

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Tuesday, June 7, 2016

MINUTES

A meeting of the California Authority of Racing Fairs (CARF) Board of Directors was held at 1:00 P.M., Tuesday, June 7, 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, Rick Pickering and Kelly Violini.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Ann Grottveit, Louie Brown, Lauri King, John Quiroz, Allen Aldrich and Caroline Titus.

Agenda Item 1 – Date, Time and Location of Next Meeting: October 11, 2016 at the Big Fresno Fair. The next CARF Board of Directors meeting is scheduled for October 11, 2016 in Fresno.

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 Friday, June 3 was the last day for bills to pass out of their respective house of origin and the bills that did pass now have until the end of the month to make it through policy committees in the second house. The deadline for the legislature to pass the State budget is Wednesday, June 15.

Mr. Brown reported that Assemblymember Gray's Internet poker bill, AB 2864, is moving forward and the legislature has come to an agreement regarding the most recent obstacle in the process of navigating the bill through policy committees, which is the rate at which Internet poker will be taxed. The tribes were sticking to a 5 percent rate and legislative leaders were advocating for a 15-20 percent tax rate. Since an agreement has apparently been reached, the bill will now be heard in the Senate Appropriations Committee next week. The next issue facing Internet poker will be the "bad actor" language.

Mr. Brown reported that the two CARF-sponsored bills, AB 2011 (Cooper) and AB 2226 (Bigelow), passed out of the Assembly and are sitting in the Senate G.O. Committee. Mr. Brown reported that CARF staff proposes amending the Cooper bill to gut the current Northern California vanning and stabling language and develop new language directing CDFA to spend the license fee money generated by live racing fairs back to health and safety issues at fairs which conduct horse racing. Mr. Brown stated that while the Department continues to be sympathetic to the needs of live racing fairs, they feel their hands are tied in redirecting the funds back to racing. Mr. Cooper is supportive, new language has been submitted to counsel and Mr. Brown will keep the group informed as this matter progresses.

Mr. Brown reported that AB 2678 (Gray), 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, passed through the Legislature with a strong 65-1 vote. However, amendments have been forced into the bill that deals with the payment of rest/meal hours and overtime.

Mr. Brown reported that SB 1240, the stabling and vanning bill from last session that Senator Isadore Hall modified to include Northern California language, is scheduled to be heard the third week of June in the Senate G.O. Committee. The bill has an urgency clause and should move quickly through the process and be available for the Governor's signature in August.

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

Mr. Korby reported that the California Horse Racing Board (CHRB) has established a new statewide Racing Dates Committee, replacing the previously utilized regional committees. The statewide committee is scheduled to meet June 15 at Santa Anita Park. CHRB staff has requested calendar submissions and accompanying descriptions from each association in advance of the June 15 meeting. Mr. Korby reported that the calendars submitted by CARF and GGF show significant differences in August (overlap vs. no overlap during Humboldt) and in late September/early October (racing at Pleasanton vs. GGF).

Mr. Korby reported that the CARF Live Racing Committee requested that Mr. Quiroz secure a letter of support from CDFA to the CHRB regarding keeping fair dates at fairs, specifically the September dates that were previously run by the San Joaquin County Fair in Stockton. Mr. Korby also reported that the CARF Live Racing Committee unanimously moved to formally support the calendar submitted by Golden Gate Fields in so far as it matches the CARF proposal from Dec. 26, 2016 through August 20, 2017 and Oct. 4, 2017 through the end of the year. Mr. Korby asked the CARF Directors to formally support the action taken by the Live Racing Committee.

Mr. Pickering moved to ratify the action taken by the CARF Live Racing Committee in regards to 2017 fair race dates. Mr. Hoban seconded, unanimously approved.

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

Agenda Item 7 – Executive Director's Report. Mr. Korby reported that the meeting packets include an *Agreement for CHRB Support Fiscal Year 2016/17* which was recently signed by CARF staff. This type of agreement has been in place since SB 16XX was enacted.

Mr. Korby reported that the meeting packets also include a memo circulated by Rick Baedeker from the California Horse Racing Board regarding continuing discussions to reduce the 20-mile satellite protection radius in exchange for an increase in commissions. Mr. Korby noted that this memo was included for information purposes and that CARF has not yet taken a position on any of the proposals outlined in the enclosed memo.

Agenda Item 8 - Closed Session (Personnel: Executive Director).

Report on Closed Session.

At 1:53 p.m. a motion to appoint Larry Swartzlander as Interim CEO effective November 1, 2016 was made by Jerome Hoban and seconded by Rick Pickering. Motion passed unanimously, no abstentions.

A motion was made to authorize the recommendation of the creation of the position Chief Administrative Officer and approve funding for salary increase by Jerome Hoban and seconded by Rick Pickering. The motion passed unanimously, no abstentions.

A motion was made to authorize the augmentation of the budget to fund the Government Relations Director position created in 2012 by Richard Conway and seconded by Kelly Violini. The motion passed unanimously, no abstentions

The report on actions taken in closed session was reviewed by Legal Counsel Ann Grottveit.

Respectfully submitted,
Heather Haviland

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