

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, November 14, 2023

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, November 14, 2023. The meeting was held 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, Tom Martinez, and Kelly Violini.

CARF Live Racing Committee members joining by conference call: Jerome Hoban and Tom Martinez.

Staff and Guests participating via conference call: Larry Swartzlander, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Ann Grottveit, Cody Boyles, Matt Cranford, Terry McHale, Ruben Gastelo, Melanie Dahl, Allen Aldrich, Craig Braddick and Stacey Lapham.

Agenda Item 1 – Date, Time and Location of Next Meeting: Tuesday, December 12, 2023, via teleconference.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Report, Discussion and Action, if any, on 2022 Financial Review by Gilbert and Associates. Melanie Dahl from Gilbert and Associates presented the results of the CARF Financial Review for the year ending December 31, 2022.

Ms. Dahl presented a PowerPoint via Zoom showcasing the findings of the Financial Review and reported that there were no significant findings in their review.

Ms. Dahl added that the majority of change in financial numbers was related to increased operating revenues and expenses as live racing returned in full force after the COVID-19 pandemic.

Mr. Hoban questioned Ms. Gibbons if there had been any headway in receiving financial audit information from ADW providers. Ms. Gibbons noted that after conferring with several other California racetracks regarding this issue, they do not carry this footnote on their financial

statements. Ms. Gibbon's hopes to mirror the other California racetrack ADW financial notes and remove the footnote from the CARF agency audit in 2023.

{ACTION} Mr. Martinez moved to accept the 2022 Gilbert Financial Review as presented. Mr. Hales seconded, unanimously approved.

Agenda Item 4 – Report, Discussion and Action, if any, on Proposed Changes to Agency Bylaws. Ms. Grottveit reported that a red-line and clean version of the proposed changes to the CARF Agency Bylaws are included in the meeting packet and were circulated to Board members in late October. The changes include general cleanup as well as a change to the designation of an at-large seat in response to bylaw changes made by Western Fairs Association (WFA). CARF will no longer have an appointed WFA Representative, but will now have an at-large seat, voted in by the membership, that can be designated by the Board to represent any entity that supports California fairs. If the Board approves these changes, they will be mailed to the membership for a vote by ballot.

{ACTION} Mr. Martinez moved to accept the proposed changes to Agency Bylaws as presented. Mr. Hales seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any, on Authorizing the Executive Director to Execute Contract 23-0152 with CDFA. Mr. Swartzlander reported that due to contract changes in CDFA, he would need the board to allow him necessary permission to contract with CDFA to secure the monies that have been traditionally applied to the Race Track Safety and Maintenance Program expenses, such as tractor costs and amendments to provide a safe racetrack surface and product for live racing.

{ACTION} Mr. Hales moved to allow the Executive Director to Execute Contract 23-0152 with CDFA as presented. Mr. Jacobs seconded, unanimously approved.

Agenda Item 6 – Report, Discussion and Action, if any, on Legislative Program. Mr. Boyles reported that the legislature was in recess until early January and that there were already propositions of another sports wagering initiative to be presented. The last two sports wagering initiatives in 2022 both failed.

The most recent proposition would increase the Governor's ability to negotiate with Tribal leaders on sports wagering, both online and in brick-and-mortar locations. Pala Interactive is pushing the current initiative and is a known technology group that specializes in online casinos and sportsbooks. Although, Pala Interactive was acquired by Boyd Gaming two years ago, the parent company has publicly stated that they are not behind this initiative that currently does not have the support of California Indian Tribes.

Mr. Boyles adds that the initiative needs over 875,00 signatures in the next 180 days if they wish to further their cause.

Agenda Item 7 – Report, Discussion and Action, if any, on Calypso Challenge. Mr. Swartzlander reported that he had received the updated legal opinion letter from Nielsen Merksamer and had set up a future meeting to discuss their findings.

Mr. Swartzlander will be joined by Mr. Knapp as they seek clarification and add their expertise to the results. Once finalized, Mr. Swartzlander plans to schedule a Finance Committee Meeting to apprise the members of the interpretation.

Agenda Item 8 – Report, Discussion and Action, if any, on Golden Gate Fields Closure and 2024 Racing Calendar. Mr. Swartzlander noted that he has had discussions with Mr. Martinez regarding the potential use of Cal Expo for year-long Thoroughbred racing.

Mr. Martinez confirmed that Cal Expo does have a long-term agreement with Watch & Wager and that they will continue to honor their agreement until further notice. Additionally, a draft lease agreement was sent to Santa Rosa and Mr. Swartzlander expects a response by November 15th on whether they would be able to host Thoroughbred racing until a permanent site is found.

As options are considered between Sacramento, Pleasanton and Santa Rosa, Mr. Swartzlander will continue to meet with an informal advisory group of horsemen (owners, trainers, breeders etc.) and keep Golden Gate Fields horsemen apprised and in consideration as decisions are made.

Agenda Item 9 – Executive Director’s Report. Mr. Swartzlander will be attending the 2023 Global Symposium on Racing in Arizona and plans to meet with United Tote.

Additionally, Ms. Becky Bailey-Findley had reached out to Mr. Swartzlander to share that both the Humboldt County Fair and Solano County Fair are currently searching for new CEO’s and those who are interested should apply.

Mr. Swartzlander celebrated another birthday and notes that he is in good health.

Respectfully submitted,
Juliana Gomes