



BC THOROUGHBRED OWNERS & BREEDERS ASSOCIATION
“One Voice for Thoroughbred owners & breeders in British Columbia”

Minutes of the BCTOBA Annual General Meeting held on October 13, 2012

1. Call the meeting to order;

- the meeting was call to order at 1:10 p.m. with a quorum present.

2. Introduction of the Directors;

- President Ole Nielsen introduced all of the director's

3. Appoint person as Secretary of the meeting;

- a motion was made by Michael Loynes and seconded Linda Loynes that Mike Heads be the recording secretary. Carried.

4. Secretary to read Notice Calling meeting and Certification thereof;

- secretary Mike Heads read the notice calling meeting and certification thereof.

5. Approval of the Notice Calling Meeting;

- a motion for approval of the notice calling the meeting was made by Kathy Huettl and seconded by Blaine Froats. Carried.

6. Approval of the Minutes if the 2011 Annual General Meeting;

- the minutes of the 2011 AGM were read aloud by the recording secretary and a motion that the minutes of 2011 be approved was made by Pat Marini and seconded by Steve McDonald. Carried.

7. President's Report

President Ole Nielsen started his report by announcing how the landscape of horse racing has changed dramatically in the past three years when the Horse Racing Industry Management Committee was initiated to oversee all aspects of racing in British Columbia.

A breakdown of how revenue is created was given stating that the slots at Hastings and Fraser Downs together generated approximately 6.5 million in 2011 and a slot top-up to \$10 million was added by the government. TBC generated \$10 million in revenue, Hastings \$10 million and Fraser Downs \$2 million which made up the \$32 million available for 2012. That number then was



distributed by the Management Committee as per the agreed splits of 43% to track operator, 33.62% to thoroughbred sector and 23.38 % to the standardbreds. This is how the thoroughbred sector ended up with the available money for 2012 of \$10.45 million. This is the third consecutive year that the allocation to the thoroughbred sector has gone up and we are confident that this can happen again in 2013.

BCTOBA has had an excellent working relationship with all racing groups, government, the HRIMC and in most cases the track operator. We successfully negotiated a settlement with the track operator regarding the \$2.7 million overpayment of purses in 2008. It was agreed that both horsemen and track operator were at fault so the overpayment was settled at 50-50 which resulted in a repayment agreement of \$1.35 million to Great Canadian. Our purse account is not in a position to repay immediately or a huge purse reduction would have to occur. A number of repayment options were offered by GCGC and the best one for the industry was agreed upon at \$250,000 per year for 6 years.

Last year GCGC declined to cover purse account when it goes into the minus and said that we had to get our own float to cover when the purse account goes into the minus which is in September and October when we pay out our higher purses. BCTOBA set up a line of credit with the bank to cover these situations when we don't have enough cash flow to cover the monies paid out.

A brief summation of how the purse account is funded was given. We do not get the \$10.45 million in one lump sum, the purse account receives a monthly allocation and since all purse monies are earned by mid-October a line of credit is needed to pay all of the earnings to the owners. The purse account balances when the remaining monthly allocations October, November and December eventually come in.

A recap of the 2012 racing season was given. We raced 67 days, 39 stakes races and 494 overnight races, down from 69 days and 509 overnight races in 2011. This was due to the fact that 18 maiden allowance races were run in 2011 and thus the 2012 season was budgeted for 18 as well. As of June, already 18 maiden allowance races had been run which put the purse account well over budget. It was necessary to cancel 4 racing days to not have a purse cut. In the end 38 maiden allowance races were run which was an extra \$500,000 in purse money given out that was not budgeted for. Next year we will budget for 38 maiden allowance races and make the necessary adjustments to the purses.

The wagering for 2012 at Hastings is currently up 6% and \$1.7 million over 2011 with two days remaining. Unfortunately those numbers don't translate into revenue as we rely heavily on the live handle numbers to drive up revenue. The field size was excellent this year at 7.63 starters per race (up from 7.21% in 2011). The 'Ship N Win' program instituted this year resulted in 22 more horses coming from out of town to Hastings. Each incoming horse had to run twice to qualify for a \$1,000 bonus. The program ended up spending \$22,000. With the available horse population



diminishing each year and the foal crop being down this program is necessary to keep field size up in order to insure maximum wagering on each race. It is a proven fact that an 11 horse \$3,000 race handles far more than a 5 horse stakes race so it is imperative we do everything we can to insure big fields for the public to wager on. We are planning on increasing this Ship N Win program to \$2,000 per horse but a 3 race requirement would be necessary.

The multi-stakes days seem to work extremely well for handle so we will continue to try and lump as many stakes on specific days next year to capitalize on this trend.

8. FINANCIAL REPORT

(a) approval of the 2011 financial statements ;

- a copy of the 2011 financial statements were issued to all members present. A breakdown of the numbers was given.

A motion to approve the statements was made by Kathy Huettl and seconded by Steve McDonald. Carried.

(b) appointment of the auditor for the 2012 fiscal year

A motion for Johannesen and Company to be the 2012 auditor was made by Russ Bennett and seconded by Ross McNaughton. Carried.

9 . NEW BUSINESS

Member Blaine Froats suggested that why we don't eliminate tracks that bet on Hastings where we only get a 2% commission. It was explained that we need those tracks to keep the handle high enough to make the pools large enough for our 18% commission bettors to wager on.

Member Herb Willberg asked why we continue to race at 3:20 pm on Wednesday's and Friday's during the PNE when it is so detrimental to the handle and that Saturday's and Sunday's would be far better. It was mentioned that Great Canadian signed a 3 year agreement to have the racetrack as a parking lot on weekends during the PNE in exchange for a VIP parking lot year round. This was the final year of that agreement but we are not confident that anything will change for next year.

Member Michael Loynes asked about future greening of the park and to our knowledge this greening process will not be overly significant.

It was mentioned that the Glen Todd survey was an excellent idea but still needs some adjustments to get the full potential from the survey.



Member Jason Lorraine questioned by the advertised purse shown in the condition book and thought it was quite misleading especially for U.S. bred's that are not eligible for a portion of the purse. In a response it was mentioned that it will be looked at and perhaps adding the participation payout into the purse could be changed. But most tracks do include locally-bred incentives into the advertised purse so that is not likely to change.

ELECTION OF FOUR DIRECTORS

The four director's that had their two-year terms expire had all agreed to stand for re-election. There were no additional nominees for directorship by the Monday October 8th deadline so President Ole Nielsen announced that Russ Bennett, Ralph Jesiak, Steve McDonald and Bill Stewart are all back for four year terms by acclamation.

10. ADJOURNMENT

A motion for adjournment was made which was made by Steve McDonald and seconded by Ross McNaughton. Carried. The meeting was adjourned at 1:55 p.m.