

STATE OF CALIFORNIA

HORSE RACING BOARD

In the Matter of:)

)

Regular Meeting)

)

CALIFORNIA EXPOSITION AND STATE FAIR GRANDSTAND

1600 EXPOSITION BOULEVARD

SACRAMENTO, CALIFORNIA

THURSDAY, JUNE 19, 2025

9:30 A.M.

Reported by:

Martha Nelson

APPEARANCES

BOARD MEMBERS

Gregory Ferraro, Chair

Oscar Gonzales, Vice Chair

Damascus Castellanos, Commissioner

Dennis Alfieri, Commissioner

Brenda Washington Davis, Commissioner

Thomas Hudnut, Commissioner

Peter Stern, Commissioner

STAFF

Scott Chaney, Executive Director

Jeff Blea, Equine Medical Director

ALSO PRESENT

Michael Machowsky, California Representative and Account Executive

Dino Perez, Sales Manager

Rick Baedeker, SCOTWNC

John Carey, Gaslamp Tavern and Betting

Josh Rubinstein, DMTC President

Bill Nader, President and CEO, TOC

George Schmitt, Bernal Park Racing LLC

Greg Gomes, 1st Vice President Humboldt County Fair Board of Directors

Larry Swartzlander, Director of Racing, Humboldt County Fair, Director of Racing, The Big Fresno Fair, and Director of Racing, Bernal Racing

APPEARANCES

ALSO PRESENT (cont'd)

Christina Estrada, Interim CEO, The Big Fresno Fair

Terry Gonsalves, Immediate Past President, The Big Fresno Fair

Nate Newby, Santa Anita

Alan Balch, California Thoroughbred Trainers

PUBLIC COMMENT

Francis O'Leary, Horse Owner and Breeder

Paddy Brogan, Horse Owner

Rex Bohn, County Supervisor

Morgan Fussell, Hoof Pick Racing Partners

Vincent Sanchez

Sandy Anjo, Horse Owner

Julia Oldfield, Breeder and Trainer

Justin Oldfield, Breeder and Trainer

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14. Closed Session: For the purpose of receiving ---
 advice from counsel, considering pending
 litigation, reaching decisions on administrative
 licensing and disciplinary hearings, and personnel
 matters, as authorized by section 11126 of the
 Government Code.
- A. The Board may convene a Closed Session to
 confer with and receive advice from its
 legal counsel regarding the pending
 litigation described in the attachment
 to this agenda captioned "Pending
 Litigation," and as authorized by
 Government Code section 11126(e).
- B. The Board may convene a Closed Session
 to confer with and receive advice from
 its legal counsel regarding the pending
 administrative licensing or disciplinary
 matters described in the attachment to
 this agenda captioned "Pending
 Administrative Adjudications," as
 authorized by Government Code section

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11126(e).

- C. The Board may convene a Closed Session for the purposes of considering personnel matters as authorized by Government Code section 11126(a).

Adjournment

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P R O C E E D I N G S

9:30 A.M.

THURSDAY, JUNE 19, 2025

CHAIR FERRARO: Ladies and gentlemen, if everybody will take their seats, we'll get started.

As you're all well aware, I have to read this beginning statement, so I hate to bore you, but here it goes.

Ladies and gentlemen, this meeting of the California Horse Racing Board will please come to order. Please take your seats. This is a regular noticed meeting of the California Horse Racing Board on Thursday, June 19, 2025, at the California Exposition and State Fair Grandstand, 1600 Exposition Boulevard, Sacramento, California.

Present at today's meeting are: myself, Dr. Gregory Ferraro, Chair; Oscar Gonzales, Vice Chair; Dennis Alfieri, Commissioner; Damascus Castellano, Commissioner; Brenda Washington Davis, Commissioner; Tom Hudnut, Commissioner; and our newest member, Peter Stern, Commissioner.

Welcome, Peter, again.

COMMISSIONER STERN: Thank you.

CHAIR FERRARO: And Scott Chaney, our Executive

1 Director.

2 Before we go to the business of the meeting, I
3 need to make a few comments.

4 The Board invites public comment on the matters
5 appearing on the meeting agenda. Procedurally, the Board
6 will first hear from those directly involved in the agenda
7 item. I will then invite public comment on the agenda item.
8 The Board will not answer questions. This item is for
9 comments only, not questions.

10 Unsolicited speakers are limited to two minutes.
11 During all public comments, a tone will sound to indicate
12 the speaker's time is up. The Board may ask questions of
13 individuals who speak, which may extend their two-minute
14 time limit.

15 There are public comment sign-in sheets located at
16 the designated table to my right for each agenda item on
17 which the Board invites comments. There is also a sign-in
18 sheet for those wishing to speak during the public comment
19 period for matters not on the Board's agenda if it concerns
20 horse racing in California. Please print your name legibly
21 on all the sign-in sheets.

22 When a matter is open for public comment and you
23 come to the podium, introduce yourself by stating your name
24 and organization. This is necessary for the court reporter
25 to have a clear record of all who speak. When your two

1 minutes are up, I will ask you to return to your seat so
2 that others can be heard.

3 I will insist that all speakers stay strictly on
4 the topic for each agenda item. If a speaker strays off
5 topic, I will ask to move to the next speaker. If a speaker
6 repeats themselves, I will ask the speaker if they have any
7 new comments to make. If there are none, the speaker will
8 be asked to let others make comments.

9 If anyone has comments of a more general nature
10 that are not specific to earlier agenda items, those
11 comments must wait until the agenda item number five, Public
12 Comment. There will be a 30-minute time limit for public
13 comment. In order to allow as many individuals to speak as
14 possible within that half hour, I will strictly enforce the
15 two-minute time limit for each unsolicited speaker.

16 And with that, we can begin the meeting by
17 approval of minutes, but there's a correction on the
18 minutes.

19 EXECUTIVE DIRECTOR CHANEY: Yes, Mr. Chairman. On
20 the minutes in your board packet, number seven, either has
21 been or will be amended to reflect that Commissioner Davis
22 seconded the motion. So I just wanted to make that before
23 you approve it.

24 CHAIR FERRARO: Okay. Do we have a motion to
25 approve?

1 COMMISSIONER HUDNUT: I move approval as amended.
2 COMMISSIONER DAVIS: Davis seconds.
3 CHAIR FERRARO: Commissioner Stern?
4 COMMISSIONER STERN: Yes.
5 CHAIR FERRARO: Commissioner Davis?
6 COMMISSIONER DAVIS: Yes.
7 CHAIR FERRARO: Commissioner Gonzales?
8 VICE CHAIR GONZALES: Yes.
9 CHAIR FERRARO: Commissioner Alfieri?
10 COMMISSIONER ALFIERI: Yes.
11 CHAIR FERRARO: Commissioner Castellanos?
12 COMMISSIONER CASTELLANOS: Yes.
13 CHAIR FERRARO: Commissioner Hudnut?
14 COMMISSIONER HUDNUT: Yes.
15 CHAIR FERRARO: Item number two, discussion and
16 action by the Board regarding Fasig-Tipton's request for
17 authorization of its horse sale at Fairplex on September
18 23rd, 2025 in Pomona, California pursuant to CHRB Rule 1807,
19 Authorized Horse Sales.
20 Go ahead.
21 (Off mic colloquy.)
22 CHAIR FERRARO: Is your light on?
23 MR. MACHOWSKY: Yes. Oh, there it goes.
24 CHAIR FERRARO: There you go.
25 MR. MACHOWSKY: Okay. Good morning, Commissioner

1 and Chairman. Mike Machowsky from Fasig-Tipton. We are
2 looking to have our annual breeders -- California Breeders
3 Sale on September 23rd at Fairplex, probably 275 to 300
4 yearlings, mostly Cal-Breds. And we will have the facility
5 that used to be the old Barrett's (phonetic). And we will
6 have an attending veterinarian on the grounds for the sale
7 as well.

8 CHAIR FERRARO: Okay. Any questions from the
9 Board?

10 Do we have a public comment? No public comment.

11 Do we want to entertain a motion?

12 COMMISSIONER STERN: Motion to approve.

13 COMMISSIONER HUDNUT: Second.

14 CHAIR FERRARO: Commissioner Hudnut?

15 COMMISSIONER HUDNUT: Yes.

16 CHAIR FERRARO: Commissioner Castellanos?

17 COMMISSIONER CASTELLANOS: Yes.

18 CHAIR FERRARO: Commissioner Alfieri?

19 COMMISSIONER ALFIERI: Yes.

20 CHAIR FERRARO: Commissioner Gonzales?

21 VICE CHAIR GONZALES: Yes.

22 CHAIR FERRARO: Commissioner Davis?

23 COMMISSIONER DAVIS: Yes.

24 CHAIR FERRARO: Commissioner Stern?

25 COMMISSIONER STERN: Yes.

1 CHAIR FERRARO: And the Chairman votes yes.

2 Moving on to item number three -- good luck with
3 your sale, by the way -- discussion and action by the Board
4 regarding the Los Alamitos Equine Sales Company's request
5 for authorization of its horse sale at Los Alamitos
6 Racecourse on October 4th through 5th, 2025, in Cypress,
7 California, pursuant to rule -- CHRB Rule 1807, Authorized
8 Horse Sales.

9 MR. PEREZ: Hi. Good morning, Commissioners.
10 Dino Perez with the Los Alamitos Equine Sale.

11 We are here to ask for approval for our annual
12 Quarter Horse Sale. This will be our 21st sale in this
13 format. We're expecting about 220 yearlings. And the dates
14 are October 4th and 5th. We will have all the vets there
15 and everything that's involved in the rules for the CHRB.

16 So if there's any questions?

17 CHAIR FERRARO: Any questions from the Board?
18 Public comment?

19 Can we entertain a motion?

20 COMMISSIONER HUDNUT: So moved.

21 COMMISSIONER CASTELLANOS: Second.

22 CHAIR FERRARO: Commissioner Stern?

23 COMMISSIONER STERN: Yes.

24 CHAIR FERRARO: Commissioner Davis?

25 COMMISSIONER DAVIS: Yes.

1 CHAIR FERRARO: Commissioner Gonzales?
2 VICE CHAIR GONZALES: Yes.
3 CHAIR FERRARO: Commissioner Alfieri?
4 COMMISSIONER ALFIERI: Yes.
5 CHAIR FERRARO: Commissioner Castellanos?
6 COMMISSIONER CASTELLANOS: Yes.
7 CHAIR FERRARO: Commissioner Hudnut?
8 COMMISSIONER HUDNUT: Yes.
9 CHAIR FERRARO: Chairman votes yes.
10 Good luck with your sale.
11 Number four is discussion and action by the Board
12 on the new Application for a License to Operate a
13 Minisatellite Wagering Facility at Gaslamp Tavern, LLC, San
14 Diego, California.
15 Gentlemen?
16 EXECUTIVE DIRECTOR CHANEY: Just kind of a
17 reminder for the Board. Last year, so this satellite
18 facility or minisatellite facility is within 20 miles of Del
19 Mar, the 22nd Ag District, which is the satellite, and
20 therefore requires a waiver from said satellite. Last year
21 they were able to obtain a one-year waiver, so it comes back
22 to you on a year. Normally there would be five-year
23 licenses. This year, 22nd Ag has granted a three-year
24 license -- a three-year waiver, sorry, so you will be
25 entertaining a three-year license application.

1 CHAIR FERRARO: Rick?

2 MR. BAEDEKER: Yes. Good morning, Mr. Chairman,
3 Commissioners. I'm Rick Baedeker, representing Southern
4 California Offtrack Wagering.

5 MR. CAREY: Hi. I'm John Fieri. I'm the owner of
6 Gaslamp Tavern and Betting on Fifth, which is what we call
7 our offtrack betting operation.

8 MR. BAEDEKER: Yeah, so as Scott said, it's been
9 open a year, and this is a really unique facility. There's
10 a great location in the Gaslamp District, as the name would
11 indicate. There's really two sections. There's a bar
12 downstairs, but the wagering area is upstairs, and it's kind
13 of unheard of in that area to have that much -- that many
14 square feet. It's about 1,500 square feet upstairs. And
15 they had been using it, and they still do when there's no
16 racing going on, they use it for corporate events and that
17 type of thing, tall ceilings and a great area for the clerk,
18 a secure area for the clerk in the money room, and so it's
19 an ideal location for us. And numbers are decent and
20 growing, going in the right direction.

21 Happy to answer any questions that you might have.

22 CHAIR FERRARO: There was some issue, right, about
23 some machines downstairs that maybe had access to people
24 under 21. I understand you put some signage up; is that
25 correct?

1 EXECUTIVE DIRECTOR CHANEY: Let me follow up with
2 that, Mr. Chairman.

3 On the inspection, some investigator -- our
4 investigators raised a concern regarding, I guess, the
5 machines downstairs and making sure that it complies with
6 the law that requires wagers accepted in the area that is
7 accessible only to those who are 21 years of age. So they
8 just wanted us to follow up to make sure.

9 I think you explained that folks that wager there
10 are carded. We suggested some signage, which I believe went
11 up --

12 MR. BAEDEKER: Yes, it did.

13 EXECUTIVE DIRECTOR CHANEY: -- in the last few
14 days. So I just wanted to explore that a little bit and
15 highlight it for the Board.

16 MR. CAREY: Yeah, and our bartenders are trained
17 on carding people that look like they're less than 30 years
18 old, and we are treating the machines exactly like getting a
19 drink. So if somebody goes up to the machine, if they don't
20 look like they're over 30 years old, the bartender does go
21 over and card them. And, yes, we put signs up as soon as we
22 knew that that was necessary.

23 MR. BAEDEKER: That's a good heads-up for us. I
24 know that was done years ago. The green light is on.

25 EXECUTIVE DIRECTOR CHANEY: Yeah, it probably just

1 needs to be closer to you.

2 MR. BAEDEKER: Oh, okay. People always ask me to
3 push it away.

4 EXECUTIVE DIRECTOR CHANEY: Me too.

5 MR. BAEDEKER: Yeah, so I know those signs were
6 more prevalent a long time ago. And this brings up the
7 subject, and I think we need to, you know, determine where
8 we need to refresh those throughout the system, probably.

9 CHAIR FERRARO: Is there any way you can control
10 access to those machines?

11 MR. BAEDEKER: Well, the upstairs area, yeah.

12 CHAIR FERRARO: That's not a problem, yeah, so
13 downstairs.

14 MR. FIERI: So it is a bar restaurant. We do,
15 during the day, we do allow under 21s in with their
16 families. Again, if a machine is being approached, the
17 bartenders are trained to verify age. Upstairs, where most
18 of the betting goes on, access is upstairs, and it's a
19 limited access, let's say.

20 CHAIR FERRARO: Okay.

21 MR. BAEDEKER: Is it restricted to 21?

22 MR. CAREY: Yes, the entire upstairs is restricted
23 to 21 and older.

24 CHAIR FERRARO: Okay. Any questions from the
25 Board?

1 COMMISSIONER HUDNUT: My guess is it's easier for
2 an underage person to make a bet at a racetrack than it is
3 at the bar in question.

4 MR. FIERI: I'd say that's correct.

5 MR. BAEDEKER: And, you know, in a sense, you
6 know, don't get me the wrong way, I don't mean to be
7 flippant, but it would be nice to have some younger people
8 we could actually card and make sure that, you know, they
9 are over 21.

10 CHAIR FERRARO: Any questions? No? Do we have a
11 motion?

12 VICE CHAIR GONZALES: I'll move. Gonzales.

13 COMMISSIONER HUDNUT: Second. Hudnut.

14 CHAIR FERRARO: Commissioner Stern?

15 COMMISSIONER STERN: Yes.

16 CHAIR FERRARO: Commissioner Davis?

17 COMMISSIONER DAVIS: Yes.

18 CHAIR FERRARO: Commissioner Gonzales?

19 VICE CHAIR GONZALES: Yes.

20 CHAIR FERRARO: Commissioner Alfieri?

21 COMMISSIONER ALFIERI: Yes.

22 CHAIR FERRARO: Commissioner Castellanos?

23 COMMISSIONER CASTELLANOS: Yes.

24 CHAIR FERRARO: Commissioner Hudnut?

25 COMMISSIONER HUDNUT: Yes.

1 CHAIR FERRARO: Chairman votes yes.

2 Good luck.

3 MR. BAEDEKER: Thank you.

4 MR. FIERI: Thank you so much.

5 CHAIR FERRARO: We're on five; right? Discussion
6 and action by the Board regarding the request to modify the
7 distribution of Market Access Fees from Advanced Deposit
8 Wagering for wagering conducted by Del Mar Thoroughbred
9 Club -- where are we here? -- to include a distribution to
10 be utilized to fund the California Co-op Marketing Program.

