

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, September 1, 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, September 1, 2020. The meeting was conducted via teleconference originating at the CARF office, 1776 Tribute Road, Sacramento, CA, 95815.

CARF Board Directors joining by conference call: John Alkire, Jerome Hoban, Dan Jacobs, Rick Pickering, Dana Stoehr and Kelly Violini.

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

Staff and Guests participating via conference call: Larry Swartzlander, Tom Doutrich, Heather Haviland, Vicki Layne, Juliana Gomes, Raechelle Gibbons, Ann Grottveit, Louie Brown, John Quiroz, Michael Margetts, John Brown, Amanda Brown, Caroline Titus, Alan Balch, Allen Aldrich, Lisa Wilkerson, Terri Eaton, Cory Soltau, Lauri King and Stacy Rianda.

Agenda Item 1 – Date, Time and Location of Next Meeting: The next CARF Board of Directors and Live Racing Committee meeting will be held at 11:00 a.m. October 6, 2020 by teleconference originating in Sacramento.

Agenda Item 2 – Public Comment. John Brown, legal counsel for the Arabian Horse Racing Association, stated he would like more information regarding the 2020 Big Fresno Fair race meet. Mr. Swartzlander noted that this topic would be covered under Agenda Item VIII.

Mr. Alkire reported to the Board that he is in the process of retiring from the Big Fresno Fair and has accepted the position of CEO of the Friends of the Fair, a 501(c)(3) in partnership with the Big Fresno Fair. Mr. Alkire will be succeeded by Lauri King and Stacy Rianda. He introduced Ms. King as the racing representative for the Big Fresno Fair and was thanked for his many years of service to the fair and horse racing industry.

Mr. Alkire recommended that Mr. Hoban chair the remainder of the meeting until an agenda item can be made to allow a formal vote by the Board.

Agenda Item 3 – Closed Session: Conference with Legal Counsel – Personnel. Ms. Grotteit reported that during closed session the Board had conference with legal counsel and received advice regarding personnel. No action was taken.

Agenda Item 4 – Approval of Minutes. {ACTION} Mr. Alkire moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes for June 2, 2020 as presented. Mr. Pickering seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any, on Legislative Program. Mr. Brown reported that the legislative session ended the night before thereby ending the legislative year. The Governor has seen a lower number of bills cross his desk due to the challenges and focus on COVID-19.

AB 1974, which supports jockey and equine safety reform, was run by the Assembly GO Committee and the chair of the GO, Senator Adam Gray, acknowledged the fairs excellent record regarding breakdowns and track safety and maintenance. Passing both houses with bipartisan support, Mr. Brown fully expects the bill to be signed.

Governor Newsom appointed new member Brenda Davis to the CHRB Board. Ms. Davis is a former attorney with the Farm Bureau and is currently in private practice with no prior ties to horse racing. Both CHRB commissioners Wendy Mitchell and Oscar Gonzales were reappointed for another 4 years. Mr. Pickering and Ms. Stoehr reported positively regarding fair industry interactions with Ms. Davis and believe she will bring a welcomed perspective to the CHRB Board.

Mr. Brown reported that \$5 million in AB 1499 funds were withheld for infrastructure purposes in the fairs network, but due to COVID-19 the monies from both 2019 and 2020 have been merged to a total \$12 million. Mr. Brown expects CDFA to true up allocations and taxes for each fair and aim for a hopeful disbursement of these monies to the fairs by early next year.

Mr. Brown noted that newly released information from the Governor's office includes re-opening procedures for satellite wagering in stages. He plans to give an update after his office has reviewed the new information – hopefully, satellite wagering will move indoors with limited operations.

Sports Wagering has eluded the November ballot for a second year. Mr. Brown added that legislative members would resume talks and aim for a 2021 Sports Wagering initiative.

Agenda Item 6 – Report and Discussion on Finance Committee Recommendations. Mr. Swartzlander reported that there were three objectives of the Finance Committee:

Re-analyzing CARF Racing Overhead Costs: Mr. Swartzlander stated that due to COVID-19 and the fluid situation with race dates, that CARF racing overhead costs will have to be

redistributed to reflect what the actual 2020 race calendar was as opposed to the projected calendar.

CARF Restructuring of Personnel: Mr. Swartzlander noted that personnel discussions were held in closed session. **{ACTION}** Mr. Hoban moved to direct the Executive Director to reduce payroll costs by \$87,000 in the remaining months of 2020 and 2021 to reduce overhead costs in light of racing calendar changes created by the COVID-19 pandemic.

Mr. Pickering seconded and thanked Mr. Swartzlander and staff for accepting these cuts when many in the industry are receiving similar reductions. Motion was unanimously approved.

CARF Dues: Mr. Swartzlander reported that upon the onset of the COVID-19 pandemic, CARF stopped invoicing member fairs for dues. With a successful meet at the Alameda County Fair, ADW location fees were 40-50% higher than normal. This in mind, the Finance Committee recommended that the CARF agency net ADW location fees with dues owed for 2020.

Mr. Swartzlander asked for any objection by members on the call, hearing none, Mr. Swartzlander added that checks would be disbursed the following week.

Agenda Item 6 – Financials. Ms. Gibbons reported that she is in the middle of closing numbers on the Alameda County Fair meet. With the Gilbert audit now finished and in draft form, Ms. Gibbons added that Gilbert will plan to present their report to the Board in October.

In financial consideration, Mr. Hoban directed Ms. Gibbons to investigate if formal reviews between audits can be done to save money. Ms. Gibbons recommended that staff review this with legal as it pertains to CARF's JPA agreement. If allowed, this could be a possibility in 2021 for the 2020 review.

Agenda Item 7 – Report, Discussion and Action, if any, on Racing Calendar and Live Racing Operations. Mr. Swartzlander reported that there was a Racing Dates Committee meeting with Commissioner Oscar Gonzales serving as chair. Dates presented to the committee are similar to 2020's proposed calendar before COVID-19. Mr. Swartzlander noted that past issues with Sonoma County Fair's race dates and stabling at Golden Gate Fields were once again brought up at the meeting.

Mr. Swartzlander asked Mr. Margetts from Sonoma County Fair if they are planning to run their race dates at Golden Gate Fields in 2021. Mr. Margetts reported that it is unknown at this time due to the complications with COVID-19.

Regarding the 2020 Big Fresno Fair meet, Mr. Swartzlander reported that Golden Gate Fields has signed an agreement to run these dates in exchange for financial and purse relief. Mr. Swartzlander reported that Mr. Alkire expressed desire to run the race dates at Fresno, but in

consideration of complications created by COVID-19 and in keeping the best interest of horsemen in the forefront, Mr. Alkire agreed to this one-time arrangement. Mr. Swartzlander addressed the Arabian breed representatives on the call that these race dates are under the control of the Golden Gate Fields racing license and that CARF cannot dictate the type of races run.

Agenda Item 9 – Executive Director’s Report. Mr. Pickering asked for an election to be scheduled for chair and vice-chair of the Board of Directors and Live Racing Committees. Mr. Pickering included his thanks and congratulations to Mr. Alkire for his years of service and welcomed Ms. King and Ms. Rianda in their new positions.

Respectfully submitted,
Juliana Gomes