

MEETING MINUTES

OREGON RACING COMMISSION

November 20, 2008

The Oregon Racing Commission met on Thursday, November 20, 2008 at 1:30 p.m. in Room 1A of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon. Commissioners in attendance were Chair Kerry Johnson, Vice Chair Stan Robson, Chris Dudley, Michael Huber, DVM, and Charles Williamson.

Agenda items were discussed in the following order with resulting actions:

1. Approval of Agenda

Chair Johnson recommended moving agenda item 7, Track Committee Report, to follow agenda item 2, Portland Meadows Report.

ACTION: MOTION (Williamson) Approve agenda as amended.

VOTE: 5 Aye, 0 Nay

2. October 16, 2008 Meeting Minutes

ACTION: MOTION (Robson) Approve minutes as submitted.

VOTE: 5 Aye, 0 Nay

3. Portland Meadows Report

Will Alempijevic, General Manager, and Jerry Kohls, Assistant General Manager and Director of Racing, were present to answer questions. Information and discussions included the following:

Joint marketing funds provided by the ORC this year were much appreciated as they believed their marketing plan was successful and would continue to be throughout the meet. The marketing plan included the People's Horse, Mystacallie, advertising via billboards and All Sports Radio.

They were continuing to work with Oregon HBPA to move the purse money to a segregated escrow account.

After nineteen days of live racing, they'd had 176 races compared to last year's 180 races; the average field was 7.63, up 2%; average purses paid was \$48,505 per day, a 6% drop from last year; average Oregon in-state handle was \$40,480 per race day, up 5% from last year, believed to be partly due to this year's marketing; the average export handle was \$375,000 per day, up 27% from last year; wagering from all sources was down 9.79%, continuing the same industry trend as the rest of the nation's 10% reduction.

⇒ Vice Chair Robson stated that the marketing did seem to be doing well, adding that he had heard some of the advertisements on the radio station.

⇒ Chair Johnson agreed with Vice Chair Robson on the success of the marketing. In response of her question regarding a drop in the purses this year, Mr. Kohls explained that, to date, they had run four fewer races than last year; there was a

\$100 to \$300 reduction in some of the purses; and the wide open stakes races went from \$20,000 last year to \$18,000 this year. Mr. Alempijevic added that the money generated for the purses was from the in-state wagering and they had to budget accordingly.

⇒ Commissioner Dudley stated that he attended the races on Sunday and acknowledged that there seemed to be more activity, more excitement and a bigger crowd this year compared to last year. Mr. Alempijevic responded that they didn't charge for admission and therefore didn't track attendance, but they could look at some of their sales, such as program, food and beverage sales, to try to determine an increase in activity. He stated that based on those figures, they did believe that attendance was up.

4. Track Committee Report

Jerry Kohls, Portland Meadows Assistant General Manager and Director of Racing, Jim Ferguson, owner and trainer at Portland Meadows, Dick Cartney, Executive Director Oregon HBPA, and Dr. Jack Root, track veterinarian, were present to answer questions. Information and discussions included the following:

Jerry Kohls: In June, Portland Meadows spent about \$25,000 on the track. An inspection of the base of the track determined it to be in great shape; they spent eight days washing the existing material to remove the silt and organic material; and they added more sand.

After the start of the commercial meet, they held bi-weekly track committee meetings with the Oregon HBPA and the Track Superintendent. The minutes of those meetings were forwarded the Oregon Racing Commission's Executive Director.

This year, Portland Meadows also formed a Track Safety Committee, which was made up of two horsemen, Dave Duke and Ron Wilson; two jockeys, Joe Crispin and Clark Jones; Mark Folkman, Facility Manager; Mike Twiggs, ORC Steward; and Jerry Kohls. The committee met the first Monday of each month and whenever there was an emergency situation.

To date, the committees hadn't received any complaints about the track, but had actually received positive comments about the race track surface

Since the beginning of this year's Portland Meadows race meet, the total fatal breakdowns at Portland Meadows was currently at 2.89 per 1,000 starters while the national average was 2.0 per 1,000 starters. For the entire year at Portland Meadows in 2007, it was 2.0; in 2006, 2.6; and in 2005, 2.0.

⇒ In response to Commissioner Williamson's question as to whether there was a different quality of horse running this year or whether they had any speculation as to why there was an increase in breakdowns, Mr. Kohls explained that because of their lower purses, Portland Meadows didn't have top quality horses running, but that had not changed over the last few years and wouldn't explain the increase in breakdowns. He stated that every year they seemed to get more horses from Emerald Downs and, industry wide, that track was known to have a hard surface, taking its toll on the horses.

