



a California joint powers agency

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NOTICE
CALIFORNIA AUTHORITY OF RACING FAIRS
BOARD OF DIRECTORS & LIVE RACING COMMITTEE
CONCURRENT SPECIAL MEETING
JEROME HOBAN, CHAIR
2:00 P.M., TUESDAY, JUNE 8, 2021

Notice is hereby given that a meeting of the California Authority of Racing Fairs' Board of Directors and Live Racing Committee will commence at 2:00 P.M., Tuesday, June 8, 2021. The meeting will be held via teleconference.

Due to Executive Order N-29-20, CARF will provide a teleconference option for its upcoming public meeting. Public and members of the California Authority of Racing Fairs Board of Directors and Live Racing Committee may participate via teleconference to minimize the spread of COVID-19. No physical location will be provided.

Dial-In Number: 1-669-900-6833
Meeting ID: 939 8878 2183
Access Code: 264450

Zoom Link:
<https://zoom.us/j/93988782183>



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AGENDA
CALIFORNIA AUTHORITY OF RACING FAIRS
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AGENDA

- I. Date, Time and Location of Next Meeting: TBD via Teleconference.
- II. Public Comment.
- III. Closed Session: Conference with Legal Counsel – Anticipated Litigation.
- IV. Approval of Minutes.
- V. Report, Discussion and Action, if any, on Calypso Challenge Agreement.
- VI. Executive Director's Report.

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

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, Ann Grottveit, Louie Brown, Cody Boyles, Mike Knapp, Tom Martinez, Katherine Ziemer, Allen Aldrich, Cory Soltau, Sheri Raborn, 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 April 6, 2021 at 11:00 a.m. by teleconference originating in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Closed Session: Conference with Legal Counsel – Anticipated Litigation. Mr. Hoban reported that legal counsel advised that the Pacific Racing Association litigation has concluded and thanked legal and staff for their help in this matter.

Agenda Item 4 – Approval of Minutes. {ACTION} Ms. King moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes for February 2, 2021 as presented. Ms. Stoehr seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any on Legislative Program. Mr. Brown reported that all bills relating to horse racing and fairs are currently spot bills. Due to the

Governor's executive order mandating public meetings, Mr. Brown notes that many of the current bills relate to Bagley Keene and the Brown Act as a result of COVID-19 meeting laws.

Mr. Brown reported that AB597, CARF spot bill supported by Assemblymember Bigelow and the WFA spot bill, AB715 (Dahle) will be moved to the second house and await use. Senator Dodd is currently introducing an omnibus committee bill listing the revisions of the AB1499 legislation and will serve as a vehicle if additional funding is found.

Mr. Brown added that the Senate budget sub committees met with CDFR to discuss the budget proposal which includes \$50 million from the general fund to fairs. The current terminology refers to "state-affiliated fairs" or district agricultural associations. Mr. Brown noted that the fair industry has stepped up to support that the language be inclusive of all fairs in the state. The hearing was positive and Mr. Brown sees a revision taking place in May.

Agenda Item 6 – Report, Discussion and Action, if any, on Fantasy Sports. Mr. Swartzlander reported he had a positive meeting with the Executive Director of the California Horse Racing Board (CHRB), Scott Chaney regarding Fantasy Sports. Mr. Swartzlander is confident that the program will be ready by August 1, 2021. After meetings with the CARF Finance Committee, Mr. Swartzlander will be presenting a three-year proforma to reflect the costs and projections for the Sport Fantasy start up. Mr. Swartzlander plans to have draft agreements between Calypso and CARF and an additional agreement detailing the mechanism for using CARF funds for Sports Fantasy.

Agenda Item 7 – Western Fairs Association Update. Ms. King reported that the WFA monthly call will be taking place later this week and that the WFA board is active in assisting CDFR with expanding the language for AB1499 to include all fairs.

Mr. Hoban thanked Ms. King, Mr. Jacobs and WFA for their proactive outreach to fairs and their representatives to support the AB1499 revisions.

Agenda Item 8 – Financials. Ms. Gibbons was not available to present the financials provided in the packet. No questions.

Agenda Item 9 – Report, Discussion and Action, if any, on Racing Calendar and Live Racing Operations. Mr. Swartzlander reported that the CARF position is to run all four live racing fairs. The first racing licenses are to be presented in April and May. Mr. Swartzlander added that there will be a reduction in purses for the Emerging Breeds and he foresees no issues with obtaining horsemen's agreements with TOC and CTT.

Mr. Swartzlander announced he was proud to report that over the last 3-4 years, CARF has eliminated over \$500,000 in purse overpayments. Due to COVID-19 and the handle received from ADW sharply increasing in 2020, CARF now sits at preliminary \$4,500 underpaid. Mr.

Swartzlander predicts this number to continue to move positively as he and Ms. Haviland continue to monitor ADW handle trends.

Mr. Hoban asked for an update regarding out-of-state recruitment. Mr. Swartzlander noted that he and Mr. Doutrich will be traveling to Arizona to recruit horsemen and notify them when Pleasanton will be opening, an estimated date of May 1 to coincide with the closing of Turf Paradise. Mr. Swartzlander added that he and Mr. Doutrich will also travel to Grants Pass to notify horsemen that this year, the Humboldt County Fair will not be in contention with any of their meets and will fit perfectly into the Oregon race schedule.

Agenda Item 10 – Executive Director’s Report. Mr. Swartzlander updated the board that he is currently scheduled to undergo hip surgery on March 22.

Respectfully submitted,
Juliana Gomes

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, April 6, 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, April 6, 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: Stephen Hales, Jerome Hoban, Dan Jacobs, Lauri King, Rick Pickering and Kelly Violini.

