

CALIFORNIA AUTHORITY OF RACING FAIRS

Board of Directors
Tuesday, June 3, 2008

Minutes

A meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, June 3, 2008. The meeting was conducted at the Kahn, Soares & Conway Conference Room located at 1415 L Street, Suite 400, Sacramento, California, 95814.

Board of Director Members attending: John Alkire, Joe Barkett, Rick Pickering and Stuart Titus. Joining by conference call: Kelly Baldwin, Dan Jacobs and Forrest White.

Staff and Guests attending: Christopher Korby, Larry Swartzlander, Heather Haviland, Margot Wilson, Tawny Tesconi and Mike Treacy. Joining by conference call: Louie Brown.

Agenda Item 1 – Determination of Date, Time and Location of Next Meeting. The next CARF Board & Live Racing Committee meeting is tentatively scheduled for Wednesday, September 3, 2008 in Stockton.

Agenda Item 2 – Approval of Minutes May 6, 2008. Mr. Treacy requested that the meeting minutes be amended to show his attendance at the May 6, 2008 meeting. Mr. Pickering moved to approve the meeting minutes as amended. Mr. Alkire seconded, unanimously approved.

Agenda Item 3 – Update on Equipment Replacement Fund. Mr. Korby reported that the Finance Committee had recently met and reached a consensus that Mr. White and Mr. Jacobs, as representatives of the Satellite Wagering Facility Committees North and South, would work with staff to establish practices and procedures for the Equipment Replacement Fund. Mr. Jacobs expressed concerns that the current policy only replaces the full cost of equipment if it reaches its predetermined life expectancy. Mr. Pickering agreed with the concept to make the program more transparent but the details still need to be ironed out.

Mr. White would like to see the procedures developed in a way that would place more responsibility on the individual Fairs to improve maintenance practices in order to increase the overall lifespan of equipment. Mr. Barkett requested that the new procedures define the philosophy and objectives of the restructured program. Mr. Korby indicated that staff would continue to work with Mr. White and Mr. Jacobs to develop language and specifics.

Agenda Item 4 – Discussion and Action, if any, Regarding CARF By-Laws Language Regarding Eligibility to Serve on Board of Directors. Mr. Korby presented language developed since the last Board Meeting to modify the eligibility of members to serve on the Board of Directors. The intent of the bylaw change is to allow a Fair to designate a director or staff person to represent the Fair's interest on the CARF Board and act as their voting representative. Mr. Korby asked that the Board approve the presented language to be sent out to the membership for vote.

Mr. Pickering moved to approve the language as presented for mail distribution to the membership for a vote. Mr. Alkire seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any, on Sacramento Harness Association’s Unpaid Satellite Commissions to Fair Satellite Wagering Facilities. Mr. Korby reported that the demand letter served to the Sacramento Harness Association on April 17, 2008 never received a response. Mr. Korby has requested that the CHRB instruct SCOTWINC and NCOTWINC to distribute funds they are holding to CARF satellite wagering facilities per statutory obligations. Mr. Barkett encouraged Mr. Korby to aggressively continue pursuing the matter.

Agenda Item 6 – Discussion and Action, if any, on Legislative Matters. Mr. Brown reported on a meeting yesterday with racing industry principals. The consensus of the group was that AB 2258 (Evans) should move as is and no one from the group will stand in the way of its progress. Mr. Barkett expressed concern about the concept of extending the calendar window for a combined Fair meet running contrary to the Fair request to raise the Fair two week cap to four weeks.

Mr. Korby introduced the packet document listing racing issues that are currently being discussed as part of the racing industry’s 2008 legislative agenda. Mr. Korby requested support on Items 5, 6 and 7 and support of the concepts on Items 2, 3 and 8.

Mr. Pickering moved to support the following changes in legislation to the Northern Zone: 1) Raise the cap on private association dates from 32 weeks up to 35 weeks; 2) Raise the 14-day cap on Fair dates to four weeks; and 3) Extend the calendar window for a combined Fair meeting to include June, making the window June 1 through October 31. Mr. Alkire seconded, unanimously approved.

Mr. Pickering moved to support the following concepts: 1) Lift the cap on imported races; 2) Support statewide, year-round additional take-out to be used exclusively for racing facility improvements; and 3) Revise the statute to specifically permit vanning and stabling funds be used for debt service on funding for race track and backstretch facility improvements. Mr. Alkire seconded, unanimously approved.

Agenda Item 7 – Executive Director’s Report. Mr. Korby reported that recent events have required Vallejo to open two weeks early for stabling.

Mr. Korby noted that Mr. Jacobs made a request to send CARF Board Meeting notices to all CARF members so that they can participate if they so wish.

Mr. Barkett reported that matters regarding the Humboldt County Fair will be noticed as an item of discussion at a future meeting.

Mr. Korby asked that all requests requiring staff time be placed through the Executive Director to be appropriately delegated. Mr. Barkett notified the group that meeting and communication standards will be addressed at future meetings.

Respectfully submitted,
Heather Haviland