

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, February 2, 2021

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, February 2, 2021. 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, Lauri King, Rick Pickering and Dana Stoehr.

CARF Live Racing Committee members joining by conference call: Jerome Hoban, Lauri King, Jim Morgan and Rick Pickering.

Staff and Guests participating via conference call: Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Ann Grotveitt, Louie Brown, Cody Boyles, Mike Francesconi, Tom Martinez, Mike Knapp, Katherine Ziemer, Allen Aldrich, Cindy Olsen, Dwayne Martin 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 March 2, 2021 at 11:00 a.m. by teleconference originating in Sacramento.

Agenda Item 2 – Public Comment. Mr. Swartzlander welcomed two new members to the Board of Directors, Stephen Hales from Solano County Fair and Lauri King from The Big Fresno Fair. Mr. Hoban extended an additional welcome to Katherine Ziemer from the Humboldt County Fair.

Agenda Item 3 – Closed Session: Conference with Legal Counsel – Anticipated Litigation. Ms. Grotveitt reported that in the matter of Pacific Racing Association versus California Horse Racing Board, in which CARF is an intervener, the Board heard a report regarding the terms of settlement and resolution. {ACTION} Ms. King moved to accept the terms of settlement agreement as presented. Mr. Pickering seconded, unanimously approved.

Agenda Item 4 – Approval of Minutes. {ACTION} Ms. King moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes for December 1, 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 deadline to introduce legislation is February 19 and that as the legislature attempts to return to pre-COVID speed, more than 2,000 bills will be introduced.

Assemblymember Bigelow has agreed to carry one of two spot bills for CARF and legislative staff is currently seeking a second author. Mr. Brown added that there is no horse racing legislation currently, but believes something will appear soon. Mr. Brown noted that with the majority of the Governor's focus on the 2021-2022 budget, the fair network will see approximately \$80 million stemming from different allocations in the budget. These allocations are in addition to AB 1499 monies which are estimated to be at \$8 million for 2021-2022 fiscal year.

Mr. Brown reported that Western Fair Association and Senator Dodd will be supporting legislation to "clean-up" the language in AB 1499 and remove the "true-up" process currently in place with the Department of Finance.

Mr. Boyles added that Draft Kings and various sports betting companies are entertaining deals with native tribes and solo investors to move forward in California. Mr. Boyles noted that any language drafted will be pressured to include cardrooms and that he will continue report back as the campaign develops.

Mr. Brown reported that there have been personnel changes at CDFA with Arturo Barajas accepting a position as legislative advocate for Fan Duel and John Quiroz accepting a position at CFSA as the Deputy Director. Mike Francesconi has been named the interim CARF representative until these positions are filled. Mr. Hoban welcomed Mr. Francesconi, who was present on the call.

Agenda Item 6 – Report, Discussion and Action, if any, on Fantasy Sports. Mr. Swartzlander announced that he is expecting a start date of August 1, 2021 for the fantasy sports pilot program to begin at CARF satellites. Mr. Swartzlander noted that The Stronach Group (TSG) and AmTote have been very receptive to the idea of fantasy sports. Additional meetings with CHRIMS and SCOTWINC will follow. Mr. Swartzlander reminded the Board that this is a pilot program that will implemented at CARF sites first with the objective being to revitalize the network by adding an additional entertainment option as well as a source of revenue. Mr. Swartzlander is very hopeful for his future meetings.

Agenda Item 7 – Western Fairs Association Update. Ms. King reported on WFA's first virtual conference and noted the success of the program including the interactive features and virtual social hours. Mr. Hoban added that increasing conversation between the similar racing states such as Arizona would be beneficial for both organizations in the future. Ms. Haviland added she has met with Ms. Cummings to discuss services CARF can provide for out-of-state organizations participating in horse racing.

Agenda Item 8 – Financials. Ms. Gibbons plans to close the 2020 CARF in early spring. The largest outstanding number is currently the NCOTWINC 6% funds. The 6% monies are currently being withheld until the PPP monies have been properly allocated at NCOTWINC. Ms. Gibbons continues to work with Ms. Philpott from NCOTWINC and hopes to have these numbers by end of month.

Ms. Gibbons added that the yearly audit for CARF typically takes place in May and instead of a full-blown audit CARF will have a financial review for 2020. In 2022, CARF will undergo a two-year complete audit.

Agenda Item 9 – Report, Discussion and Action, if any, on Racing Calendar and Live Racing Operations. Mr. Swartzlander reported that he is moving forward with the 2021 Northern California race dates calendar and has notified each fair of when their racing licenses are due to the California Horse Racing Board. Due to the unpredictable nature of the COVID-19 pandemic, CARF has prepared multiple scenarios dependent on a variety of conditions.

Agenda Item 10 – Executive Director’s Report. Mr. Swartzlander relayed the sad news of the passing of Don Fowler. Funeral plans are pending announcement.

Mr. Pickering added news on the passing of Steve Beneto, past CHRB board member and an ardent fair supporter.

Respectfully submitted,
Juliana Gomes