Jim Ferguson, owner and trainer at Portland Meadows: Mr. Ferguson stated that he had 35 head currently at Portland Meadows and hadn't had any problems.

- ⇒ When Commission Huber asked Mr. Ferguson to speculate as to the cause of the increase in breakdowns this year, he replied that he thought they were related to the amount of races the horses had run. He added that a majority of the horses probably came from Emerald Downs and they were also Emerald's bottom claiming horses. When asked if it could be related to the weather, Mr. Ferguson responded that the rain would help the track not hurt it and that the best time to work the track was when it was the wettest, as it packed better and the rain helped to wash away the silt.
- ⇒ In response to Commissioner Dudley, Mr. Ferguson explained that he ran horses every two weeks at Portland Meadows and that he could make more money there than at higher profile tracks because he could run his horses more often. At other tracks, it took three weeks for them to recover from a race because of the different track conditions.

Mr. Kohl's explained that all of Magna Entertainment's tracks had an agreement with the Jockey's Club to use the equine injury database to keep the stats on the horses and that the ORC Veterinarian, Dr. Stacy Katler, utilized that database.

- ⇒ Commissioner Huber stated that he had reviewed Dr. Katler's reports and found no commonality between the breakdowns relating to the trainer or the age of the horse. Two of the horses had suffered from canon bone fractures and the breakdowns were towards the end of the race, which was expected. He explained that Portland Meadows had a soft track and that one would expect to see soft tissue, tendon type injuries. These bone injuries indicated that the horses may have had previous injuries and that they weren't necessarily related the Portland Meadows track conditions, but something that may have occurred at least three or four weeks previously.

Dick Cartney, OHBP Executive Director: Mr. Cartney stated that the horsemen were very concerned about the health and welfare of the horses and read the following comments obtained from one of the National HPBA Conventions:

"The cause of catastrophic injuries is a very complex issue. It's likely that there are many factors that contribute to catastrophic injury, including the race track surface composition, track maintenance procedures, environmental considerations, conditioning, nutrition, medication programs, shoeing, breeding from market factors such as precocious speed, year round racing schedule are just a few that are receiving scrutiny. Although it's natural in time of tragedy to single out any one of the above as the root of the problem, accidents either on the street or on the race track involve an unlikely combination of factors. To over simplify the problem that leads to tragedy does a disservice to the victims and distracts us from appropriate and prudent analysis that can lead to meaningful answers. Since the causes of catastrophic injury are complex it follows that there are no simple answers, no silver bullet that will fix the problem. The reality is there will always be injuries in racing. However, it is our responsibility to reduce the prevalence of catastrophic injuries as much as possible. The good news is there are opportunities for all members of the racing community to play a significant role in efforts that are made to provide solutions."

Mr. Cartney concluded that the horsemen were aware of all of the factors and they were willing to work on them and that they would continue to work with the track to do anything that they possibly could to make it better.

⇒ When Commissioner Huber asked if the horsemen would be open to the idea of conducting horse necropsies, free of cost, to try to learn more about the causes of the injuries, Mr. Cartney deferred to Mr. Ferguson who explained that it would be difficult to tell where and why the injury occurred when the horses that came to Portland Meadows were horses that were moved around from track to track, barn to barn and trainer to trainer. Dr. Huber agreed that finding out whether the horse's fracture occurred on healthy bone versus unhealthy bone probably wouldn't change anything, other than provide information. He explained that sometimes there was benefit in obtaining information and pointed out that UC Davis was conducting research through Santa Anita and learning a great deal. He reiterated his interest in finding out whether the horsemen would be interested in allowing the necropsies for the purposes of obtaining information, not to point fingers.

⇒ Randy Evers, Executive Director, stated that one of the variables on Mr. Cartney's list was medication and that the racing commission now required blood testing for every horse that had to be euthanized to rule out prohibited drugs as a possible cause.

Executive Director Evers explained that he had invited track vets, Dr. Solomon and Dr. Root to also address this issue as they examined the horses that were euthanized. Unfortunately, Dr. Solomon was called away and could not be here.

Jack Root, DVM, track veterinarian: Dr. Root explained that he had studied this issue a lot because it was "near and dear to his heart", as had the racing world, to try to find out what could be done to prevent breakdowns. Unfortunately, while some of the risk factors had been identified, the incidents had not gone down over the years. Fortunately, there was a fairly low incident of fatal breakdowns, both nationally and worldwide with between one to two breakdowns per 1,000 starts. In the US, California had the highest breakdown rate, Oregon was in the middle and, in the world, Japan was the country that had the highest rate.

