewards worked certain
16 meets.

17 MR. NOBLE: Some of them do work certain
18 meets. But, the contract itself would be for the
19 fiscal year. So they would be part of that fiscal
20 year. But the contract is issued for the fiscal
21 year.

22 COMMISSIONER BIANCO: Do the steward
23 contracts state at which meets they will be
24 assigned, or is that open to administrative
25 option?

26 MR. WOOD: That's basically been
27 determined by the Stewards Committee last year, in
28 November, and those assignments have been made for

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1 this fiscal year.

2 COMMISSIONER HARRIS: Does the
3 Stewards Committee have a method to evaluate the
4 performance of the stewards?

5 MR. WOOD: We have a method to evaluate
6 the performance of the stewards, yes, sir.

7 COMMISSIONER HARRIS: Like, is it written

8 or is there some kind of a --

9 MR. WOOD: No, it is not a test. It is a
10 written stewards contractor evaluation that's a
11 state form that we use, because they are service
12 contractors, they are not employees of the state.

13 MR. BIANCO: Who does the review of the
14 stewards?

15 MR. WOOD: The Executive Director at this
16 time has been the person who reviews the stewards'
17 performance.

18 THE CHAIR: You know, we do have a
19 Stewards Committee, I think. Is that correct?

20 MR. WOOD: Yes, Ms. Granzella and
21 Mr. Bianco.

22 COMMISSIONER HARRIS: I would think it
23 would be appropriate for the staff to review the
24 issues that are coming up before the Board with
25 that committee, Mr. Chairman, before that issue is
26 presented to the Board.

27 MR. WOOD: This issue is for these
28 contracts that were assigned last year. In the

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1 coming year, since we have a new committee, we
2 will do that, Mr. Chairman.

3 THE CHAIR: Okay. Because I think what
4 Mr. Harris is getting at is that with respect to
5 review of employment performance as done by the
6 Executive Director, there's really no over-review

7 by the commissioners.

8 MR. WOOD: It has been done by the
9 Stewards Committee in the years past. This
10 committee was made up of just one person last
11 year, and it was Ms. Granzella.

12 THE CHAIR: Did you review it?

13 COMMISSIONER GRANZELLA: No.

14 COMMISSIONER WOOD: No, okay. Well, we
15 did talk about the assignments, but the committee
16 is always involved in that assignment process.

17 THE CHAIR: Well, see, if you have just
18 two, it doesn't have to be dealt with on a public
19 meeting.

20 I do think that the Stewards Committee
21 should meet with Executive Director prior to
22 stewards' contract being put to a vote before the
23 commission so that they evaluate the performance
24 of the stewards as recommended and discussed with
25 the Executive Director.

26 MR. WOOD: Our problem here is that these
27 contracts expire July the 1st. These are
28 fiscal-year contracts. And we would strongly

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1 recommend that you approve these contracts for
2 this fiscal year. I will promise you that the
3 committee will meet and discuss the stewards'
4 performance and evaluations in the coming months.

5 THE CHAIR: No, I think we can do that.

6 I'm just saying that I think in the future to
7 implement this as something that must be adhered
8 to before the Board is presented with the
9 contracts to vote on. Would that satisfy you?

10 COMMISSIONER HARRIS: Yeah, I think so.
11 My concern is that the stewards are a very
12 important part of the Racing Board's function, and
13 while I have no particular problem with stewards,
14 we need to be sure that the Board has got a close
15 relationship with them, and, you know, is doing a
16 good job of evaluating their performance and
17 getting feed-back from them, and I just would like
18 to see more involvement of the Board.

19 THE CHAIR: I concur. And I would like
20 to accommodate your concern for this particular
21 contract, Roy.

22 But my concern is that there doesn't seem
23 to be any oversight by the Board. Not that we
24 have any questions about your ability to conduct
25 these evaluations. But I think the Board has the
26 responsibility to know if the stewards are
27 performing the job in accordance with the job
28 requirements before we vote on the future

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1 contracts.