11 Josh?

12 MR. RUBINSTEIN: Good morning, CHRB Commissioners
13 and staff. Josh Rubinstein with the Del Mar Thoroughbred
14 Club.

15 As the staff analysis on this agenda item
16 addresses, with the absence of the California Marketing
17 Committee since 2020, Del Mar and TOC have allocated an ADW
18 deduction that otherwise would be paid to purses and
19 commissions for a Co-op Marketing Program. In 2025 the
20 requested deduction is 40 basis points.

21 We're happy to answer any questions.

22 CHAIR FERRARO: Mr. Nader, are you onboard with
23 this? No question.

24 Any questions on the Board?

25 We did this last year; right?

1 MR. RUBINSTEIN: Cor.

2 CHAIR FERRARO: Yeah. No public comment?

3 Can we entertain a motion?

4 COMMISSIONER STERN: Motion to approve.

5 COMMISSIONER ALFIERI: Second.

6 CHAIR FERRARO: Commissioner Hudnut?

7 COMMISSIONER HUDNUT: Yes.

8 CHAIR FERRARO: Commissioner Castellanos?

9 COMMISSIONER CASTELLANOS: Yes.

10 CHAIR FERRARO: Commissioner Alfieri?

11 COMMISSIONER ALFIERI: Yes.

12 CHAIR FERRARO: Commissioner Gonzales?

13 VICE CHAIR GONZALES: Yes.

14 CHAIR FERRARO: Commissioner Davis?

15 COMMISSIONER DAVIS: Yes.

16 CHAIR FERRARO: Commissioner Stern?

17 COMMISSIONER STERN: Yes.

18 CHAIR FERRARO: The Chairman votes yes.

19 Good luck, gentlemen.

20 MR. RUBINSTEIN: Thank you.

21 CHAIR FERRARO: Number six, discussion and action

22 by the Board on the request by NOTWINC on the Agreement to

23 use Market Access Fees for simulcast expenses not covered by

24 statutory deduction.

25 EXECUTIVE DIRECTOR CHANEY: Just one correction in

1 the staff analysis, Mr. Chairman. At the -- I think this
2 last paragraph of the staff analysis, it says that the total
3 deduction would be 3.56 percent from ADW markets access
4 fees. That's not actually accurate. The 2.5 percent,
5 that's a statutory deduction that comes from brick-and-
6 mortar wagering. The additional 1.06 percent would come
7 from ADW Market Access Fee deduction.

8 So I just wanted to make that clear for the Board.
9 The agreement to which the -- which the party signed is
10 correct.

11 MR. NADER: Chairman, Commissioners, Bill Nader
12 from the TOC.

13 This agreement requests the approval of the Board
14 for the ADW Market Access Fee deduction to cover the
15 simulcast expenses in excess of those covered by the 2.5
16 percent deduction that Executive Director Chaney just
17 mentioned from wagering at the eight northern zone satellite
18 locations during racing weeks when associations or racing
19 fairs in the central or southern zone are deemed to be
20 operating in the northern zone. The deduction provides the
21 funding required by the Business and Professions Code. And
22 the majority of the simulcast expenses relating to this 1.06
23 percent deduction go to wages and benefits for mutual
24 employees who are members of Local 280.

25 CHAIR FERRARO: Questions from the Board? Anyone?

1 No public comment?

2 Can we have a motion.

3 COMMISSIONER HUDNUT: So moved.

4 COMMISSIONER DAVIS: Davis seconds.

5 CHAIR FERRARO: Commissioner Stern?

6 COMMISSIONER STERN: Yes.

7 CHAIR FERRARO: Commissioner Davis?

8 COMMISSIONER DAVIS: Yes.

9 CHAIR FERRARO: Commissioner Gonzales?

10 VICE CHAIR GONZALES: Yes.

11 CHAIR FERRARO: Commissioner Alfieri?

12 COMMISSIONER ALFIERI: Yes.

13 CHAIR FERRARO: Commissioner Castellanos?

14 COMMISSIONER CASTELLANOS: Yes.

15 CHAIR FERRARO: Commissioner Hudnut?

16 COMMISSIONER HUDNUT: Yes.

17 CHAIR FERRARO: Chairman votes yes.

18 Item number seven, discussion and action by the

19 Board regarding the amendment to Rule 1588, Horse Ineligible

20 to Start in a Race, to establish a maximum age for racing.

21 Mr. Chaney?

22 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.

23 Chairman, and again good morning Commissioners.

24 This is an animal welfare regulation that the CHRB

25 is proposing. You may recall, last summer we had a 12-year-

1 old Quarter Horse die on the fair circuit and received some
2 negative media and animal welfare group attention and,
3 frankly, I don't think that was unfair.

4 The Southern California tracks for quite some time
5 have had a maximum age of ten years for a racehorse to --
6 and to run in a race, to participate in a race. There is a
7 split in Southern California regarding the maximum age for a
8 maiden to start, and that is five and six depending on what
9 track you're at.

10 These amendments to 1588 seek to establish a
11 maximum age for both. We canvassed all the states in the
12 country and found that there's sort of a patchwork,
13 especially when it comes to thoroughbreds and Quarter
14 Horses. Neither of those breed registries have it -- have
15 maximums, nor does HISA. The USTA for Standardbreds does
16 have it and it sets it at 14. Therefore we propose to the
17 Board a maximum age of 10 for all breeds except for
18 Standardbreds. We propose 14 for Standardbreds to match the
19 national rule, and then set the max age for maidens at five
20 which is the lower of the two split in Southern California.

21 I've worked on this in conjunction with Dr. Blea,
22 who also points out that we should limit training and, more
23 importantly, working out. This only applies to races.

24 So should the Board approve this, we will more
25 than likely bring a prohibition for these same age maxes to

1 apply to workouts at the August meeting.

2 CHAIR FERRARO: Questions from the Board?

3 Public comment? No?

4 EXECUTIVE DIRECTOR CHANEY: And if I may, if
5 there's going to be a motion made, OAL is pretty strict
6 about how they're made. So technically, what the Board
7 would be doing would be approving the proposed amendments
8 and sending the regulation out for 45-day public comment.
9 So either you can say, I motion what Scott just said or make
10 the motion, a similar motion yourself.

11 CHAIR FERRARO: I motion what Scott just said.

12 COMMISSIONER ALFIERI: I'll second it.

13 CHAIR FERRARO: Commissioner Stern?

14 COMMISSIONER STERN: Yes on what Scott said.

15 CHAIR FERRARO: Commissioner Davis?

16 COMMISSIONER DAVIS: Yes, what Scott said.

17 CHAIR FERRARO: Commissioner Gonzales?

18 VICE CHAIR GONZALES: Yes.

19 CHAIR FERRARO: Commissioner Alfieri?

20 COMMISSIONER ALFIERI: Yes, what Scott said.

21 CHAIR FERRARO: Commissioner Castellanos?

22 COMMISSIONER CASTELLANOS: Yes.

23 CHAIR FERRARO: And Commissioner Hudnut?

24 COMMISSIONER HUDNUT: Yes, sir.

25 CHAIR FERRARO: Chairman votes yes. I couldn't

1 have said it better myself.

2 Okay, discussion and action by the Board regarding
3 the proposed amendment of Board Rule 1481, Occupational
4 Licenses and Fees; Rule 1483, Application for a License;
5 Rule 1486, Terms of License; and Rule 1487, Address of
6 Licensees.

7 Mr. Chaney?

8 EXECUTIVE DIRECTOR CHANEY: Yes, thank you, Mr.
9 Chairman.

10 The Board has seen this constellation of
11 regulations before. We bring non-substantive technical
12 changes required by OAL and one administrative change we'd
13 like to make, as well, on one of the license fees.

14 This is part of a larger license overhaul that
15 created one application as opposed to three or four. It
16 narrowed the categories for licensure. It created new
17 license fees. I think it made it more efficient and more
18 obvious for licensees, and actually cheaper for stable area
19 workers, among a few other things. So lots of
20 administrative technical changes that we have to bring back
21 to the Board.

22 If approved, what you would be doing is approving
23 the proposed changes or amendments and sending it out for a
24 15-day public comment as it will be the second time heading
25 out.

1 CHAIR FERRARO: Very well. Do we have questions
2 from the Board? No.

3 COMMISSIONER ALFIERI: Make a motion to approve.

4 EXECUTIVE DIRECTOR CHANEY: Do you mind saying and
5 send it out for 15-day public comment?

6 COMMISSIONER ALFIERI: And sending it out for 15-
7 day public comment.

8 EXECUTIVE DIRECTOR CHANEY: Staff appreciates it.
9 Thank you.

10 CHAIR FERRARO: And do we have a second?

11 COMMISSIONER HUDNUT: Second.

12 CHAIR FERRARO: Commissioner Stern?

13 COMMISSIONER STERN: Yes, per Scott's comment.

14 CHAIR FERRARO: Commissioner Davis?

15 COMMISSIONER DAVIS: Yes.

16 CHAIR FERRARO: Commissioner Gonzales?

17 VICE CHAIR GONZALES: Yes.

18 CHAIR FERRARO: Commissioner Alfieri?

19 COMMISSIONER ALFIERI: Yes.

20 CHAIR FERRARO: Commissioner Castellano?

21 COMMISSIONER CASTELLANOS: Yes.

22 CHAIR FERRARO: Commissioner Hudnut?

23 COMMISSIONER HUDNUT: Yes.

24 CHAIR FERRARO: And the Chairman votes yes.

25 Okay, what are we on, number nine, huh?

1 Discussion and action by the Board on the approval of the
2 formula and agreement to provide funding for the CHRB for
3 fiscal year 2025-2026. The most important item on the
4 agenda here.

5 Mr. Chaney?

6 EXECUTIVE DIRECTOR CHANEY: Yes. So this is --
7 the Board support formula is for basically funding the
8 California Horse Racing Board. As you may recall, as the
9 Board might recall, as the Board recalls, we're a specially
10 funded department, funded through wagering. Each year,
11 typically, the stakeholders come up with a formula, sign an
12 agreement based on, you know, based on wagering, and the
13 Board approves it. Last year, it was a little more
14 contentious. We had to examine the law and actually apply
15 the law that requires direct costs.

16 This year, however, stakeholders have come
17 together and agreed on a formula. It largely mirrors the
18 one that the Board imposed last year. There is one change
19 to the agreement. In your packets, the 0.96 percent of
20 Market Access Fees should apply to 0.96 of ADW handle. I
21 had the parties redo an agreement, and we have received that
22 completed agreement.

23 And I guess that's it. It was refreshing to work
24 with all of the stakeholders this year around and have some
25 consensus and agreement.

1 I should also mention that we applied for a BCP
2 this year, a negative BCP, so our budget is actually lower
3 than it was last year. We eliminated three positions in
4 Northern California because the contraction of racing. Lots
5 of folks hadn't heard of a negative BCP in state government,
6 but apparently it exists, and our budget is lower this year
7 for the first time possibly ever, but certainly in the last
8 10 or 12 years.

9 CHAIR FERRARO: Questions from the Board?

10 VICE CHAIR GONZALES: I've just got a quick
11 question for Scott on that.

12 The office, I brought this up before, the office
13 across the street here, probably bigger than we really need.
14 Is there any progress on right-sizing that office so we get
15 into a better lease?

16 EXECUTIVE DIRECTOR CHANEY: Yeah, it was a
17 little -- it is a little bit larger than we needed up until
18 about three or four months ago. As everybody knows, there
19 was a -- most folks were working telework. There was a two-
20 day in-the-office requirement. About two months ago, the
21 governor put out an executive order requiring folks to
22 return to the office four days a week, which is set to go
23 into effect July 1st.

24 Therefore, we now need the office space, so in
25 some ways we sort of -- we're a beneficiary of not

1 downsizing, because lots of other departments now are having
2 to scramble because they've dumped office space and, you
3 know, find enough for their employees. So at least for the
4 time being, I think it's sufficient space and don't need to
5 move.

6 VICE CHAIR GONZALES: Okay. Thanks for that
7 update.

8 CHAIR FERRARO: Peter?

9 COMMISSIONER STERN: So to confirm, we're not
10 receiving any funding from the California General Fund?

11 EXECUTIVE DIRECTOR CHANEY: We don't. We're
12 entirely funded by the horse racing industry through
13 wagering.

14 COMMISSIONER STERN: Thank you.

15 CHAIR FERRARO: Anyone else? Nothing? Do we have
16 a motion?

17 COMMISSIONER HUDNUT: So moved.

18 COMMISSIONER DAVIS: Davis seconds.

19 CHAIR FERRARO: Commissioner Stern?

20 COMMISSIONER STERN: Yes.

21 CHAIR FERRARO: Commissioner Davis?

22 COMMISSIONER DAVIS: Yes.

23 CHAIR FERRARO: Commissioner Gonzales?

24 VICE CHAIR GONZALES: Yes.

25 CHAIR FERRARO: Commissioner Alfieri?

1 COMMISSIONER ALFIERI: Yes.

2 CHAIR FERRARO: Commissioner Castellano?

3 COMMISSIONER CASTELLANOS: Yes.

4 CHAIR FERRARO: Commissioner Hudnut?

5 COMMISSIONER HUDNUT: Yes.

6 CHAIR FERRARO: Chairman votes yes.

7 Okay, item number 10, discussion and action by the
8 Board regarding the request for allocation of racing dates
9 by the Humboldt County Fair at Ferndale from August 13th to
10 September 2nd, 2025.

11 Go ahead.

12 MR. SCHMITT: I think I'll start out for us. I'm
13 George Schmitt. I'm managing partner of the Bernal Park
14 Racing LLC. We, John Harris and I, established this
15 company --

16 COURT REPORTER: I'm sorry. Your (indiscernible)
17 is touching the microphone.

18 MR. SCHMITT: Sorry. Thank you.

19 John Harris and I established Bernal Park Racing
20 as a replacement for CARF when CARF decided they were not
21 going to go forward asking for racing dates.

22 I know that this Board, and I will not argue with
23 the wisdom of the Board, denied dates for Alameda County
24 Fair a few months ago. And you're probably right in doing
25 that because all the horses had left California, or most of

1 them had left California, gone to Emerald Downs.

2 But what's important for you to know is this past
3 weekend, the attendance at the Alameda County Fair was down
4 by over 45 percent. On Sunday, a day where they usually
5 have north of 35,000 people there, 13,000 people attended.

6 Anybody who thinks that the fairs can survive
7 without horse racing is wrong. And I think that applies to
8 all of the Northern California racing fairs. And for people
9 who think that the state of California can continue to have
10 racing with everybody being forced to the south, I'd ask you
11 to just consider why it is that 500 of the 800 horses, 800-
12 plus horses that were in Pleasanton on January 1st, are now
13 in some other state. They're not here anymore.

14 We have commitments from trainers in Washington
15 where most of the Cal-Breds went when we shut down
16 Pleasanton to support Humboldt County, and that's over 250
17 horses, not counting what Mr. Harris and I will send there.

18 Last month, we were here requesting dates during
19 the fair. The Board saw fit to deny those. We are hopeful
20 that we can get that corrected today.

21 The number of jobs, union jobs up in Humboldt
22 County, the number of people that are not going to get to
23 work is significant and is, in my opinion, not fair to the
24 workers.

25 We have -- I know that some people are concerned

1 about whether we have the proper management. I told you
2 last month, and Mr. Swartzlander is here at the table with
3 us today, that we have hired virtually the same group of
4 people that have run fairs in Northern California for the
5 last 27 years. Mr. Swartzlander has more time -- has
6 managed more race meets than any other racing manager in
7 this state, well over 90 now, and he will be in charge of
8 what happens in Humboldt County and other county fairs that
9 continue to do horse racing.

10 Senator McGuire was planning to be here this
11 morning. He called half an hour ago and said that he could
12 not be here because of business on the Senate floor this
13 morning. He is in full support of horse racing here.

14 I understand the governor also is in support of
15 horse racing in Northern California. I don't think he knew
16 until the past week that the opposition to horse racing in
17 Northern California was shutting down the fairs.

