

CALIFORNIA AUTHORITY OF RACING FAIRS  
Board of Directors & Live Racing Committee  
Concurrent Meeting  
Tuesday, December 10, 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, December 10, 2019. The meeting was conducted at the CARF office, 1776 Tribute Road, Sacramento, CA, 95815.

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

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

Staff and Guests participating: Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Arturo Barajas, John Quiroz and Ann Grottviet. Joining by conference call: Louie Brown, Lauri King and Caroline Titus.

**Agenda Item 1 – Date, Time and Location of Next Meeting: February 4, 2020 in Sacramento.** The next CARF Board of Directors and Live Racing Committee meeting will be held at 11:00 a.m. February 4, 2020 in Sacramento.

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

**Agenda Item 3 – Approval of Minutes.** {ACTION} Mr. Conway moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes for November 18, 2019 as presented. Mr. Pickering seconded, unanimously approved.

**Agenda Item 4 – Closed Session: Conference with Legal Counsel Regarding Anticipated Litigation and Public Employee Performance Evaluation.** Ms. Grottviet reported that during closed session the Board heard an update from legal counsel regarding the status of the ongoing Pacific Racing Association (PRA) lawsuit and no action was taken.

**Agenda Item 5 – Report, Discussion and Action, if any, on 2020 Budget.** Mr. Swartzlander reported that the 2020 CARF Agency Budget is included in the meeting packet and asked Ms. Gibbons to provide an overview. The budget, as presented, has been reviewed by the CARF Finance Committee.

Ms. Gibbons began by stating that all significantly over/under performing budget line items have been footnoted with an explanation for the deviation. In addition, the first page of the budget packet titled "Agency & Live Racing Operating Expense Summary," is new for 2020 and provides the Board and staff with a snapshot of the total operating expenses rolling up from both the agency and live racing operations over a three-year period. Ms. Gibbons provided a detailed presentation of the Agency & Live Racing Operating Expense Summary, Agency Income Statement, Southern Satellite Program Sales, Live Racing Income Statement and Statement of Net Position (formerly presented as the Balance Sheet).

Mr. Pickering asked Ms. Gibbons if there was a timeline for NCOTWINC to reconcile and finalize the 2019 6% Fund. Ms. Gibbons stated that the draft pro formas circulated to Alameda County Fair and California State Fair contain projections that are expected to be very close to actual and that NCOTWINC should close their books January 31, 2020. Ms. Gibbons stated that projections will also be provided to Humboldt County Fair and the Big Fresno Fair.

{ACTION} Mr. Hoban moved to approve the 2020 budget as presented with the following adjustment: Increase "Salaries" line item by 3% more than the 2019 annual budget figure with the appropriate adjustments to employee benefits and payroll taxes. Mr. Conway seconded., unanimously approved.

**Agenda Item 6 – Report, Discussion and Action, if any, on Legislative Program.** Mr. Brown provided an update on the proposed initiative to legalize sports wagering at private horse tracks and tribal casinos lead by the Pechanga Band of Luiseno Indians. Mr. Brown stated that he has reached out to the representative of the Pechanga Tribe to voice racing fair concerns, but has not received a response at this time. CARF legislative counsel remains in contact with Pechanga's lobbyist.

The group discussed the merits of taking a formal position regarding the initiative and providing comments of opposition to the Office of the Attorney General per the proposed initiative measure process. Mr. Brown referenced the CARF position statement included in the meeting packet.

Mr. Pickering asked Mr. Barajas and Mr. Quiroz if the Department of Food & Agriculture was planning on taking a position on behalf of fairs. Mr. Barajas responded that a formal position is not being considered at this time, but that they are watching with interest.

{ACTION} Mr. Hoban moved to support the "California Sports Wagering Regulation and Unlawful Gambling Enforcement Act CARF Position Statement" as presented and to direct legislative counsel and executive staff to draft a statement on the CARF Board's behalf. Mr. Conway seconded, unanimously approved.

Mr. Hoban requested that Mr. Swartzlander circulate the final position paper and statement to CARF Board members to share with their respective Boards.

**Agenda Item 7 – Report, Discussion and Action, if any, on Racing Calendar and Live Racing Operations.**

**2020 Racing Dates & Stabling:**

Mr. Swartzlander reported that he has spoken to Aidan Butler (The Stronach Group - TSG), Greg Avioli (Thoroughbred Owners of California - TOC) and CHRB Commissioner Gonzales regarding dates and stabling. Mr. Swartzlander feels the CHRB position will be to support the calendar CARF presented and place the onus on CARF to reach an auxiliary stabling agreement with TSG that satisfies TOC. TOC does not have an official position on the Humboldt County Fair overlap.

**Sonoma County Fair:**

Mr. Swartzlander stated that Becky Bartling has received the financial documents from CARF that she requested and conversations are ongoing with no further update at this time.

**Agenda Item 8 – Executive Director’s Report.** Mr. Swartzlander reported that he attended and sat on a panel at The Jockeys’ Guild Annual Assembly December 10-11 in Las Vegas. The assembly focused on current issues of importance to the industry including health, safety and workmen’s comp insurance. Mr. Swartzlander stressed to the assembly attendees that insurance claims for exercise riders in California must be reduced to keep the program sustainable.

Mr. Swartzlander stated that staff will be revising future meeting agendas to place agency items at the beginning of the meetings and live racing items at the end for the convenience of non-live racing Board members.

Mr. Pickering updated the group that the Western Fairs Association (WFA) Board of Directors will be adopting enhancements to their bylaws prior to convention, but will not be addressing potential changes to Board seats until their spring workshop.

Respectfully submitted,  
Heather Haviland