

**THOROUGHBRED OWNERS OF CALIFORNIA
BOARD OF DIRECTORS CONFERENCE CALL
Wednesday, November 28, 2018 – 3:00 p.m.**

MINUTES

Directors on Call: Allen Aldrich, Nick Alexander, Joe Ciaglia, Gary Fenton, Rick Gold, Mike Harrington, Bob Liewald, Terry Lovingier, Ed Moger, Jack Owens, and Bill Strauss.

Directors Absent: Bob Baffert, Mark Dedomenico, Mike Pegram, and Samantha Siegel.

Staff On Call: Greg Avioli, Mary Forney, and Elizabeth Morey.

I. Santa Anita Winter-Spring Meet Recommendation

Ms. Morey reviewed the Racing Affairs Committee's recommendations for the Santa Anita winter-spring meet, which were provided to the board. Included in the recommendations were a 10% increase to purses in claiming races up to \$25,000, a 2% increase for maiden special and allowance races, and an adjusted purse distribution for first through fifth place for races with purses less than \$30,000. Mr. Fenton provided further input on the committee's decisions. A motion to ratify the recommendation of the Racing Affairs Committee was made by Mr. Alexander, seconded by Mr. Lovingier, and unanimously approved. Ms. Morey was asked to draft a press release regarding the updated purse distribution.

II. Golden Gate Fields Winter-Spring Meet Recommendation

Ms. Morey reviewed the discussions of the Racing Affairs Committee on a call earlier this afternoon, a summary of which was provided to the board. Mr. Moger gave some additional input on the discussions, which included increased purses to a minimum of \$10,000 with a \$30,000 minimum for allowance and maiden special weight races, increased purses for several stakes races, the designation of the El Camino Real Derby as a "win and you're in" race for the Preakness, and an increase in the participation purse to \$300.

III. Workers' Comp Increase / Participation Purse Increase

Ms. Forney reviewed a memo provided to the board on the proposed workers' compensation insurance increase, including background on the program, funding sources, and historical contributions from owners, trainers, and the subsidy from exotic wagering. PostTime Self Insurance Group, which manages the program for Thoroughbreds, proposes raising the owners' per-start fee for 2019 from \$100 to \$106/start to cover the increased funding requirement, with alternate/equal funding between trainers and owners going forward such that any increase for 2020 would come from the trainers' contribution. To offset the \$6.00 per start increase to owners, the guaranteed participation purse level would be raised by \$6.00 per start. Ms. Morey noted that the proposal by Golden Gate Fields was to increase the participation fee from \$225 to \$300 per start, which would also include increased costs for third party Lasix administration and jockey fees. Mr. Alexander made a motion to approve the proposed change, which was seconded by Mr. Ciaglia and unanimously approved.

IV. Santa Anita Horsemen's Agreement / Historic Racing

Mr. Avioli updated the board on the recent negotiations with the Stronach Group regarding Historic Racing and the pending horsemen's agreement. He reviewed language, which was provided to the board, which was the result of a compromise reached yesterday between TOC and the Stronach Group allowing Santa Anita to install up to 15 machines but not including an approval or non-approval of historic racing at Santa Anita by TOC. Additionally, the language stipulates that TSG will obtain TOC approval before installing more than 15 machines, and TSG will obtain CHRB agreement to install the first 15 machines.

Mr. Fenton added that he believes we have taken the right approach from a tactical standpoint. Mr. Alexander noted that he is opposed to instant racing, but he will support the majority decision. Mr. Avioli added that the downside of the SG approach is that it could impact broader conversations we have had with the Tribes over the last three years, making negotiations more difficult.

Following discussion, Mr. Fenton made a motion to authorize staff to move forward with the horsemen's agreement including the proposed language. The motion was seconded by Mr. Strauss and passed with two nays (Alexander, Owens).

V. Adjournment

The meeting adjourned at 3:48 p.m.