18 You know, and it still continues, that Bernal Park
19 Racing has the financial support behind it to take care of
20 all the requirements up front. And if the fairs don't make
21 enough money to pay us back what we forward out for them to
22 run their fairs, then we'll take a loss. The State of
23 California is no longer on the hook for anything with any of
24 the fairs where Bernal Park Racing is taking care of them.

25 I've heard noises about people saying that we don't

1 know how to maintain a track. Steve Woods has maintained
2 tracks all over this state for the last 35 years or more.
3 He is going to be coming back from Wyoming to take care of
4 the tracks that we operate in Northern California at the
5 fair.

6 I'm hopeful that you'll consider, again, what we
7 need, the dates that we need to run at Humboldt County. I
8 would remind you that the Humboldt County Fair has 128
9 consecutive years of horse racing, more than any other track
10 in the state, and hopefully we'll have 129th year this year.

11 With that, I'll stop talking.

12 Greg, if you have anything you'd like to add, or
13 Larry, please.

14 MR. GOMES: Hi, my name is Greg Gomes. I'm here
15 representing the Humboldt County Fair. I'm on the board.

16 First of all, I'd like to -- Andy Titus, which
17 you're used to seeing here, had some family obligations
18 today, so that's why he's not here.

19 But basically, we feel we have the support of the
20 community, we have the support of the horsemen and women in
21 this, and then everybody else in the industry. We're just
22 asking for a chance to run, to build upon something for
23 2026.

24 So I'm here to answer any questions you have
25 regarding the Humboldt County Fair. But basically, we

1 believe that we can, with Bernal Racing and the support, we
2 believe we can get the horses to run a good meet, and we
3 think we can have a successful meet in 2025. We are just
4 asking for a chance.

5 MR. SWARTZLANDER: Good morning. Larry
6 Swartzlander, Director of Racing at Bernal Racing. You all
7 know me very well.

8 I've had the opportunity the last two months to
9 listen to the questions from the Board, you know, as to what
10 the criticisms of these meet would be. Let me try to give
11 you a thumb sketch of what -- where we're at, and I'd like
12 to conclude with talking a little bit about the strategic
13 future of fair racing. I won't go into trying to replace
14 Golden State Racing at this time. That's another step in
15 the future, but at least at the beginning of this year,
16 there was still an agreement between the north and the south
17 that we wanted to continue fair racing, and that sort of
18 fell apart there in the first few months of this year.

19 The first key is here that a strategic plan, I
20 know that Commissioner Hudnut and Commissioner Alfieri and
21 Castellano brought it up, is quite clear: What's our plan?
22 Where are you going to go? What's the future? What are you
23 going to do different here?

24 Well, the first thing is that we have to focus on
25 fair racing, and fair racing has to have a slot in the

1 calendar, and that slot in the calendar has always been the
2 summer, mid-June to mid-October. And what we need to do is
3 fill that slot, but not to conflict with other major tracks.

4 And, well, unless Los Alamitos is a concern, and I
5 won't go into what's going on at Santa Anita, it's the one
6 circuit, we can take or leave it, how you want to deal with
7 that, but there are horsemen running down there. And just
8 briefly mention that I believe in the numbers I have is a
9 lot of -- 553 starts down there. We've had like 58 wins, 8
10 percent. So whether it's successful or not, I don't want to
11 go into that.

12 I want to go about what fair racing is, the
13 future. There's a strong sentiment still in the north, the
14 horsemen, and what we've done is put a calendar here where
15 we've linked three weeks at Fresno, followed by three weeks
16 at Humboldt. And these -- and the particular calendar here
17 is to give a block of dates, at least for 2025, where
18 horsemen can come to Northern California and expect to find
19 a place to race.

20 The reason it's very conducive this year is that
21 Emerald Downs shuts down September 7th, Wyoming Downs shuts
22 down August 28th, you have Zia Park, Turf Paradise, the
23 tracks where, you know, 500 of these 800 horses have gone
24 to, so there's a void.

25 And, you know, we've had a committee within Bernal

1 Racing which consists of Johnny Hilvers from the Harris
2 Ranch, Greg Gomes and Andy Titus from Humboldt, Tom
3 Doutrich, my racing secretary, and myself, you know, we've
4 contacted all the trainers that we know would be interested
5 in racing in Northern California, and the 35 of them
6 committed to at least 350 horses for this meet. So, you
7 know, that's a positive sign. How many will come back from
8 Santa Anita, I don't know at this point, but we feel
9 confident we have the horses. We have a slot where there's
10 time for these horses to run, six weeks.

11 The other big plus in this, also, will be that
12 Humboldt County Fair will have the same overnight purses as
13 Fresno. And that's a big plus for the horsemen because now
14 you're not looking at leaving a fair which has had purses
15 comparable to Golden Gate Fields and going to Humboldt where
16 you had a 40 percent reduction in purses. This way you're
17 looking at six solid weeks where you get the purses that
18 were in 2024 at the fairs, and I think it's a very positive
19 point for the horsemen.

20 So we've got a slot in the fair that we can use in
21 2025 and feel confident that we can fill it with the horses.
22 The fairs, the ones that are pushing it, they want to race.
23 We have the financial backing in Bernal Racing.

24 The other one is, what are we going to do in 2026?
25 What's the next step? Well, what are the other fairs going

1 to do? We talked to Santa Rosa. Santa Rosa wants back in.
2 Santa Rosa wants to race. Pleasanton, they want to race.
3 Cal Expo, unfortunately at this point, is a situation where
4 they've officially notified me that they're not considering
5 racing in 2026, but tomorrow is another day.

6 So in 2026, I would come back to you with a block
7 of dates from mid-June to mid-October to where at least the
8 four major races, fair races, would carry the burden. And
9 with Santa Rosa in there, obviously more emphasis would go
10 to extending their meet from three weeks to five weeks
11 because you've got a void, and they've got a turf class --
12 turf course. So that's what I'd look at for 2026.

13 Going back on a couple questions on 2025
14 personnel, I've already personally contacted several key
15 people, you know, whether it's test barns, you know,
16 starting gate, racing office. We have the people all lined
17 up. I have all the contractors lined up. I've talked to
18 Bill Nader on the side of the TOC, and obviously there's a
19 lot of conversation that has to go on there and the CTT.

20 On the other side, racetrack maintenance, you
21 know, Steve Wood is going to be our supervisor. At this
22 point, just to be blunt with you, we physically have one
23 water truck, one harrow, one equine horse ambulance that we
24 physically own. On the other side of that, we're in
25 negotiations with Emerald Downs to purchase two Haros, and

1 also we're in negotiations with Wyoming Downs. Wyoming
2 Downs was the organization that purchased all the CARF
3 equipment, and they're willing to either sell back some of
4 that to us or lease whatever we need for the meet.

5 So I feel confident we have all the resources to
6 run the meet. The question will always come down to, again,
7 it's like the handle, you know. I've got the projections,
8 you know, we did last year at Fresno. I got the projections
9 we did back from Golden State Racing in the September to
10 October time frame. I have good numbers, you know, and what
11 I see at this point with the dates we've chosen and the
12 number of races we were going to put out, that, you know,
13 this will be, both meets will be successful financially.

14 But go ahead, sir.

15 CHAIR FERRARO: (Off mic) -

16 EXECUTIVE DIRECTOR CHANEY: Your microphone.

17 CHAIR FERRARO: -- that having a Humboldt County
18 Fair race meet during the fair wouldn't be financially
19 sustainable. What makes you think with no fair that you're
20 going to be able to draw enough people?

21 MR. SWARTZLANDER: Well, even the Humboldt County
22 Fair, you know, they have good crowds. But we all know that
23 60 to 70 percent of the handles ADW, and that's where it
24 comes from. And if you provide good fields and quality
25 races with raising your purses, you'll change that, the

1 complexion of what people think about the Humboldt County
2 Fair during that time frame.

3 CHAIR FERRARO: So it comes down again to
4 simulcast revenues, which between you and this proposal and
5 the one from Fresno, you're basically cannibalizing Los
6 Alamitos.

7 MR. SWARTZLANDER: Well, we've talked to Doc
8 already. He's quite reasonable and says that, you know,
9 he'd support us. He doesn't feel that it's an impediment to
10 his operations, and he supports, he supports our dates.

11 CHAIR FERRARO: Okay. Questions from the Board?
12 Go ahead.

13 VICE CHAIR GONZALES: I've got just two quick
14 questions.

15 Larry, the Del Mar condition book that came out
16 excluded the lower rung that Santa Anita is supported, but
17 Del Mar, for some reason, has chosen not to. Do you think
18 those lower caliber horses would have an ability to compete
19 at Ferndale, giving them a place to kind of prove
20 themselves?

21 MR. SWARTZLANDER: Oh, absolutely. There's no
22 doubt.

23 VICE CHAIR GONZALES: Okay, second question,
24 Larry, and thank you for that, is who do you have lined up
25 to manage the ADW signal? I know last time -

1 MR. SWARTZLANDER: I talked personally to Scott
2 Daruty and he said they will support us, Monarch.

3 So 1/ST Racing/Monarch, synonymous, is agreed, and
4 we know that didn't happen last time.

5 MR. SWARTZLANDER: Verbally, on the phone, we
6 talked.

7 VICE CHAIR GONZALES: Yeah, okay, well, great.
8 Now, that would be a plus. I mean, that then expands the
9 signal from Humboldt, and especially as you get closer to a
10 milestone year. So, yeah, thank you guys. Great, great
11 presentation.

12 CHAIR FERRARO: Anyone else?

13 EXECUTIVE DIRECTOR CHANEY: If I can ask a few
14 questions.

15 CHAIR FERRARO: Yeah, go ahead.

16 So how many horses do you expect, and like what --
17 I know George mentioned 250, you said 350, and where are
18 they coming from?

19 MR. SWARTZLANDER: All I can tell you, you know,
20 Mr. Chaney, is that, you know, of the 35 trainers, that they
21 committed, 350 horses. You know, we all know that in the
22 past, when you talk to people early on, you know, what
23 actually shows up. I mean, at times -- this is a different
24 era. This is a situation, we're talking to people that want
25 to race. They've raced in Northern California. It's not

1 talking to people in Oregon that you don't know where
2 they're going to go after you get done talking to them,
3 because they don't have a commitment. But this is where
4 they race, this is where their relatives are, this is where
5 their families are, this is where they want to be.

6 EXECUTIVE DIRECTOR CHANEY: Where do the horses
7 go, I think I asked this last time, too, after Ferndale,
8 presumably Fresno, then let's say after Fresno, where do
9 they go then?

10 MR. SWARTZLANDER: Well, Fresno, we ship to
11 Ferndale for three weeks.

12 EXECUTIVE DIRECTOR CHANEY: Sorry, after Ferndale,
13 then where do they go?

14 MR. SWARTZLANDER: Well, at Ferndale, no, we would
15 offer no more racing.

16 EXECUTIVE DIRECTOR CHANEY: Is it -- October's
17 the --

18 MR. SWARTZLANDER: But you got to understand,
19 then, too, that, as I said, the model (Indiscernible).

20 EXECUTIVE DIRECTOR CHANEY: I understand a lot.

21 MR. SWARTZLANDER: Yeah. Yeah. I'm just saying
22 that, for example, Turf Paradise opens up. Most of them go
23 to Turf Paradise. Then Emerald Downs open up a little bit
24 later, and they go there. So it's trying to create -- in
25 looking at the strategic plan, we're looking at how do we

1 want to fit in with racing, not only in California, but
2 within the racetracks around, surrounding California.

3 EXECUTIVE DIRECTOR CHANEY: Right. No, I think
4 that's the way to do it.

5 MR. SWARTZLANDER: Yeah.

6 EXECUTIVE DIRECTOR CHANEY: I mean, you'll damage
7 LaSalle's product, of course, right, if you draw -- I mean,
8 they're up 12 percent in the month of May, but a lot of
9 those horses will head back up, which is good for you,
10 probably bad for them, though; is that fair?

11 MR. SWARTZLANDER: Yeah, I mean, it's a -- you
12 know, the number of horses we've actually got during our
13 meets from Los Al is always very small.

14 EXECUTIVE DIRECTOR CHANEY: Is it realistic to
15 run -- that you can run seven days on 250 horses in three
16 weeks? My concern is this, 250 horses is not enough to
17 support seven cards. It's not, it's simply not. I mean, I
18 think if, if anybody does a fair analysis, that's not going
19 to happen.

20 So then what happens is, let's say you put two
21 cards together, and that would be my over-under. It becomes
22 a simulcast boon; right? You just get three weeks of
23 simulcast money. Is that like an unfair analysis or --

24 MR. SWARTZLANDER: Well, to give you an example,
25 in Humboldt, I've run meets at Humboldt, we've had 215

1 horses, you know? But obviously, we don't want to run them
2 every week. And, I mean, a good, honest answer, you know,
3 and I'm not the breeder, but -- and the trainers, but you
4 got to have at least 325, 350 horses.

5 EXECUTIVE DIRECTOR CHANEY: Hmm-hmm.

6 MR. SWARTZLANDER: But you can make the meets go.

7 But, you know, this is another point I'd like to
8 make, too, is that, you know, if we don't race in 2025, if
9 the fairs don't show that they want to continue on in this
10 business, I think the door is closed. I mean, we can sit
11 here, and then come back in 2026 and they give you another
12 calendar, you know? If it's going to be the same
13 criticisms, it's not going to work. It's going to be worse,
14 because we know all in this business, when you close, or any
15 business, once you close them, it's difficult to reopen.

16 EXECUTIVE DIRECTOR CHANEY: Right. No, that's
17 fair. I think the window is brief. I don't know what it
18 is, it's a year tops, or something. If we want to revive a
19 Northern California circuit, it has to happen soon, for
20 sure.

21 One other like logistical question. So Bernal
22 Park is the race meet operator, but it's still the Humboldt
23 County Fair?

24 MR. SWARTZLANDER: Fair license, yes.

25 EXECUTIVE DIRECTOR CHANEY: Okay. And then who

1 reaps the benefits then? Let's say it does turn out to be a
2 simulcast boon. Is that Humboldt County Fair or does that
3 go to Bernal Racing? How does that work?

4 MR. SWARTZLANDER: I'll defer to Mr. Schmitt.

5 EXECUTIVE DIRECTOR CHANEY: Okay.

6 MR. SCHMITT: That money will stay with Humboldt
7 County or we will likely pool, assuming Fresno and Humboldt
8 both get states, we'll likely pool that. As you know,
9 Humboldt, last year, covered the deficits in, particularly,
10 in Alameda County last year in the purse structure. They
11 won't have to cover that this year. But I believe that the
12 two fairs will be better off pooling the purse money and the
13 commissions to pay the expenses.

14 If there's excess purse accounts, of course, that
15 gets distributed back to people in the same manner that they
16 got their money. If there's sufficient funds and
17 commissions to -- for excess, that will be up to the county
18 fairs to decide what they want to do with that.

19 Bernal Park Racing is not in the business to make
20 money. We're in the business to support horse racing,
21 period. We're just a front. And our plan next year is as
22 many fairs as want to run, we will give them the seed money,
23 and then I would hope that the fairs decide that they want
24 to come together and own Bernal Park Racing, and John and I
25 will gracefully back out, assuming we're still alive,

1 because given that I'm going to be 82 in a few weeks, you
2 never know. And John is three days younger than me, so he
3 has a better shot, I guess.

4 EXECUTIVE DIRECTOR CHANEY: Thank you, all.

5 MR. SCHMITT: And by the way, Scott, if I might,
6 the 253 horses that I was talking about and the trainers
7 that were sending them, those are from Emerald Downs. That
8 does not include horses from Wyoming. I know some of them
9 will come to Humboldt and Fresno because they're mine. I
10 know that Mr. Harris will be having his normal Northern
11 California trainers shipping up there, so I'm a lot less
12 concerned about getting enough horses.

13 The way I count it, we need about 65 a day to run
14 a meet. Most people, if it's a three-week -- if it's a two-
15 week meet, it's a problem. But a three-week meet, people
16 can run the third week with some of their older horses,
17 so --

18 CHAIR FERRARO: I have been told that the racing
19 secretary at Emerald Downs was having a hard time because he
20 only had a hundred horses to work with. Your numbers are
21 much higher.

22 MR. SCHMITT: I don't know. He's got more horses
23 than he's ever had in the last ten years right now, and most
24 of them ours.

