

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, April 5, 2016

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 1:00 P.M., Tuesday, April 5, 2016. The meeting was hosted at the CARF Board Room, 1776 Tribute Road, Sacramento, California.

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

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons and Louie Brown.

Agenda Item 1 – Date, Time and Location of Next Meeting: April 5, 2016. The next CARF Board of Directors meeting is scheduled for May 3, 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 a high level of activity at the Capitol as April 22 is the deadline for policy committees to hear and report on fiscal bills introduced in their house of origin. The last day for non-fiscal bills to be heard in committee is May 6. The two CARF sponsored bills, AB 2011 (Cooper) and AB 2226 (Bigelow), are expected to move through policy committee without issue.

Mr. Brown reported that racing legislation remains light and individual association legislation consists predominately of spot bills. Senator Isadore Hall is modifying his vanning and stabling legislation from last session to include Northern California language, Southern California language and an urgency clause. The CARF sponsored bill for Northern California stabling and vanning, AB 2011, thus becomes redundant and will be moved to the Senate for use as a spot bill if needed.

Mr. Brown met with Assemblymember Gray's staff regarding removing the fair classification designation from AB 2863, the Internet poker bill that supports a mitigation fund for the racing industry and for fairs in Classes I to IV+. Assemblymember Gray's office was

hesitant to recommend the modification mainly due to timing and in the interests of moving the bill through the process as efficiently as possible. Mr. Brown reported that the CARF Live Racing Committee took action to support AB 2863 as written.

Mr. Brown reported that the \$3 million allocation to CDFFA F&E from Governor Brown's proposed 2016-2017 state budget will not be heard in policy committee due to its continuous appropriation classification. The \$4 million allocation for deferred fair maintenance does not share that classification and will be heard in the Senate Subcommittee April 7. CDFFA has released a proposal outlining the deferred maintenance projects selected for the 2015-2016 allocation in time for that hearing. As part of the process, fair legislative staff will address the funding cut and the inefficiencies of DGS. The end goal is to reestablish or exceed the previous level of funding and to move future monies/mechanisms for allocation to CDFFA. A letter to that effect, authored by the Joint Committee on Fairs, will be sent to the budget committees.

Mr. Brown reported that in regards to fair funding, Assemblymember Gray is also carrying AB 2678, which would dedicate the state portion of the sales and use tax collected from transactions at fairgrounds, except for Los Angeles, to support small and medium-sized fairs. Mr. Brown stated that the CARF Live Racing Committee took action to support AB 2678 as the bill provides an overall opportunity for fairs and a precedent that could ultimately benefit all fairs in the future.

Mr. Conway moved to support AB 2863 and AB 2678 as written. Mr. Hoban seconded, unanimously approved.

Mr. Brown provided an update on discussions with CDFFA regarding license fees generated at racing fairs. Mr. Brown stated that several discussions have resulted in conflicting information and he is recommending CARF Board representatives meet directly with the Secretary of Agriculture. Mr. Alkire reiterated his position from the Live Racing Committee meeting that the Board will provide whatever support is needed to ensure those license fees are reinvested back at racing fairs.

Agenda Item 5 – Update on Membership Meeting in April 2016. Ms. Haviland reported that planning is on track and staff is continuing to work with the San Mateo County Event Center to host the membership conference April 11-12, 2016. The agenda has been finalized, invitations have been mailed and the current RSVP count is 35 attendees. Monday, April 11 will focus on topics pertaining to satellite wagering facilities and a half day on Tuesday, April 12 will focus on live racing and agency matters.

Agenda Item 6 – Financials. Mr. Alkire noted that financials are included in the meeting packet and that Ms. Gibbons is available to answer questions. No questions at this time.

Agenda Item 7 – Executive Director's Report. Mr. Korby reported that there is an active investigation of misplaced funds at the Monterey County Fair satellite wagering facility. This matter involves a NCOTWINC employee and does not reflect any wrongdoing on the part of the fair or fair staff.

Mr. Korby announced that he will be retiring as in November after twenty-nine years in a leadership role with this organization. Mr. Korby stated that he hopes to work with the Board, member fairs and CARF staff to facilitate a smooth transition through his departure to whomever the Board chooses as a successor. A press release will follow this meeting.

Mr. Alkire thanked Mr. Korby for his many years of dedicated service, energy and innovation on behalf of racing fairs and satellites. Mr. Alkire stated that there have been discussions at the Finance Committee level regarding the future of leadership at the organization, and though a decision has not yet been made, the initial inclination is to promote from within. A decision will be made following the 2016 racing season.

Mr. Pickering congratulated Mr. Korby for his length of time serving in a leadership role at a single organization and thanked him for the dedication and expertise he has brought to the California horse racing and fair industries. Mr. Hoban and Mr. Carpenter also expressed their congratulations.

Respectfully submitted,
Heather Haviland