

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, April 4, 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, April 4, 2017. The meeting was hosted at the CARF Conference Room, 1776 Tribute Road, Sacramento, California.

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

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

Staff and Guests attending: Larry Swartzlander, Richard Scheidt, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Louie Brown, Tom Martinez and John Quiroz. Joining by conference call: Lauri King, Jeanne Wasserman, Duane Martin and Caroline Titus.

Agenda Item 1 – Date, Time and Location of Next Meeting: May 2, 2017 in Sacramento. The next CARF Board of Directors meeting is scheduled for May 2, 2017 in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Approval of Minutes & Ratify Action from December 7, 2016 Meeting. Mr. Hoban moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes as presented. Mr. Conway seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on 2017 Legislative Program. Mr. Brown reported that the Legislature will break for Spring recess on April 6 and will reconvene April 17. This is the first week of serious policy committee hearings prior to the May 19 deadline for bills to pass through policy committees. Legislation regarding industry-specific racing bills is light, with most bills on the legislative report being spot bills.

Mr. Brown reported on the following bills: AB 460 is a CARF-sponsored spot bill carried by Assemblymember Bigelow, AB 924 (Gray) is a mini-satellite spot bill with potential to develop into a 20-mile radius modification bill, AB 1499 (Gray) is the WFA-sponsored sales tax bill, and AB 1508 (Chau) is a new bill looking to capture local government tax on certain ADW wagers (33/100 of 1% of the total pari-mutuel wagers). Mr. Brown stated that the racing industry principals have expressed opposition toward AB 1508 since any addition takeout will most likely be derived from purses and commissions.

Mr. Conway moved to take an opposed position on AB 1508 (Chau). Mr. Hoban seconded, unanimously approved.

Mr. Brown reported that AB 1677 (Jones-Sawyer) is the new Internet poker bill. SB 274 (Glazer), the CARF-sponsored bill giving CDFR the authority to allocate license fees back to racing fairs, is on the Senate floor and is moving forward with an urgency clause. SB 368 (McGuire) is a WFA-sponsored bill attempting to restore statute in regards to F&E funding and oversight of fair projects. Mr. Brown reported that SB 741 (Mendoza) is an Orange County Fair and WFA co-sponsored bill to permit private organizations to conduct raffles as a funding mechanism to support beneficial and charitable works.

Agenda Item 5 – Report, Discussion and Action, if any, on Summer Racing Operations. Mr. Swartzlander stated that he is seeking signatures from the CARF Live Racing Committee to enter into a formal agreement to conduct a combined Fair horse racing meet pursuant to Ag Code Section 4058 and Business Professions Code Section 19549.1 in 2017. The agreement language is virtually identical to the 2016 agreement required by the California Horse Racing Board (CHRB). The document was circulated for signature.

Mr. Doutrich reported stall applications are available and that he is recruiting horses from Phoenix, Arizona on Apr. 8 and will be able to report on the anticipated horse population after that trip.

Mr. Swartzlander reported that the Alameda County Fair license application will be heard before the CHRB on Apr. 27 and the California State Fair application is due Apr. 12.

Agenda Item 6 – Report on Status of Horsemen’s Agreements. Mr. Swartzlander reported that negotiations have progressed smoothly and he expects all agreements to be signed by the end of next week.

Agenda Item 7 – Report, Discussion and Action, if any, on Stabling at Pleasanton. Mr. Swartzlander reported that Pleasanton will open May 1 and will close at the conclusion of their meet. Principals with Alameda County Fair and CARF have discussed the responsibility of running the stabling area now that Pleasanton is no longer a year-round stabling facility with full time staff dedicated to the purpose. Mr. Swartzlander recommends that CARF staff take over the management of the Alameda County Fair stabling area.

CARF Board Members expressed support conceptually, but will not take formal action until a firm plan with financials are provided.

Agenda Item 8 – Report, Discussion and Action, if any, on CMC and Satellite Marketing at CARF-Member Facilities. Mr. Scheidt reported that he and Ms. Haviland attended a California Marketing Committee (CMC) Board meeting on Dec. 20, 2016. At that meeting, the 2017 budget was discussed, the overall budget was reduced and the satellite marketing line item was eliminated. Fairs maintained CMC funding for recruitment, Golden State Series purse supplementation, Significant

Player Rewards and CalRacing Club database management. The 2017 CMC budget passed with opposed votes from Mr. Scheidt and Ms. Haviland.

Subsequently, CARF staff made a formal request to the CMC Board to secure unspent 2016 funds for satellite marketing in 2017. At a meeting on Feb. 24, 2017, the CMC Board voted to fund the 2017/18 Santa Anita calendar giveaway at all California satellites. Mr. Pickering provided a brief history regarding the background and structure of CMC.

Agenda Item 9 – Discussion on Agency Meeting Procedures. Ms. Haviland reported that this item was placed on the agenda for open discussion regarding the timing and distribution of board packets and subsequent documents. There was no further discussion.

Agenda Item 10 - Executive Director's Report. Mr. Swartzlander reported that the Shasta County Fair in Anderson will be closing their satellite wagering facility on April 23. Mr. Swartzlander reported that the Ventura County Fair has withdrawn their Equipment Replacement Fund (ERF) balance on account with CARF for operational uses.

Respectfully submitted,
Heather Haviland