25 CHAIR FERRARO: Any questions on the Board?

1 VICE CHAIR GONZALES: Just one quick comment.

2 You know, Scott, thank you for your questions, and
3 all warranted. I know you're the guy that has to look out
4 for, you know, things that maybe we'll miss. But you got to
5 remember that these gentlemen did not ask to be put in this
6 situation. There's been a lot of dynamics and forces that
7 have really, really worked against them and their Northern
8 California horseman counterpart.

9 So I just want to just, you know, preface this
10 conversation around ,one, they're embracing innovation,
11 they're putting up a lot of their own money, a lot of
12 leadership, a lot of political support, you know?

13 So I really just want to say thank to each of you.
14 I know there's a lot of people listening in and a lot of
15 people here in this room and you guys are really trying to
16 make the best of a tough situation that was forced upon you.
17 So, you know, again, thank you.

18 And, Scott, I know you have a job to do, so thank
19 you for asking your questions.

20 CHAIR FERRARO: Okay, we'll hear from the public
21 now.

22 Francis O'Leary, you can come to the podium and
23 introduce yourself.

24 MR. O'LEARY: Hi. Good morning, Commissioners.
25 My name is Francis O'Leary. I'm an owner and breeder here

1 in Northern California. And I'm here this morning to
2 support these gentlemen here in front of me. And I'd like
3 to thank George and John Harris for putting up the money
4 for -- to create racing for the fairs and try and continue
5 this year and continue on to next year.

6 It's very important that there's some place for us
7 to race the cheaper horses. We tried Santa Anita. We went
8 to Santa Anita, we tried. We entered horses there. We
9 couldn't get them in a lot of the time. I came to the
10 meeting here, I brought it up here at a meeting here back in
11 February about the lack of races for the cheaper horses.

12 Then we ended up having to take our horses out of
13 there. We went to Turf Paradise. We're now in Emerald
14 Downs and we want to come back here and race here in
15 California. We've been breeding horses here for years. All
16 my horses are all Cal-Breds. I want them to race in
17 California. And if there is no place for them to race, well
18 then we're going to have to get out of the business
19 completely. And right now, I'm actually even looking at
20 what are my options for breeding in some other states
21 because there is -- I don't see no options here for the
22 cheaper horses.

23 You're talking about Los Alamitos. The races in
24 Los Alamitos are only four and a half furlongs, a thousand
25 yards. A lot of the cheaper horses, we need to go longer,

1 six furlongs, six and a half, and there needs to be some
2 place for them to run.

3 So I respectfully ask that you approve these dates
4 and so that we have somewhere to race this year and next
5 year. So I thank you for your time.

6 CHAIR FERRARO: Thank you.

7 Paddy Brogan.

8 MR. BROGAN: Good morning, Mr. Chairman and
9 Commissioners. My name is Paddy Brogan. I came to this
10 country in 1986 and I started breeding. I bought my first
11 mare about two years later and since then I've been breeding
12 horses, racing horses at every fair, Stockton, Peleo
13 (phonetic), Pleasanton, Fresno, Ferndale, Golden Gate
14 Fields, Bay Meadows, wherever, you know? And I've had quite
15 a bit of success, but I pumped a lot of money into it also.

16 And as my fellow, Francis O'Leary said, we have
17 the cheaper horses but they deserve a place to run, too, you
18 know? And our trainers, some of the best in the land, are
19 struggling because they're moving up and down all over the
20 place, you know? One trainer that trains for me, he has
21 horses in Santa Anita, he has horses in Emerald Downs, and
22 he lives in Pomona, so he's all over the shop (phonetic), a
23 young married man.

24 But anyway, I would respectfully ask the Board to
25 please allow the fairs to run so that we can get our cheap

1 horses and keep the employment going in California. Thank
2 you.

3 CHAIR FERRARO: Thank you.

4 Rex Bohn.

5 MR. BOHN: Good afternoon and thanks for being
6 here. Rex Bohn, District Supervisor, Humboldt County First
7 District. Fairgrounds lie right in the middle of my
8 district. I'm a five-term district supervisor, I've been
9 going to that fair for 60-plus years. My neighbor, and his
10 son is my best friend, owned horses, so you got to go every
11 day.

12 I looked at the mission statement because I always
13 like to see what the mission statement is and how we're
14 following it. And the mission of the California Horse
15 Racing Board is to ensure the integrity, viability, and
16 safety of the California horse racing and promoting horse
17 racing, breeding, and wagering opportunities. By cutting
18 these opportunities, it doesn't fill the bill on any of
19 those. And I know you have a tough deal, but it says you're
20 supposed to promote horse racing for the whole state.

21 Born and raised 70 years ago in Humboldt County, I
22 don't know if any of you spent more than five nights there
23 in your whole lives and you all look like seasoned veterans,
24 we're up in the north, we're forgotten. But 128 years,
25 you're regulating an industry that started in our backyard.

1 It started in our backyard.

2 One of our biggest problems in this state is we
3 forget where our roots are from. We forget where we
4 started. And then when we get bigger, we kind of forget.
5 You know, 2010 -- or 1910, Humboldt County was the largest
6 agricultural. So you need to keep some of this in mind when
7 you're thinking about this.

8 I've got a letter here, and I think you guys all
9 have it, but he wasn't allowed to speak last time, from
10 Senate Pro Tem Mike McGuire promoting this. He promoted
11 last month. He's promoting again the horse racing up there.
12 I hear all the reasons why we can't do -- there's a whole
13 bunch of things we shouldn't do anything, but there isn't
14 any reason I have heard that says we shouldn't try to do
15 this.

16 You've had, God, I love those guys' accent.

17 (Timer beeps.)

18 MR. BOHN: Is that done or 30 seconds or a nuclear
19 attack?

20 CHAIR FERRARO: Finish up.

21 MR. BOHN: Okay. But what I'm saying, I implore
22 you guys, it was said last time, what do we do? Mr.
23 Castellanos asked, what do you do with the workers? Well,
24 the workers are brought in with the horse trainers. They
25 work for the horse trainers. What we do is we give them an

1 oyster feed. We feed them breakfast two mornings. I cook
2 over 500 oysters for them. We have a fish fry. We provide
3 on off days. They have a pretty good -- in fact, they
4 probably have trouble making weight more than anything.

5 But with that being said, at the end of the meet,
6 they pack up, go with their employer to the next race, is
7 what they do with the workers, except for the two or three
8 that are lost every year that go to work in our agriculture
9 industry, the dairy industry. They love Ferndale so much,
10 they stay. They stay.

11 So that's what the -- you know, we're the
12 Victorian village, you know, the prettiest painted town
13 three times by the major paint -- by a major paint company.
14 It becomes a staycation. And I'm fully aware. I was
15 president of the 9th District Ag Association for 9 years, on
16 the Board for 12; all nine years, we had a very active
17 satellite wagering facility in Ferndale.

18 CHAIR FERRARO: Okay, Rex, thanks very much.

19 MR. BOHN: I appreciate your idea (phonetic) on
20 this --

21 CHAIR FERRARO: Your time is up.

22 MR. BOHN: -- and giving us a chance.

23 CHAIR FERRARO: Morgan Fussell.

24 MR. FUSSELL: Yes. Hi. Morgan Fussell, Hoof Pick
25 Racing Partners. I live in California, a small breeder.

1 Actually, one of my second homebreds was born at Harris
2 Farms, bred at Harris Farms, Smiling Molly, actually won
3 five races with over 200 -- you know, over \$200,000. I had
4 to ship her to Kentucky. There's not a lot going on here in
5 California.

6 The integrity, promoting racing, Commissioners,
7 Mr. Chairman, Commissioners, you've heard from me through
8 the years, I'm a small guy; right? I grew up with three
9 Hall of Famers. I worked in racing. I'm back in racing.
10 We have forgotten about fair racing. I mean, they've been
11 here forever. They've been here forever. But what's
12 happened is the economies have changed; right? Everything
13 has changed. We haven't supported the racing, the funding,
14 the alternative funding. TOC, we put the TOC in a box.
15 What else are they going to do without alternative funding;
16 right?

17 The historical horse racing machines, the model is
18 there in Kentucky. There are four and a half million
19 people, the four and a half million people that generate two
20 point nine billion, three billion a year with sports
21 wagering and with historical horse racing machine. The tax
22 base is \$46 million, \$46 million in Kentucky, multiply it
23 eight times here, \$37 million. Our governor needs help.
24 This is trouble.

25 Gambling; one out of five people in the United

1 States gamble; right? They gamble. In California, they
2 still gamble, but it's illegal to gamble in California. We
3 need to capture that revenue. Why hasn't that been done?
4 We've talked and talked. HHRs, it's a parimutuel game, it's
5 not a slot machine.

6 We need to help this race meet. I think every
7 license you guys ever give, moving forward, needs to
8 include, and OTBs, wherever, should include HHRs. Let's
9 help these people. We can't continue to lose labor. These
10 people, that's their lifeblood. You know, people grew up,
11 these people, it's a lifestyle. Hall of Fame trainer, Bill
12 Mott, I know him. He was interviewed. That's a lifestyle.
13 People work on these racetracks, five, ten, fifteen, twenty
14 years. This is a great state. California is a great state.
15 We need to help racing. The breeding, look at the breeding.

16 Commissioners, I just asked that, hey, let's give
17 these guys a shot, I mean, and then let's build on it. We
18 have Golden Gate Fields set in there. You know, I never met
19 Belinda Stronach, but do you think she would have sold that
20 racetrack or stopped racing if she would have had HHRs and
21 sports? I mean, there needs to be partnerships and people
22 all get in the same tent.

23 CHAIR FERRARO: Okay.

24 MR. FUSSELL: Let's promote racing.

25 CHAIR FERRARO: Okay, Morgan, finish up, please.

1 MR. FUSSELL: Yeah. Yeah. I thank you all very
2 much, but please approve. Please approve these dates. And
3 I'll speak very briefly on the Fresno next time because you
4 heard from me already, but I thank you all. You're in a
5 tough spot, but let's go back to the governor and let's
6 recommend. Let's help. Let's help the state. Let's help.
7 Let's make some money. And marijuana was legalized in 2018.
8 Let's legalize sports and help everyone.

9 Thank you all very much.

10 CHAIR FERRARO: Okay, Morgan. Thank you very
11 much.

12 MR. FUSSELL: I appreciate you all. Thank you. .

13 CHAIR FERRARO: I'd like to hear from TOC and
14 Santa Anita and Del Mar now. Gentlemen, take your seats and
15 we'll ask the others to come up for comments.

16 MR. NADER: Thank you, Chairman. I'll start.
17 Bill Nader from the TOC. And to be clear, we're speaking
18 about item 10, which is the application for allocation of
19 dates for Humboldt County Fair.

20 And on that item, I just want to try to set the
21 record straight and also acknowledge the disconnect that I
22 see here, because in any application from a fair, normally
23 the connection would be to the fair, right, racing with the
24 fair. As mentioned earlier by Mr. Schmitt, as he noted,
25 attendance works hand-in-hand when racing in a fair are in

1 collaboration. To separate horse racing from the Humboldt
2 County Fair, we know that -- what that will do to
3 attendance, as mentioned by Mr. Swartzlander. And with no
4 or very limited attendance relying on ADW handle, what we
5 know in the past, year after year, Ferndale really doesn't
6 generate ADW handle, and with good fields, he mentioned, but
7 good fields need horses, and that's really the problem here.
8 There just aren't horses.

9 And I need to note that a lot of the horses that
10 run at Ferndale, as we all know, come from Oregon, and
11 Grants Pass will be running during this time. They have
12 eight race days in September, and they have four race days
13 in October. So the competition is not just within
14 California with Los Alamitos, it's also with Grants Pass in
15 Oregon at this particular time of year. So the separation
16 or the disconnect of now trying to go the unorthodox route
17 and separate the fair from the racing, you know, I just, I
18 don't -- I can't even imagine having the conversation.

19 Now in terms of horse population, in all the
20 speculation about how many horses are coming, I did speak
21 with Bret Anderson, who's the racing secretary at Emerald
22 Downs, over the past few days. Initially, he told me the
23 number of horses from Northern California at Emerald Downs
24 currently was a hundred. He then came back two days ago
25 and -

1 (Off mic comments from the public.)

2 MR. NADER: Well, well, this is -- let me -

3 CHAIR FERRARO: Quiet down.

4 MR. NADER: -- let me state the source again so
5 everybody can hear. Bret Anderson, the racing secretary at
6 Emerald Downs, if you think you know better than him, have
7 at it, but he's the guy. He came back to me two days ago
8 and said he did a deeper dive and the number is actually
9 160. So we're talking about 160 horses from Northern
10 California. That's the actual number. And even if those
11 horses were to come back and think that they're going to
12 really help Humboldt County --

13 UNIDENTIFIED MALE: Fact check.

14 MR. NADER: -- it's -- you know, a fact check is a
15 good thing. It would be a great thing at these Board
16 meetings if we had a bell that we could ring every time
17 somebody said something that wasn't factual, because the
18 bell would be going off like crazy. But when you're
19 doubting or questioning --

20 CHAIR FERRARO: Let's have the audience be quieter
21 or I'm going to ask you to leave.

22 MR. NADER: -- when you're questioning the racing
23 secretary who's on the grounds, and that's his job at
24 Emerald Downs, and that's the source, you know, I just think
25 it's wrong.

1 As far as cheaper races, at Santa Anita, over the
2 classic Meet and the spring Meet, there were a hundred and
3 five races that were restricted to horses from Northern
4 California. The bottom claiming prices, and there were many
5 of these races, were maiden claiming \$8,000 and \$5,000
6 claimers for non-winners of two lifetime. Now that, by
7 extension, was as big a welcome wagon as you could hope for.
8 Those are for the lesser horses, maiden claiming \$8,000 and
9 \$5,000 claiming non-winners of two.

10 So on Sunday, I think it was race two, if I
11 recollect correctly, there was a race that was not
12 restricted to Northern California horses. It had a field of
13 seven, and all seven horses were from Northern California.
14 It wasn't a restricted race. All seven were from Northern
15 California.

16 So this consolidation to a single circuit was
17 something that was, as we all know, was desperately needed
18 because our resources are limited, as mentioned earlier, and
19 we don't have HHR. We don't have alternative revenue. We
20 have to make the best use of our limited resources and
21 channel it responsibly to protect and preserve California
22 racing.

23 And the results of the single circuit, I'll give
24 you one stat right now. When you compare, as I sit here
25 today, and I ask you to really compare right now, 2025,

1 California to New York, to NYRA, NYRA has run 49 more races
2 this year in 2025 than California, but California has had
3 more horses in the starting gate, minimal difference but
4 more. And the average field size in California under the
5 new consolidated single circuit is 7.5 as of today, and the
6 average field size in New York at NYRA is 7.0.

7 We're showing renewed life. We're coming back.
8 We are. Look, we're not going to make everybody happy. I
9 get that. I completely get that. But with maiden claiming
10 \$8,000 at Santa Anita over the last six months and \$5,000
11 claimers, I mean we're doing everything we can to bring the
12 state together and to really help restore and protect
13 California racing.

14 And when we look at this application from Humboldt
15 County Fair, which is completely separate from the fair, in
16 conflict with Grants Pass, I mean to think there would be
17 enough horses to fill six race cards and have any kind of
18 field size that would create ADW handle, I think we're just
19 kidding ourselves. I mean it's hard for me to believe we're
20 even having the conversation.

21 So with that, I'll go to my colleagues if they
22 have anything else to say.

23 And the last thing I would say is about Los
24 Alamitos. I did get a text that no one has spoken to Dr.
25 Allred or Los Al. So to say that they're onboard would be a

1 stretch.

2 MR. NEWBY: Nate Newby, Santa Anita. I'll just
3 add a couple things to what Bill said.

4 You know, now we've had a six-month Santa Anita
5 meet as a single circuit. So I, you know, I think it's
6 important to look. There is some good news. You know,
7 handle was up 10 percent during our six-month meet. Field
8 size, as Bill said, was up 5 percent to 7.5. Attendance was
9 up. And most importantly, our safety numbers improved,
10 which I think was a concern as we ran, you know, cheaper
11 level races. And some people thought that that might hurt
12 safety, but that was not the case over a six-month meet.

13 You know, another important thing to mention, Los
14 Al's off to a good start. If you saw their entries the
15 first two days of their meet, the best they've had in a long
16 time. So the wagering public is responding to what Santa
17 Anita put out.