He stated that repetitive stress injuries led to most catastrophic breakdowns and not from a horse taking one bad step. Little stress fractures subjected to more stress became bigger and bigger fractures until finally the bone failed. Fortunately, horses had the ability to heal themselves if given the time off to recover.

He stated that he believed the research being done in California at UC, Davis, as well as in other states, would be helpful for the horses in the long run. According to the California studies, approximately 70% of the horses had incidental stress fractures in their pelvises or in their vertebrae not related to the injury resulting in their death. In addition, the California studies had developed the following risk factors: horses that ran 36 fast furlongs (4 ½ miles) in a 60 day timeframe were three times more likely to have a breakdown compared to horses that ran 24 fast furlongs or less within in 60 day timeframe; horses that had lower heels and longer toes had a higher incident of breakdowns compared to those that had more heel and shorter toes; and horses that wore shoes with toe grabs had twice the fatal

injury rate compared to those that had flat shoes.

He stated that in the future, he believed that there would be better ways to measure existing bone disease in the horses and even blood tests that could be helpful.

Dr. Root stated that he did not believe that the recent breakdowns that had occurred at Portland Meadows had been caused by the track conditions, adding that the track superintendent had done a very good job. He stated that he felt the breakdowns were not caused by the current surface of the track, but injuries that happened on the old surface and that the horse hadn't been able to adapt to the new surface.

He explained that the horse that broke down at Portland Meadows last weekend was caused by a fractured humerus, a fairly unusual fracture for racehorses. He continued that through previous studies, they knew that all fractures of the humerus had a previous existing stress fracture, however; humerus fractures were extremely difficult to diagnose.

Another horse that broke down at Portland Meadows this meet had raced in California the previous two times. The comment in the racing form on those two races was that the horse had been walked off the track, which indicated a problem. A horse given time off could recover from seemingly minor injuries, so this horse ran pretty well at his first race at Portland Meadows, but on his second race, he broke down.

He provided suggestions that might improve the breakdown rate, which included: better education for the owners and trainers; limit the horses to race every three weeks versus every two weeks; better follow-up on those horses that were on the vets list; and add a question on the form as to whether toe grabs were used.

- ⇒ At the commissioners' request, Executive Director Evers agreed to add the toe grab use question to the form.
- ⇒ In response to Commissioner Dudley, Mr. Root explained that a horse that spent months training on one track and then went to a new track and only trained for a short period of time, that horse would have to adapt to the different stresses that were caused by the variation in the track surfaces. He stated that he believed that was why there were more breakdowns at the beginning of a race meet. He added that even the new synthetic race tracks breakdown rate wasn't any different than the dirt tracks, but as they used the surfaces over a longer period of time, the breakdown rate went down.
- ⇒ Commissioner Williamson stated his appreciation for Dr. Root's presentation and suggested that possibly by the next meeting, the medication committee could also be the horse welfare committee or something that indicated the care and welfare of the horse. He added that the committee could, possibly, have meetings with the stakeholders to look at some of Dr. Root's suggestions, such as the number of fast furlongs per 60 days, the toe grab issue, the racing surface, and possibly the idea of requiring a hiatus for horses that come from other tracks, etc.
- Chair Johnson agreed with Commissioner Williamson's suggestion and

delegated the medication subcommittee to include horse welfare and to work with the tracks.

⇒ When Chair Johnson asked Dr. Root what his opinion was on starting a necropsy program in Oregon, he replied that it would be very useful.

→ Dr. Huber added that he believed that he could get the necropsies done for free at OSU and that there may be funds already available. He added that the draw back would be getting them down to OSU and whether someone would be able to bear the transportation expense.

→ Commissioner Dudley pointed out that there was a \$200.00 removal cost for any horse that died at the track, indicating that that fee should be considered when looking at the transportation expense issue.

5. Subcommittee Update Reports

a. Advanced Deposit Wagering and Multi-Jurisdictional Hubs

Chair Johnson reported that the subcommittee had met that morning and planned to meet again next month with the ADWs on December 18th and the horsemen's groups on December 19th.

b. Best Practices

Commissioner Dudley explained that each agency or commission was required to submit a performance evaluation to the Department of Administrative Services at the same time as the agency's budget. He stated that the subcommittee had prepared an updated spreadsheet which included the fifteen criteria, previously adopted, and a new timeline for completing each task. He explained that it was a working document and that the timeline did not preclude them from doing some things earlier or later. For example, he stated that according to the timeline, the executive director's performance review would be conducted in September; however, instead of waiting until next September, the commissioners would be conducting the performance review in January 2009.

