

**CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, June 3, 2014**

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 1:00 P.M., Tuesday, June 3, 2014. The meeting hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: Rick Pickering. Joining by teleconference: John Alkire, Chris Borovansky, Chris Carpenter, Mike Paluszak and Kelly Violini.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Raechelle Gibbons, Brian May and John Quiroz.

Agenda Item 1 – Date, Time and Location of Next Meeting: Sept. 9, 2014 in Sacramento. The next CARF Board of Directors meeting will be held Tuesday, September 9, 2014 in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Approval of Minutes. Mr. Pickering moved to approve the meeting minutes as presented. Mr. Paluszak seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on CARF 2014 Legislative Program. Mr. Korby reported that at the last CARF Board of Director’s Meeting in May, directors voted to oppose AB 2005 and support AB 2592 if amended. AB 2005 (Chesbro) seeks to expand the CHRB Board membership to 11 members; 7 public members appointed by the Governor, 2 members of the Senate appointed by the Senate Committee on Rules and 2 members of the Assembly appointed by the Speaker of the Assembly. The members appointed from the Legislature would serve as nonvoting, ex-officio members for a term of two years. AB 2592 (Chesbro) would require the CHRB to conduct an economic analysis prior to any major changes in the Fair racing calendar (defined as three or more days).

Mr. Korby reported that CARF’s legislative advocate, Louie Brown, met with Chesbro’s Chief of Staff regarding AB 2005 and their response was to expressed surprise that the CARF Board would oppose the bill and felt that it was not in the best interests of racing Fairs to tell the Legislature that they should not be involved in a state board when there is no per-diem paid, the members would not vote and similar structures exist in other state-appointed boards. Mr. Brown reported that Chesbro’s

office might be open to amending AB 2592, the bill that would require the CHRB to conduct an economic analysis prior to any major changes in the Fair racing calendar (defined as three or more days), but that the opportunity to amend the bill diminishes if CARF continues to oppose AB 2005.

Mr. Korby reported that the CARF Live Racing Committee voted to recommend that the CARF Board of Directors oppose AB 2592 as the bill may unintentionally create obstacles to the expansion of Fair race dates. Mr. Borovansky stated that he felt this bill was a reaction to this discussion over racing dates that does not have a place in racing at this time.

Mr. Borovansky moved to oppose AB 2592. Mr. Paluszak seconded. YES VOTE: Mr. Alkire, Mr. Borovansky, Mr. Carpenter, Mr. Paluszak and Ms. Violini. ABSTAIN: Mr. Pickering.

Mr. Korby reported that significant time has been spent at the Capitol discussing Internet Poker. At this point, neither AB 2291 (Jones-Sawyer) nor SB 1366 (Correa) allow the horse racing industry the opportunity to compete for a license. Representatives of the racing industry have met with the Senate and Assembly G.O. Committees and made it clear that the horse racing industry as a whole will oppose the bills unless they are amended to give the racing industry the opportunity to secure a license. The official position of the tribes and casinos toward the racing industry has yet to be determined.

Mr. Korby reported that CARF is still a member of Horse Racing United (HRU) which is a collection of racing interests that have come together to keep the racing industry involved in the Internet Poker legislation. HRU is requesting additional funds to cover the cost of internet poker-specific lobbyists. Mr. Korby requested that the Board conditionally approve the expenditure of \$10,000 through HRU as specific needs arise.

Mr. Pickering moved to approve the expenditure of \$10,000 through HRU pending review and approved by the CARF Finance Committee. Mr. Borovansky seconded, unanimously approved.

Agenda Item 5 – Report on Preparation of Request for Proposals (RFP) for Statewide Totalisator System. Mr. Korby reported that a working group of industry representatives have convened to draft a Request for Proposal (RFP) for distribution to candidate tote companies for bids on a statewide totalisator system. California tracks and satellites are currently served by Sportech Racing, LLC (previously known as Autotote).

Mr. Korby stated that presently there are three primary totalisator systems operating in North America: Sportech Racing, LLC, Amtote International and United Tote. The California RFP is scheduled to be distributed within the next 30 days and the resulting contract will be awarded later this year.

Agenda Item 6 – Financials. Mr. Korby reported that financials are included in the meeting packet and Ms. Gibbons is available to answer questions. Ms. Gibbons reported that on May 15 the California mutual departments annually purge all of the outstanding wagering tickets from the prior racing year. The payment back to live racing Fairs has been delayed by a timing issue in Southern California, but the monies will be distributed as soon as they are received by CARF. Ms. Gibbons will be in contact with the accounting staff at each

Agenda Item 7 – Executive Director’s Report. Mr. Korby reported that if California Chrome wins the Belmont Stakes and secures the Triple Crown, staff will seek legislative resolutions to honor the connections of California Chrome. Even if California Chrome does not win the Triple Crown, his accomplishments thus far deserve legislative recognition.

Mr. Alkire reported that the Big Fresno Fair will be celebrating California Chrome during Fair with support from Harris Ranch, including a California Chrome day dedicated to the superstar’s Fresno beginnings.

Respectfully submitted,
Heather Haviland