

**CALIFORNIA AUTHORITY OF RACING FAIRS**  
**Board of Directors & Live Racing Committee**  
**Concurrent Meeting**  
**Tuesday, March 7, 2017**

**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 7, 2017. The meeting was hosted at the CARF Conference Room, 1776 Tribute Road, Sacramento, California.

CARF Board Directors attending: Richard Conway, Jerome Hoban and Rick Pickering. Joining by conference call: John Alkire and Kelly Violini.

CARF Live Racing Committee members attending: Richard Conway, Jerome Hoban and Rick Pickering. Joining by conference call: John Alkire.

Staff and Guests attending: Larry Swartzlander, Richard Scheidt, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Jeanne Wasserman, Tom Martinez, John Quiroz, Allen Aldrich, James Morgan and Caroline Titus. Joining by conference call: Lauri King.

**Agenda Item 1 – Date, Time and Location of Next Meeting: April 4, 2017 in Sacramento.** The next CARF Board of Directors meeting is scheduled for April 4, 2017 in Sacramento.

**Agenda Item 2 – Public Comment.** Allen Aldrich noted that Russell Baze will be inducted to the Bay Area Sports Hall of Fame and honored at the corresponding Enshrinement Banquet on Monday, April 24, 2017 at the Westin St. Francis Hotel in San Francisco. Caroline Titus requested that the Humboldt County Fair be listed as a public call-in location for official CARF meetings. Mr. Swartzlander noted the request. No further public comment.

**Agenda Item 3 – Approval of Minutes & Ratify Action from December 7, 2016 Meeting.** Mr. Hoban moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes from February 14, 2017 as presented. Mr. Pickering seconded, unanimously approved.

Mr. Hoban moved to ratify the CARF Board of Directors & Live Racing Committee concurrent meeting minutes from December 7, 2017 as presented. Mr. Conway seconded, unanimously approved.

Mr. Conway moved to ratify the December 7, 2017 motion to support a legislative solution to direct license fee generated by live racing fairs back to the fair racing industry. Mr. Hoban seconded, unanimously approved.

**Agenda Item 4 – Executive Session: Personnel.** Mr. Alkire reported that no action was taken during Executive Session.

**Agenda Item 5 – Report, Discussion and Action, if any, on 2017 Legislative Program.** Mr. Scheidt reported that SB 274 (Glazer), the bill giving CDFA the authority to allocate license fees back to racing fairs, will be heard Tuesday by the Senate Governmental Organization (GO) Committee. SB 274 is non-controversial with no opposition and is expected to pass committee easily. The Senate GO Committee will also hear SB 165 (Portantino), a bill that allows the Thoroughbred Owner's of California (TOC) to divert purse monies to pay for the organization's National Thoroughbred Racing Association (NTRA) membership.

Mr. Scheidt reported that CARF is also running two spot bills and legislative staff is monitoring spot bills with horse racing implications. Internet poker returns in the form of AB 1677 (Jones-Sawyer) with the same language as the 2016 bill and will be watched closely by staff.

Mr. Hoban requested CARF legislative staff monitor SB 741 (Mendoza) which would permit private organizations to conduct raffles as a funding mechanism to support beneficial and charitable works.

Mr. Pickering clarified that SB 274's urgency clause will allow CARF to retroactively capture 2016 license fees. Mr. Pickering requested that legislative staff seriously consider running a major bill to protect fair-time horse racing at fairs as part of long-term agency planning.

**Agenda Item 6 - Report, Discussion and Action, if any, on Financial Consideration for Humboldt County Fair.** Mr. Swartzlander stated that since he has worked at the agency, overlapping race dates in Northern California have been one of the most detrimental issues facing fairs. Overlap has been eliminated for all fairs except the Humboldt County Fair (HCF), which in 2016 was running concurrently with Golden Gate Fields and did not share in host fees or receive any other outside compensation. This change in hosting status led to a \$63,683 decline in revenue and \$93,022 drop in purses. Mr. Swartzlander recommended the CARF Board take action on the following items, as presented in the accompanying letter, to provide financial assistance to the HCF:

- Utilize funds received from providing services to the Sonoma County Fair.
- Fund the cost for a new inner track rail (\$33,008) at HCF per CHRB mandate from recaptured license fees.
- Allocate \$30,000 to HCF from the CARF Augmentation Fund.
- Address purse overpayments at the end of 2017.

Mr. Swartzlander reported that HCF is in financial duress and if the Fair ceases to conduct horse racing, it will cost the remaining CARF-member fairs approximately \$68,000 in increased racing expenses. The group discussed HCF needs, CARF funds and possible mechanisms for helping HCF.

Mr. Pickering moved to provide HCF financial relief as outlined in the letter, contingent on the passage and execution of SB 274. Mr. Hoban seconded, unanimously approved.

Mr. Conway and Mr. Morgan thanked the CARF Board for their support. Mr. Alkire stressed that the HCF should be working hard to maximize community fund raising efforts to support the fair

as well as look at the new funding model established by the Del Norte County Fair. Mr. Conway stated that he has spoken to the CEO at Del Norte and it is something the HCF Board is considering.

**Agenda Item 7 - Update on a Mini-Satellite in Humboldt County.** Mr. Conway reported that the HCF has approached a new location and both parties are exploring the legality of entering into a mini-satellite partnership. Mr. Conway reported that he should receive an update next week.

**Agenda Item 8 - Discussion and Action, if any, on Summer Racing Operations.** Mr. Swartzlander reviewed updated purses overpayment figures and updated the group regarding ongoing Thoroughbred Owners of California (TOC) negotiations and Emerging Breed contracts.

Ms. Haviland reported that the meeting packets contain a proposal for services from Roxie Mayberry of Focus On Sponsorship to create a partnership program for CARF-member fairs. This process started as a request from Chairman Alkire to explore sponsorship opportunities specific to horse racing to help augment the shared consolidated purse fund. CARF, Alameda County Fair and Big Fresno Fair marketing staff met with Roxie Mayberry at the WFA Conference in Reno and were impressed with her enthusiasm. The compensation for the proposal is a \$1,000 one-time retainer, 20% commission on acquired sponsorships and 15% for renewed sponsorships. Ms. Haviland stated that if this proposal is adopted, fair marketing personnel and Roxie Mayberry will participate on a conference call this Friday, March 10, to discuss logistical specifics.

Mr. Hoban requested that staff try to negotiate a better commission rate. Mr. Pickering requested that all proposal brought before the Board be unaltered and specifically noted on the agenda.

Mr. Hoban moved to accept the Proposal for Services from Focus On Sponsorship. Mr. Conway seconded, unanimously approved.

**Agenda Item 9 - Financials.** Mr. Alkire reported that financials are included in the meeting packet and Ms. Gibbons is available to answer questions. No questions.

**Agenda Item 10 - Executive Director's Report.** Mr. Swartzlander reported that he and Mr. Scheidt met with the Ventura County Fair Board of Directors and staff for an overview of CARF services and better utilization of the satellite wagering facility. Mr. Scheidt briefed the Board on a recent visit to the San Mateo County Fair and his meeting with Ms. Stoehr and Jim Fetter.

Respectfully submitted,  
Heather Haviland