

CALIFORNIA AUTHORITY OF RACING FAIRS

Board of Directors

Tuesday, November 8, 2011

11.

MINUTES

A teleconference meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, November 8, 2011, via teleconference.

CARF Board Members joining by conference call: John Alkire, Norb Bartosik, Dan Jacobs, Mike Paluszak and Kelly Violini.

Staff and Guests joining by conference call: Christopher Korby, Larry Swartzlander, Heather Haviland, Amelia White, Rick Wood, Raechelle Gibbons, Rebecca Desmond, and Tom Sawyer.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting will be scheduled for December 6, 2011 in Sacramento.

Agenda Item 2 – Approval of Minutes. Norb Bartosik moved to approve the meeting minutes as presented. Dan Jacobs second, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Program for 2012. Mr. Korby reported that he and Mr. Brown are in the initial stages of putting together a recommendation for the 2012 legislative program. Staff will be considering Fair funding, Fair governance and license fee elimination for racing Fairs. Mr. Korby encouraged members to contact him with any legislative concerns that would be appropriate to address in 2012.

Agenda Item 4 – Report, Discussion and Action, if any, on CDFA Fairs’ Consortium, Fairs Funding and Re-Structuring Fair Governance. Ms. Desmond reported that Secretary Ross spoke about the Consortium process during the WFA Fall Manager’s Conference. Mr. Korby gave a concise recap on the progress made by the Working Group on Restructuring Fair Governance. The Secretary is working on her recommendation to the Governor (due November 15), which will not be made available to Fairs until after it has been presented to the Governor. The Secretary is incorporating the feedback she received in an effort to provide a simple and straightforward solution that allows for flexibility at the community level. The goal of this group is to transition Fairs from District Agriculture Associations to local entities through an alternative governance option that will maximize the retention and growth of fairgrounds and state employees.

Mr. Alkire thanked Mr. Korby and Ms. Desmond for their participation in the process.

Agenda Item 5 – Report, Discussion and Action, if any, on Use of CARF Project Funds for Operational Support by Member Fairs. Mr. Korby reported that this item was also on the agenda for the CARF Live Racing Committee and was unanimously approved.

Staff is requesting that the CARF Board of Directors consider approving the use of horse racing capital improvement project funds previously allocated by F&E for general Fair operations. Mr. Korby stated current economic hardships placed on Fairs by the elimination of state funding has necessitated reconsideration of the position that CARF has long maintained of only using capital improvement funds for the projects approved when funding was secured. In the current economic environment CARF can benefit its member Fairs by approving use of project funds for operational purposes.

Mr. Paluszak asked that that Fairs provide written "notification" in lieu of a written "request."

Mr. Jacobs moved to authorize Fairs to use racing capital improvement funds for general operational purposes with a provision that each Fair provide written notification outlining the intent to use the funds for purposes other than the projects submitted at the time funds were secured. Mr. Bartosik seconded, unanimously approved.

Agenda Item 6 – Report, Discussion and Action, if any, on Status of Totalisator contract.

Mr. Korby reported that Stronach Group management is discussing installing Am Tote as a totalisator system at their tracks throughout North America, including Golden Gate Fields and Santa Anita (the Stronach Group owns Am Tote). This development might create a situation where either two tote systems will be operating simultaneously in California or all California tracks convert to a new tote system. California industry principals went through an extensive RFP process several years ago to establish one tote system in California with great success. Mr. Korby will keep the group updated as conversations progress.

Agenda Item 7 – Report on Progress of Working Group on Allocation of CARF dues. Mr. Korby reported that the small working group tasked with reviewing the allocation of CARF dues will meet again tomorrow (November 9, 2011) at 2:00 p.m.

Agenda Item 8 – Financials. Mr. Jacobs asked if there were any issues regarding the accounts receivable that the CARF Board should convene on. Ms. Gibbons replied that with the Board action to allow Fairs to use project funds for general operational expenses, she will be backing out many of the invoices that are currently showing as account receivable.

Agenda Item 9 – Executive Director's Report. Mr. Korby reported that Bill Blair has agreed to serve as Chairman of the CARF Nominations Committee to fill two open seats on the CARF board. One seat is an expiring term held by Norb Bartosik. Mr. Bartosik has indicated he will seek re-election. The other seat is an at-large vacancy previously held by Vince Agnifili.

Respectfully submitted,
Heather Haviland