18 The cheaper races, they bet very similar to a
19 normal Santa Anita race when the field size was there. You
20 know, we used every single race that filled during our meet.
21 We probably, you know, some days we ran eight, nine races.
22 We would have happily run nine, ten if we got at least, you
23 know, seven horses for sure. But we ran a lot of sixes when
24 we needed to.

25 So, you know, there's some good news to report and

1 hopefully -- you know, from the single circuit and hopefully
2 we can keep it going.

3 MR. RUBINSTEIN: Josh Rubinstein with Del Mar.
4 Just a few comments.

5 I believe the business case has been made over the
6 last several meetings that a pop-up race meet in the north
7 does not -- is not in the best interest of the overall
8 California ecosystem.

9 And second, Del Mar has been very clear -
10 (Off mic comments from the public.)

11 CHAIR FERRARO: Quiet.

12 MR. RUBINSTEIN: -- throughout this entire process
13 that we will not compete with similar conditions if dates
14 are awarded to the north during this time frame. California
15 simply does not have the horse population to operate
16 parallel race meets.

17 And lastly, I would like to address Vice Chair
18 Gonzales's comment that Del Mar is not offering races for
19 these formerly-based horses in the north. The reality is
20 that in the first condition book alone, which goes through
21 August 3rd, Del Mar will offer ten races for these lower-end
22 horses, including \$6,250 claimers. We are also providing
23 per supplements in all races for all stables that were
24 previously based on the north.

25 CHAIR FERRARO: Questions from the Board?

1 VICE CHAIR GONZALES: Yeah, I've got a couple
2 here.

3 Well, first to Bill, you mentioned part of the
4 success of the Santa Anita increase involves those \$5,000
5 claimers. But what do you think about, you mentioned -- you
6 just mentioned \$6,250, the lowest. You're saying the
7 \$5,000 -- what do you think about Del Mar excluding those
8 lower caliber horses at the \$5,000 level?

9 MR. RUBINSTEIN: Before you address that, Bill,
10 can I make one comment?

11 In our second condition book, we will have \$5,000
12 claiming races.

13 MR. NEWBY: Mr. Vice Chairman, I think at any meet
14 in any state, the bottom is the bottom and there's not a
15 great difference between \$6,250 and \$5,000. Once you set
16 the bottom, that's it. So I -- and then as Josh mentioned,
17 then it -- you know, once we get through the first few
18 weeks, then I think it's in a week four, the \$5,000 races
19 will be introduced.

20 VICE CHAIR GONZALES: Okay, the second question is
21 for -- so, Nate, is 1/ST Racing officially opposed to this
22 application or are you here just to answer a question? I
23 want to know what your company's official position is.

24 MR. NEWBY: No, I'm here to answer questions. I
25 mean, I think that it's important to look at the results of

1 our meet, and so I want to make sure everybody was aware of
2 that. But, you know, the Board's got a tough decision and
3 we'll leave it to you.

4 VICE CHAIR GONZALES: Thanks for clarifying that
5 because if Monarch, there would just be some contradiction,
6 is that if Monarch were to carry the signal, manage the
7 signal, that would be in direct conflict with where you guys
8 are a company. So I'm glad you guys, I think for all
9 practical purposes, are sitting this fight out. So this, on
10 this application here, you're not opposed. Okay.

11 So, Mr. Nader, I just want -- you know, just I
12 like the idea of a bell (phonetic), and I'm going to just
13 kind of ring that right here. I mean if you had it your
14 way, this agenda item would even have been removed. You
15 issued a letter to the California Horse Racing Board. So I
16 have two questions regarding that letter.

17 Is the TOC board aware of legal letters that are
18 being sent to here? So the letter that was sent, is this
19 just you and the Chairman of TOC or did you put -

20 MR. NADER: It was sent by the chair, by the
21 chair, not by me. By the chairman.

22 VICE CHAIR GONZALES: So this was not -- this
23 letter that I'm about to mention, did not go through the
24 approval process of the TOC board; correct?

25 MR. NADER: The chairman -- the chairman issued

1 the letter.

2 VICE CHAIR GONZALES: Okay, then let me just --

3 MR. NADER: Yeah.

4 VICE CHAIR GONZALES: -- let me just share it,
5 because this is now a public document that was shared with
6 all of us here. Okay.

7 In the letter, and you said it's self-explanatory,
8 because you feel that this Board has got some -- that
9 there's some things going on with this Board that are not --
10 that don't comport with the Open Meeting Act, Bagley-Keene
11 to be specific. So I want to give you an opportunity here,
12 because to me it's almost like a letter of intimidation.
13 You're alleging, or your lawyers are alleging, that there's
14 serial meetings going on, that maybe one commissioner here
15 is doing some vote counting. So if you're so confident in
16 your position, why would you try to even have removed this
17 agenda item?

18 So first of all, Del Mar and Nate, are you aware
19 of this letter that was sent about this agenda item from the
20 TOC? Neither one of you are aware.

21 So I want to give you now an opportunity, Bill, to
22 explain what this letter is about.

23 MR. NADER: That letter was, the letter you're
24 referring to, was with TOC legal counsel.

25 VICE CHAIR GONZALES: The chairman's legal?

1 You're not TOC, so you're saying this did not go through the
2 approval process, so this is Gary Fenton's letter? I want
3 to give you a chance here to clarify.

4 MR. NADER: Well, there's two different letters;
5 right?

6 VICE CHAIR GONZALES: Is This is the TOC letter or
7 the --

8 MR. NADER: So you mentioned, when you
9 mentioned -- what you're mentioning, you're mentioning two
10 different letters. Which one are you referring to?

11 VICE CHAIR GONZALES: This is on Voss Cook --

12 MR. NADER: Yeah.

13 VICE CHAIR GONZALES: -- and Fowle's (phonetic)
14 letterhead.

15 MR. NADER: This the one that -

16 VICE CHAIR GONZALES: This is the one that's
17 trying to --

18 MR. NADER: -- that's from the --

19 VICE CHAIR GONZALES: -- eliminate this agenda
20 item.

21 MR. NADER: -- that's from the -- that one's from
22 the outside counsel, not the chairman letter, but the
23 outside counsel just registering a concern. I'm not a
24 lawyer, so I'm out of my depth on this one.

25 VICE CHAIR GONZALES: Okay.

1 MR. NADER: So I'll let the lawyers handle this.
2 And it was just to register a concern that they thought
3 should be brought to your attention.

4 VICE CHAIR GONZALES: What are you alleging
5 though? What is the motivation here? What is the
6 allegation against this Board here?

7 MR. NADER: Well -

8 VICE CHAIR GONZALES: That was in your -- this is
9 basically a TOC letter making an allegation against this
10 Board here. Please explain.

11 MR. NADER: I don't believe it was an allegation.
12 I think it was merely raising a concern that they wanted
13 to -- that the TOC counsel wanted to bring to your attention
14 and leave it at that. I mean, it's not -- no one's trying
15 to be intimidating, and no one's -- just raising it and
16 allowing CHRB and CHRB lawyers to look at it and see if
17 there's anything there.

18 VICE CHAIR GONZALES: Oh, okay.

19 Just for the public to know, what the letter
20 involves is an email that Andy Titus, in full transparency
21 to you, Bill, that he felt he had enough votes to bring this
22 back. And he referenced his four votes. You guys obviously
23 panicked, and are saying somebody -- look it, I think it's
24 okay for stakeholders to do their vote counting to interact
25 this Board. But what the allegation is, is that there's

1 somebody here that is in violation of some law.

2 And I just want you to know that, Bill, this is
3 wrong. There is no serial meetings going on. There is
4 nothing happening here. The only thing happening here is
5 the forces and dynamics that you and Chairman Fenton are
6 putting against the people of the north, and I'm getting
7 tired of this Bill. Let's just argue on the merits. You
8 guys are winning.

9 MR. NADER: Yeah, we are. We're arguing on the
10 merits --

11 VICE CHAIR GONZALES: Okay.

12 MR. NADER: -- and nothing more than that.

13 VICE CHAIR GONZALES: Okay. Okay, Bill.

14 CHAIR FERRARO: Any others? We've got all the
15 public comments.

16 Can we entertain a motion?

17 COMMISSIONER STERN: Motion to approve.

18 VICE CHAIR GONZALES: I'll second it.

19 CHAIR FERRARO: Commissioner Hudnut?

20 COMMISSIONER HUDNUT: I'm sorry, I heard the
21 second. I didn't hear the motion. Who made the motion the
22 motion?

23 COMMISSIONER STERN: I made the motion.

24 CHAIR FERRARO: To approve.

25 COMMISSIONER HUDNUT: Okay.

1 VICE CHAIR GONZALES: To approve the Humboldt -
2 what? So are we, Scott, are we going through the orderly
3 manner here?

4 EXECUTIVE DIRECTOR CHANEY: Yeah. So the agenda
5 item is allocation of race dates.

6 VICE CHAIR GONZALES: Yeah.

7 EXECUTIVE DIRECTOR CHANEY: So I believe your
8 motion would be to --

9 VICE CHAIR GONZALES: Yeah.

10 EXECUTIVE DIRECTOR CHANEY: -- approve the
11 allocation.

12 VICE CHAIR GONZALES: And I'm honored to second
13 that, Commissioner Stern.

14 COMMISSIONER STERN: That was correct.

15 VICE CHAIR GONZALES: Thank you.

16 CHAIR FERRARO: Mr. Hudnut?

17 COMMISSIONER HUDNUT: No.

18 CHAIR FERRARO: Commissioner Castellanos?

19 COMMISSIONER CASTELLANOS: No.

20 CHAIR FERRARO: Commissioner Alfieri?

21 COMMISSIONER ALFIERI: No.

22 CHAIR FERRARO: Commissioner Stern?

23 COMMISSIONER STERN: Yes.

24 CHAIR FERRARO: Commissioner Davis?

25 COMMISSIONER DAVIS: Yes.

1 CHAIR FERRARO: Commissioner Gonzales?

2 VICE CHAIR GONZALES: Yes.

3 CHAIR FERRARO: The Chairman votes no.

4 I'm sorry, gentlemen.

5 I'm going to take a 10-minute break and then we'll
6 bring in the item on Fresno.

7 (Off the record at 10:45 a.m.)

8 (On the record at 10:56 a.m.)

9 CHAIR FERRARO: Before we go on to the next item,
10 Commissioner Hudnut has asked me if he could make a
11 statement, so --

12 COMMISSIONER HUDNUT: Thank you.

13 CHAIR FERRARO: -- go ahead.

14 COMMISSIONER HUDNUT: Thank you very much, Mr.
15 Chairman.

16 I can imagine sitting in the audience and thinking
17 that some of us cast our votes in a cavalier manner, but I
18 just wanted to assure you that there isn't a commissioner up
19 here who wouldn't like to see racing in the north at the
20 fairs and in the south in the state of California. We, at
21 the moment, have a problem with the viability of horse
22 racing in this state, regardless of where it is.

23 It is very frustrating for us to sit here and hear
24 people imply that we can do something to bring HHR to
25 California or that we can manufacture money out of thin air.

1 We cannot do that. The remedy for many of these problems is
2 in the state legislature. And we've heard from a number of
3 them on various issues relating to fair racing. And if they
4 would put their shoulders together and work to get some
5 improvements from the governmental side to racing in
6 California, then we might make some progress. But at the
7 moment, some of us feel that we do not have the opportunity,
8 the option, for two viable tracks, one in the north and one
9 in the south, and it's too bad, because we honestly would
10 like that.

11 But in the final analysis, it's not about horses.
12 Unfortunately, it's about money.

13 VICE CHAIR GONZALES: You know, Mr. Hudnut, I want
14 to first just weigh in real quickly, and I appreciate those
15 comments.

16 There was an article or an opinion piece written
17 by a Southern California columnist by the name of Kevin
18 Modesti. First, I'm just going to read his credentials.
19 Kevin Modesti has covered horse racing for years for the
20 *L.A. Daily News* and *Southern California News Group*, an L.A.
21 native like me, and many of us, in fact. He has been a
22 sports writer, columnist, and editor, an editorial board
23 member, writer and editor in the opinion section, and a
24 political reporter. And thanks to Mike Marten for sending
25 this article.

1 I'm just going to read one paragraph, and this is
2 the perception of people about this Board. So I appreciate
3 what you're saying, but there's just one paragraph says it
4 all. This was after the last Ferndale vote.

5 "The CHRB heard one hour and 45 minutes of discussion
6 and public comment, much of it about what racing at
7 Ferndale's half-mile track meant to the remote
8 community amid the scenic coastal records. Then it,
9 the CHRB, decided Ferndale didn't matter again."

10 And I just think this Board decided Ferndale
11 didn't matter again.

12 So regardless of what we think, the complexities,
13 the legislative remedies, all of these, it's really, do
14 communities matter? And I just believe there are some, not
15 just on this Board, but there are just many in society that
16 have discounted rural areas. And it's really the debate
17 that's going on in this country, is which communities matter
18 than others?

19 And I believe in Governor Gavin Newsom. I want
20 you to know that. None of us would be here if it wasn't for
21 him. None of us wouldn't be here if it was for Senate Pro
22 Tem McGuire, who, when each of us went through his Rules
23 Committee, all spiffed ourselves up and put our best foot
24 forward. Nobody ever told Mr. McGuire, hey, when it comes
25 time to vote on your fair, which you've now written two

1 letters and you try to, you know, try to patch in, none of
2 you said, hey, no, it's like get me confirmed so I can be on
3 this Board and then carry the TOC's water. So I really
4 appreciate what you're saying, but let's just also be very
5 transparent.

6 And I want to just say, not only to everyone who's
7 been monitoring this, young and old who listen in on these
8 meetings, but this is democracy at work. This is.
9 Sometimes governance work, sometimes it doesn't, but I
10 encourage people not to give up. Because this Board, we're
11 going to come and go. Horses have been around for a very
12 long time. We all know that. And horses will outlast this
13 Board and many others.

14 So I remain optimistic. I want to wish the best
15 of luck to the Fresno team that's coming up before us. But
16 I just want to say that Ferndale does matter.

17 COMMISSIONER HUDNUT: Here-here.

18 COMMISSIONER STERN: I'd like to make a few
19 comments as well.

20 (Applause from the audience)

21 COMMISSIONER STERN: So, essentially, we've been
22 doing a lot of battling from the north to the south. It
23 kind of feels like a Game of Thrones episode. And what
24 we're not talking about is innovation around this sport.
25 We're spending a lot of time talking about the contraction,

1 and we're not talking about how do we grow more viewership,
2 how do we grow betting.

3 And so ultimately, if you look at this next
4 generation, there's more folks that watch the esports finals
5 than they do, in some cases, the NBA finals. And so we have
6 to think as a collective group on how do we improve? How do
7 we innovate? How do we grow the sport versus just how do we
8 contract and how do we handle that?

9 So hopefully we all think that way. I'm certainly
10 thinking that way and that's one of my charters as a board
11 member, so thank you.

12 COMMISSIONER ALFIERI: Mr. Chairman, I'd like to
13 make a comment, too.

14 You know, we continue to -- and I take some
15 exception to the Vice Chairman's comment. I care very much
16 about community, okay? You're looking at some of us that
17 continue to vote no --

18 VICE CHAIR GONZALES: Yeah.

19 COMMISSIONER ALFIERI: -- and me to vote no. This
20 is a business decision. I've said and I've maintained, take
21 a year, get reorganized. Why did CARF collapse? Why do all
22 these things that have happened up here? It started with,
23 you know, Golden Gate. It's with closing, we readjust it,
24 okay, make it work, try to make it work. CARF collapses.
25 The fairs at the beginning of the year, their boards voted

1 unanimously not to support going forward with horse racing,
2 okay? Do we forget that?

3 Okay, so it's been a disjointed, broken year.
4 I've said all along, reorganize. Do what Peter,
5 Commissioner, is saying, you know, let's look at the future
6 with reinventing this entire north and south, working
7 together. I think the south has done an incredible job of
8 welcoming the northern horsemen to do what they can down
9 there, okay?

10 I know you're going to disagree when there's
11 people here disagreeing. I hear you loud and clear. But
12 don't ever think that I don't care. My whole life has been
13 supporting community, okay? I do it in Pasadena. I was a
14 45-year member of the Tournament of Roses, okay, on those
15 streets every, you know, every year. I support community,
16 and I support the horsemen.

