

### **III.**

**CALIFORNIA AUTHORITY OF RACING FAIRS**  
**Board of Directors & Live Racing Committee**  
**Concurrent Meeting**  
**Tuesday, March 5, 2019**

**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, March 5, 2019. The meeting was conducted at the CARF Conference Room, 1776 Tribute Road, Sacramento, CA, 95815.

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, Tom Doutrich, Heather Haviland, Juliana Gomes, Vicki Layne, Raechelle Gibbons, Randy McGee and Tom Martinez. Joining by conference call: Louie Brown, Cody Boyles, Jeanne Wasserman, Lucky Kalanges, Lisa Hindley and Caroline Titus.

**Agenda Item 1 – Date, Time and Location of Next Meeting: April 2, 2019 in Sacramento.**  
The next CARF Board of Directors and Live Racing Committee meeting will be held at 11:00 A.M. on April 2, 2019 in Sacramento.

**Agenda Item 2 – Public Comment.** None.

**Agenda Item 3 – Approval of Minutes.** {ACTION} Mr. Hoban moved to approve the February 7, 2019 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 2019 Legislation Program.** Mr. Brown reported that the legislative session is in full swing. CARF sponsored bill AB 482 was introduced by Assemblymember Joaquin Arambula and staff is in the process of working the language through committee and determining industry principals' positions. AB 482 should be heard by the Assembly G.O. Committee in late March.

Mr. Swartzlander added that a four-point synopsis of AB 482, informally referred to as the Northern California Racing Sustainability Act of 2019, is included in the meeting materials as Handout #1. Mr. Swartzlander stated that he has reached out to Rick Beadeaker (CHRB) and Greg Avioli (TOC) to make them aware of the contents of the bill.

Mr. Hoban asked if there was a packet of information regarding AB 482 that fair managers can take to their local representatives and if a solution to stabling would be included in the bill. Mr. Brown stated that legislative staff would distribute materials to the Board by the end of the week and that there are plans to address stabling as part of the bill.

Mr. Brown reported that gaming and horse racing bills are light and appear to be predominantly spot bills.

Mr. Swartzlander reported that in 2008, CARF staff went before the CHRB Board to ask for authorization to increase fair live racing takeout 1% on exotic wagers for infrastructure improvements, as allowed by 2007 bill AB 765 (Evans). After carrying the topic over into two meetings, the CHRB Board was reluctant to activate the increase and requested CARF work with the industry to develop more comprehensive statewide legislation. At that time, when the larger industry bill failed, the CHRB Executive Director suggested that Fairs reapply for approval.

Mr. Swartzlander stated that he spoke to Rick Baedeker who expressed that a CHRB committee could be called to discuss the implications of activating the takeout increase to improve the brick and mortar satellite network prior to the April CHRB Board meeting.

**{ACTION}** Mr. Pickering moved to direct staff to continue pursuing a 1% takeout increase on exotic wagers as allowed in current legislation for the purpose of supporting and enhancing satellite improvements, purses, trainer incentives, jockey quarters and race track safety. Mr. Conway seconded, unanimously approved.

Mr. Pickering stated that at this time, AB 1499 is scheduled to be implemented during the fair racing season which could impact the cost of racing officials and the racing license application process. Mr. Brown reported that CDFA will be distributing a letter specifically to clarify the start date, vendors implications and other industry concerns.

**Agenda Item 5 – Report, Discussion and Action, if any, on Mini-Satellites.** Mr. Swartzlander stated that staff is currently working with two proposed mini-satellite locations, the Turlock Poker Room and Dive Bar in Sacramento. Mr. Swartzlander reported that he received verbal approval from TOC to move forward with NCOTWINC agreements for both locations. Staff is pursuing a standard mini-satellite license for Dive Bar and discussing the possibility of testing an ADW lounge model for the Turlock Poker Room.

**Agenda Item 6 – Report, Discussion and Action, if any, on 2019 Racing Operations.**

**Purses:** Mr. Swartzlander distributed the 2019 CARF-circuit purse projection as Handout #3. The proposed purse structure for 2019 is projected to break even by circuit end. The proposed

structure does not attempt to match the purse increase at Golden Gate Fields, but does drop one stakes race and increases strategically targeted categories when compared to 2018.

The Board directed staff to develop a list of talking points outlining the rational behind the 2019 proposed purse structure.

**F&E “Gray Area” Funds:** Mr. Swartzlander distributed the agreement between CDFA and CARF to use the 1% location fee monies generated at fairs and previously distributed to CDFA for improvements and safety at racing fairs as Handout #4.

**Industry Study re: Sports Wagering:** Mr. Swartzlander distributed the consulting services agreement for a proposed sports wagering study previously approved by the CARF Board as Handout #5. Mr. Alkire reported that WFA has been approached for financial support since the study will benefit the California Fair network.

Mr. Swartzlander distributed the operating agreement for CHC 2020 Group, LLC (previously Horse Racing United) as Handout #6.

**Agenda Item 7 – Financials.** Mr. Alkire reported that financials are included in the meeting packet and that Ms. Gibbons is available to answer questions. No questions.

**Agenda Item 8 – Executive Director’s Report.** Mr. Swartzlander reported that the consolidated fair meet topic is on the agenda for the March CHRB meeting at Golden Gate Fields.

Respectfully submitted,  
Heather Haviland