

CALIFORNIA AUTHORITY OF RACING FAIRS

Board of Directors

Tuesday, March 6, 2012

MINUTES

A teleconference meeting of the California Authority of Racing Fairs Board of Directors was held at 12:30 P.M., Tuesday, March 6, 2012. The meeting was hosted at the California Authority of Racing Fairs Board Room, 1776 Tribute Road, Sacramento, California, 95815.

CARF Board Members joining: John Alkire, Norb Bartosik and Rick Pickering. Joining by conference call: Chris Borovansky, Dan Jacobs, Mike Paluszak and Kelly Violini.

Staff and Guests joining: Christopher Korby, Larry Swartzlander, Heather Haviland, Tom Doutrich, Amelia White, Raechelle Gibbons, Rebecca Desmond and Richard Lewis. Joining by conference call: Louie Brown.

Agenda Item 1 – Date, Time and Location of Next Meeting. The next CARF Board of Directors meeting is scheduled for April 3, 2012 in Sacramento.

Agenda Item 2 – Approval of Minutes. Ms. Violini approved the minutes as presented. Mr. Pickering second, unanimously approved.

Agenda Item 3 – Report, Discussion and Action, if any, on Legislative Program for 2012 and Beyond. Mr. Brown reported that all bills have been introduced for the 2012 legislative session. On Feb. 23 and 24 alone, more than 1,100 bills were introduced, many of which are spot bills. Legislative staff is in the process of reviewing 20 bills that have been identified as racing/gaming related. Staff will provide recommended positions as the bills are reviewed.

Both CARF sponsored bills were introduced. SB 1227, authored by Senator Gloria Negrete McLeod, provides license fee relief to live racing Fairs. Senator Tom Berryhill authored SB 1418 which will eliminate date restrictions for combined race meets at Fairs.

The Internet gaming bill SB 1463 by Senators Wright and Steinberg will ultimately be the vehicle for discussions regarding Internet poker. The bill's language is currently very broad and covers all Internet gaming and stipulates a license fee of \$35 million with unlimited licenses from a limited pool of entities (casinos, card rooms, ADW providers and owners/horsemen's organizations). The racing industry is working together closely to determine the correct approach moving forward. Right now, the industry seems to be leaning toward an oppose position simply because so much of the language needs to be reworked.

The WFA CFA governance bill, AB 2345 (Ma), was introduced as a spot bill with intent language. Stakeholders will be meeting soon to discuss the language that should be used once the bill is eligible to be amended.

Mr. Korby stated that he has reviewed SB 1463 and sees little in the bill that Fairs or the Racing Industry can support. Fairs are not mentioned in the bill and many of the conditions that the racing industry was requesting were not met. Mr. Korby requested Board approval to express opposition to the bill at a time that he and Mr. Brown would deem appropriate.

Mr. Pickering moved that Mr. Korby and Mr. Brown, in alliance with the racing industry, take an opposed position regarding the current language in SB 1463. Mr. Bartosik seconded, unanimously approved.

Mr. Pickering stated that there was interest in forming a meeting between WFA, CFA and CARF to discuss the 2012 legislative cycle and determine areas of joint support and opposition. Mr. Alkire thanked Mr. Pickering for heading up that effort.

Agenda Item 4 – Report on CMC Report to CHRB. Mr. Korby reported that the California Marketing Committee (CMC) Report to the CHRB, prepared in the CARF offices on behalf of CMC, is included in the meeting packets. In the past, the CHRB has requested a full annual report from the CMC which has never truly been furnished.

Mr. Korby stated that as Co-Chair of the CMC he felt an obligation to provide the CHRB Directors with a comprehensive report that is entirely transparent and details the projects that CMC funds on behalf of horse racing. The report was well received by CMC Directors and CHRB Commissioners.

Agenda Item 5 – Financials. Mr. Korby reported that financials are included in the meeting packet.

Mr. Korby reported that Rick Wood is currently on leave from CFSA. CARF has a long-standing relationship outsourcing accounting functions to CFSA and Mr. Korby is working with CFSA staff to ensure that CARF's accounts are whole and that financial oversight and accounting administration needs are met moving forward.

Mr. Jacobs stated that the Finance Committee is in the process of reviewing accounting policies and controls that pertain to the agency to ensure that CARF's accounting functions are operationally correct.

Agenda Item 6 – Executive Director's Report. No report.

Respectfully submitted,
Heather Haviland