2 COMMISSIONER BIANCO: Mr. Chair, may I
3 point out that the contracts that are before you
4 would allow the staff to engage the stewards and

5 pay them, but it does not include the Board's
6 oversight, nor does it require that a particular
7 steward is given a contract and be retained
8 throughout the year.

9 The stewards are personal-service
10 contractors of the Board, and essentially they
11 serve at the Board's pleasure.

12 So, in other words, if the Board were at
13 any future time to become less than satisfied with
14 the services of a particular steward, the Board
15 could change the assignment or terminate the
16 steward's employment, regardless of the approval
17 of the contract today.

18 THE CHAIR: Well, the first thing is that
19 most of the committee don't have a clue about the
20 performance, unless, you know, maybe John does
21 because he's around here more. I don't know.
22 They all smile and they're pleasant, and I meet
23 them in the paddock, but I don't know really how
24 they're doing their job.

25 COMMISSIONER BIANCO: My point is that
26 if the Stewards' Committee determines it is
27 appropriate, the Board can, then, at a future
28 time, change their position as to whether a

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1 steward remains employed, without respect to
2 whether you approve the contract today or not.

3 THE CHAIR: Okay. So, we'll go ahead. I

4 need a motion to approve the contracts, service
5 and the stewards contracts for the 2001-2002
6 fiscal year, and the other is just a
7 recommendation that we will put into effect that
8 we will have the Stewards Committee actually
9 review the performance in future years.

10 COMMISSIONER BIANCO: I make the motion.
11 But I think we're trying to set that up right now.

12 MR. WOOD: Right.

13 COMMISSIONER GRANZELLA: Second.

14 THE CHAIR: All in favor?

15 The contracts are approved.

16 Item 10, discussion and action by the
17 Board on the request of the Oak Tree Charitable
18 Foundation to distribute charity race day proceeds
19 in the amount of \$86,000 to 36 beneficiaries.

20 MR. REAGAN: Yes, commissioners. John
21 Reagan, CHRB staff.

22 36 beneficiaries, \$86,000. 62% to
23 racing-related charities. The staff requests --
24 recommends approval.

25 THE CHAIR: I think that Oak Tree should
26 be commended, 20 percent --

27 MR. REAGAN: 20 percent in law. And they
28 have certainly exceeded that.

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1 THE CHAIR: They exceeded that
2 tremendously, and this is what we are all looking

3 for. And not just to adhere to the legislative
4 percentages, but to exceed that and Oak Tree has
5 certainly done that. Thank you.

6 Mr. Chillingworth?

7 MR. CHILLINGWORTH: Just to amplify the
8 report a little bit, make you feel happier. We
9 have three entities that contribute or give grants
10 to different entities throughout the country.

11 And we have Oak Tree Racing Association,
12 a charitable foundation, and the Charity Days.

13 Collectively, our fiscal year is May
14 31st, which was yesterday. We gave, last year --
15 in fact, it's May 31st -- \$800,000.00 to various
16 entities, of which 88 percent went to
17 race-related, equine-related foundation
18 assistance.

19 THE CHAIR: That's wonderful.

20 MR. LICHT: Mr. Chillingworth? What is
21 the Edwin Gregson Foundation?

22 MR. CHILLINGWORTH: It was a foundation
23 that was founded really by the California
24 Thoroughbred Horse Racing Foundation in honor of
25 Eddie Gregson. And it takes care of health
26 problems of the backstretch employees.

27 MR. LICHT: And it was founded after his
28 death?

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1 MR. CHILLINGWORTH: Yes.

2 COMMISSIONER HARRIS: I thought it had
3 some sort of a scholarship feature to it, as I
4 recall.

5 MR. CHILLINGWORTH: I think it also has
6 some scholarship feature. I'm not quite sure
7 about that, John. But it is administered by the
8 California Thoroughbred Horseman's Foundation.

9 MR. LICHT: I guess this is the first
10 time?

11 MR. CHILLINGWORTH: Yes, this is the
12 first time that it's been -- that we have given
13 money to it in its existence.

14 MR. LICHT: Well, I have a comment.
15 Personally, in my circumstances, I would be
16 against approving that particular donation. Do we
17 approve these in blanket, or do we deal with them
18 one by one?

