

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Tuesday, March 2, 2021

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 2, 2021. 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, Dan Jacobs, Lauri King, Rick Pickering, Dana Stoehr and Kelly Violini.

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

Staff and Guests participating via conference call: Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Ann Grottveit, Louie Brown, Cody Boyles, Mike Knapp, Tom Martinez, Katherine Ziemer, Allen Aldrich, Cory Soltau, Sheri Raborn, Cindy Olsen, Dwayne Martin and Caroline Titus.

Agenda Item 1 – Date, Time and Location of Next Meeting: The next CARF Board of Directors and Live Racing Committee meeting will be held April 6, 2021 at 11:00 a.m. by teleconference originating in Sacramento.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Closed Session: Conference with Legal Counsel – Anticipated Litigation. Mr. Hoban reported that legal counsel advised that the Pacific Racing Association litigation has concluded and thanked legal and staff for their help in this matter.

Agenda Item 4 – Approval of Minutes. {ACTION} Ms. King moved to approve the CARF Board of Directors & Live Racing Committee concurrent meeting minutes for February 2, 2021 as presented. Ms. Stoehr seconded, unanimously approved.

Agenda Item 5 – Report, Discussion and Action, if any on Legislative Program. Mr. Brown reported that all bills relating to horse racing and fairs are currently spot bills. Due to the

Governor's executive order mandating public meetings, Mr. Brown notes that many of the current bills relate to Bagley Keene and the Brown Act as a result of COVID-19 meeting laws.

Mr. Brown reported that AB597, CARF spot bill supported by Assemblymember Bigelow and the WFA spot bill, AB715 (Dahle) will be moved to the second house and await use. Senator Dodd is currently introducing an omnibus committee bill listing the revisions of the AB1499 legislation and will serve as a vehicle if additional funding is found.

Mr. Brown added that the Senate budget sub committees met with CDFR to discuss the budget proposal which includes \$50 million from the general fund to fairs. The current terminology refers to "state-affiliated fairs" or district agricultural associations. Mr. Brown noted that the fair industry has stepped up to support that the language be inclusive of all fairs in the state. The hearing was positive and Mr. Brown sees a revision taking place in May.

Agenda Item 6 – Report, Discussion and Action, if any, on Fantasy Sports. Mr. Swartzlander reported he had a positive meeting with the Executive Director of the California Horse Racing Board (CHRB), Scott Chaney regarding Fantasy Sports. Mr. Swartzlander is confident that the program will be ready by August 1, 2021. After meetings with the CARF Finance Committee, Mr. Swartzlander will be presenting a three-year proforma to reflect the costs and projections for the Sport Fantasy start up. Mr. Swartzlander plans to have draft agreements between Calypso and CARF and an additional agreement detailing the mechanism for using CARF funds for Sports Fantasy.

Agenda Item 7 – Western Fairs Association Update. Ms. King reported that the WFA monthly call will be taking place later this week and that the WFA board is active in assisting CDFR with expanding the language for AB1499 to include all fairs.

Mr. Hoban thanked Ms. King, Mr. Jacobs and WFA for their proactive outreach to fairs and their representatives to support the AB1499 revisions.

Agenda Item 8 – Financials. Ms. Gibbons was not available to present the financials provided in the packet. No questions.

Agenda Item 9 – Report, Discussion and Action, if any, on Racing Calendar and Live Racing Operations. Mr. Swartzlander reported that the CARF position is to run all four live racing fairs. The first racing licenses are to be presented in April and May. Mr. Swartzlander added that there will be a reduction in purses for the Emerging Breeds and he foresees no issues with obtaining horsemen's agreements with TOC and CTT.

Mr. Swartzlander announced he was proud to report that over the last 3-4 years, CARF has eliminated over \$500,000 in purse overpayments. Due to COVID-19 and the handle received from ADW sharply increasing in 2020, CARF now sits at preliminary \$4,500 underpaid. Mr.

Swartzlander predicts this number to continue to move positively as he and Ms. Haviland continue to monitor ADW handle trends.

Mr. Hoban asked for an update regarding out-of-state recruitment. Mr. Swartzlander noted that he and Mr. Doutrich will be traveling to Arizona to recruit horsemen and notify them when Pleasanton will be opening, an estimated date of May 1 to coincide with the closing of Turf Paradise. Mr. Swartzlander added that he and Mr. Doutrich will also travel to Grants Pass to notify horsemen that this year, the Humboldt County Fair will not be in contention with any of their meets and will fit perfectly into the Oregon race schedule.

Agenda Item 10 – Executive Director’s Report. Mr. Swartzlander updated the board that he is currently scheduled to undergo hip surgery on March 22.

Respectfully submitted,
Juliana Gomes