17 And so, you know, I just think we continue to put,
18 you know, a square peg in a round hole. We try to force
19 this. And I just maintain that let's just take a year and
20 get organized, get the financial backing, get everything
21 organized correctly. That's all. Sorry.

22 CHAIR FERRARO: Yeah, I have a statement to make
23 too.

24 Number 11, discussion and action by the Board
25 regarding the request for the allocation of racing dates by

1 the Fresno County Fair from September 17th to October 7th.

2 Gentlemen and ladies.

3 MS. ESTRADA: Good morning, Commissioners.

4 Christina Estrada, serving as the CEO of the Big Fresno
5 Fair.

6 MR. GONSALVES: Good morning, Commissioners.

7 Terry Gonsalves, Director of the Big Fresno Fair.

8 MR. SWARTZLANDER: Larry Swartzlander, Director of
9 Racing at the Bernal.

10 MR. SCHMITT: George Schmitt, Bernal Park Racing.

11 CHAIR FERRARO: Go ahead.

12 MS. ESTRADA: So we're here requesting approval
13 for race dates for September 17th through October 7th, 2025.

14 I just want to point out, I did, I provided you
15 with what we did in 2024. And I just wrote down a couple of
16 notes here, and I know that one of it was to organize.

17 We organized a seven-day race in September last
18 year. It was well attended. It was successful. We, the
19 community, just, you know, they came out to horse racing in
20 September. I provided you with the handout about what we
21 did.

22 We, you know, we have a great PR team that came
23 together, and we just got inspired by baseball teams, what
24 they do. You know, they themed their days, so we themed our
25 days. We created an atmosphere that people in Fresno wanted

1 to come out and enjoy and be a part of it. So we grew our
2 seven days. We made it special. We made it fun. We
3 included the family. We have face painting, that people
4 came out with their families, so the kids were able to come
5 out and enjoy face painting. Parents got to enjoy the horse
6 races. So we made it a celebration to Fresno County.

7 We have the support of the county. We have the
8 support of the elected officials. We have the support of
9 the staff. We are ready to continue and do another seven
10 days in September with your approval.

11 CHAIR FERRARO: But your current dates you're
12 asking for are not -- don't coincide with the fair; is that
13 correct, just one day?

14 MS. ESTRADA: Correct. That one day, October 1st.

15 CHAIR FERRARO: Okay.

16 MS. ESTRADA: That October 1st, I just want to,
17 you know, just kind of add, that is going to be our
18 celebration to bringing horse racing back, to be able to
19 provide this tradition that has been around for over 100
20 years. I've been part of the fair for 35 years. In 20-
21 plus, I've been involved in the box seat holders, the season
22 box seat holders. I have many friendships with them. Now
23 it continues to their sons, their daughters, their, you
24 know, wives, reserved seat holders. I've been a part of
25 that.

1 The way that Fresno County comes out and shows up
2 for Fresno is incredible. I hear it from other fair
3 colleagues, Fresno is like no other when it comes to horse
4 racing, and we want to continue that. We want to bring it
5 back to Fresno. We need that opportunity to come back and,
6 you know, we want to grow it. We want to continue to grow
7 this.

8 CHAIR FERRARO: But the Fair Board, your Fair
9 Board initially voted that they didn't want to continue
10 horse racing this year, and now they've changed. Do you
11 know why and who and how that went about?

12 MS. ESTRADA: Absolutely.

13 MR. GONSALVES: Commissioners, what -- the
14 information at the time that was handed to the board is
15 different from the information that was handed to the board
16 in our past board meeting, so there was changes. In
17 February, we were told there was nobody to run the
18 operation, and then also that all the horses were gone.

19 So then the information came back to the board,
20 which we put a statement out that we would form a Race
21 Committee, and I'm part of it. And so this new information
22 popped up to the board, and with Bernal Racing, and then the
23 board decided that we would try to more, because some of our
24 dates had been taken by the rodeo on the first weekend
25 already because we had moved forward.

1 And so we tried to think, what could we do? Well,
2 we thought, we had racing in September last year. Maybe we
3 could do the same. The numbers were all good. And it's not
4 something that is the best, but it was the best that we
5 could do at the time with the information that was handed to
6 us.

7 So it's something that we're not reinventing.
8 It's something that we did for the first time last year, and
9 it seemed to work well. The people loved it. The numbers
10 were good. The tellers, because I walked around, the
11 tellers were so happy for the work that they received.
12 Matter of fact, the most exciting part for the board was
13 that, can we save all these jobs? We have three union folks
14 that are on our board. That was the biggest exciting part
15 for them, was to save these jobs.

16 You know, we're kind of in a pickle here in
17 California. We've got people losing jobs without even
18 somebody having to vote on it. We're losing all kinds of
19 jobs out here, okay? It's just not a good time. And if we
20 can be a part of something that we can make the difference
21 and save these jobs, then why not?

22 In business, things don't always go that well.
23 Sometimes you've got rocky roads. And that doesn't mean
24 that -- you know, my family was in the dairy business.
25 Every time we had a rocky road, we thought about our

1 employees. We buckled down, we tightened up, so that way we
2 could hold on to these jobs for these folks. It's not
3 always good in business. And if this is being treated like
4 a business, then business doesn't always run that way.

5 I've been in business for quite a few years, and a
6 lot of times, I've got to borrow money to keep going in
7 business. It's not good every year. But that doesn't mean
8 we turn our back to all the hardworking folks that are out
9 there and that all this horse racing that's been going on
10 for years, people that work so hard to come to our community
11 there in Fresno and put this show on, that everybody comes
12 to and fills those stands up. We don't have one
13 entertainment that lasts for five hours, entertains those
14 folks, they have lunch, they have dinner.

15 I'm so scared for our fair right now, because this
16 is the only entertainment that pencils at our fair. It's
17 the only one. All the rest of the entertainment just costs
18 us money. It's all a draw to the fair, but horse racing is
19 the biggest draw. That's the biggest draw.

20 And so just think about that. In business, it
21 doesn't always go well. We've got to get through those
22 rocky roads, and you have those good times, and the bad
23 times. It's not always good. We don't always have the
24 money we want to have. But let's not throw our folks away,
25 because those are the ones that make it happen here. They

1 make it happen for us. Those are the ones that bring all
2 those people through the gates to come and spend money,
3 bring their families. This is going to hurt the fair
4 industry. And to wait another year, I'm scared for that. I
5 thought about that myself, but I'm really scared that if we
6 lose it this year, it's going to be tough to bring it back.

7 So I would just ask that you would consider, in
8 business, since we are now considering a business, because
9 money is it, business is not always good. It's always up
10 and down. And think about our community. We had a lot of
11 support from what Christina said.

12 I've been at that fair since 1979. My dad served
13 on the Fair Board for 13 years. I've been on -- I've
14 been -- I was on for three, now I'm going on five, eight.
15 We have served hard. We've had challenges to hold it
16 together. But horse racing is very vital to the fairs, very
17 vital.

18 CHAIR FERRARO: But given the dates you're asking
19 for now, you're basically cannibalizing Los Alamitos; isn't
20 that correct? So we're kind of robbing Peter to pay Paul
21 here?

22 MR. SCHMITT: I think only one weekend.

23 MR. SWARTZLANDER: One week.

24 MR. SCHMITT: And Los Alamitos, as far as I know,
25 has not objected at all. In fact, the name of this meet,

1 Mr. Chairman, is the Big Fresno Fair sponsored by John
2 Harris and Bernal Park Racing. And I believe that Los
3 Alamitos is fine with where we are. Mr. Nader may, as
4 usual, say otherwise, but that's my understanding from
5 discussions with Los Al.

6 CHAIR FERRARO: I think that's not correct, but
7 I'll save that comment for later.

8 VICE CHAIR GONZALES: Let me just correct, again,
9 the record. I spoke with CEO Cathy Monji herself and she
10 indicated that in no way they were going to oppose. There
11 would it be a financial -- would it have to be a financial
12 adjustment they'd have to make? Of course, unlike financial
13 adjustments that other racetracks don't want to make. So I
14 spoke with Cathy Monji, and if you want, we could get her on
15 the phone right now and she will disagree with what you're
16 saying, Mr. Chairman.

17 But I want to just say, Mr. Gonsalves, thank you
18 for that presentation, sir. And one of the best
19 presentations. I've been on this Board now for six or seven
20 years, so I just want to say thank you.

21 But also, Christina, you mentioned elected
22 official support. I think out of respect to them, this will
23 only take 20 seconds. I just want to read the members of
24 the Central Valley.

25 Assemblymember Soria addressed a letter to

1 Chairman Ferraro. There's also Assemblymember Tangipa.
2 Senator Shannon Grove, who was also on Senate Rules that
3 many of us went through. Assemblymember Joaquin Arambula.
4 Assemblymember Stan Ellis, Fresno County Supervisor Brian
5 Pacheco, Fresno City Councilmember Brian Vang -- Brandon
6 Vang, pardon me; Fresno City Councilmember Nick Richardson.
7 Also, Nelson Esparza, another Fresno Councilman. Also have
8 Gary Bredefeld, another County of Fresno Supervisor.
9 Another County Supervisor by the name of Luis Chavez. Thank
10 you, Mr. Chavez. Another County Supervisor by the name of
11 Mendez. And yet another County Supervisor by the name of
12 Nathan Magsig. And then, of course, last but not least, the
13 Mayor of Fresno, Jerry Dyer.

14 So if anyone's thinking what Southern California
15 is doing, isn't it funny, Southern California has never
16 brought out one letter, not from a Rotary Club, Little
17 League, but we have commissioners here that just want to go
18 with their gut. I give a lot of credit to Alameda, to
19 Humboldt, to Fresno. You want to talk about the political
20 support that was referenced? Why don't we start with some
21 real coalition building and do what each of these counties
22 have stepped up to do?

23 And I'm looking at you, Mr. Nader, not one letter
24 have you ever brought here, other than your own, that wanted
25 to accuse this Board of wrongdoing. No Kiwanis, nothing.

1 You just come with what you feel is good for you and Gary
2 Fenton, and it's wrong. And you need to be told.

3 So anyway, I just wanted to read all of those
4 elected official names because it's a lot of political
5 support that you have. And I hope that the political
6 leaders here in Sacramento are paying very close attention
7 to this debate we're about ready to have.

8 CHAIR FERRARO: Larry?

9 MR. SWARTZLANDER: Yeah, I'd just like to make, I
10 guess, a personal comment from Larry Swartzlander. There's
11 really nothing I can add on the horse racing side.

12 But, you know, my wife asked me last night, which
13 many people do, why do you do it? Because I love it. I
14 want to put people back to work, save racing in California.

15 Thank you.

16 VICE CHAIR GONZALES: Thank you, Larry.

17 CHAIR FERRARO: Go ahead.

18 MR. SCHMITT: Thank you, Mr. Chairman. I just
19 want to point out a couple things.

20 Fresno, the day that the board announced that they
21 were going to go for dates, that, within 24 hours, they had
22 a \$200,000 sponsor only for the horse racing.

23 Commissioner Alfiero, you -- I don't know how much
24 money you think we need, but there's a million and a half
25 dollars in the bank, a little less than that today. That's

1 more than you need to run any horse meet and cover the
2 purses and commissions and anything else that has to happen.
3 I heard you when you said a few months ago that we needed to
4 get organized. We have brought the entire, almost the
5 entire group of people that ran CARF for many, many years
6 into Bernal Park Racing. And they have run the fairs
7 successfully in Northern California for many, many years,
8 and they'll continue to do so.

9 Well, I don't know what more you think we need to
10 do for next year. I think we've done a pretty darn good job
11 of putting everything together in relatively short notice
12 with all the opposition we get from Southern California.

13 I know I've heard about legislation, Commissioner
14 Hudnut, and I know we need some. And one of the pieces of
15 legislation that we hope we'll get through is one that says
16 that more than one organization can represent horsemen in
17 California. When Senator Maddy in the 1990s presented the
18 bill that we operate under, he said that there would be one
19 organization that would represent horsemen in California.
20 If there had been an S added to that, as Mr. Chaney knows,
21 there would be a Thoroughbred Owners of Northern California
22 and Southern California.

23 Frankly, those of us in the north don't -- we
24 don't feel like the TOC represents us at all anymore. They
25 seem to be owned by Del Mar and Santa Anita. They don't

1 care what happens to the county fairs in the north. They
2 don't care if horse racing goes away in the north. I know
3 that they can count, but I -- you know, there are plenty of
4 horses to support the county fairs and plenty of horses to
5 support Southern California in this state today. But with
6 what's going on now, I'm concerned that this year we will
7 have a foal crop next year of 600 or 700 or seven hundred
8 instead of over 1,000, which we had in 2025.

9 So I urge you to support this fair. They have the
10 financial support in their community. They've got John and
11 I backing them up. We have a team that knows what the hell
12 they're doing. We've walked the premises with Christina's
13 people this week. We know what needs to be done, and that's
14 all being taken care of between the Big Fresno Fair and
15 Bernal Park Racing. I urge you to support this meet. It's
16 very, very important to the people that are sponsoring the
17 Big Fresno Fair this year.

18 Thank you very much.

19 CHAIR FERRARO: Thank you.

20 If you take your seats, we'll hear from TOC now
21 and anybody else who wants to talk to us.

22 Thank you. Thank you.

23 MR. GONSALVES: Thank you.

24 MR. NADER: Thank you, Chairman. Bill Nader again
25 from the TOC.

1 Look, last year at this exact time, we were in a
2 different place. Golden Gate Fields had just shut down its
3 racing operations. We were trying to reshape racing in
4 Northern California. And I just want to give you a quick
5 recap with specific focus on September race days at Fresno.

6 In discussions between the TOC and CARF last
7 summer around this very same time, it was the TOC that
8 pressed hard for September race dates at Fresno, and that
9 was to fill a void that was created by Golden Gate Fields
10 closing. It was the view of the TOC, especially the
11 northern representatives of the TOC, that there was too big
12 of a gap in the northern racing calendar. Sonoma closed on
13 August 18th. Fresno was opening on October 4th. There was
14 little or no interest in racing at Ferndale over those three
15 weeks, so that big gap of seven weeks, the northern horsemen
16 felt like there was nowhere for them to go.

17 Now, in our discussions with CARF, and Larry can
18 validate this or dispute it, but in talking with Larry
19 Swartzlander at that time, CARF had limited interest in
20 running at Fresno in September because they just thought it
21 was financially troubling and damaging to their operation,
22 to CARF, and they wanted either as little racing as possible
23 at Fresno in September, and they were probably okay with
24 going with four days of racing, and the TOC was pushing for
25 nine days in September 2024 at Fresno. We finally settled

1 on seven September race days at Fresno in 2024. So we've
2 been down this road. And that was in addition to seven days
3 at the traditional Big Fresno Fair in October.

4 Now, Larry was right. He was correct. The
5 business results from handle in September of 2024, average
6 handle from all sources was \$760,000 a day, much less than
7 that of the now defunct Golden State Racing. Attendance was
8 1,681 per day in September, which was much less than what it
9 is in October when it's well -- I think it was just over
10 5,500. But it was even more disappointing, the results,
11 because field sizes were good because you had that pent-up
12 demand.

13 One of the reasons that we were pushing for those
14 days in September was to keep the continuity enroute to the
15 launch of Golden State Racing on October 19th, to keep that
16 population in place. Field sizes were good, but they were
17 bolstered, really, because they had nowhere to go. There
18 were starved for opportunities. Again, Sonoma closed on
19 August 18th, and Big Fresno wasn't opening until October 4,
20 so they were in the -- they got the perfect wave, perfect
21 chance, every possible advantage and still missed the mark.

22 Now, that was then. This is now. What did we
23 learn? Fresno in September didn't work financially. Golden
24 State Racing did not work. But last year, there was a base
25 population of 960 horses in the north last September. This

1 year, there's none.

2 So we've moved on in California to the single
3 circuit, which, by all accounts, is performing with success.
4 I mentioned the number of horses that the racing secretary
5 at Emerald Downs says are at his track. Some disagree, but
6 he's the guy. He would be the one that knows, and he says
7 it's 160. Last year, it was 960. For a margin of error,
8 take it up to 240. It's 25 percent of what it was last
9 year.

