

CALIFORNIA AUTHORITY OF RACING FAIRS  
Board of Directors & Live Racing Committee  
Concurrent Meeting  
Tuesday, April 6, 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, April 6, 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 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, Raechelle Gibbons, Ann Grottveit, Louie Brown, Cody Boyles, Mike Knapp, Katherine Ziemer, Allen Aldrich, Jeanne Wasserman, Becky Bartling, Cindy Olsen, Dwayne Martin, Caroline Titus, Michael Brown, Cory Soltau, Terri Eaton, Kate Phariss and Mary McPherson.

**Agenda Item 1 – Date, Time and Location of Next Meeting:** The next CARF Board of Directors and Live Racing Committee meeting will be held May 4, 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.** Item deferred.

**Agenda Item 4 – Report, Discussion and Action, if any on Legislative Program.** Mr. Brown reported that the legislature returned from spring break and has until the end of the month to push through bills with fiscal effects. Mr. Brown noted that gambling and horse racing bills are light and that many spot bills are currently being held without a hearing due to the quantity of bills and COVID-19 restrictions currently in place. Mr. Brown assured the board that CARF has two bills that will be available if needed.

Mr. Brown noted that the requested changes for AB 1499 are currently at the Senate GO Committee and show positive signs of passing through the assembly with bipartisan support. In regards to the Governor's budget, there will be a May report that is expected to be positive due to an influx of federal monies. Mr. Brown reports that there is currently \$60 million in the Governor's budget for fairs. The \$60 million will be available to state and non-state-owned fairs and fairgrounds and currently has the support of multiple legislators.

Mr. Brown added that the administration updated the reopening guidelines for California to include fairs in the same category as amusement parks. While the guidelines do not truly fit fairs, CDFA is working with the Department of Public Health to receive fair-specific guidelines for reopening.

**Agenda Item 5 – Report, Discussion and Action, if any, on Fantasy Sports.** Mr. Swartzlander reported that the Finance Committee has reviewed multiple documents including a proforma of costs, an internal agreement to lend monies from the Change Fund to develop Fantasy Sports and a preliminary agreement between CARF and Mike Knapp.

Mr. Swartzlander reminded the board that he is currently seeking to adopt the "Resolution for Use of Change Fund" allowing for CARF to set aside a portion of the Change Fund for the purpose of developing a Fantasy Sports pilot program at satellite wagering facilities and to proceed, with legal counsel, to finalize an agreement with Skill Play Sports based on the structure presented in the proposed draft agreement and pro-forma. After a discussion regarding the documents, Mr. Swartzlander requested a motion to proceed. Mr. Pickering clarified that this motion supports only the finalization of an agreement for the board's future review.

{ACTION} Ms. King moved to direct staff to work with legal counsel to finalize the resolution and agreement for the board's review at the next meeting. Mr. Jacobs seconded. Yes vote: Jerome Hoban, Rick Pickering, Stephen Hales, Kelly Violini, Dan Jacobs, Lauri King. Absent: Ms. Stoehr.

**Agenda Item 6 – Western Fairs Association Update.** Ms. King added to Mr. Brown's report in regards to the reopening of fairgrounds. The guidelines, while not tailored to fairs, are a welcome sign that as the state continues to open that fairs will be able to be held. At this time, fairs are moving forward with plans to reopen and Ms. King adds that Ms. Cummings and the WFA team are supporting fairs as they navigate the reopening process.

**Agenda Item 7 – Financials.** Ms. Gibbons presented preliminary financials from February 2021 and reports that the financial review will take place in May. No questions.

Mr. Hoban requested an update in regards to the PPP loan forgiveness and Mr. Swartzlander reported that Ms. Haviland is in the process of reviewing the forms required to

submit for reimbursement. Mr. Hoban urged Ms. Gibbons to assist staff in moving quickly on the time-sensitive loan forgiveness process.

**Agenda Item 8 – Report, Discussion and Action, if any, on Live Racing Operations.** Mr. Swartzlander presented a spreadsheet detailing the fair consolidated purse fund balances. Mr. Swartzlander stated that the proposed purse structure for 2021 was developed to mitigate overpayments during the upcoming race meets. Mr. Soltau and Mr. Brown, from the Arabian Racing Association of California (ARAC), both spoke to the hardships of running their Arabian horses with reduced purses. Complications from COVID-19 and a reduction in race dates has led the Arabians to request an increase in their purses to make racing sustainable for the breed.

Ms. Phariss from the American Mule Racing Association reiterated that the cuts to their purses were also unsustainable and presented a letter from AMRA President Don Jacklin. The letter from Mr. Jacklin appealed to the CARF BOD to reconsider raising the bottom purse level of \$3,500. It further read that The AMRA Board respectfully requests that the 2021 purse levels be maintained at the 2019 contract bottom of \$4,500. For horsemen, racing expenses have increased, while proposed income levels are now being reduced. As it is, there is a huge financial loss to any animal finishing lower than second, which makes running at the fairs unsustainable.

Mr. Jacklin's letter continued that without mixed breed race animals, it is highly doubtful that on site live racing could be continued Ferndale and Fresno. AMRA feels that without an increase in purses for the mules, racing at CARF fairs would not be viable.

The CARF Board took turns speaking to representatives of both ARAC and AMRA to thank them for their contribution to fair racing and for taking the time to present their cases during the meeting.

The board instructed staff to move forward in developing a balanced and sustainable purse structure.

**Agenda Item 9 – Report, Discussion and Action, if any, on Emerging Breed Racing.**  
Discussed in prior item.

**Agenda Item 10 – Executive Director's Report.** Mr. Swartzlander stated that his hip surgery has been deferred to October 2021. In addition, Mr. Swartzlander and Mr. Doutrich traveled to Arizona to recruit horsemen and look forward to traveling again in May to recruit horsemen from Oregon. Mr. Swartzlander is hopeful that the Oregon horsemen will be able to support the Ferndale race meet.

Respectfully submitted,  
Juliana Gomes