

CALIFORNIA AUTHORITY OF RACING FAIRS
Board of Directors & Live Racing Committee
Concurrent Meeting
Thursday, November 8, 2022

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, November 8, 2022. The meeting was held via teleconference originating at the CARF office, 1776 Tribute Road, Sacramento, CA 95815.

CARF Board Directors joining by conference call: Stephen Hales, Jerome Hoban, Lauri King, Dana Stoehr and Kelly Violini.

CARF Live Racing Committee members joining by conference call: Jerome Hoban, Lauri King and Tom Martinez.

Staff and Guests participating via conference call: Larry Swartzlander, Tom Doutrich, Heather Haviland, Juliana Gomes, Raechelle Gibbons, Ann Grottveit, Cody Boyles, Ruben Gastelo and Tag Wotherspoon.

Agenda Item 1 – Date, Time and Location of Next Meeting: The next CARF Board of Directors and Live Racing Committee meetings will be held Tuesday, December 6, 2022 via teleconference.

Agenda Item 2 – Public Comment. None.

Agenda Item 3 – Closed Session: Conference with Legal Counsel – Anticipated Litigation. The Board of Directors heard from legal counsel, no action taken.

Agenda Item 4 – Election of Board and Finance Committee Officers. Item deferred.

Agenda Item 5 – Report, Discussion and Action, if any, on Fantasy Sports. Mr. Swartzlander reported that he and Mike Knapp have received a proposal from BetMakers' Global Tote to provide the totalizator hosting and betting equipment for Calypso Challenge. Mr. Swartzlander will review both the Global Tote and Pegasus proposals and provide a synopsis of the services and costs to the CARF Finance Committee for review prior to seeking Board approval.

Agenda Item 6 – Report, Discussion and Action, if any, on Legislative Program. Mr. Boyles reported that today is election day and Propositions 26 and 27, the dueling measures to legalize sports wagering in California, are trailing in the polls and are expected to fail by large

margins, especially considering the amount of money that was spent to back the measures. Mr. Swartzlander added that even though racing industry principals supported Proposition 26, there wasn't a concerted effort by the racing industry to actively push the measure. If both propositions fail, as they are predicted to do, it should pave the way for Calypso Challenge to proceed without intervention by the major tracks and horsemen's groups.

Mr. Boyles stated that this midterm election will determine all the seats of the California State Assembly, all even-numbered seats of the California State Senate, the Governor of California and various statewide offices. It is expected that there may be as many as 30 new members of the state legislature and complete election results will not be finalized for two to three weeks.

Agenda Item 7 – Report, Discussion and Action, if any on Live Racing Operations. Mr. Swartzlander stated that he would like to defer discussing results of the 2022 Consolidated Purse Fund until the final 6% Expense Fund figures are provided by NCOTWINC, but all indicators are very positive and each live racing fair conducted a successful race meet.

Mr. Swartzlander added that 2022 was a learning year regarding fairs stabling the Northern California horse population. Not only did Pleasanton and Cal Expo accommodate the horses that make up fair racing cards, but they also stabled the horses displaced from Golden Gate Fields while the facility was under construction. With a year under our belts, CARF staff can fully dissect the expenses and more accurately create a proforma should the scenario repeat in 2023. In 2022, expenses associated with stabling significantly exceeded what was generated by the Stabling & Vanning Fund. A full review of expenses and generation will be presented to the CARF Finance Committee in November.

Mr. Hoban congratulated the live racing fair managers for running strong fairs and race meets coming out of the COVID pandemic and thanked Mr. Doutrich for successfully managing the CARF purse account.

Agenda Item 8 – Report, Discussion and Action, if any on 2023 Budget. Mr. Swartzlander requested a CARF Finance Committee meeting be called pending committee members' availability during the timeframe November 15-17 to review the preliminary 2023 CARF budget. Committee members will be contacted to schedule a meeting.

Agenda Item 9 – Executive Director's Report. Mr. Swartzlander reported that he will be attending the RTIP Global Symposium on Racing in Arizona December 5-7 and that Global Tote will be giving a presentation and will have all of their equipment on display.

Respectfully submitted,
Heather Haviland