

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, February 8, 2022

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 8, 2022. 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, Lauri King, Rick Pickering and Dana Stoehr, Kelly Violini.

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

Staff and Guests participating via conference call: Larry Swartzlander, Heather Haviland, Tom Doutrich, Juliana Gomes, Ann Grottveit, Cody Boyles, Louie Brown, Rich Silacci, Cindy Olsen and Allen Aldrich.

Agenda Item 1 – Date, Time and Location of Next Meeting: The next CARF Board of Directors and Live Racing Committee meeting is March 1, 2022 via teleconference.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Closed Session: Conference with Legal Counsel – Personnel. The Board of Directors conducted a review of the Executive Director and approved a pay increase through unanimous vote.

Agenda Item 4 – Approval of Minutes. Ms. King moved to approve the minutes from the Board of Directors & Live Racing Committee concurrent meeting on December 7, 2021 as presented. Mr. Pickering seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any on Legislative Program. Mr. Boyles reported that there are currently five seats open in the State Assembly and California will now hold two special elections. In part, the open seats and elections are being held due to AB 849, the bill regarding redistricting has led to assemblymember seat changes for the following areas: San Francisco, Pasadena, Marina del Rey, San Diego and Sacramento.

Mr. Boyles added the San Diego seat would be the most significant for the Board due to its influence over the Del Mar area and racing.

Legislatively, Adam Gray has submitted a spot bill on behalf of WFA and the tribal gaming initiative has qualified for the November ballot. Three additional sports betting initiatives have a good chance of also making the ballot. All of the current initiatives block the fairs and public-owned racetracks from participating in sports betting.

Mr. Swartzlander and Mr. Boyles met with a Fan Duel lobbyist who suggested that a potential way for CARF and its member satellites to participate would be through a sports café model and offering online betting through Fan Duel while benefiting financially from an advertising and signage arrangement.

Mr. Swartzlander added that he will continue to research the current initiatives with Mr. Boyles and will gather information for the Board to decide on which initiative to formally support by next month's meeting.

Agenda Item 6 – Report, Discussion and Action, if any on Calypso Challenge. Mr. Swartzlander reported that he had a successful and informative presentation at the Western Fairs Association Convention. Mr. Swartzlander presented with Rick Baedeker and Mike Knapp and received great feedback and interest in possible new mini-satellite locations.

For Calypso Challenge, Mr. Swartzlander plans to have an internal beta test within 30 days. At this time, the graphics package is currently in progress and Mr. Swartzlander has created a contract with Pegasus to expedite the timeline.

Agenda Item 7 – Western Fairs Association Update. Ms. King reported that the Western Fairs Associations convention in Reno was a success and thanked Mr. Swartzlander for his participation as a speaker for fantasy sports. Ms. King added the WFA Board plans to meet February 22-23 to discuss future plans including that status of the CARF seat on the board. Mr. Hoban asked why this topic was being discussed again and Ms. King explained that the WFA Board is trying to restructure its board and that the CARF seat is currently a one-year term.

Agenda Item 8 – Financials. Mr. Swartzlander noted that pro-formas and billback finalizations are planned to be finished within the week. Mr. Swartzlander added that he has again leased the CARF tractors to SunRay Gaming and Casino in New Mexico which will allocate an additional \$50,000 to the Racetrack and Safety Maintenance fund.

Mr. Swartzlander met with Mike Francesconi and Michael Flores of the California Department of Food & Ag to discuss 1% monies, location fees and prior Fairs & Expositions allocations that used to be provided to CARF, specifically for racetrack safety and maintenance

and satellite equipment. A formal request has been submitted to Mr. Francesconi and will be discussed internally.

Agenda Item 9 – Report, Discussion and Action, if any on Racing Calendar and Live Racing Operations. Mr. Swartzlander reported that the fairs will have to raise purses to remain competitive with Golden Gate Fields and Mr. Doutrich has drafted a purse recommendation. Mr. Swartzlander added that there will be an additional \$126,000 available for this purse increase, due to the prior settlement between TOC and ADW companies. This will be the second year that CARF receives money from this three-year settlement.

Mr. Swartzlander reported that he is still in discussion with Golden Gate Fields regarding stabling. There are 35 days in which GGF would be needed to provide stabling for Pleasanton and Sacramento race meets. GGF has requested \$17,000/day which totals \$595,000. Mr. Swartzlander added that this amount is higher than what would be generated by the Vanning & Stabling Fund. The cost for CARF to manage stabling internally, it is estimated at \$375,000. Mr. Swartzlander offered \$400,000 – at this time GGF has not responded to this offer.

Agenda Item 10 – Executive Director’s Report. Mr. Swartzlander noted the current news regarding Dr. Jeffrey Blea, CHRB Medical Director, and the California Veterinary Medical Board. The CHRB is in support of Dr. Blea and at this time the issue is in litigation.

In addition, Mr. Swartzlander’s hip surgery has been moved to March 16, 2022 and there will be no CHRB meeting for February.

Respectfully submitted,
Juliana Gomes