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 Grottveit, Louie Brown, Cody Boyles, Mike Knapp, Katherine Ziemer, Allen Aldrich, Jeanne Wasserman, Becky Bartling, Cindy Olsen, Dwayne Martin, Caroline Titus, Michael Brown, Cory Soltau, Terri Eaton, Kate Phariss and Mary McPherson.

Agenda Item 1 – Date, Time and Location of Next Meeting: The next CARF Board of Directors and Live Racing Committee meeting will be held May 4, 2021 at 11:00 a.m. by teleconference originating in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Closed Session: Conference with Legal Counsel – Anticipated Litigation. Item deferred.

Agenda Item 4 – Report, Discussion and Action, if any on Legislative Program. Mr. Brown reported that the legislature returned from spring break and has until the end of the month to push through bills with fiscal effects. Mr. Brown noted that gambling and horse racing bills are light and that many spot bills are currently being held without a hearing due to the quantity of bills and COVID-19 restrictions currently in place. Mr. Brown assured the board that CARF has two bills that will be available if needed.

Mr. Brown noted that the requested changes for AB 1499 are currently at the Senate GO Committee and show positive signs of passing through the assembly with bipartisan support. In regards to the Governor's budget, there will be a May report that is expected to be positive due to an influx of federal monies. Mr. Brown reports that there is currently \$60 million in the Governor's budget for fairs. The \$60 million will be available to state and non-state-owned fairs and fairgrounds and currently has the support of multiple legislators.

Mr. Brown added that the administration updated the reopening guidelines for California to include fairs in the same category as amusement parks. While the guidelines do not truly fit fairs, CDFA is working with the Department of Public Health to receive fair-specific guidelines for reopening.

Agenda Item 5 – Report, Discussion and Action, if any, on Fantasy Sports. Mr. Swartzlander reported that the Finance Committee has reviewed multiple documents including a proforma of costs, an internal agreement to lend monies from the Change Fund to develop Fantasy Sports and a preliminary agreement between CARF and Mike Knapp.

Mr. Swartzlander reminded the board that he is currently seeking to adopt the "Resolution for Use of Change Fund" allowing for CARF to set aside a portion of the Change Fund for the purpose of developing a Fantasy Sports pilot program at satellite wagering facilities and to proceed, with legal counsel, to finalize an agreement with Skill Play Sports based on the structure presented in the proposed draft agreement and pro-forma. After a discussion regarding the documents, Mr. Swartzlander requested a motion to proceed. Mr. Pickering clarified that this motion supports only the finalization of an agreement for the board's future review.

{ACTION} Ms. King moved to direct staff to work with legal counsel to finalize the resolution and agreement for the board's review at the next meeting. Mr. Jacobs seconded. Yes vote: Jerome Hoban, Rick Pickering, Stephen Hales, Kelly Violini, Dan Jacobs, Lauri King. Absent: Ms. Stoehr.

Agenda Item 6 – Western Fairs Association Update. Ms. King added to Mr. Brown's report in regards to the reopening of fairgrounds. The guidelines, while not tailored to fairs, are a welcome sign that as the state continues to open that fairs will be able to be held. At this time, fairs are moving forward with plans to reopen and Ms. King adds that Ms. Cummings and the WFA team are supporting fairs as they navigate the reopening process.

Agenda Item 7 – Financials. Ms. Gibbons presented preliminary financials from February 2021 and reports that the financial review will take place in May. No questions.

Mr. Hoban requested an update in regards to the PPP loan forgiveness and Mr. Swartzlander reported that Ms. Haviland is in the process of reviewing the forms required to

submit for reimbursement. Mr. Hoban urged Ms. Gibbons to assist staff in moving quickly on the time-sensitive loan forgiveness process.

Agenda Item 8 – Report, Discussion and Action, if any, on Live Racing Operations. Mr. Swartzlander presented a spreadsheet detailing the fair consolidated purse fund balances. Mr. Swartzlander stated that the proposed purse structure for 2021 was developed to mitigate overpayments during the upcoming race meets. Mr. Soltau and Mr. Brown, from the Arabian Racing Association of California (ARAC), both spoke to the hardships of running their Arabian horses with reduced purses. Complications from COVID-19 and a reduction in race dates has led the Arabians to request an increase in their purses to make racing sustainable for the breed.

Ms. Phariss from the American Mule Racing Association reiterated that the cuts to their purses were also unsustainable and presented a letter from AMRA President Don Jacklin. The letter from Mr. Jacklin appealed to the CARF BOD to reconsider raising the bottom purse level of \$3,500. It further read that The AMRA Board respectfully requests that the 2021 purse levels be maintained at the 2019 contract bottom of \$4,500. For horsemen, racing expenses have increased, while proposed income levels are now being reduced. As it is, there is a huge financial loss to any animal finishing lower than second, which makes running at the fairs unsustainable.

Mr. Jacklin's letter continued that without mixed breed race animals, it is highly doubtful that on site live racing could be continued Ferndale and Fresno. AMRA feels that without an increase in purses for the mules, racing at CARF fairs would not be viable.

The CARF Board took turns speaking to representatives of both ARAC and AMRA to thank them for their contribution to fair racing and for taking the time to present their cases during the meeting.

The board instructed staff to move forward in developing a balanced and sustainable purse structure.

Agenda Item 9 – Report, Discussion and Action, if any, on Emerging Breed Racing.
Discussed in prior item.

Agenda Item 10 – Executive Director's Report. Mr. Swartzlander stated that his hip surgery has been deferred to October 2021. In addition, Mr. Swartzlander and Mr. Doutrich traveled to Arizona to recruit horsemen and look forward to traveling again in May to recruit horsemen from Oregon. Mr. Swartzlander is hopeful that the Oregon horsemen will be able to support the Ferndale race meet.

Respectfully submitted,
Juliana Gomes

2021

Yearly Calendar

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