

CALIFORNIA AUTHORITY OF RACING FAIRS

Live Racing Committee

Tuesday, May 7, 2013

MINUTES

A meeting of the California Authority of Racing Fairs Live Racing Committee was held at 11:00 A.M., Tuesday, May 7, 2013. The meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Live Racing Committee members attending: John Alkire, Janet Lockhart, Rick Pickering, Richard Conway and Tom Sawyer.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Raechelle Gibbons, Cindy Olsen, James Morgan, Randy Magee and Allen J. Aldrich. Joining by conference: Caroline Titus, Dave Mogni, Duane Martin Jeff Farley and Louie Brown.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Live Racing Committee meeting will be held June 4, 2013 in Sacramento.

Agenda Item 2 – Approval of Minutes. Mr. Korby wanted the minutes to reflect that he was not present at the last meeting due to a death in his family. Mr. Pickering moved to approve the meeting minutes with that change. Mr. Sawyer seconded, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Program for 2013. Mr. Brown reported that legislators are busy in the capital and that last Friday was the first deadline of the calendar year for the Legislative process. The next deadline will be in two weeks for all fiscal committees to finish their work so we can meet with the appropriations committee on both sides.

AB 1074 (Adkins) Horse racing: statewide marketing organization. Mr. Brown reported this bill is similar to CARF's bill on the marketing committee. This is a place holder being moved through the process to address any issues that might occur if and when Hollywood Park stops racing. It's not likely that this bill will continue through the end of the process at a bill dealing with the CMC.

AB 1347 (Gray) Horse racing: out-of-state thoroughbred races: statewide marketing organization. Mr. Brown reported our bill which is dealing with the CMC and which is moving along. It passed out of the policy committee and referred to the appropriations committee. It has no cost and should get through the appropriation committee without any problems. Now we can focus on any larger issues with the CMC rather than pushing back it's sunset another five years.

Mr. Korby reported that he talked with Mr. Brown about also using this bill as a vehicle for language that allows for Horsemen and racing associations to agree that ADW commissions or

purses may be used to supplement the 2.5 percent simulcast expense fund if this is not sufficient enough to pay the expenses for operating the satellite network. That provision expires at the end of this year and some are concerned about the sunset. Mr. Brown agrees that this would be a good vehicle and he has with committee staff. Mr. Korby has talked to NCOTWINC board members and plans to follow up with the Southern California Representatives.

SB 190 (Wright) Sports Wagering. Mr. Brown reported that satellite wagering facilities continue to be included in this bill. Mr. Korby is tracking the Sports Wagering New Jersey bills and will keep everyone informed.

SB 398 (Galgiani) Horse racing: charity days: distribution of proceeds. Mr. Brown stated this bill would allow for revenues generated at charity days to be shared or allocated to non profits that benefit fairs. This bill is in the assembly and has passed the senate floor on a unanimous vote. This is a vehicle for us to use on an annual basis to create opportunities in the horseracing industry.

SB 741 (Canella) Mr. Brown reported Western Fairs governance bill has passed two policy committees, The Senate Agriculture Committee and The Senate Governmental Organization Committee. It was referred to the suspense file earlier this week in the senate appropriation committee. It has identified some costs that go hand in hand with shifting some responsibilities from the state to a district agriculture association. Mr. Brown stated that WFA/CFA are working with CARF, the Department of Finance and CDFR on those issues. CARF and CDFR continue to have discussions on use of the 1% license fee revenue that flows to the department. Mr. Brown is in the process of scheduling a meeting with Mr. Korby, Mr. Alkire, and himself to meet with CDFR.

Mr. Brown reported that the governor will issue the May revision to his budget Tuesday or Wednesday of next week. When it comes out he will let us know, but do not expect any additional cuts this time.

Agenda Item 4 – Report, discussion and action, if any, on planning and projections for 2013 Fair racing circuit. Staff proposed to direct \$63,000.00 from San Mateo County Fair loan repayment funds towards a variance in projected racing expenses caused by Sonoma’s departure from CARF to the Board of Directors for approval. Ms. Lockhart moved to approve and Mr. Sawyer 2nd the motion. Motion carried.

Agenda Item 5 – Discussion and action, if any, on racing dates for 2014 and beyond. Mr. Korby reported on the DRAFT 2014 and 2015 calendars prepared for discussion at this meeting. He noted that calendar recommendations are due May 8 to CHRB. Mr. Morgan spoke in favor of the calendar scenarios in the packet, but have Humboldt County Fair race 2 weeks without an overlap and to have Sonoma County Fair conclude racing on August 3rd. Mr. Morgan moved to approve and Ms. Lockhart 2nd the motion. Motion carried with Mr. Pickering abstaining.

2014

- June 18-July 6 Alameda County Fair at Pleasanton
- July 9-July 20 California State Fair
- Aug. 6-Aug. 17 Humboldt County Fair
- Sept. 17-Sept. 28 San Joaquin County Fair
- Oct. 1-Oct. 13 Fresno District Fair

2015 – Scenario A

- June 24-July 19 Alameda County Fair at Pleasanton
- Aug. 5-Aug. 16 Humboldt County Fair
- Aug. 19-Sept. 7 California State Fair
- Sept. 23-Oct. 4 San Joaquin County Fair
- Oct. 7-Oct. 18 Fresno District Fair

2015 – Scenario B

- June 17-July 5 Alameda County Fair at Pleasanton
- July 8-July 19 California State Fair
- August 5-August 16 Humboldt County Fair
- Sept. 23-Oct. 4 San Joaquin County Fair
- Oct. 7-Oct. 18 Fresno District Fair

Agenda Item 6 – Report on 2013 horsemen’s agreements. Mr. Korby reported that all 2013 Horsemen Agreements are complete and signed. They are available for anyone who wishes to have copies.

Agenda Item 7 – Report and discussion on preparation and deadlines for CHRB Racing License Applications. Mr. Swartzlander reported on the racing license applications due dates for each fair. He can help with preparing and submitting applications to the CHRB.

Agenda Item 8 – Executive Director’s Report. Mr. Korby reported there has been a new appointee to the CHRB, Mr. George Krikorian of Palos Verdes. Long time Director Patrick O’Brien from Alameda County Fair has been appointed by the Governor of California to the CHRB.

A second letter was received from Sonoma County Fair requesting the use of CARF’s paymaster. Ms. Grottveit is working on a response to this request. Legal counsel advised that any communication with Sonoma County Fair is to be directed to Mr. Korby and/or Counsel, Ms. Grottveit for an immediate review.

Meeting Adjourned.

Respectfully submitted,
Amelia White