

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors Meeting
Tuesday, April 2, 2013

MINUTES

A teleconference meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, April 2, 2013. The meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: John Alkire, Dan Jacobs and Rick Pickering. Joining by conference call: Chris Borovansky and Mike Paluszak.

Staff and Guests attending: Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Raechelle Gibbons, Anne Grottveit, Tom Sawyer, Janet Lockhart and Jeanne Wasserman. Joining by conference call: Louie Brown, Tawny Tesconi and Richard Conway.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Live Racing Committee meeting will be held May 7, 2013 in Sacramento. Mr. Alkire stated that Mr. Korby will not be present today due to a death in his family. Mr. Alkire welcomed Richard Conway, new Fair Manager at the Humboldt County Fair in Ferndale.

Agenda Item 2 – Approval of Minutes. Mr. Pickering moved to approve the meeting minutes as presented. Mr. Jacobs seconded, unanimously approved.

Agenda Item 3 – Executive Session: Pending Litigation. Ms. Grottveit stated that the CARF Board of Directors would not be entering into Executive Session. Ms. Grottveit reported that both Sonoma County Fair representatives and Mr. Alkire have signed the separation agreement as of April 2, 2013. A copy of the separation agreement was distributed at the meeting as a handout. Ms. Grottveit reported that the Sonoma County Fair membership termination date is today and will be effective in 21 days. Ms. Grottveit called for any questions or comments.

Agenda Item 4 – Report, Discussion and Action, if any, on Legislative Program for 2013. Mr. Brown reported that the Legislature reconvened after spring recess and has the month of April to move all legislation through various policy committee hearings.

CARF sponsored bill AB 1347 (Gray), a substantive spot bill to extend the California Marketing Committee (CMC) sunset, will be heard sometime this month. AB 1347 can also be used as a vehicle for other industry issues that might need to be addressed during the course of the session.

CARF sponsored bill SB 398 (Galgiani) would add authorized distributions from charity race days to include a nonprofit corporation whose sole purpose would be to support the network of California fairs. This bill sets the framework for additional revenue to flow to Fairs should the

opportunity present itself. There is currently no opposition to the bill and it should move through policy committee easily.

Mr. Brown reported that there is Committee on Agriculture bill (AB 1388) that would increase the time period required for an out-of-state equine to test negative for equine infectious anemia from 6 months to 12 months prior to entering the state of California. Mr. Brown reported that legal staff recommends the CARF Board of Directors support this bill as it seeks to protect California's horse population from disease.

Mr. Brown reported that SB 741 (Cannella) would change the contracting standards for District Agriculture Associations. The bill will be heard two weeks from today in the Senate Agriculture Committee. An amendment that will be proposed next week will seek to revert license fee funding currently generated from racing Fairs back to Fairs that conduct live racing or satellite wagering. Mr. Alkire reported that he and Mr. Korby met with WFA/CDFA staff to ensure that the license fee issue is resolved in a manner that will benefit Fairs conducting pari-mutuel racing activities. Mr. Alkire reported that Board action will be requested at the May meeting.

Mr. Brown reported that discussions regarding Internet poker and sports wagering are still ongoing and a more comprehensive update will be available for the May meeting.

Mr. Pickering moved to direct legal staff to draft a letter of support for AB 1388. Mr. Jacobs seconded, unanimously approved.

Agenda Item 5 – Discussion and Action, if any, on membership status of Sonoma County Fair in California Authority of Racing Fairs, as a Joint-Powers Authority. Ms. Grottveit stated that this item has been addressed with the execution of the separation agreement.

Agenda Item 6 – Report, Discussion and Action, if any, on Development of Satellite Wagering locations at Fairs. Mr. Alkire reported that the mini-satellite wagering facility in Salinas is open and doing well. The Kern County Fair is moving forward in partnership with Golden West Casino to move the satellite wagering facility off-site.

Agenda Item 7 – Report on Documentation of Agency Policies and Procedures. Mr. Alkire reported that Mr. Korby will present an update at a future meeting.

Agenda Item 8 – Financials. Mr. Alkire reported that financials are submitted quarterly and that the financials provided in the meeting packet are unchanged from the March meeting.

Agenda Item 9 – Executive Director's Report. Mr. Alkire reported that due to concerns raised by horsemen, Los Alamitos has officially withdrawn their plans to expand their racing surface in hopes of receiving Thoroughbred race dates in the event of Hollywood Park's closure.

Respectfully submitted,
Heather Haviland

