

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS MEETING
Thursday, February 16, 2017 – 11:00 a.m.
Santa Anita Racetrack**

MINUTES

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

Directors Absent: None.

Staff Present: Greg Avioli, Mary Forney, Liz Morey, and Patricia Chinnici.

I. Call to Order

Mr. Avioli called the meeting to order at 11:00 a.m.

II. Presentation by Santa Anita

Mr. Morris provided an update on the Santa Anita meet to date. He said that two race days have been added, as approved by the CHRB, to make up for lost rain days – Thursday, April 20 and Thursday, June 1. He briefly reviewed his horse counts for Golden Gate Fields, Santa Anita and SLRD, noting that Santa Anita will now be accepting two year olds.

Mr. Morris also provided an update on the impact the rainy weather has had on field sizes, handle, commissions and purse generation. He noted that Santa Anita began the meet overpaid in purses by \$800,000. While that number has increased with the poor weather the past two months, he projected that better weather, fuller fields and more turf racing should result in stronger handle for the remainder of the meet. His target for the purse account is to reduce the deficit at the start of the meet to approximately \$600,000 overpaid at the end of the meet in July.

He also briefed the board on an ongoing project in the racing office aimed at upgrading the InCompass data system and determining ways to use it more effectively, including training for staff. Finally, he covered marketing and ticket sales, online media, social media, upgrades to online ticketing through Open Table, and other special events held at the track.

III. Approval of Minutes

On a motion by Ms. Walsh, seconded by Mr. Fenton, the minutes of January 19, 2017 were unanimously approved.

IV. NTRA 2017 Dues Approval

Mr. Avioli reviewed the proposed NTRA Membership Agreement with the same annual dues as paid by TOC in 2016. He reviewed the recent successes of the NTRA

in lobbying for improved wagering regulations with the IRS and discussed the continued work the NTRA was doing in Washington on agricultural worker visa programs. He also pointed out a new provision in the NTRA membership agreement requested by the TOC that the NTRA will oppose any proposed federal amendment to the IHA without each of the horsemen's groups approving (THA and TOC). On a motion by Mr. Harrington, seconded by Ms. Siegel, the board unanimously approved the NTRA-TOC 2017 contract.

- V. **Stronach Group Management Changes**
Mr. Avioli briefly updated the board on recent and expected management changes at The Stronach Group.

- VI. **SCOTWINC / Pechanga Update**
Mr. Avioli provided a summary of the materials provided to the board regarding the recent SCOTWINC Board meeting. Mr. Moger made a motion to ratify the TOC's vote in the SCOTWINC meeting in support of the Pechanga and Santa Anita satellite wagering agreements. Mr. Baffert seconded the motion, which passed unanimously.

- VII. **Game Play Network Hub Agreement Extension**
Mr. Avioli reviewed the proposed extension to the Game Play Network hub agreement with the TOC through December 31, 2017 and provided an update on the national rollout of the "bSpot" wagering platform and ongoing financing efforts of the company. On a motion by Mr. Ellis, seconded by Ms. Walsh, the extension to December 31, 2017 was approved unanimously.

- VIII. **CHRB Meeting Agenda**
Mr. Avioli reviewed each of the medication-related agenda items outlined on the summary document provided to the board.
 - A. **Proposed Amendment to Rule 1581** – House Rules on Medication-Based Race Conditions. The TOC Board previously supported this proposed rule at the CHRB October 2016 meeting, at which time the board approved it for 45-day public comment. The rule requires TOC consent for any medication-based house rules proposed by Thoroughbred racing associations.
Proposed Amendment to Rule 1649 – Safety of Racecourse (Pristine Track). Mr. Avioli reviewed the amendment and noted that TOC will ask the CHRB to provide more data and facts. The board also agreed that we should not take a public position at this time on this rule amendment pending receipt of more information.
 - B. **Proposed Amendment to Rule 1588** – Horse Ineligible to Start in a Race. After discussion, it was the board's consensus that we don't have sufficient facts and data on this rule, and consequently TOC will oppose at this time at CHRB meeting.
 - C. **Proposed Amendment to Rule 1868** – Authorized Medication During Workouts. Following discussion, it was the board's consensus that we don't have sufficient facts and data on this rule, and consequently TOC will oppose at this time at CHRB meeting.

- D. **Out-of-Competition Testing Procedures.** Following discussion, it was the board's consensus that we don't have sufficient facts and data on this rule and, consequently TOC will oppose at this time at CHRB meeting
- IX. TOC Board Election – Vote on Approval of Nominees
Ms. Forney reviewed the nominations received by the Executive Committee to date from Andrew Lerner and Bing Bush. Mr. Ciaglia made a motion to ratify the Executive Committee's approval of the nominations of the two candidates. The motion was seconded by Ms. Siegel and passed unanimously.
- X. Committee Reports
- A. Finance
Mr. Alexander provided a year-end financial update. He then updated the board on information received from our auditors and Ms. Chinnici, who are reviewing the method by which receivables were recorded for Fiscal Year 2016 for possible adjustment.
- B. Owner Relations Committee
Mr. Lovingier reported that the first video has been successfully completed for the program, and we will soon begin posting the "We Care" videos on the TOC website. Links to the videos will be forwarded to board members. He also informed the board that the committee will be meeting with TVG next week to discuss next steps and anticipated costs for the program.
- C. Racing Affairs
Ms. Morey provided brief race meet reports for Santa Anita and Golden Gate Fields to date.
- XI. Next Meeting
The next meeting will be Thursday, March 16, at 11:00 at Santa Anita.
- XII. Adjournment
Mr. Avioli adjourned the meeting at 12:40 p.m.