

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Wednesday, November 17, 2010

MINUTES

A meeting of the California Authority of Racing Fair Board of Directors was held at 4:00 P.M., Wednesday, November 17, 2010. The meeting was hosted at the Courtyard Marriott, 1782 Tribute Road, Sacramento, California.

CARF Board Directors attending: John Alkire, Vince Agnifili, Norb Bartosik, Mike Paluszak, Rick Pickering and Kelly Violini.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Amelia White, George Soares, Tawny Tesconi, Stuart Titus, Rebecca Desmond, Tim Renner and Cindy Olsen.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board & Live Racing Committee meetings will be scheduled for December 7, 2010 in Sacramento.

Agenda Item 2 – Approval of Minutes. Mr. Paluszak moved to approve the August 23, 2010 meeting minutes as presented. Ms. Violini seconded, unanimously approved.

Mr. Agnifili moved to approve the September 7, 2010 meeting minutes as presented. Mr. Paluszak seconded, unanimously approved.

Mr. Bartosik moved to approve the October 19, 2010 meeting minutes as presented. Mr. Pickering seconded, unanimously approved.

Agenda Item 3 – Discussion and Action, if any, on Replacement Revenues to Fairs that Reduce or Discontinue Live Horse Racing Dates. Item was covered in the prior Live Racing Committee meeting. Mr. Pickering's motion to refer the Solano County Fair's requests for replacement revenue to the CARF sub-committee (Mr. Paluszak, Mr. Bartosik and Ms. Tesconi) was unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on Legislative Matters. Legislative matters will be discussed during the second day of the CARF Strategic Planning Conference. The proposed legislative program for 2011 and beyond will include modifying/amending AB 765 language (allows 1% increase in take-out for racing conducted at

Fairs), modifying/amending language B&P Section 19522 (requiring satellite supervisors at Fair satellite facilities) and renewing efforts to receive an increase in satellite commissions.

Agenda Item 5 – Report, Discussion and Action, if any, on the CDFA F&E Expenditure Plan and Funding Allocations for FY 2010/11 and Beyond. Mr. Korby reported that he and Ms. Desmond have had several conversations regarding the 2010-11 Expenditure Plan to discuss the components of the “Racing & Satellite Wagering Support” allocation. Those conversations are ongoing.

Ms. Desmond stated that the Expenditure Plan was produced quickly to meet deadlines and F&E will work together with CARF to determine the specifics of the allocation. Ms. Desmond reported that F&E will be calling back the interest that has been accruing at CARF in LOUs from F&E funded projects. Mr. Korby replied that this has been a standard procedure in the past and is a contractual obligation that will be fulfilled.

Mr. Alkire congratulated Ms. Desmond for her recent appointment as Acting Director of the CDFA Division of Fairs and Expositions.

Agenda Item 6 – Discussion and Action, if any, on Recommendations from the CARF Board Regarding FY 2010-11 Funding Allocations from CDFA Division of Fairs and Expositions. No action.

Agenda Item 7 – Update, Report, Discussion and Action, if any, on Implementation of Mini-Satellite Wagering Facilities as Joint Ventures with Fairs. Mr. Korby reported that he and Ms. Violini went before TOC representatives to make a presentation regarding the mini-satellite wagering facility that is being proposed as a joint venture between Monterey County Fair and Bankers Casino in Salinas. A copy of the presentation is included in the meeting packet. The TOC was very receptive to the presentation and is in support of the project moving forward. The expansion is scheduled to begin January 2011.

Mr. Korby encouraged all Fairs to consider a mini-satellite wagering facility partnership in their community.

Mr. Alkire reported that satellite downsizing at Fresno is complete and the facility opened after Breeders’ Cup.

Mr. Bartosik reported that Turf Club at Cal Expo will no longer be used as part of the satellite wagering facility after the first of the year.

Agenda Item 8 – Report, Discussion and Action, if any, on Developments in MAGNA Bankruptcy Proceedings. Mr. Korby reported that the settlement process continues to move forward. Mr. Korby reported that the recovery for satellites will be 100% of the claim less attorney fees (approximately 10 percent of the settlement).

Agenda Item 9 – Financials. Mr. Jacobs proposed that the CARF finance committee look at the CARF financials and consider refinancing CCA loans that are impacting F&E. Mr. Jacobs moved to have Mr. Korby and the CARF finance committee meet with F&E to discuss the situation at CCA and come back with a recommendation on how CARF can best help F&E. Mr. Pickering seconded. Unanimously approved.

Agenda Item 10 – Executive Director’s Report. Mr. Korby reported that the city of Del Mar and Senator Kehoe are discussing the potential transfer of the 22nd DAA fairgrounds to the city of Del Mar. Mr. Korby presumes that Senator Kehoe will submit legislation next session to facilitate the transfer. CARF might consider working with the 22nd DAA on a joint position.

Mr. Korby asked the group to review the draft report “Ten-Year Report 2000-2009 Satellite Wagering at Fairs” provided in the meeting packet.

Mr. Bartosik reported that the Orange County Swap Meeting got an injunction and temporary restraining order to prevent any further discussion between the L.A. County Fair and potential buyers in Costa Mesa.

Respectfully submitted,
Heather Haviland