

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, March 3, 2015

MINUTES

A teleconference meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 12:30 P.M., Tuesday, March 3, 2015. The teleconference meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: John Alkire, Jerome Hoban, Rick Pickering and Kelly Violini. Joining by teleconference: Chris Borovansky.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Amelia White, Jeanne Wasserman, Brian May, Kelly Olds and Steve Wood. Joining by teleconference: Louie Brown.

Agenda Item 1 – Date, Time and Location of Next Meeting: April 7, 2015. The next CARF Board of Directors meeting will be held Tuesday, April 7, 2015 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. Hoban seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on CARF 2015 Legislative Program. Mr. Brown reported that the deadline to introduce new bills is February 27 and legislative staff has been busy going through those bills. Mr. Brown reported that racing legislation is light and most bills appears to be spot bill placeholders.

Mr. Brown reported that the main topic for the racing industry in 2015 will be Internet Poker. Four bills on the topic have been introduced, once each authored by the Chairs of the Assembly and Senate G.O Committees with identical language. Those two bills would allow the horse racing industry to compete for a license. Of the other two bills, one (AB 9) does not allow for racing and the other (AB 167) does allow racing to compete for a license.

Mr. Brown stated that he met yesterday with the racing industry lobbyists to gauge the positions of the different racing interests. Principals for the TOC, Santa Anita and Del Mar continue to have discussions with the faction of the tribal community that is willing to engage with horse racing, but those discussions are not public or in writing at this time. Some of the

bills preclude outside financing which would significantly reduce the number of tracks that could consider participating. Another issue is which of the Internet Poker platform operators racing could partner with as most have already made some sort of alliance.

Mr. Brown stated that his message to the racing lobbyists was that fairs will not agree to support anything that does not list the distributions in writing as part of the bill language; anything less than a written commitment will be opposed. Mr. Brown stated that we are still early in the process, but that making the racing fair position clear early will be beneficial to our cause. Mr. Brown stated that there will be more to report next month.

Agenda Item 5 – Update on Award of Totalisator Contract. Mr. Korby reported the Totalisator contract was awarded to American Totalisator (Amtote) after a lengthy RFP process between the two largest tote companies in the nation and careful consideration by a working group of industry principals. Amtote is owned by the Stronach Group, the same ownership group that operates Santa Anita and Golden Gate Fields in California. The SCOTWINC and NOTWINC Boards, which awarded the bid, will now negotiate the terms of the contract with Amtote representatives. Implementation of the changeover in machinery will be conducted in the late fall/winter of this year. CARF and Amtote staff will work closely with the live racing and satellite network to manage any structural modifications required well in advance of the implementation date. Mr. Korby stated that he has made it clear to the industry that SCOTWINC and NOTWINC should be responsible for any needed modifications at fair satellites. Mr. Korby will make that requirement in writing.

Agenda Item 6 – Report on Developments at Fair Satellite Wagering Facilities. Mr. Korby reported that to help trim expenses, CARF is working with industry principals to remove the requirement for a satellite supervisor at smaller fair satellites. Monterey County Fair is a pilot facility for implementing this change. Currently, new mini-satellite facilities are not required to have a satellite supervisor which is a helpful precedent. Ms. Violini reported that her satellite supervisors recently took new positions outside the fair and that she has worked closely with CARF and NCOTWINC to transition her mutuel manager into a dual role. Ms. Violini stated that so far the change has been beneficial to the fair and regarded highly by satellite patrons.

Mr. Alkire stated that he is working with the proprietor of Fresno Club One to partner in a new mini-satellite in the town of Goshen. The site is small, but would benefit the patrons displaced from Tulare. Mr. Alkire stated that the new site would utilize a dual mutuel/satellite manager. Mr. Alkire also added that Mr. Swartzlander is useful in troubleshooting cost savings at satellites.

Mr. Borovansky reported that the Stanislaus County Fair is in conversations with representatives at the Turlock Poker Club in moving the site.

Agenda Item 7 – Financials. Mr. Korby noted that financials were not included in the meeting packet, but that Ms. Gibbons will furnish end-of-year financials for the April meeting.

Agenda Item 8 – Executive Director’s Report. Mr. Korby reported that the Saint Louis Rams owner is in conversations with Bay Meadows Land Company in regards to developing an NFL stadium on the old Hollywood Park property.

Respectfully submitted,
Heather Haviland