

CALIFORNIA AUTHORITY OF RACING FAIRS  
Board of Directors & Live Racing Committee  
Concurrent Meeting  
Tuesday, October 6, 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, October 6, 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: Jerome Hoban, Dan Jacobs, Rick Pickering, Dana Stoehr and Kelly Violini.

CARF Live Racing Committee members joining by conference call: Jerome Hoban, Lauri King, James Morgan 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, Lauri King, Michael Margetts, Tom Martinez, Jeanne Wasserman, Cindy Olsen, and Caroline Titus.

**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. November 3, 2020 by teleconference originating in Sacramento.

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

**Agenda Item 3 – Closed Session: Conference with Legal Counsel – Anticipated Litigation.** Ms. Grottveit reported that the Board received an update and guidance from legal counsel regarding the status of the PRA case. No further action was taken.

**Agenda Item 4 – Election of Board Officers.** Ms. Haviland gave an update on the vacant and expiring CARF Board seats. Two seats are vacant; the Live Racing Chair, due to Mr. Alkire's retirement and an At-Large Director seat previously held by Richard Conway. Ms. Haviland reported that two seats terms will expire at the end December, Mr. Hoban's At-Large Director seat and Ms. Violini's Northern Satellite Chair seat.

{ACTION} Calling for an election of both Board Chair and Vice-Chair positions, Mr. Pickering nominated Mr. Hoban as Chair. Mr. Jacobs seconded, unanimously approved. For the

Vice-Chair seat, Mr. Hoban nominated Mr. Pickering. Mr. Jacobs seconded, unanimously approved.

Ms. Haviland reminded the board that nominations and elections will begin in November to fill any vacant seats.

**Agenda Item 5 – Approval of Minutes. {ACTION}** Mr. Pickering moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes for September 1, 2020 as presented. Mr. Jacobs seconded, unanimously approved.

**Agenda Item 6 – Report, Discussion and Action, if any on Legislative Program.** Mr. Brown reported that the legislature has adjourned and the Governor has acted on all bills that made it onto his desk. Both horse welfare bills, AB 1974 and SB 800 were signed into law by the Governor and Mr. Brown does not believe they will require any significant changes from the fairs.

Mr. Brown added that the legislature will continue to focus on the election until November 3. Until then, legislative planning will take place and form once the class of 2021 legislators are sworn in.

In regards to the CDFA funding from AB 1499, Mr. Brown noted that he is in conference with both CDFA and the California Tax and Franchise board to better estimate the monies due to fairs for 2021-2022 budgets.

Mr. Swartzlander asked for an update on spot bills currently held by CARF and Mr. Brown replied that new spot bills will have to be drafted as placeholders for the new legislative session.

**Agenda Item 7 – Report, Discussion and Action, if any, on Presentation from Mike Knapp Regarding Sports Wagering and Fantasy Sports.** Mr. Swartzlander introduced Mr. Knapp to the board. Mr. Knapp was the previous satellite manager of Del Mar’s satellite facility and has since been a consultant in sports wagering and fantasy sports in Nevada.

Mr. Swartzlander informed members that sports wagering and fantasy sports would be great additions to the betting product offered in satellites currently. With the success of mini-satellites in Southern California, Mr. Swartzlander believes it would be in the best interest of the membership to continue to diversify and enhance their wagering products.

Mr. Knapp proceeded to give his presentation, available in the packet, titled “Golden State Fantasy Sports.”

**Agenda Item 8 – Report, Discussion and Action, if any, on Finance Committee Recommendation for the Allocation of 2020 Live Racing Overhead.** Mr. Swartzlander presented

a spreadsheet to the board listed as “2020 CARF Live Racing Overhead” and discussed the options the Finance Committee had to consider due to the change in race dates and COVID-19.

The spreadsheet detailed the financial obligation of each racing fair and the shared costs for the overhead of CARF and its 2020 budget. With a shortfall of \$211,000, the CARF Finance Committee worked with CARF Staff to budget not only staff payroll cuts, but to also offset the shortfall with the CARF Augmentation Fund.

Mr. Hoban noted that the current pandemic has required difficult staff and payroll changes but thanked staff for their willingness to work with the Finance Committee and to look forward to a brighter 2021.

Mr. Pickering added that the spreadsheet shows Pleasanton taking 45% of the CARF Overhead due to their willingness to accept the risk to run. Mr. Pickering clarified that the \$150,000 payment to the Humboldt County Fair (HCF) was an unexpected cost that was requested by the California Horse Racing Board (CHRB) when the HCF dates were abruptly given to Golden Gate Fields (GGF). Fresno was able to receive financial compensation for the one-time agreement to allow horsemen to continue racing at GGF through this pandemic year.

Mr. Swartzlander added that there was a \$52,000 debt that the HCF had with CARF which is now paid. Mr. Morgan asked to confirm that Humboldt County Fair no longer has any outstanding debts or 2020 racing obligations with CARF. Mr. Swartzlander confirmed that is correct.

{ACTION} Mr. Pickering moved to accept the “2020 CARF Live Racing Overhead” recommendation from the Finance Committee as submitted. Mr. Jacobs seconded, unanimously approved.

**Agenda Item 9 – Financials.** Ms. Gibbons reported on the financials included in the packet. No questions.

Mr. Hoban clarified that the prior item’s motion was made to ensure that the Live Racing side of the budget would be solved in such a way that it would not affect the agency budget and the remainder of the membership. Ms. Gibbons agreed to Mr. Hoban’s statement.

**Agenda Item 10 – Report, Discussion and Action, if any, on Racing Calendar and Live Racing Operations.** Mr. Swartzlander reported that he had meetings with CHRB Vice-Chair Gonzales and Thoroughbred Owners of California (TOC) President & CEO Greg Avioli regarding race dates in Northern California. Mr. Swartzlander noted that Mr. Gonzales moved to table further date discussions in the north until March of 2021 due to the uncertainties caused by COVID-19.

Mr. Swartzlander referenced the race dates calendar in the packet to confirm CARF's position for 2021 race dates. Mr. Hoban added that the only difference from prior years is that Ferndale has requested to run the immediate weekends following the State Fair. These are dates commonly debated between Humboldt County Fair and the Sonoma County Fair and will be decided upon by CHRB.

**Agenda Item 11 – Executive Director's Report.** Mr. Pickering reminded the CARF board of the uncertainty regarding CARF's seat within Western Fairs Association's (WFA) board. It is WFA's position that the CARF seat should be moved to the California Fair Alliance's board, a subset of WFA, and that CARF be removed from the WFA seat in order to streamline their board and make it less California-specific. It is CARF's position to retain the seat with Mr. Pickering as liaison on the WFA Board. Mr. Swartzlander agreed that the WFA/CARF relationship should continue and would look into scheduling a meeting with Ms. Cummings to discuss the membership board seat.

Respectfully submitted,  
Juliana Gomes