10 If I was to give you an SAT question and posed it
11 this way, if the population drops, horse population drops by
12 75 percent, and you're running seven days in 2024 and you
13 want to run seven days in 2025, what impact do you think
14 that will have on field size and what impact do you think
15 that will have on handle? It's a relatively easy question.

16 Now, as noted earlier, CARF voted unanimously on
17 January 28th of last year to not seek race dates for its
18 member tracks in 2025. One month later, on February 28th,
19 the Big Fresno Board of Directors also voted against any
20 horse racing this year. So for those reasons, the Fresno
21 application before you today features only one of the seven
22 days to be run in conjunction with the fair because it
23 wasn't part of the 2025 plan. We would all agree that this
24 is less than ideal, resulting in a hastily put together
25 application for a pop-up meet without sound footing, without

1 the horses, without proper planning.

2 On that same day, February 28th, when the Fresno
3 Board said no horse racing in 2025, just by chance, it
4 coincided with the implementation of purse increases at
5 Santa Anita and all of the race tracks in California for all
6 of 2025. These budgets were set based on sound fiscal
7 planning, and it included the race dates allocated to Los
8 Alamitos in June, July, September, and December of this
9 year. So the purse budgets were set based on the relevant
10 information I've laid out.

11 And more importantly, as you know, the single
12 circuit in California is working. I cited the comparison to
13 New York earlier. And one thing we know for sure, that as
14 we continue in 2025, Del Mar average field size will be
15 higher than Saratoga, as it has been over the last couple of
16 years. This will only further add to the 2025 California
17 success story. It's real. Handle increased. There's
18 improved field sizes. There was a seamless transition when
19 faced with a short-noticed stoppage of racing in December at
20 Pleasanton to mitigate against what could have been an
21 absolute disaster.

22 So the issue with Fresno dates is not about will
23 it make money or not. It will not. But that's only a small
24 part of the problem. That's not the big part of the
25 problem.

1 And this I would say with great emphasis, there is
2 the utmost respect, not just from the TOC, but everybody in
3 California racing in the highest regard for Mr. John Harris
4 and his love of Fresno. We all understand that. And with
5 respect to Mr. Harris, we tried to see eye to eye with this
6 application and we just couldn't get there. Expectations
7 are not realistic. It feels a lot in the room like it did
8 when we were talking about Golden State Racing. Emotions
9 are high.

10 But the one noticeable notable difference between
11 last September at Fresno or even Golden State Racing is the
12 horse population is not here. So this is a high risk
13 application, no matter how you measure it, given that the
14 horses just aren't here. It would be impossible, literally
15 impossible to conduct seven days of racing this summer at
16 Fresno. The September dates at Fresno last year didn't work
17 when they had every possible advantage, 900 captive horses
18 desperate for an opportunity to run. That's not the case
19 this year.

20 As much as we, many in the room would like to see
21 it, the September days proposed at Fresno this year, they
22 would compete with Los Alamitos. And if permitted to do so,
23 it would result in a big hit to Los Al with the outcome
24 being purse decreases, not only this year in September and
25 December, but purse decreases would carry over into June and

1 July of next year.

2 And maybe the worst part would be the dilemma that
3 we would create for owners and trainers that would -- when
4 they would look at condition books at Los Al and at Fresno
5 to know which race is going to go. Will the race day
6 actually even happen or will it be canceled due to lack of
7 entries? These would be serious questions.

8 What we're talking about here is like a wedding
9 without the bride and without the groom. It's not during
10 the fair. It's six of the seven days are outside of the
11 fair. When we talk about community, the pieces of the
12 puzzle need to fit. It needs to be in tune.

13 Now, the decisions that were made in January and
14 February and the change of vision now, to have it pop up at
15 a time when we do have momentum, it's very, very disjointed.
16 It's very disconnected.

17 Look, I'll sum it up by saying this, we should
18 look before we leap, especially now when we're trending in
19 the right direction. And no one is against north. No one
20 is against the fairs. We've done everything we can,
21 including last year when we advocated for those September
22 race dates at Fresno, including this year when we spent the
23 money to pay for the stabling at Pleasanton during the
24 transition and wrote the check to get Alameda County Fair
25 off the hook and CARF off the hook to the tune of \$600,000

1 when that money was really intended to go to this year's
2 summer fair circuit.

3 So be fair. Be fair in how you evaluate what
4 we've done. And again, I think it's very critical given
5 the, you know, the bigger -- the bigger picture, and it's
6 been cited here a couple times today, until we have
7 additional resources, because we're fighting, and we've said
8 it many times at meetings before, we're fighting a game here
9 where we're depending solely on parimutuel income. We don't
10 have HHR. We don't have VLTs. We don't have any of the
11 incremental revenue sources that the other competing states
12 have.

13 So every move we make here, we have to do it
14 responsibly in a way that protects and preserves our
15 foundation. And if we can get to the day when we have
16 alternative revenue streams and we're in a better position,
17 it's an entirely different discussion.

18 With that, I'm happy to take any questions.

19 CHAIR FERRARO: Any questions from the Board?

20 VICE CHAIR GONZALES: Just a couple of quick
21 comments here.

22 With the money, first of all, you're referring to
23 that you have was \$20 million that was redirected, forcibly
24 redirected from the north to the south, \$20 million. We all
25 know here if there was a training center at Alameda or here

1 at Cal Expo or wherever, that we'd be in a way different
2 situation. The TOC, Del Mar in Santa Anita, the Vanning and
3 Stabling Committee, had about a week's time from the time
4 that Alameda reversed its vote to conduct racing to host a
5 training center. You could have said, hold up, let's save
6 this training center. Let's continue this money to save it.
7 But you guys chose otherwise. Why? Because you knew the
8 benefits you were going to have down there.

9 If we had a training center, I'll repeat, we'd be
10 in a way different situation here. And among the reasons
11 why breeders are closing up shop is because there's no
12 training center.

13 You, Bill, are the point person for this policy
14 solution that you and Hudnut are referring to.

15 And I want to just go for those that get the
16 *BloodHorse Magazine*, which is a great publication. Page 26
17 is a picture of Bill Nader with his arms crossed. Right
18 here, so everybody can see, page 26. It says,

19 "Bill Nader is the president and CEO of the TOC, which
20 opposes -- which opposed he request for racing dates
21 this year at Pleasanton and Ferndale."

22 Now it sounds to me like he's going to have to add
23 Fresno to that. And a lot of your colleagues across the
24 country, you know, and I don't know how you're putting
25 yourself in this situation, Bill, I really don't, because

1 there will be a life after TOC for you, but you do not want
2 to be known as the guy that killed Northern California
3 racing. But unfortunately, that's the path you're heading
4 down.

5 That's all I have to say.

6 CHAIR FERRARO: Anyone else?

7 Can we hear from Alan Balch, please, next?

8 You'll be up in a minute, Bill.

9 MR. BALCH: Alan Balch, California Thoroughbred
10 Trainers. Is this on? There we go. Alan Balch, California
11 Thoroughbred Trainers.

12 Chairman Ferraro must have told me -- must have
13 heard me say to Commissioner Alfieri, please don't call me
14 up here today to discuss this. But since the Chairman did,
15 I'm here to discuss it.

16 This is one of those situations where it is truly
17 a thankless job for you, Commissioners, who are the neutral
18 arbiters of all of the various conflicting strains of what's
19 going on in racing in California. I don't envy your
20 position at all.

21 Our board met, CTT's board met yesterday, and we
22 had a very, very lengthy discussion on the pros and cons of
23 Fresno in particular. And after a lot of discussion,
24 because of the fact that some of our board members and the
25 people they represent are in Washington and have a potential

1 of coming from Washington after Emerald closes to the south,
2 possibly Fresno would make sense for them.

3 We had an extended discussion about the conflict
4 or the overlapping dates with Los Alamitos. I was assured
5 by Mrs. Allred that Los Alamitos does not oppose the Fresno
6 application, and I shared that with our board. The Board,
7 our board, voted.

8 Well, the other thing, of course, that was
9 discussed was the financial implication to purses in the
10 south that Mr. Nader has just described. Because, of
11 course, that's very serious to the trainers on the CTT board
12 who run in the south predominantly, but could potentially
13 have horses in the north.

14 So our board was divided on this particular
15 question. The vote was in favor of the Fresno application
16 with some dissent, and so that's the position of the CTT.

17 CHAIR FERRARO: Thank you.

18 Any questions?

19 MR. BALCH: I'm happy to answer any questions you
20 might have.

21 CHAIR FERRARO: Does the Board have any questions?

22 Thank you, Alan.

23 CHAIR FERRARO: Thank you.

24 CHAIR FERRARO: You're a wonderful speaker.

25 MR. SCHMITT: Thank you, Mr. Chairman.

1 Mr. Nader indicated to you a few minutes ago that
2 he has tried to negotiate with somebody about changing
3 Fresno to four days. First of all, four days is stupid
4 because no trainer is going to ship in when they're going to
5 get to run once and only once.

6 But beyond that, I need -- you need to know that
7 Christina Estrada, Terry Gonsalves and I have never been
8 contacted by Mr. Nader to talk about anything. I know that
9 he attempted to call John Harris. He did not get to talk to
10 John Harris. But it's important that you know that there
11 was no negotiation with anybody at Bernal Park Racing or the
12 Big Fresno Fair over the application for these dates.

13 Thank you very much.

14 MR. NADER: Chairman, if I can respond? I think
15 there was some confusion there.

16 The reference to four dates was in 2024. That was
17 CARF's position. CARF preferred to have only four dates in
18 September. The TOC advocated for nine dates at Fresno last
19 September, and they compromised as we settled on seven days.
20 But just to be clear, in 2024, to keep the continuity of
21 racing going in the north leading into Golden State racing,
22 the TOC advocated for nine race days. The CARF position at
23 that time was for four days because September wasn't
24 considered an attractive proposition and the settlement was
25 for seven days.

1 And now, this year, of course, it's an entirely
2 different picture. The scenario has changed, as I said
3 earlier, last year with the 960 horses captive in the north,
4 and this year we start with none.

5 I hope that clears it up.

6 CHAIR FERRARO: Thank you.

7 MR. SCHMITT: Mr. Chairman, if I may, one more
8 time, Mr. Nader told you that he had talked to somebody. I
9 know that he attempted to talk or somebody from the TOC
10 attempted to talk to John. They did not. He did not talk
11 to anybody else. And I know that the person who tried to
12 get to John Harris told John that they would support a four-
13 day meet this year. Now, I don't know who it was, and I
14 don't much care who it was, but Mr. Nader cannot say that he
15 tried to deal with anybody in Fresno or with Bernal Park
16 Racing at all. And it's just important that you know that
17 what he told you is simply not correct. He is misleading
18 you.

19 And by the way, Darren Filkins is here. He's the
20 CEO of Harris Farms. And if any of you have any doubt about
21 Mr. Harris's commitment to Fresno racing or my commitment to
22 Fresno racing, Darren would be very happy to answer any
23 questions any of you might have.

24 Thank you very much.

25 CHAIR FERRARO: Thank you, Bill.

1 Okay, I have a list here.

2 Victor Sanchez -- Vincent Sanchez, rather.

3 MR. SANCHEZ: Hi. My name is Vincent Sanchez.

4 I'm the shop steward for the assisted starters in the north.

5 And I've been on the racetrack for 47 years, been an

6 assisted starter for 34 years, So I've been through the good

7 times and the rough times.

8 And I was listening to a hearing last time and

9 somebody on the Board said nobody shows up at the races

10 anymore. And my first response was somebody's not doing

11 their homework. Because there's a few racetracks that still

12 remind me of the good times, And that would be Fresno, Santa

13 Rosa, and Pleasanton. These places bring a lot of people

14 in. They're fun to work at.

15 And Mr. Nader talks about the Golden State Racing

16 being a disaster. You want me to give you another disaster?

17 It's called Golden Gate Fields. Since 2020, I've watched

18 them do everything in their power to bring that place down.

19 The incompetence there, the Three Stooges could have ran

20 that place better. And the corruption? I don't even want

21 to get started with that.

22 So with that said, I'm behind mister -- Larry

23 about hoping you guys will give the dates to Fresno and let

24 us do the job we love doing.

25 Thank you.

1 CHAIR FERRARO: Thank you.

2 VICE CHAIR GONZALES: Can you clarify, just for
3 the notes, you said you're a shop steward, but which union?

4 MR. SANCHEZ: For Local 495.

5 VICE CHAIR GONZALES: But what's the umbrella
6 union? What union is it?

7 MR. SANCHEZ: It's Teamsters.

8 VICE CHAIR GONZALES: Thank you.

9 CHAIR FERRARO: Francis O'Leary.

10 MR. O'LEARY: Good morning again, Commissioners.
11 Francis O'Leary, owner of breeder.

12 I want to thank Commissioner Hudnut for clarifying
13 why each one of you vote yes or no, because that's something
14 that I would like to hear when you make your vote, so that
15 we can understand why you're voting yes or no on different
16 things.

17 And Commissioner Hudnut, you're right, this is
18 about money. This is not about horses. But why does all
19 the money have to go to one particular section? The pie is
20 only so large. You're correct in saying that we need to
21 make the pie larger. But we all need to survive.

22 I have millions of dollars invested in breeding
23 horses. Now they cannot race in California, literally. We
24 can send them to Santa Anita but we can't compete there.
25 We've done that, we've tried that already, and it has

1 failed. And back in December, there was over 900 horses
2 stabled at Pleasanton. On December 26, there was probably
3 500 to 600 of them race-ready. There was nowhere for them
4 to race. There was nowhere for these cheaper horses to
5 race.

6 Santa Anita did not put up the races that they
7 were supposed to put up, that they promised to put up. They
8 put up some races. Later, we couldn't get into races. We
9 eventually had to pull out of them, because we could not
10 race. We have to survive.

11 Commissioner Alfieri talks about taking a year
12 off. What are we supposed to do for the year off? How are
13 we supposed to survive? We have bills to pay every month,
14 month after month. And it's the same thing.

15 I would ask all of these seven of you
16 commissioners to go on Equibase and check up our numbers,
17 all the Northern California trainers and owners. You scroll
18 down to the bottom, there's a chart. And you'll see the
19 chart for every year where we've been involved in racing.
20 And you'll see, you'll come to the year 2025, everybody is
21 way down. We're hardly, barely registering. Yet we have
22 bills coming in all the time. We need to survive. The
23 money needs to be redirected back to and have racing here in
24 the north.

25 And thank you for your time.

1 CHAIR FERRARO: Thank you.

2 Paddy Brogan.

3 MR. BROGAN: Good morning again, Commissioners.

4 Again, I'm just here to plead with you to give us
5 our racing dates for Fresno, that when our horses leave
6 Emerald Downs, they have a place to stay and place to race
7 in California. Because as my friend said, Frank said, we're
8 all Cal-Breds. Every horse we own is Cal-Bred. And we
9 don't want them running in Washington, we don't want them
10 running in Turf Paradise, because we're not getting any
11 breeders running out of it.

12 So again, please do the right thing and grant the
13 dates for Fresno.

14 Thank you very much.

15 CHAIR FERRARO: Thank you.

16 Sandy Anjo. Is that correct? Did I pronounce
17 that correctly?

18 MS. ANJO: Hello, I'm Sandy Anjo, and I'm an owner
19 and a farm owner. I'm here to support Fresno and all
20 Northern California racing and hopefully the revival of
21 Northern California racing.

22 I'm not really sure why it is that the TOC thinks
23 that Southern California is more deserving of racing close
24 to where they live to continue racing in Northern
25 California.

1 And the way things went down at Pleasanton when
2 all the horses were evicted, something is obviously
3 fundamentally wrong with the way we are managing. And I'm
4 not going to say we, I'm going to say that powers that are
5 making the decisions here, that the Northern California
6 horsemen thought that their best option was to leave the
7 state and go to Washington. They don't want to be in
8 Washington. And you lost 500 horses. They went to
9 Washington. They didn't go to Southern California. They
10 don't want to come back to Southern California because they
11 know their horses can't compete there.

12 We need a Northern California circuit with the
13 lower claiming price, lower class horses in Northern
14 California for a calf bred. They're not going to fit in
15 Southern California. And I know that the majority of those
16 trainers that are in Washington, they want to come back to
17 Northern California and race. They don't want to go to
18 Phoenix. They know they won't fit in Southern California.
19 They need a chance here, I mean, and to revive the fairs.