⇒ Executive Director Evers clarified that Best Practices was one of the commission's four key performance measures, explaining that each state agency was required to have performance measures and to submit them along with the agency's budget to the Department of Administrative Services. He added that these measures were also reviewed by the legislature.

ACTION: MOTION (Huber) Approve Best Practices report as submitted.

VOTE: 5 Aye, 0 Nay

c. Budget and Hub Funds

Vice Chair Robson stated there wasn't anything new to report on the status of the budget since its initial approval. He stated that the Governor's announcement regarding the five percent decrease in the state budget didn't affect the commission at this time. Executive Director Evers explained that the racing commission was an Other Fund agency and did not rely on any monies from the General Fund. Those agencies that did rely on the General Fund would be required to submit a five percent reduction package in their biennial budget.

d. Medication

No report.

6. Discussion of Term Length for Chair and Vice Chair

Commissioner Dudley, subcommittee chair, stated that he had been concerned about the commission's lack of an officer election policy. It had been his experience from all of the other boards and commissions that he had worked on, as well as the school districts that he had worked with for 33 years, that they all had an officer election policy.

He explained that he researched the term policies of some other boards and commissions, but primarily used the Teachers Standards and Practices Commission policy as a model because they also licensed and regulated people.

After receiving input from the other committee members, Vice Chair Robson and Commissioner Huber, it was decided that the officers' terms would be for two years with no limitation and that the commission would hold an election for Chair and Vice Chair at each odd numbered year at the December meeting. The proposed policy also included a list of duties for the officers.

ACTION: MOTION (Huber) Approve proposed Officer Election Policy as submitted.
VOTE: 5 Aye, 0 Nay

Chair Johnson announced that beginning next month, the meeting agenda would include department reports from the stewards, licensing/investigation, veterinarians, and the hub supervisor.

7. Fair Meet Reports on Hub Fund Usage

a. Grants Pass

Jackie McBee, Manager, and Harvey Boyle, Vice Chair, were present to answer questions. Information and discussions included the following:

The handle at the 2008 Grants Pass Race Meet was down 8%, but the attendance was up 7% and the meet ended on a high note during the Fourth of July weekend.

Every year they had a press luncheon a week before the start of each summer meet that included race officials, racing secretary, the radio and TV stations, Sneak Preview Magazine and two trainers, two owners and two jockeys. They also advertise on the TV, radio, newspapers and two magazines, including the Racing Journal. They had a promotion every weekend including Father's Day free admission, Ladies Day free admission, Kid's day, a Dutch Brother's Day, a fan appreciation day, and a Win, Place and Show contest the last two days of the meet.

- ⇒ In response to Commissioner Huber, Ms. McBee stated that without the hub funds, Grants Pass wouldn't be able to have a race meet. She explained that the submitted report showed where the funds were utilized, adding that she greatly appreciated the commission's support.
- ⇒ When Commissioner Williamson questions about the proposal to replace the track surface, Ms. McBee responded that they had been trying to work

with the City of Grants Pass to get new dirt on the track. She explained that the city had purchased 250 acres of old farmland that had very good dirt that they would like to use to replace the track's existing dirt. They would, basically, trade dirt. She stated that the city had turned down their first proposal, but now that they had a new mayor and five new council members, they would try again. She added that it wouldn't cost the city anything and that they were looking to find volunteers to move the dirt so that the cost would be about \$40,000.

⇒ In response to Commissioners Williamson and Huber and their concerns about the breakdowns, Ms. McBee explained that she was new to the position as manager and didn't know about the condition of the track and recognized that she had a lot to learn. She stated that she didn't have any answers as to the question whether there were inconsistencies in the surface of the track.

→ Executive Director Evers commented that there had been a motor cross track put in and equipment that went back and forth across the track so it was suggested that it may have caused those areas to be harder than other areas of the track. He stated that when Grants Pass experienced heavy rains, the track could get very slick underneath and he recalled one morning when one of the outriders had expressed the difficulties his horse was having on the track.

Mr. Boyle wanted the commission to know that Ms. McBee was working very hard to improve the track surface and to learn everything she could to help eliminate the breakdowns at their track. Also, he wanted to commend the new Portland Meadows' manager on improving the atmosphere this year at Portland Meadows.

8. Confirmation of Next Commission Meeting - December 18, 2008

All commissioners present indicated they would be able to attend the December meeting.

9. Public Comment

None.

There being no further business, the meeting was adjourned.