19 THE CHAIR: Approving what donation?

20 MR. LICHT: Do we approve these in
21 blanket or do we approve --

22 THE CHAIR: Are you talking about to the
23 Ed Gregson Foundation?

24 MR. LICHT: Yeah.

25 THE CHAIR: Maybe Ed can explain what
26 that is.

27 MR. CHILLINGWORTH: Yes, let me explain.

28 THE CHAIR: Well, the first thing is that

1 we really don't have the jurisdiction to check
2 out, to approve the entire list of contributions
3 or not. If we don't approve, I think it's what,
4 30 days, it becomes okay.

5 MR. REAGAN: Sixty days.

6 MR. CHILLINGWORTH: I'd be curious as to
7 what Mr. Licht's objection is to that grant.

8 THE CHAIR: Well, I think that the
9 commissioners can voice an objection. But I don't
10 think that, other than that, you either vote
11 against it or you vote for it.

12 But as I say, by law, it's sixty days if
13 we didn't approve it.

14 There's nothing wrong with a commissioner
15 voicing an objection to any of those
16 organizations' contributions made. That's all it
17 is, just giving a personal viewpoint and having a
18 public forum to do it -- unless it causes
19 Mr. Chillingworth to think twice about whether
20 he's going to --

21 MR. CHILLINGWORTH: I would be curious to
22 know what your objection would be. It might
23 affect our --

24 COMMISSIONER LICHT: I would not want to
25 talk about it in a public forum.

26 MR. CHILLINGWORTH: You probably would
27 rather not discuss the problem in a public forum,
28 and that's fine. I'll talk to you later.

1 THE CHAIR: That's just a report.

2 Do we have a motion to approve Item 10?

3 MR. HALPERN: Mr. Chairman? Ed Halpern,
4 California Thoroughbred Trainers.

5 I just wanted to clarify. Chilly
6 misspoke, I think, regarding the Gregson
7 Foundation. The Gregson Foundation was formed by
8 the California Thoroughbred Trainers, and its
9 purpose is to support educational and recreation
10 programs for backstretch workers and their
11 families, including scholarships programs for the
12 children of backstretch workers.

13 THE CHAIR: All right.

14 The Chair will entertain a motion to
15 approve the request Oak Tree Charitable Foundation
16 to distribute charity race day proceeds.

17 COMMISSIONER MORETTI: So moved.

18 COMMISSIONER GRANZELLA: Seconded.

19 MR. LICHT: I would like to abstain.

20 THE CHAIR: It will be so noted.

21 MR. LICHT: Thank you.

22 THE CHAIR: The last item on the agenda,
23 is a staff report on the concluded race meet for
24 Los Angeles Turf Club at Santa Anita, December 26,
25 of 2000 through April 16th, 2001.

26 MR. REAGAN: Commissioners, included in
27 your package is a summary of the statistics.

28 Overall, the daily handle was down three and a

1 half percent.

2 Average daily California attendance down
3 almost five.

4 Overall the package is the standard
5 package. If you have any questions, I would be
6 happy to answer them.

7 THE CHAIR: Any questions of the
8 commissioners or comments?

9 COMMISSIONER HARRIS: I wasn't quite sure
10 on the license fees why there was such a jump up.
11 It went from about eight million to 10.6 million.
12 Was there some change in license fees for some
13 reason? I thought the license fees were the same
14 in 2000 as 2001.

15 MR. REAGAN: It's a good point. Let me
16 see here.

17 THE CHAIR: Anybody here from Santa Anita
18 that can speak to that?

19 MR. REAGAN: Mr. Liebau was here.

20 Mr. Harris, I'll take a closer look at
21 that.

22 COMMISSIONER HARRIS: Mr. Liebau, why did
23 you pay more to the state in 2001 than 2000? Is
24 it just because you were there?

25 MR. REAGAN: Commissioner, that does seem
26 like an anomaly. I've looked at those numbers
27 now, and the flow of the numbers there seems to be

28 inconsistent. We may have missed something. I'll

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1 look into that and get you an answer.

