

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, November 1, 2016

MINUTES

A concurrent meeting of the California Authority of Racing Fairs (CARF) Board of Directors and Live Racing Committee was held at 11:00 A.M., Tuesday, November 1, 2016. The meeting was hosted at the CARF Board Room, 1776 Tribute Road, Sacramento, California.

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

CARF Live Racing Committee members attending: Richard Conway, Jerome Hoban and Rick Pickering. Joining by conference call: John Alkire.

Staff and Guests attending: Larry Swartzlander, Richard Scheidt, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, John Quiroz, Lauri King, Stacy Rianda, Jeanne Wasserman, Becky Bartling and Allen Aldrich.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting is scheduled for December 6, 2016 in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Approval of Minutes. Mr. Pickering moved to approve the CARF Live Racing Committee meeting minutes as presented. Mr. Conway seconded, unanimously approved.

Mr. Hoban moved to approve the CARF Board of Director meeting minutes as presented. Mr. Pickering seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on 2016/17 Legislative Program. Mr. Scheidt stated Mr. Brown was unable to attend today's meeting. Mr. Scheidt reported that the Legislature is in recess, there have been no changes since the last staff report and activity at the Capitol reconvenes Jan. 4, 2017.

Mr. Scheidt reported that AB 2011 (Cooper), the statewide stabling and vanning bill has taken effect. The bill will allow the amount deducted from handle for auxiliary stabling to increase from 1.25-2% statewide, and Northern principals may agree to a different percentage for individual associations and fairs, but only if all parties agree to the differing percentages. CARF

staff will not be able to determine the full ramifications of AB 2011 until a 2017 racing calendar is adopted by the California Horse Racing Board (CHRB).

Agenda Item 5 – Update, Discussion and Action, if any, on Proposal to CDFA for Allocation of Pari-Mutuel License Fees to CARF's Race Track Safety & Maintenance Program. Mr. Scheidt reported that he met with Louie Brown and John Quiroz regarding the agreement to direct license fee money generated by live racing fairs back to health and safety issues at fairs which conduct horse racing, specifically the CARF Race Track Safety & Maintenance Program. Mr. Scheidt stated that Mr. Brown relayed Jim Houston's update that CDFA is moving forward with the proposal and is working with their legal team to develop a mechanism to return those funds.

John Quiroz stated that F&E has the green light to return the funds to CARF, however the process may require an expenditure plan, end-of-year reporting on how the funds were utilized and a procedure for invoicing. F&E staff will share a draft agreement with CARF next week.

Mr. Quiroz stated that when state funding was eliminated, F&E was reduced to a skeleton staff. Current staff is finding that license fee monies may not have been collected from all Fair tracks. F&E is working with CHRB to collect those outstanding funds.

Agenda Item 6 – Discussion and Action, if any, on Racing Dates for 2017 and Beyond. Mr. Swartzlander reported that this item was placed on the agenda for open discussion and asked Becky Bartling to address the group regarding the Sonoma County Fair position. Ms. Bartling stated that the CARF-proposed calendar pushes the Fair into August and into the school year. Ms. Bartling stated she feels it's unfortunate that CARF is willing to negatively impact two Fairs for the increased benefit to another Fair. Mr. Hoban reiterated that Alameda County Fair is simply seeking their traditional Fair and racing dates.

Mr. Swartzlander asked Ms. Bartling if Sonoma County Fair would be willing to give up the third week of racing in the event that the CARF-proposed calendar is adopted. Ms. Bartling stated that she will make her decision after the dates are assigned and will she advocate on behalf of her Fair at the next CHRB meeting.

Mr. Swartzlander maintained that the CARF proposal has remained consistent and the Humboldt County Fair would like the opportunity to work with the Sonoma County Fair to run their third week. Mr. Alkire added that school schedules, concessionaires and carnival conflicts typically have little impact in the CHRB dates allocation process.

Agenda Item 7 - Discussion and Action, if any, on Stabling & Vanning Agreement. Mr. Swartzlander reported that the Thoroughbred Owners of California (TOC) are attempting to make stabling and vanning agreements part of the CHRB race dates allocation process. Mr. Swartzlander stated again that CARF does not have a position advocating the closure of any auxiliary stabling facility, we are simply looking at options in the case that there is a closure. Golden Gate Fields (GGF) feels that they have enough stalls to accommodate the active runners in Northern California and feel

they do not need to pay for auxiliary from January to mid-April. Under the new statute they have the option to opt-out of using Pleasanton as an auxiliary stabling facility. Mr. Scheidt added that TOC is advocating increasing the distribution to 2% and running a pooled fund, yet no one from TOC has approached CARF to initiate discussions. Mr. Hoban stated that the existing deficit was created in a pooled fashion and needs to be resolved in a pooled fashion.

Agenda Item 8 - Discussion on Summer Racing Operations and Agency Budget for 2017. Mr. Swartzlander reported that a draft budget is included in the meeting packet and he will be convening a meeting of the CARF Finance Committee to develop a budget recommendation to the full Board in December.

Agenda Item 9 - Update: Board Election. Ms. Haviland reported that an election will be held in December to fill three vacant seats: At-Large seat (left vacant by Chris Carpenter), WFA Liaison seat (held by Rick Pickering, term expiring) and the Southern Satellite Committee seat (held by Dan Jacobs, term expiring). Nominations will open November 9 and close on December 1.

Agenda Item 10 - Executive Director's Report. Mr. Swartzlander stated that this is his first meeting as Interim Executive Director and believes in having an open door policy in regards to CARF operations. Mr. Swartzlander encouraged all participants to call himself or staff with any comments, questions or concerns.

Respectfully submitted,
Heather Haviland