

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors
Thursday, October 11, 2018

MINUTES

A concurrent meeting of the California Authority of Racing Fairs (CARF) Board of Directors and Live Racing Committee was held at 10:00 A.M., Thursday, October 11, 2018. The meeting was hosted at the Big Fresno Fair, 1121 Chance Ave., Fresno, California.

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

CARF Live Racing Committee attending: John Alkire, Richard Conway, Jerome Hoban and Rick Pickering.

Staff and Guests attending: Larry Swartzlander, Juliana Gomes, Louie Brown, Cody Boyles, Lauri King, John Quiroz and Allen Aldrich. Joining by conference call: Raechelle Gibbons, Kevin Wong, Jeanne Wasserman, Lisa Hindley, Dwayne Martin and Caroline Titus.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting is scheduled for November 6, 2018 in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Audit Report. Mr. Wong presented the results of the CARF audit for the year ending December 31, 2017. The majority of the audit field work was completed in mid-to-late May 2018. Mr. Wong reviewed the CARF financial statements and recapped highlights from the management discussion and analysis letter.

Mr. Wong reported that CARF management was cooperative and well prepared throughout the audit process. The audit found that the financial statements included in the audit report present fairly the financial position of the agency and fall in accordance with all generally accepted accounting principles. As in previous audit reports, control deficiencies exist in the lack of sufficient audit evidence to guarantee the revenue from Advance Deposit Wagering (ADW) providers. These findings are consistent with prior years, but require Gilbert & Associates to issue a qualified opinion in the CARF audit. Mr. Wong also reviewed other supplementary information, analysis and all recommendations included in the report.

Mr. Conway moved to accept the 2017 CARF Audit Report as presented. Ms. Violini seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on Legislation. Mr. Brown reported that the 2018 legislative session has adjourned and that Sept. 30 was the last day for Governor Brown to sign or veto bills passed by the Legislature.

Mr. Brown stated that legislative staff has been occupied building off of the CARF strategic planning session held Aug. 12-13 in Sacramento and has begun an initial outline of the “Northern California Racing Sustainability Act.” Staff is currently combing through existing code to look for items that are outdated and/or in need of revision. An outline will be presented to the CARF Board at the November meeting.

Mr. Swartzlander reported that Mr. Conway informed him that he will be seeking an author to carry a bill addressing overlap compensation for the Humboldt County Fair or providing the same overlap protections provided to other racing fairs by statute.

Agenda Item 5 – Report, Discussion and Action, if any, on 2019 Summer Race Dates and Stabling. Mr. Swartzlander reported that the California Horse Racing Board (CHRB) approved 2019 Northern California racing calendar is included in the meeting packet. Fairs received the dates they were requesting with the exception of Humboldt County Fair, which was granted concurrent race dates with Golden Gate Fields (GGF). Mr. Swartzlander reported that the CARF Finance Committee will meet to discuss the financial details of the 2019 Stabling Agreement and options for recouping commissions lost to Ferndale with the elimination of their host status. A proposal for addressing support to Humboldt County Fair will be presented to the CARF Board.

Agenda Item 6 – Financials. Ms. Gibbons reported that preliminary September financials are included in the meeting packet and reviewed the financials.

Agenda Item 7 – Executive Director’s Report. Mr. Swartzlander reported that Frank Stronach has sued his daughter Belinda over alleged mismanagement of family monies. It is unknown at this time how that lawsuit will affect The Stronach Group and their California tracks.

Agenda Item 8 – Closed Session: Conference with Legal Counsel – Anticipated Litigation. Mr. Alkire reported that no action was taken in closed session.

Respectfully submitted,
Heather Haviland