

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, February 2, 2016

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 12:30 P.M., Tuesday, February 2, 2016. The meeting was hosted at the CFSA Board Room, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: Richard Conway and Jerome Hoban. Joining by conference call: John Alkire, Chris Carpenter, Dan Jacobs and Kelly Violini.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Kelly Olds, Jeanne Wasserman and John Quiroz. Joining by conference call: Louie Brown, Bonnie Griffith and Caroline Titus.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting is scheduled for March 1, 2016 in Sacramento.

Agenda Item 2 – Public Comment. None.

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

Agenda Item 4 – Report, Discussion and Action, if any, on 2016 Legislative Program. Mr. Brown reported that CARF staff is continuing to have positive discussions with California Department of Food and Agriculture (CDFA) regarding the opportunity to reinvest license fees derived from horse racing handle back to the fairs that generate them. Mr. Quiroz reported that Fairs & Expositions (F&E) staff are working internally to develop a process to allocate those funds back to racing fairs through an annual request by CARF in either an memorandum of understanding (MOU) or letter of understanding (LOU) format.

Mr. Brown reported that Governor Brown released his proposed 2016-2017 state budget containing a \$3 million continuing allocation to F&E for the operation of fairs and a \$4 million allocation for deferred maintenance at fairs, down from \$7 million provided in 2015-16. Fairs are working with legislators in districts containing county fairs to reestablish funding at a level that will benefit all California fairs. Budget hearings are scheduled to begin in March.

Mr. Brown reported that we can expect potential racing legislation to include the introduction of several spot bills as placeholders. CARF staff is seeking an author to introduce a mini-satellite spot bill and is in discussions with Assemblymember Jim Cooper to reintroduce the Northern California vanning and stabling language from the previous session. Assemblymember Adam Gray has circulated language regarding Internet Poker that will be introduced this session in a new bill. Assemblymember Gray feels that the racing industry will receive greater benefit from a mitigation fund than the opportunity to compete for a license. A mitigation fund would also serve as a compromise between the state's horse racing industry and key tribal gaming interests.

Mr. Brown reported that the daily fantasy sports (DFS) wagering bill AB 1437 (Gray) passed through the Governmental Organization Committee nearly unanimously. Assemblymember Marc Levine, who has been an outspoken critic of the DFS industry, was the only "no" vote. Mr. Korby reported that he met with Assemblymember Gray on January 25th in Turlock to discuss another variation of DFS, which is pari-mutuel DFS wagering, which could become an opportunity for satellites to provide an additional wagering option.

Agenda Item 5 – Discussion and Action, if any, on Racing Dates for 2017 and Beyond.

Mr. Korby reported that the CARF Live Racing Committee unanimously voted to approve the 2017 race dates as presented in the meeting packets with the modifications that Ferndale will run as the sole signal in Northern California Aug. 23 through Sept. 4 and that a two week meet conducted at Pleasanton occur in September, thereby filling the gap between Ferndale and Stockton. Mr. Korby stated that the approved calendar illustrates the Committee's desire to reclaim a block of fair dates from mid-June to mid-October.

Agenda Item 6 – Update on Prospective Membership Meeting in April 2016.

Mr. Korby reported that staff is moving forward with planning a membership meeting April 11 and 12, 2016 at the Jockey Club in San Mateo. Mr. Korby encouraged members to work with Ms. Haviland regarding agenda items and logistics.

Agenda Item 7 – Financials. Mr. Alkire stated that financials are included in the meeting packet and Ms. Gibbons is available to answer any questions. Ms. Gibbons reported that live racing fairs can expect NCOTW, Inc. to close out year-end financials in approximately two weeks. No questions at this time.

Agenda Item 8 – Executive Director's Report. Mr. Korby reported that industry principals have been discussing the possibility of considering an increase in fair satellite commissions in exchange for a reduction in the 20-mile radius protection. Staff will keep fairs informed as these discussions continue.

Respectfully submitted,
Heather Haviland