

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Friday, August 14, 2015

MINUTES

A teleconference meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 11:00 A.M., Tuesday, August 14, 2015. The teleconference meeting was hosted at the CARF offices, 1776 Tribute Road, Sacramento, California.

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

Staff and Guests attending: Christopher Korby, Heather Haviland and Juliana Gomes. Joining by teleconference: Stephen Pierce, Louie Brown, John Quiroz and Dave Culterera.

Agenda Item 1 – Date, Time and Location of Next Meeting: September TBD, 2015. The next CARF Board of Directors meeting is tentatively scheduled for September, location to be determined.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Report, Discussion and Action on CARF 2015 Legislative Program. Mr. Brown reported that the legislature is currently in recess and will return Monday. It seems unlikely that anything substantive will come together regarding Internet poker in the last 30 days of the session due to disagreements from the interested parties on how to proceed.

Mr. Korby reported that encouraging progress has been made regarding restructuring how the Stabling and Vanning Fund is governed in both Northern and Southern California. Racing industry principals have recognized that management of the fund needs to be adjusted to adapt for changes that have occurred since the original legislation was drafted in the late 1980's, including the closure of major racetracks in both regions. There is sufficient agreement within the racing community regarding amendments to the existing Vanning and Stabling law to join together and support legislation during this session. Language has been circulating for contribution and review by all affected parties and the most recent draft of this language is included in the meeting packets.

Mr. Korby reported that CARF has a well positioned spot bill, AB 650 (Perea), that could be utilized to take the bill forward on an emergency basis, if needed. Mr. Korby stated that staff is recommending board approval of this language and authorization to move forward.

Mr. Borovansky stated that the arguments made for restructuring the Stabling and Vanning Fund legislation are also applicable to the legislation governing satellite wagering facility distributions. Mr. Korby agreed that the distribution of commissions to satellites is in need of restructuring. Changes to the Stabling and Vanning Fund language could be the first step in developing the relationships needed to change satellite distributions.

Mr. Hoban stated that he is in support of the language because giving the stabling facilities and horsemen the flexibility to go from 1.25 to 2 percent, if needed, is beneficial to the industry as a whole and it's good for the Fair Circuit to have the autonomy to control the fund with horsemen. Mr. Hoban stated that the industry agreement to modify the Stabling and Vanning Fund was not tied to race date negotiations.

Ms. Violini moved to declare an official position of support for the proposed legislative language regarding the Stabling and Vanning Fund. Mr. Carpenter seconded, unanimously approved.

Agenda Item 4 – Review, Discussion and Action on Agency OPEB Benefits. Mr. Korby stated that it has been recommended that the agency consider an adjustment to post-employment benefits (OPEB) for long-term employees who retire from the agency. The board is considering adjustments to post-employment benefits for employees with at least fifteen years of service so as to reach parity with post-employment benefits at California Fair Services Authority (CFSA). Potential benefits under consideration could include dental insurance coverage, vision care coverage and support for long-term care. Illustrations reviewing the levels of existing pre-funded contributions at the PERS California Employers' Retiree Benefit Trust Fund have been distributed. Mr. Korby reported that this matter is offered for board consideration.

Mr. Borovansky made a motion that CARF adjust post-employment benefits to include dental insurance coverage and support for long-term care, so as to reach parity with CFSA post-employment benefits, with an annual cost of living adjustment. Mr. Carpenter seconded, unanimously approved.

Agenda Item 5 – Executive Director's Report. Mr. Korby reported that preparations for transiting California to the new Totalisator provider, American Totalisator (Amtote), are underway with a planned target date of late October. SCOTWINC and NOTWINC personnel, along with industry principals, are working closing with tracks and fairs to ensure a smooth transition. CARF staff will communicate any updates or facility requirements as they are received.

Mr. Borovansky stated that his retirement from the Stanislaus County Fair will be effective August 31 and he will be sending a letter of resignation to Mr. Korby. Mr. Borovansky

stated that it has been a pleasure serving on the board and that if there is a future for racing in California, the CARF Board will play a crucial role. The board thanked Mr. Borovansky for his service.

Mr. Pickering stated that in light of the new fair appropriation in the approved state budget, CARF, CFA and CDFA should revisit the topic of license fees paid to F&E from live racing fairs.

Respectfully submitted,
Heather Haviland