

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, April 7, 2020

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 7, 2020. The meeting was conducted by teleconference originating at the CARF office, 1776 Tribute Road, Sacramento, CA, 95815.

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

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

Staff and Guests participating: Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Vicki Layne, Raechelle Gibbons, Ann Grottveit, Louie Brown, Cody Boyles, John Quiroz, Tom Martinez, Oscar Gonzales, Darrel McHargue, Cindy Olsen, Duane Martin, Lauri King, Allen Aldrich, Mike Knapp, James Morgan, Stacey Lapham and Caroline Titus.

Agenda Item 1 – Date, Time and Location of Next Meeting: May 5, 2020 in Sacramento.
The next CARF Board of Directors and Live Racing Committee meeting will be held at 11:00 a.m. May 5, 2020 by teleconference originating in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Approval of Minutes. {ACTION} Mr. Hoban moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes for March 3, 2020 as presented. Mr. Pickering seconded, unanimously approved.

Agenda Item 4 – Report and Discussion on COVID-19 at Racetracks and Satellite Network Closure. Mr. Swartzlander reported on the recent county orders to shut down live racing at Santa Anita Park and Golden Gate Fields in response to the COVID-19 pandemic and The Stronach Group’s (TSG) efforts to resume racing under the sanction of local health authorities.

Mr. Swartzlander reported that the California brick and mortar satellite network remains closed in accordance with Governor Newsom’s “stay at home” order and directive to shut down all non-essential public areas and businesses. Several satellites, including San Mateo, chose to

close at the beginning of the outbreak due to the older demographic of patrons and general public health concerns.

Mr. Swartzlander asked each of the live racing fairs and satellite fair members to report of the status of operations at their fairgrounds.

Pleasanton – Mr. Hoban reported that the Alameda County Fair is currently following county, state and federal government guidelines regarding public gatherings during the COVID-19 pandemic and has postponed events through mid-May, including the off-track betting facility. Fairgrounds leadership is currently in talks with local officials about becoming an alternative care facility. If the fairgrounds were selected for COVID-19 relief services, the fair's obligation to provide services will range anywhere from 30-90 days which could necessitate cancelling the fair. Currently the fair is planning to operate normal June/July fair dates.

Sacramento – Mr. Pickering reported that the California State Fair and Exposition grounds are closed to all interim events and non-essential functions. The fairgrounds are currently serving as a drive-thru Covid-19 testing site, as well as a temporary emergency isolation trailer facility for segments of the Sacramento at-risk population. Harness racing at Cal Expo has been closed to the public since mid-March, but Sacramento County's health director ordered a halt to harness racing April 1. Currently, planning for the 2020 fair and race meet are proceeding per normal.

Ferndale – Mr. Conway reported that the Humboldt County Fairgrounds are closed and operating with extremely minimal staffing. With late-August dates, fair leadership has more time to assess the COVID-19 situation and the 2020 fair and race meet planning are continuing as normal.

Fresno – Mr. Alkire reported that as of March 17, the Fresno Fairgrounds has postponed all events until May 10. As of March 15, both of the Fair's satellite wagering facilities have been temporarily closed. Mr. Alkire stated that the fairgrounds had been selected as a potential COVID-19 relief site but had been dismissed by the Army Corps of Engineers. The fairgrounds are currently working to provide other COVID-19 community assistance programs such as a drive-thru food bank. Fair leadership is optimistic that the Big Fresno Fair and race meet will be conducted in October.

Monterey – Ms. Violini reported that the Monterey County Fair, including the satellite facility, is closed to the public and has postponed or cancelled all interim events through the end of May. The fairgrounds have been working with the county of Monterey to become an alternative housing sites that could house farmworkers, homeless people and other residents in need of a place to safely quarantine. Mr. Pickering offered to assist Ms. Violini with specs regarding FEMA materials.

Oscar Gonzales, Vice-Chairman of the California Horse Racing Board (CHRB), thanked the group for their updates and stated that as a former backstretch worker, he is extremely sympathetic to the workers, horsemen and horses on the backsides of the recently closed tracks and looks forward to helping those tracks work with local officials to return to racing in a manner that is safe for those involved with the horses, as well as their communities, in the face of this pandemic. Mr. Gonzales stated that he, as a representative of the CHRB, is available in any way he can to help racing transition through this difficult time and thanked fair leadership for keeping him informed and inviting him to participate on this call. Mr. Gonzales asked the fairs to remain flexible and to consider backup plans if the current state of affairs were to alter the racing calendar. Mr. Gonzales thanked Mr. Swartzlander and dropped from the conference call.

Agenda Item 5 – Report, Discussion and Action, if any, on Legislative Program. Mr. Brown reported that leaders of the California Legislature extended the cancellation of all legislative hearings and meetings until May 4. Legislators were originally supposed to return to Sacramento to resume work on April 13. The decision to suspend activities at the state Capitol was unprecedented and came after legislators worked to balance public health concerns with the need for action to address the impact of the pandemic. Both houses quickly passed a \$1-billion relief plan on March 16 before putting a halt to all legislative business.

Mr. Boyles reported that the proposed initiative to legalize sports wagering at private horse tracks and tribal casinos lead by the Pechanga Band of Luiseno Indians has stalled in the signature gathering phase due to the pandemic. Mr. Boyles stated that, with the public largely at home, Advanced Deposit Wagering (ADW) and the few tracks left running are seeing significant increases in handle.

Sports Wagering Consultant Mike Knapp gave an update in regards to sports betting and ideas for implementing necessary changes at satellite wagering facilities. In a handout titled, “Sports Betting and Architecture for a CARF Network” Mr. Knapp gave a synopsis of the California market and the numerous possibilities that exist if Sports Wagering were to be allowed and implemented at fair satellite facilities. Due to COVID-19 and the legislature’s focus on COVID-19 policy and relief, Mr. Knapp believes that sports wagering will not be addressed until the pandemic and related legislation has been resolved.

Agenda Item 6 – Report, Discussion and Action, if any, on Mini-Satellites and NCOTWINC. Mr. Swartzlander reported that signal broadcast approval letters for District 30 (Downtown Sacramento) and Turlock Poker Room mini-satellites have been returned from every track with the exception of Santa Anita Park, Golden Gate Fields and Del Mar. TSG and Del Mar have requested additional information which Bryan Wayte is working to provide.

Ms. Haviland added that approvals are also required from TOC and that the response from all three groups is inevitably a stalling tactic. CARF staff is also having difficulty obtaining information and assistance from NCOTWINC.

Agenda Item 7 – Financials. Mr. Alkire stated that financials are included in the meeting packet and that Ms. Gibbons is available for questions. Ms. Gibbons reported that the CARF audit will continue as scheduled and will be completed remotely due to COVID-19 precautions and procedures. No questions.

Agenda Item 8 – Report, Discussion and Action, if any, on Racing Calendar and Live Racing Operations. Mr. Swartzlander reported due to the instability of racing in California, and in the United States due to the pandemic, TSG's Aidan Butler could not accept CARF's 2% generation offer for auxiliary stabling at Golden Gate Fields (GGF). As such, Mr. Swartzlander noted that he will continue to plan for auxiliary stabling at the fairs due to the upcoming summer meet – time is of the essence. Allen Aldrich, representing the Thoroughbred Owners of California, mentioned that it is TOC's strong preference to see GGF remain open for auxiliary stabling.

Agenda Item 7 – Executive Director's Report. None.

Respectfully submitted,

Heather Haviland/Juliana Gomes