20 And we also need a training center in Northern
21 California that eventually, maybe after Fresno, we can ask
22 for dates to have a meet in Northern California, a longer
23 meet, not just the fairs. And we need a place to train
24 here.

25 So I'm here to support Fresno, all the fairs, and

1 continued Northern California racing.

2 CHAIR FERRARO: Thank you very much.

3 Morgan, your turn.

4 MR. FUSSELL: Yes, thank you. Morgan Fussell,
5 owner of Reeder. Just a couple things that I didn't touch
6 on earlier when I spoke to you.

7 The backlash of the fairs closing hasn't hit
8 everybody yet, but it will. And I think Commissioner
9 Alfieri, hey, you know, we need to think about this moving
10 forward. But I would ask you today, with all -- with no
11 fair dates being granted today earlier, no Ferndale, but
12 let's give Fresno a chance here. I think let's save one of
13 the meets. And then let's huddle up. Let's huddle up with
14 all the powers to be and fix this.

15 Horsemen are resilient, they'll be back, but we
16 need a plan. We all need to be in the same tent. This is a
17 great state. We have a good governor. He does need some
18 help from this Board. You are all appointed by the
19 governor, wonderful commissioners, but that alternative
20 funding. I mean, other states, horse racing is growing.

21 There's an influencer, Griffin Johnson, who owns
22 part of Sandman, two and a half percent. That young man has
23 done more to grow racing involving the community, the youth
24 community involvement than anyone I've ever seen in my life.
25 Actually, horse racing is -- there's new numbers out, just

1 came out in May outside California, but 14.7 percent growth
2 rate on horse racing because of the youth involvement.

3 We're a big state. We can get it done. But let's
4 give, you know, let's give Fresno a chance here. Let's save
5 one of the meets. I mean, CHRB does a great job on safety,
6 the stewards, horse safety. I mean, let's just keep it
7 going. The minor leagues, I mean, the fair racing has been
8 minor leagues for a hundred years, and there's a place for
9 them. But, you know, we need to re-huddle up and get it
10 done. But I'll try to help out where I can.

11 But thank you all. Appreciate it.

12 CHAIR FERRARO: Thank you.

13 Julia Oldfield.

14 MS. OLDFIELD: As a California breeder, I am here
15 for the horses. From Emerald Downs south, it takes about 17
16 hours to Santa Anita and 22 hours to Turf Paradise.
17 Wouldn't it be wise to break up that haul for the horses'
18 sake by having them stop halfway in Fresno? A meet in
19 Fresno would give these horses the opportunity to work out
20 and race prior to heading south, wherever they may go.

21 My second point is that if we are to make
22 California an elite racing place, what happens to the
23 average horse? For every top-tier horse, there are
24 average -- there are 10 more horses. Where do they end up?
25 Do we just discard them?

1 As a breeder, we chose to breed half of our
2 race -- or half of our broodmares. Many owners just retired
3 their broodmares altogether. California breeding is in
4 trouble if we do not offer a greater diversity in places to
5 run.

6 Thank you.

7 CHAIR FERRARO: Thank you.

8 Justin.

9 MR. OLDFIELD: Hard to follow your wife.

10 Good morning, Mr. Chairman, Commissioners, Justin
11 Oldfield. I certainly just want to offer a little bit of a
12 different narrative on the one-circuit system.

13 You know, I understand, you know, handle is up. I
14 understand, you know, field size is up. But certainly for
15 those of us in Northern California, we've seen an
16 undisputable increase in costs, you know, moving horses to
17 Southern California, even in the light of having higher
18 purses. You know, our chance and success of winning, you
19 know, I want to say I gave it the go. My wife and I sent
20 all of our horses down there, and now all of our horses are
21 at Emerald, and even for those that ran in restricted races.
22 I think these are just some of the facts.

23 You know, I calculated the win percentage for
24 seven of Northern California's past leading trainers. Their
25 cumulative win percentage dropped from 17 percent in 2024 to

1 under 8 percent for races run in the south. I think we can
2 all agree, you know, the money that comes in is what's going
3 to pay the bills to keep these horses on the track.

4 And I don't want to dispute the numbers about how
5 many horses went to Emerald. I can tell you personally, I
6 was up there last weekend, it's a lot. We have a lot of
7 horses that went to Turf Paradise, then went to Emerald.
8 Whether or not those are being counted, I don't know. We
9 had a lot of horses that went from Southern California
10 straight to Emerald.

11 But bottom line, the horses left the state. You
12 know, whether there's 300 or so horses that have
13 consolidated in Southern California, that's great, but we
14 lost the remainder of those to somewhere else, the majority
15 of those being Cal-Breds. That's a huge concern to me.

16 You know, in talking with other farm owners, I
17 think most farms are going to be off 30 to 40 percent this
18 year. That should be of concern to us all; right?
19 Especially when you look at the amount of Cal-Breds that it
20 takes to fill these cards in California. You know, for as
21 many horses that we were breeding in the north, to run in
22 Northern races, we produce horses that would have the
23 opportunity to run in Southern California. We don't have
24 that now; right? So you will, I think, see, maybe not right
25 now, but you will see an impact over the next couple of

1 years of what occurred last year.

2 And I just want to say, you know, I think Fresno
3 is a good opportunity to potentially get some of those
4 horses back. I want those horses back in California. We
5 have horses that went to Emerald that are going to have a
6 natural transition south. And I think we've got a good
7 opportunity for them to run at Fresno and potentially keep
8 them here in California. I think there's a lot of
9 opportunities to explore new opportunities, potentially
10 night racing at Los Alamitos that would offer additional
11 opportunities for Cal-Breds, breeders, to keep those horses
12 here so they can actually get breeders awards.

13 Right now, all of our horses at Emerald, I would
14 love to be running in Southern California because I don't
15 get any breeders awards. We brought all of them; right? So
16 I want those horses back. So I think there's a good
17 opportunity for Fresno to be a vehicle to do that.

18 Thank you very much.

19 CHAIR FERRARO: Thank you, Justin.

20 Questions or comments from the Board? Can we hear
21 a motion.

22 COMMISSIONER DAVIS: Davis moves approval.

23 CHAIR FERRARO: Again, please.

24 COMMISSIONER DAVIS: Davis moves approval of the
25 racing allocation dates for Fresno County, Big Fresno Fair.

1 CHAIR FERRARO: Second.

2 COMMISSIONER STERN: Second.

3 CHAIR FERRARO: Commissioner Stern?

4 COMMISSIONER STERN: Yes.

5 CHAIR FERRARO: Commissioner Davis?

6 COMMISSIONER DAVIS: Yes.

7 CHAIR FERRARO: Commissioner Gonzales?

8 VICE CHAIR GONZALES: Yes.

9 CHAIR FERRARO: Commissioner Hudnut? Tom?

10 COMMISSIONER HUDNUT: I heard.

11 CHAIR FERRARO: Okay.

12 COMMISSIONER HUDNUT: It's a very, very tough one.

13 I vote no.

14 CHAIR FERRARO: Castellanos?

15 COMMISSIONER CASTELLANOS: So --

16 CHAIR FERRARO: Again?

17 COMMISSIONER CASTELLANOS: -- before I vote --

18 CHAIR FERRARO: Oh.

19 COMMISSIONER CASTELLANOS: -- I will go ahead and
20 express why my vote is what it is.

21 So it's no secret, or I don't think it should be,
22 I'm principal officer of Teamsters Union Local 495. I
23 represent a lot of members in the racing industry. I take
24 my California ethics training very seriously, so I don't
25 cross the two, because if I did, I'd be wearing my emotions

1 on a sleeve and I wouldn't be sitting here. But I'm sitting
2 here and benefit for many years of our racing industry and
3 of the state of California and the members that I represent.
4 But I have to be cautious about emphasizing one over the
5 other, and that's what I do.

6 So it may be understood. It may not be
7 understood. But again, I take my training of ethics very
8 seriously. Ain't nobody in my pocket. Ain't nobody telling
9 me how to do it or what to do. It's a decision that is made
10 for the industry and for the state of California. And so if
11 that is misunderstood, then I apologize that you
12 misunderstand, fellow commissioners and ladies and
13 gentlemen. But that's what it comes down to.

14 My vote is no.

15 CHAIR FERRARO: Commissioner Alfieri?

16 COMMISSIONER ALFIERI: No.

17 CHAIR FERRARO: And the Chairman votes no.

18 Moving on to the Executive Director's Report and
19 the Equine Medical Director's Report.

20 Mr. Chaney?

21 EXECUTIVE DIRECTOR CHANEY: Thank you, Mr.
22 Chairman, and good morning, Commissioners.

23 I'll begin with the handle report for the month of
24 May, day racing handle is even, night racing handle is up 14
25 percent, and total handle is up 2 percent as compared to May

1 of 2024. This, of course, is without Golden Gate Fields,
2 who was racing last May.

3 For calendar year 2025, day racing is down 6
4 percent, night racing is up 11 percent, and total handle is
5 down 4 percent compared to total handle for the first five
6 months of last year. Again, Northern California racing was
7 taking place in the same period.

8 I wanted to report to the Board regarding the
9 fallout from the fire at headquarters a month ago. The CHRB
10 offices are in fairly good shape, although there is some
11 lingering smell of smoke upstairs, and individual internal
12 door locks need to be repaired. The owner of the building
13 has managed to take -- to make two restrooms operational.
14 Last Friday, they conducted air quality testing, and we are
15 awaiting the results of those tests.

16 While mail and direct phone calls are slightly
17 delayed, I want to commend staff for working to create very
18 little noticeable disruption in services as we attempt to
19 work from home through the consequences of limited access to
20 headquarters.

21 Since the last meeting, three new employees have
22 begun working at the CHRB, Regulatory Affairs Analyst Brooke
23 Tuchman, Senior HR Analyst Cameron Morgan, and HR Analyst
24 Yesenia Gonzales (phonetic). I think at least one of them
25 is here in the audience. I'd like to welcome them to the

1 CHRB.

2 A few administrative notes. Number one, there is
3 no Board meeting scheduled for next month, which is July.
4 The next Board meeting is August 21st. It's in Del Mar.
5 And third, beginning in September, our meetings will more
6 than likely move locations in Sacramento. Cal Expo has been
7 a very gracious host, but I think it's a bit unfair to ask
8 them to continue to host with no live racing scheduled in
9 the immediate future. The website will be updated when we
10 have an alternate location.

11 And that, Mr. Chairman, is my report.

12 CHAIR FERRARO: Thank you.

13 Questions from the Board?

14 Jeffrey Blea.

15 DR. BLEA: With one minute remaining, I'll say
16 good morning, Chairman Ferraro, Vice Chairman Gonzales,
17 Commissioners and Executive Directors Chaney.

18 I'm going to switch directions here a little bit
19 with more of a public service announcement in that you may
20 hear about something called New World screwworm in the news
21 or in the industry press. If you have not, you likely will
22 in the coming weeks to months.

23 On May 11th, 2025, the United States Department of
24 Agriculture closed all land border crossing stations along
25 the Mexico-U.S. border, stopping all movement of animals

1 from Mexico into the United States due to the increased risk
2 of New World screwworm spreading north.

3 Screwworm infestation is caused by New World
4 screwworm fly larvae or maggots and was eradicated in the
5 United States in 1966. It is a parasite endemic in tropical
6 and subtropical regions in Central and South America.
7 However, it was identified in Mexico in late 2024. If
8 screwworm were to spread in the United States, it would
9 result in significant economic losses and threats to animal
10 health and welfare.

11 Horses, of which we're all concerned about, can be
12 carriers and spread the disease if they have open wounds or
13 mucous membrane injuries that have become infested, and
14 screwworms can potentially be transmitted to humans.
15 Screwworm is considered a foreign animal disease and cases
16 must be reported to state and federal animal health
17 officials. As I stated, it was eradicated in the U.S. in
18 1966.

19 At this time, we will continue to monitor any
20 further developments and we are in communications with the
21 USDA.

22 Moving on to fatalities, in May, there were two
23 fatalities that occurred in racing, one musculoskeletal
24 fatality and one sudden death. There were three
25 musculoskeletal fatalities associated with training. Two

1 other fatalities occurred in May, including a colic and a
2 horse who sustained a severe injury to a lower limb that
3 occurred while being transported in a trailer to a different
4 state.

5 Regarding the Maddy Lab, in May of 2025, 313
6 primary blood and urine samples, including 16 official work
7 bloods, were analyzed at the Maddy Lab for the California
8 Horse Racing Board; 260 out-of-competition samples were also
9 analyzed for EPO and anabolic steroids. Additionally, 28
10 TCO2 samples from Cal Expo were also analyzed. In all
11 testing in the month of May for CHRB, there was one class
12 two finding for diisopropylamine.

13 This concludes my report and I'm happy to answer
14 any questions.

15 VICE CHAIR GONZALES: Mr. Chairman, I do have one
16 question.

17 Mr. Blea -- Dr. Blea, great presentation as
18 always. Actually, it has something to do with the last
19 month's, and I've been thinking about the shoulder injuries,
20 these injuries coming off of these long layoffs. And I know
21 we did a remarkable job under your leadership, Dr. Ferraro
22 and Executive Director Chaney, about these inspections and
23 making sure we're more eyes on these horses coming off of
24 long layoffs.

25 But one thing I'd like for you to do is keep an

1 even closer eye on is the size of the barns where some of
2 these breakdowns are happening. I do know that I just have
3 noticed a few of those coming off of long layoff breakdowns
4 are happening with large barns. And, you know, I wouldn't
5 go as far as saying some trainers are less hands on than
6 others. But if you start to see a trend of these long
7 layoff training breakdowns, let us know if you need our help
8 in addressing that there's a pattern of these bigger barns
9 having the problem off of long layoffs.

10 So just something, I just thought it was a great
11 point you brought up last time in terms of everything we're
12 doing, but we're still seeing them and they're just rather,
13 you know, rather unfortunate. So that's all. I just wanted
14 to say, keep a close eye on it.

15 DR. BLEA: Understood. Thank you.

16 VICE CHAIR GONZALES: Thank you, Doc.

17 CHAIR FERRARO: Jeff, in the 1960s when they had
18 the screwworm problem, the way they eradicated it was they
19 sterilized a male fly --

20 DR. BLEA: Correct.

21 CHAIR FERRARO: -- because the male fly, you know,
22 consorts with many females, and that's the way they wiped it
23 out. Has anything changed in that regard?

24 DR. BLEA: That's still the current strategy. In
25 fact, in the endemic areas in Central America, Panama, and

1 even Mexico, the most effective way to reduce and eliminate
2 the disease is a sterile male fly. The female only mates
3 once and then can deliver hundreds of eggs to an animal, and
4 those eggs become larvae or maggots, and they grow up to be
5 flies, and the cycle perpetuates. When that female mates to
6 that sterile male, that stops the cycle, period. Currently,
7 that's how it's being handled in Central America.

8 The USDA just announced, I believe it's Secretary
9 Rollins, just announced a massive undertaking along a border
10 state in South Texas to build a massive facility to produce
11 multiple millions of male sterile flies on a weekly basis.
12 And that facility is supposed to be completed in 2025.

13 CHAIR FERRARO: Any questions on the Board?

14 Thank you, Jeff.

15 DR. BLEA: Thank you.

16 CHAIR FERRARO: Do we have a public comment? No
17 public comments.

18 So, anyone want to make a motion about adjourning?

19 COMMISSIONER HUDNUT: So moved.

20 CHAIR FERRARO: Second?

21 COMMISSIONER STERN: Second.

22 COMMISSIONER ALFIERI: Second.

23 CHAIR FERRARO: Commissioner Stern?

24 COMMISSIONER STERN: Yes.

25 CHAIR FERRARO: Commissioner Davis?

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COMMISSIONER DAVIS: Yes.

CHAIR FERRARO: Commissioner Gonzales?

VICE CHAIR GONZALES: Yes.

CHAIR FERRARO: Commissioner Alfieri?

COMMISSIONER ALFIERI: Yes.

CHAIR FERRARO: Commissioner Castellanos?

COMMISSIONER CASTELLANOS: Yes.

CHAIR FERRARO: Commissioner Hudnut?

COMMISSIONER HUDNUT: Yes.

CHAIR FERRARO: And the Chairman votes yes.

Thank you all. It was a tough session.

(The Board adjourned at 12:05 p.m.)

CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of July, 2025.



MARTHA L. NELSON, CERT**367

B

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.



MARTHA L. NELSON, CERT**367

July 16, 2025