

Meeting Minutes
Oregon State Athletic Commission
October 15th, 2009
Rose Garden Suite Conference Room
1:00 PM – 3:00 PM

Roll Call:

- Chairman, Ted Molinari
- Commissioner, Doug LaMear
- Commissioner, Dave Bishop
- Commissioner, Bob Gross
- Commissioner, Vacant Position

Approved Agenda

Call to Order	1:00 PM	Director
Roll call		Director
Agenda Approval	5 Minutes	Commission
Approval of Minutes from previous meeting	10 Minutes	Commission
Introduction of Guests		Chairman/Director
Appointment of New Commission Member – David Bishop		
Ex-Officio Membership to Commission		Chairman
Director’s Report		Director
• UFC 102		
• Current Financial Report		
Old Business	30 Minutes	Director
• Mixed Martial Arts Regulation Update – Limit on Number of events		
• Medical Advisory Committee Changes		
New Business		
• Governor’s Recommendation to Legislature		
Comments from the Public*		
• Audience Time		
Executive Session (If necessary)	30 Minutes	
Next Meeting/Meeting Schedule	10 Minutes	

Adjourn

Chair

***Members of the public/audience wishing to speak should sign in to be recognized by the Chair. Depending on the number of requests to speak the Chair may set a limit on the speaking time for each individual.**

Note: The following minutes were drafted by Oregon State Athletic Commission Executive Director Brad Darcy. These minutes are a summary of discussion items and Commission actions. They are not a verbatim accounting of what took place at the meeting.

The meeting was called to order by Ted Molinari, Commission Chairman, at 1:01 PM. The roll was called by the Chairman. A quorum was established and the meeting proceeded.

Other Attendees:

Superintendent Tim McLain
Maj. Craig Durbin, Gaming Enforcement Division
Brad Darcy, OSAC Executive Director
Asst. Attorney General Ethan Hasenstein – Department of Justice
Jesse Senzer
Steve Newport
Curtis Cole
Mike Brown
Fran Molinari

Agenda approved by affirmation by Commission members.

Introduction of Guests.

Introductions of guests. Guests in attendance were introduced to the Commission.

Introduction of new Commission Member – Dave Bishop

Chairman Molinari introduced the newest member of the Commission, Dave Bishop. Commissioner Bishop was appointed to the Commission by Superintendent McLain on September 29th, 2009. Mr. Bishop has a long and distinguished career in law enforcement. He recently retired as Chief of Police in Beaverton, Oregon.

Ex-Officio Membership to Commission

Chairman Molinari began a discussion regarding the desire of the Commission to retain the benefit of the experience of former members and their understanding of the role of the Commission in protecting the integrity and safety of the sports the Commission regulates. Chairman Molinari offered former Chairman Bob Hamilton as a person the Commission should consider for Ex-officio membership to the Commission.

Motion: Doug LaMear

The Oregon State Athletic Commission desires to continue to benefit from the expertise and experience of former members of the Commission. The Commission believes that to best serve the interest of the citizens of Oregon it should seek out the advice and knowledge of former members and that to do so makes the Commission more effective. Former Chairman Bob Hamilton has made great contributions to the advancement of the Commission. I, Doug LaMear, therefore move that the Commission make an offer to former Chairman Bob Hamilton to become an Ex-Officio member of the Oregon State Athletic Commission.

2nd: Dave Bishop

Motion carries: 4-0

Director's Report

Executive Director, Brad Darcy, provided a summary of the recent Ultimate Fighting Championship. The event was successful. The UFC grossed approximately \$1.9 million in gross ticket sales. According to records, this was the largest grossing event regulated by the Commission. The gross receipts tax assessed by the Commission on the event will go a long way to helping the Commission become self-sustaining.

Commissioner Doug LaMear – What can the Commission do to attract similar events in the future?

Brad Darcy – The primary goal to that end would be to continue to effectively regulate mixed martial arts. Promotions like the UFC do not tend to operate in poorly regulated jurisdictions or in States with no Commission. We can also communicate with promotions and let them understand that their events will be regulated in a professional and cooperative manner. The success of the UFC event should indicate the likely success of future similar events.

Commissioner Ted Molinari – Does a promotion like the UFC consider what would be a viable period of time to return to a particular venue? Chairman Molinari also noted that he commended to the Superintendent the performance of the Commission staff during this major event.

Brad Darcy – The UFC seems very adept at judging its market and making choices of venues based on a high likelihood of success. A return to Portland would factor in the time since its last event. Noted that it was reported that more than 75% of the tickets purchased for the event, were purchased from zip codes out of the Portland/Metro area.

Maj. Durbin – The UFC would not enter into a jurisdiction that was not adequately regulated. It's a testament to the Commission, the Oregon Legislature, the Commission officials, that the UFC chose Portland for an event. A great deal of work had to be done beforehand by these parties for the UFC to consider coming to Oregon. One challenge that continues to exist for events coming to Oregon is the taxes imposed on promoters. In addition to the gross receipts tax assessed by the Commission, the city of Portland also assesses a six percent tax against these events. Twelve percent against the gross is a difficult obstacle for promotions to overcome.

Fran Molinari – Is there data that would indicate what the financial impact of an event like the UFC would have on the local economy?

Chairman Molinari – The commonly held estimate on the impact locally is approximately four times the gross receipts of the gate.

