

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, May 5, 2015

MINUTES

A teleconference meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 12:30 P.M., Tuesday, May 5, 2015. The teleconference meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

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

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Brian May, Richard Conway and Sarah Watkins. Joining by teleconference: Louie Brown.

Agenda Item 1 – Date, Time and Location of Next Meeting: June 2, 2015. The next CARF Board of Directors meeting will be held Tuesday, June 2, 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 legislation regarding industry-specific racing bills is light. The CARF sponsored bill, AB 650 authored by Assemblyman Henry Perea, will be heard in the tomorrow in the Assembly Governmental Organization Committee (GO). The bill is largely a substantive spot bill serving as a placeholder for racing fairs should policy changes be required during the session.

Mr. Brown reported that after years of little progress, online poker legislation finally received a positive vote in California. Assemblyman Adam Gray's online poker bill passed through the Assembly GO Committee, though the legislation remains largely an empty shell with language potentially to be filled in at a later date. While the vote doesn't mean that interested parties in California are any closer to reaching the consensus likely needed for legislation truly to move forward, it does show a commitment to continue working on the issue.

Mr. Brown stated that the racing industry, card rooms and some tribes supported the bill. The Pechanga and Agua Caliente tribes moved from opposed to neutral on the bill and made it clear that the issues of the so-called bad actors and allowing the participation of racetracks would change their position back to oppose. The bill currently contains intent language and will have to be developed further before being heard in the Senate GO Committee.

Mr. Brown reported that the CDFA budget was heard in the Senate Sub-Committee earlier this week and was adopted as proposed with trailer bill language requiring CDFA to conduct studies of the fairs on the "watch list."

Agenda Item 5 – Discussion and Action, if any, on Tulare Equipment Replacement Fund Account at Agency. Mr. Korby reported that the Tulare County Fair has discontinued satellite wagering operations and has requested the balance of the Tulare's Equipment Replacement Fund (ERF) deposit at CARF. CARF is holding \$19,384.24 in the Tulare account. However the Tulare County Fair owes CARF for 2011-13 dues in the amount of \$8,434.05. Staff recommends that the outstanding dues be applied to the ERF balance and a check for the remaining \$10,950.19 be issued to Tulare.

Mr. Borovansky moved to notify the Tulare County Fair that CARF will apply the outstanding dues invoices to the ERF balance and issue a check to the fair for the \$10,950.19 balance remaining. Mr. Hoban seconded, unanimously approved.

Agenda Item 6 – Report, Discussion and Action, if any, on Racing Dates for 2016 and Beyond. Mr. Korby stated that the Live Racing Committee had a long and productive discussion regarding the 2016 racing calendar. Mr. Korby reported that he requested the group designate Mr. Alkire and Mr. Hoban to a negotiating committee to give CARF the ability to respond to the industry principals quickly and efficiently as the 2016 calendar develops. Mr. Korby asked the Board of Directors to ratify the appointment of the Live Racing Committee.

Mr. Pickering moved to authorize a two person negotiating committee of Mr. Alkire and Mr. Hoban to assist in the 2016 racing dates allocation process. Mr. Borovansky seconded, unanimously approved.

Agenda Item 7 – Financials. Mr. Alkire stated that financials are included in the meeting packet and Ms. Gibbons is available to answer questions. Mr. Borovansky asked if any legal expenses are allocated to live racing. Mr. Korby thanked Mr. Borovansky for his observation and stated that staff would look into ways to delineate legal expenses.

Agenda Item 8 – Executive Director's Report. Mr. Korby reported that Tom Ludt, senior vice president at Santa Anita, has been appointed to implement an unidentified national project for the Stronach Group. As a result of his new appointment, Mr. Ludt will no longer oversee

the day-to-day operations at Santa Anita. Keith Brackpool, chairman of The Stronach Group's West Coast operations, will assume control of Santa Anita's day-to-day management.

Mr. Korby reported that Churchill Downs experienced record crowds and handle for the 2015 Kentucky Derby won by American Pharoah. California simulcast handle and attendance was also up, boding well for the industry as a whole.

Respectfully submitted,
Heather Haviland