2 COMMISSIONER HARRIS: Yeah. Maybe
3 something different happened with the fewer days.
4 But with the fewer days, it would have gone down.

5 MR. REAGAN: We'll find out what
6 happened.

7 MR. LIEBAU: Some human error. Hopefully
8 not on behalf of Santa Anita. If not we'll get a
9 refund and we'll remember you.

10 COMMISSIONER HARRIS: That money is spent
11 by the state by now, I'm sure.

12 THE CHAIR: Any other questions? Thank
13 you, John.

14 We have the last two items, committee
15 reports. The first is a report from the Race Date
16 Committee. The Race Date Committee met last week
17 and the purpose of the meeting was to solicit from
18 the industries comments, discuss issues with
19 respect to the race dates for year 2002.

20 Commissioner Harris and myself attended
21 and gave some comments and some of the our views,
22 but basically it was a meeting to solicit from the
23 industry their views and discuss some issues.

24 Nothing was concluded purposely. We
25 agreed to have another Race Date Committee meeting
26 in July, and then in August we will present to the

27 Board for approval the committee's recommendation
28 for race dates in 2002.

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1 Basically, that's it. I don't want to
2 open up -- this is just a very brief report -- I
3 don't want to open up this meeting to get into any
4 further discussion about race dates.

5 Roger, do you have a report for the
6 Paramutual Operations Committee?

7 MR. LICHT: The Paramutual Operations
8 Committee which consists of myself, Bill Bianco
9 and Al Landsburg met on May 22nd in L.A.

10 It was a very successful meeting. We
11 went through in detail the different security
12 systems that are in place with our paramutual
13 system, both from the standpoint of making wagers
14 and from protecting the computer system itself.

15 We had a presentation from the Executive
16 Director of Prims, Mark Thurman. I think that we
17 all confirmed that the integrity of the system is
18 of the highest degree, the very highest nature,
19 and that our wagers are protected to the maximum
20 extent possible.

21 I think there's quite a few areas for
22 further discussion in connection with this
23 committee which was started there such as
24 expanding wagering opportunities, which was quite
25 adamantly presented by several of the race tracks.

26 The Union was well-represented there,
27 made some interesting comments. And I think we
28 are scratching the surface of making sure that the

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1 front-side is as well-protected as the back-side
2 by the Racing Board.

3 Finally, the staff directed two
4 amendments to the wagering rules, one rules, 1969:
5 Wagering prohibited will be amended to specify the
6 Totalizator employees are included in the Cal
7 inventory of employees that can not wager while on
8 duty.

9 And rule 1979: Trifecta will be amended
10 to eliminate the current requirement that at least
11 five wagering interests must compete and complete
12 the race.

13 These amendments will be drafted and the
14 rule-making process commenced. The amended rules
15 will come before the Board in the future for
16 discussion and approval.

17 THE CHAIR: Thank you, Roger.

18 At this time we are going to adjourn the
19 meeting. We will reconvene. We are adjourning
20 for the purpose of having our executive session.
21 When we reconvene, it will be for purposes of --
22 one second.

23 Commissioner Moretti had some comment.

24 COMMISSIONER MORETTI: Just under general

25 business.

26 THE CHAIR: Oh, I'm sorry. Under general
27 business. I tried to cut this off, it's been
28 three and a half hours.

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1 COMMISSIONER MORETTI: Sorry. Well, I
2 just would like to make a request for the next
3 meeting.

4 The state-wide Marketing Committee, we
5 haven't heard anything from them as to what's been
6 happening. And I know that legislation that
7 created that SB27 also put a sunset in there of
8 which I don't know exactly what it is, but I think
9 that Mr. Liebau and Treble and others are on that
10 committee, and I am requesting that we have a
11 report of what's happened and what the plans are
12 for the future at our next Board meeting.

13 THE CHAIR: Thank you.

14 Any other general business?

15 As I said, we'll reconvene just for the
16 purpose of shutting down the meeting. Thank you.

17

18 (Whereupon, the present proceedings

19 were adjourned at 5:25 p.m.)

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