

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

MINUTES

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

Directors Absent: Allen Aldrich and Mike Pegram.

Staff Present: Greg Avioli, Mary Forney, Elizabeth Morey, and Joe Hasson.

- I. Call to Order
Mr. Avioli called the meeting to order at 11:06 am.
- II. Approval of Minutes
On a motion by Ms. Walsh, seconded by Mr. Ellis, the minutes of April 13, 2017 were unanimously approved.
- III. Legislative Update
Mr. Avioli provided a legislative update on pending federal and state legislation relating to horse racing. He also updated the board on TOC discussions with California Tribal interests.
- IV. CMC / We Care Update
Mr. Avioli provided an update on the progress of the “We Care” campaign, including current discussions on re-branding the CMC website along the lines of the “We Care” program.
- V. Open Forum Recap
Ms. Forney provided an update on the open forum held at Santa Anita on Saturday, Apr. 22. Board members in attendance were Chairman Nick Alexander, Gary Fenton, Ron Ellis and Terry Lovingier; and staff members attending were Ms. Forney and Ms. Morey. Mr. Morris of Santa Anita attended to provide a report on the meet to date. There were approximately 28 participants, who were quite engaged in the question-and-answer session, including several people interested in finding out more about the “We Care” program.
- VI. Committee Reports
 - A. Finance Committee
Mr. Strauss gave a financial report. He informed the board that the proposed budget for fiscal year 2017-18 will be presented at the June meeting, subsequently to be approved at the July meeting by the new board. Mr.

Strauss also noted that the committee is looking at developing a financial investment policy for TOC and hopes to have a proposal at the next board meeting.

B. Wagering Committee

i. ADW Hi-Volume Player Agreement Update

Mr. Avioli gave an update on the high volume rebate program, noting that we have reached an agreement with both TVG and XpressBet to revise the player qualifications going forward. The agreement implements new monthly thresholds, which were outlined in an attachment provided to the board. We anticipate that these adjustments will help retain more players at the lower rebate level as well as encourage players currently at the \$1 million-plus level to wager more than \$2 million.

ii. Status Report on New/Updated Mini-Satellites

Mr. Avioli gave an update on the two new satellites that will be on line soon. Plans for Pechanga Casino are ready to go, but we are still working through some licensing issues with the Tribal licensing board. We hope to complete the licensing process this month. He also updated the board on the expansion of the Commerce Casino.

C. Racing Affairs

i. Discussion and Action on Los Alamitos Proposed Stakes / Overnights

Ms. Morey informed the board that the Racing Affairs Committee has requested some changes to the Los Alamitos purse proposal but has not received an answer from Los Alamitos, and she expects to bring this back to the board at its June meeting.

Ms. Morey then directed the board's attention to a request letter from CARF that she provided as supplemental board meeting material. CARF is asking to take an additional ADW exception to pay the Alameda County Fairgrounds to stay open for additional weeks in September. Mr. Moger then reported that the Racing Affairs committee had discussed the request and did not feel it prudent to use our purse money to keep stabling at the fair open during that timeframe. That committee unanimously voted to recommend denying CARF's request at this time, noting that it involves on-site stabling, and therefore is not an offsite stabling and vanning expense. On a motion by Mr. Alexander, seconded by Ms. Siegel, the board unanimously voted to ratify the committee's recommendation not to approve CARF's request.

ii. Race Meet Reports

Ms. Morey reviewed updated revenue reports for the Santa Anita and Golden Gate Fields meets to date, which were provided as supplemental board meeting material.

iii. Horse Counts

Ms. Morey reviewed the horse counts north and south, which were provided in the board packet. There was a general discussion about declining horse population and field sizes. Mr. Avioli then reviewed the chart included in the board packet illustrating the decline in field sizes.

VII. Field Size Discussion

Pursuant to a question by Dr. Dedomenico, there was a discussion regarding the voided claim rule. It was agreed that staff would pursue the issue with the racing secretary and CHRB and have an update for the board at the next meeting.

Following a short break for lunch, Messrs. Morris and Hammerle of Santa Anita and Mr. Balch of the CTT joined the meeting as guests to discuss ideas for improving field sizes. There was a lengthy discussion, with board members providing their input and suggestions to the racing office. TOC will put together a small subcommittee to further discuss field size issues and recommendations with the racing office.

After the guests left the meeting, a discussion ensued. Mr. Avioli reiterated that these issues will be easier to deal with as we become much more data based through the processes being developed by TOC staff.

VIII. Next Meeting

The next meeting will be Thursday, June 15, 2017 at Santa Anita.

IX. Adjournment

The meeting was adjourned at 1:34 p.m.