Executive Session

The Commission entered into Executive Session at 1:26 PM, to consider advice of legal counsel.

Approval of Minutes from February 25th, 2009 Commission Meeting

Motion: Dave Bishop
2nd: Doug LaMear
Motion Carries 4-0

Old Business

Four Event Per Month Limit

Brad Darcy – The Commission has placed a limit on the number of events we are allowing to be scheduled for any single month. The work volume has been such, that this is necessary to prevent becoming so far behind that liabilities are created by not maintaining work flow. Currently, the 2009 calendar is now full to reflect this restriction. Notification has been made to promotions going forward to 2010. Promotions have begun to request dates for 2010. Currently have 38 proposed mixed martial arts events for 2010. Mixed martial arts does not seem to be slowing down in the volume of activity and events.

Ted Molinari – Have you had success in getting a volunteer or intern?

Brad Darcy – Yes. We currently have a volunteer working two days per week. Has been a big help.

Steve Newport – Concerned with limiting current number of promotions to just four events per month. (Number of active promotions currently 8.) Adding extra fee to events may help offset expense. May reduce number of total events. Some officials have offered to volunteer to help with administrative duties.

Ted Molinari – To Mr. Newport, would you be willing to volunteer time in organized fashion.

Steve Newport – Yes. Also suggests to assign 'Event Supervisor' who would be paid additional fee to provide administrative support to organizing event. Should assess a non-refundable fee to promotions to schedule event that covers administrative support provided by an 'Event Supervisor'.

Ted Molinari – Is there a conflict with our current authority that would keep the Commission from assessing an event fee to promotions?

Brad Darcy – Yes. Based on advice from legal counsel, we do not have the authority to assess an event fee; beyond the 6% Gross Receipts Tax.

Doug LaMear – Fees in advance may serve curb events.

Ted Molinari – Would it be worth pursuing use of volunteers to help with administrative work? Are there functions that can be delegated to an official that would relieve workload of Director?

Brad Darcy – Use of volunteers could serve to help with workload issues.

Ted Molinari – Use of volunteers needs to be well organized and done frequently to be of benefit.

Action Item: Staff should provide to Commission a proposal for use of volunteers.

Steve Newport – Need to find best way to allow for as many events as possible because that is source of Commission revenue.

Mike Brown – Would like some clarification on criteria/process for confirming to promotions; proposed dates for events. Process for promotion includes advanced deposits made on venues to secure dates for events. Other investments made, as well, that would be lost if event was not allowed by Commission to accommodate four event limit.

Brad Darcy – Events will be considered utilizing following criteria:

- Dates will be reviewed as applications are received (first come, first served)
- Proposed Dates will be considered factoring in availability of staff and Commission resources. Very difficult to regulate multiple events on one date. Not impossible, but makes it more challenging. Preference may be given to dates that do not already have other approved events.
- Availability of Ringside Physician – Due to the requirement that all events be supervised by a Medical Doctor, proposed event dates won't be confirmed until a Ringside Physician has been assigned.
- If a confirmed date is canceled, the promoter will be liable for the fees for officials
- If a promoter wants to reschedule a confirmed date, preference will be given to dates requested prior.

Ted Molinari – We will continue the four event limit, but we will continue to look for new solutions to address workload challenges.

Mike Brown – Challenging for a promoter to not be able to confirm dates far in advance.

Medical Advisory Committee Changes

Will be asking for appointments as terms expire. Will try to fill committee with physicians that are actively working as Ringside Physicians. Committee Members enjoy tort claim act protection of Commission.

Those physicians interested in serving on the Medical Advisory Committee should notify the Commission for consideration.

New Business

Governor's Recommendation to Oregon Legislature that OSAC be suspended.

Ted Molinari – Commission has been placed on list of Boards and Commissions that Governor recommends be suspended to help with budget shortfalls. Commission will work to communicate the likely implications if this occurs. Unclear what the effect of suspension would be. The spectrum of outcomes could include an absolute prohibition of regulated activities to some sort of regulatory structure that is less than currently operating.

The Governor should understand that it's good public policy to have a Commission to protect participants and the industry, as well as to ensure these events are as free from corrupting influences.

Steve Newport – Does that mean events can still take place, or not?

Ted Molinari – We are unsure at this time. We don't know what action will be considered by legislature.

Doug LaMear – Regulation could fall back to variety of local jurisdictions that would reflect just local authority's interests. Without Commission there is no protection for fighters.

Superintendent McLain – Decisions regarding future of OSAC are both the Governor's and the Oregon Legislature. Focus of Legislature seems to be to find as many opportunities as possible to reduce budget.

Steve Newport – Should concerned public contact their representatives in Legislature?

Ted Molinari – Should be noted that the Commission cannot actively lobby representatives, but those affected parties are free to do so.

No Commission Action Items

Comments of the Public

Mike Brown – I'm an inexperienced promoter, Commission has been very helpful.

Chairman Ted Molinari – We are committed to continuing the work of the Commission if there is any way possible because we feel it is critical for the success of the affected industry as well as the economic benefits driven by the industry. Inherently important. Offers thanks to those in attendance.

Next Meeting

Meeting tentatively scheduled for week of December 14th, 2009. Exact date and location will be determined.

Meeting adjourned at 2:32 PM.