

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Wednesday, December 16, 2015

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 12:30 P.M., Wednesday, December 16, 2015. The meeting was hosted at the CFSA Board Room, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: John Alkire, Jerome Hoban, and Rick Pickering.
Joining by conference call: Dan Jacobs and Kelly Violini.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Louie Brown, Richard Conway, Kelly Olds, Jeanne Wasserman and John Quiroz.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting is scheduled for February 2, 2016 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 2016 Legislative Program. Mr. Brown reported that the legislature is in recess and is scheduled to be back on January 4, 2016. When they return, CARF legislative staff will most likely reintroduce the bill to modify the statewide stabling and vanning fund legislation from last session. Mr. Brown stated that the legislative strategy for that bill is a work in progress and continuing discussions with industry principals will determined if the bill language is applied statewide or regionally.

Mr. Brown reported that the Senate Governmental Organization (G.O.) Committee is meeting today to conduct an informational hearing on daily (fantasy) sports betting. The issue of regulating sports betting will play an important role this legislative session. Mr. Brown stated that the discussion regarding sports betting is going to be significantly different from Internet poker; the central issue is regulation of an existing practice and not legalizing a betting mechanism in order to create revenue for the state. Legislators consider legalizing fantasy betting as a means to regulate operators and protect consumers. Assemblyman Marc Levine

has requested that Attorney General Kamala Harris engage to temporarily shut down daily sports wagering sites until California law is made clear, as lawmakers have done in New York.

Mr. Brown reported that CARF legislative staff is working with California Department of Food and Agriculture (CDFA) for a reconsideration to redirect license fees derived from horse racing handle back to the fairs that generate them. Secretary Karen Ross has requested a proposal from Fairs & Expositions (F&E) outlining the potential mechanics of that process. The Secretary's office is currently awaiting that proposal and Mr. Brown is meeting with the Undersecretary tomorrow for further discussion. Mr. Brown stated that he feels the Secretary's office is supportive of the concept but wants to ensure the process is handled appropriately.

Agenda Item 5 – Discussion and Action, if any, on 2016 Agency Budget. Mr. Korby reported 2016 CARF Agency Budget is included in the meeting packet. The budget is similar in structure to last year's budget and has been approved by the CARF Finance Committee. Mr. Korby noted that 2015 year-end projections for expenses are \$65,326 under budget. Mr. Korby reported that the CARF Live Racing Committee is supportive of the live racing portion of the budget pending a staff recommendation for managing increasing costs to the CARF Race Track Safety and Maintenance Program (RTSM) tractor fleet.

Mr. Alkire noted that Ms. Gibbons is available to answer questions.

Mr. Hoban moved to approve the 2016 CARF Agency Budget as presented. Mr. Jacobs seconded, unanimously approved.

Agenda Item 6 – Executive Director's Report. Mr. Korby reported that he and Mr. Alkire discussed forming a smaller working group to undertake CARF agency and live racing strategic planning, including the development of a calendar that presents the strongest possible position for fair racing in Northern California. The group will consist of Mr. Alkire, Mr. Pickering and Mr. Hoban.

Mr. Korby reported that nominations for an at-large position on the CARF Board of Directors closed December 1 with one nomination: Mr. Conway. Ballots have been distributed and the election closes today at 5:00 p.m.

Respectfully submitted,

Heather Haviland