

**CALIFORNIA AUTHORITY OF RACING FAIRS  
Board of Directors & Live Racing Committee  
Concurrent Meeting  
Tuesday, February 14, 2017**

**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, February 14, 2017. The meeting was hosted at the CARF Conference 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 and Dana Stoehr.

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, Ann Grottveit, Louie Brown, Lauri King, Jeanne Wasserman and Tom Martinez.

**Agenda Item 1 – Date, Time and Location of Next Meeting: March 7, 2017 in Sacramento.** The next CARF Board of Directors meeting is scheduled for March 7, 2017 in Sacramento.

**Agenda Item 2 – Public Comment.** Mr. Swartzlander welcomed Ms. Stoehr to the CARF Board of Directors. No further public comment.

**Agenda Item 3 – Approval of Minutes.** Mr. Conway moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes as presented. Mr. Hoban seconded, unanimously approved.

**Agenda Item 4 – Executive Session (Potential Litigation).** Ms. Grottveit reported that the CARF Board of Directors took action on three items in closed session: 1) Direct the Interim Executive Director to execute the Northern California Stabling & Vanning Agreement for 2017, 2) Direct staff to prepare and send a letter to Alameda County Fair addressing the existing deficit in the Stabling & Vanning Fund and ensure those funds are guaranteed to be paid over a payment plan that will be wholly fulfilled by October 1, 2017, and, 3) Reallocate specified funds currently existing in the Equipment Replacement Fund to the Equipment Miscellaneous Fund.

**Agenda Item 5 – Report, Discussion and Action, if any, on 2017 Legislative Program.** Mr. Brown reported that the Legislature reconvened on January 4 and the last day for bill introduction is this Friday, February 17. Currently, 700 bills have been introduced in both houses which is

significantly lower activity than prior years. Mr. Brown reported that potential racing legislation appears light and he expects to see industry principals introducing spot bills as placeholders.

CARF legislative staff will be working to facilitate two spot bills with Senator Vidak and Assemblymember Bigelow. Senator Glazer, Chair of the Senate Governmental Organization (G.O.) Committee, will sponsor SB 274, a bill clarifying that the California Department of Food and Agriculture (CDFA) has the authority to allocate license fees back to racing fairs for the purpose of improving racing infrastructure and race track safety. The bill is bipartisan as Senator Berryhill, Vice Chair of the Senate G.O. Committee, co-introduced the bill. If signed, the bill will be retroactive to include license fees generated during the 2016 racing season.

Mr. Scheidt reported that he and legislative staff met for an hour with representatives from Senator Glazer's office to discuss California horse racing, racing at fairs and the revenues derived from the racing industry.

**Agenda Item 6 - Report, Discussion and Action, if any, on Purse Overpayments.** Mr. Swartzlander reported that the total all-breed purse overpayment from 2016 is \$376,691. The lost revenue from purses to pay for the 2016 Stabling & Vanning deficit will be \$101,250 realized in 2017. The lost revenue to purses for increasing the Stabling & Vanning takeout to cover 2017 stabling will be \$142,876. This means the consolidated purse fund will be approximately \$620,817 underfunded in 2017.

Mr. Swartzlander stated that he and Mr. Doutrich are proposing the following purse cuts in 2017: lower overnights to match Golden Gate Fields, eliminate two Thoroughbred stakes races, lower Emerging Breed overnights/stakes, eliminate Emerging Breed starter fees and factor in the reduced takeout in Advanced Deposit Wagering (ADW). These measures are projected to reduce purses by \$449,792 and generate a 2017 purse overpayment of \$37,113. Factoring in the 2016 total overpayment and lost purse revenue leaves a projected deficit to purses of \$357,930 at the end of 2017.

The group discussed various methods of accounting for or carrying all or part of the projected deficit. Mr. Pickering clarified that all of the funds being discussed in regards to purse overpayments are the responsibility of live racing fairs and do not impact CARF-member satellites.

Mr. Hoban reiterated that the fairs need to work with staff to guarantee the consolidated purse fund is managed in a manner that brings this plan to fruition, including reducing racing days if necessary.

Mr. Pickering moved to carry the entire overpayment into the 2017 racing season utilizing a loan from the CARF Change Fund. Mr. Conway seconded, unanimously approved.

**Agenda Item 7 - Discussion and Action, if any, on Racing Operations.** Mr. Swartzlander stated staff is organizing meetings with various horsemen's organizations and planning for 2017 recruitment trips. Mr. Doutrich reported that he is planning a trip to Turf Paradise in April, a

minimum of two trips to Southern California and a trip to Emerald Downs in August or early September. Mr. Doutrich thanked Mr. Conway for his extra recruitment efforts in 2016.

**Agenda Item 8 - Financials.** Mr. Alkire reported that financials are included in the meeting packet and Ms. Gibbons is available to answer questions. No questions.

**Agenda Item 10 - Executive Director's Report.** No report.

Respectfully submitted,  
Heather Haviland