

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Friday, August 5, 2016 – 9:30 a.m.
Del Mar Thoroughbred Club**

MINUTES

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

Directors Absent: Ed Moger.

Staff Present: Greg Avioli, Nick Coukos, Mary Forney, Liz Morey, and Jennifer Saavedra.

I. Call to Order

Mr. Avioli began by reviewing the board packet enclosures and handouts at 9:45 a.m. The meeting was formally called to order at 9:58 a.m. Mr. Avioli welcomed new board member Joe Ciaglia and new staff member Elizabeth Morey.

II. Approval of Minutes

On a motion by Mr. Owens, seconded by Mr. Strauss, the minutes of June 9, 2016 and July 12, 2016 were unanimously approved.

III. Election of Board Officers for 2016-17

On a motion by Mr. Lovingier, seconded by Mr. Aldrich, Mike Pegram was unanimously reelected as Chair. As there were no other nominees from the floor, a motion was made by Mr. Owens to reelect the current remaining officers: Bill Strauss, Vice Chair Southern California; Jack Owens, Vice Chair Northern California; Nick Alexander, Secretary-Treasurer; Ed Moger, Member at Large; and Mike Harrington, Member at Large. The motion was seconded by Mr. Lovingier and passed unanimously.

IV. Board Committee Assignments

Mr. Avioli reviewed the proposed 2016-17 committee list. On a motion by Mr. Strauss, seconded by Mr. Alexander, the proposed committees were approved.

V. Committee Reports

A. Finance

Mr. Alexander provided a year-end as well as a July financial report. Mr. Avioli then presented the proposed budget going forward. On a motion by Mr. Alexander, seconded by Mr. Baffert, the budget was unanimously approved.

B. Legislative/ADW/Simulcast

Mr. Avioli provided an update on current issues and negotiations regarding legislation, ADW and simulcasting.

- VI. Southern California Racing & Stabling Proposal
Mr. Avioli reviewed the current negotiations on the Southern California racing and stabling proposal and the proposed agreement, which would be for three years, setting the calendar through 2019. He described and explained the role of the Industry Fund for stabling and vanning. There was a discussion about the possible impact of building 150 additional stalls at Los Alamitos considering the number of horses training on that track. Management agreed to work with members of the board and Los Alamitos to minimize any such impact. On a motion by Mr. Ellis, seconded by Mr. Lovingier, the board voted unanimously to approve the proposed Southern California Racing and Stabling Agreement.
- VII. Northern California 2017 Preliminary Dates Discussion
Mr. Coukos reviewed multiple calendars proposed by the various stakeholders in the north for the 2017 Northern California race dates. Mr. Avioli noted that the CHRB would be addressing this at its September 22nd board meeting, and that management would be presenting its analysis of the proposals for racing and stabling for board consideration at TOC's September 15th board meeting.
- VIII. Race Meet Reports
Mr. Coukos provided race meet reports for Sacramento Fair, Santa Rosa and Del Mar.
- IX. Board Vacancy
Mr. Coukos provided a list of candidates who have been proposed to fill the spot previously held by Billy Morey. The board agreed to continue this conversation at its next board meeting.
- X. Mr. Rubenstein of Del Mar joined the meeting to provide an overview of the Del Mar meeting to date and address questions from board members.
- XI. The board then adjourned for lunch.
- XII. Board Retreat Segment

Following lunch, the board reconvened to full session.

A. Big Budget

Mr. Avioli reviewed the comprehensive budget provided based on 2015 wagering handle and revenues for California racing including all deductions both statutory and voluntary from commissions and purses. Mr. Avioli said that management would be conducting a more detailed analysis of each of the deductions in the coming months, with an eye towards determining which were essential and which provided the most benefit to purses.

B. ADW

Mr. Avioli reviewed the current wagering breakdown between ADW, satellite and on-track wagers, the projected changes in these wagering patterns over the next ten years, and the potential impact on purses.

C. Stabling & Vanning

Mr. Avioli reviewed the recently completed stabling audits commissioned by the Stabling & Vanning committees for Santa Anita and Golden Gate.

The board discussed the long-term viability of the stabling and vanning programs in the North and South, given current deficits and cost increases.

XIII. Next Meeting

The next meeting will be Thursday, September 15, 2016, 11:00 a.m. at Los Alamitos

IV. Adjournment

Mr. Avioli adjourned the meeting at 1:54 p.m.