



MINUTES

Oregon Racing Commission
March 17, 2011

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, March 17, 2011 in Room 1A of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon.

In Attendance

Commissioners: Chairman Stan Robson, Vice-Chairman Christopher Dudley, Commissioner Michael Huber, DVM, Commissioner Charles Williamson and Commissioner Kerry Johnson

Staff: Randy Evers (Executive Director) and Kelly Gabliks (Assistant Attorney General)

Call to Order

Commission Chairman Stan Robson called the meeting to order at 1:30 p.m.

AGENDA ITEMS

Approvals:

March 17, 2011 Meeting Agenda

Action: Motion to approve the agenda as submitted.

Moved by: Commissioner Williamson

Seconded: Commissioner Huber

Vote: 5 Ayes, 0 Nays

February 17, 2011 Meeting Minutes

Action: Motion to approve the February 17, 2011 Commission meeting minutes as submitted.

Moved by: Commissioner Dudley

Seconded: Commissioner Williamson

Vote: 5 Ayes, 0 Nays

Old Business:

Sub-Committee Update Reports:

- a. Advanced Deposit Wagering (ADW) and Multi-jurisdictional Hubs
Commissioner Johnson stated that there was nothing to report at this time.

b. Best Practices

Commission Vice-Chairman Dudley stated that there was nothing to report at this time.

c. Budget and Hub Funds

Commissioner Johnson stated that the sub-committee met earlier that morning to review the hub fund requests that totaled approximately \$2.8 million dollars. Based on the projected revenue for this biennium there will be a shortfall of \$767,000.00. The budget sub-committee is scheduled to meet again next week. Commissioner Johnson stated that the expectation of the allocations is less than previous years. The allocations will be presented before the Commission at next month's meeting.

d. Medication and Horse Welfare

Commissioner Huber stated that there is nothing new to report.

e. Executive Director's Report

Executive Director Randy Evers reported that ORC Senate Bill #148 (that will allow the ORC to require licensing of Totalizator companies) and ORC Senate Bill #149 (that will delegate authority to the ORC to set licensing fees by rule) passed the Senate committee and the Senate floor. Senate Bill #148 passed with twenty (20) "yes" votes and seven (7) "no" votes. Senate Bill #149 passed with eighteen (18) "yes" votes and twelve (12) "no" votes. Now that both Bills have passed the Senate side they have been assigned to the House Business and Labor Committee.

Director Evers stated that he will meet with the Co-Chairman Representatives Bill Kennemer and Mike Schaufler to discuss some of the concerns that were conveyed from the Senate side regarding fees being set by a Commission. If there is opposition, the ORC may have to put a fee cap in the Statute in order to allow the agency to move forward with the authority to set fees by Rule.

Executive Director Evers reported that the ORC is working on one other legislative issue that would set tax and other fees on the handle and would consider whether they should apply to in-state wagers and/or potentially out-of-state wagers. Director Evers shared that he was instructed to work with Portland Meadows to introduce legislation that would adopt current in-state practice for out-of-state wagers. Currently, wagering in Oregon is taxed whether the wager is on PM, an off-track betting site (OTB) or one of Oregon's five summer fair meets. Out-of-state wagers are not. PM has partnered with the Oregon Horsemen's Benevolence and Protective Association (OHBPA). Along with the OHBPA lobbyist, Athena Douglas, they have been working on language for legislative counsel. It is expected to be out in a few days. It will be shared for review once it has come out.

Director Evers concluded by reporting that on Friday, March 18, 2011 the Racing Commission office will be closed for the State mandatory, unpaid furlough day.

Portland Meadows (PM) Report:

Will Alempijevic, General Manager of Portland Meadows, stated that since the beginning of this race meet through Sunday, March 13, 2011, PM has run 61 live race days versus 62 the previous year. The average runners per race this season is 7.63 versus 7.60 last season. PM has run 565 races this season versus 569 last season. Total purse money

paid out through March 13, 2011 was \$2.77 million dollars for an average total of purses per day of \$45,515.00. Last year's average daily purse was \$42,608.00 at this junction of the meet.

Wagering on PM races has fallen this year; with a total of \$40.97 million dollars for an average handle per day of \$671,000.00. That is a drop of 15.5% from the \$795,000.00 average of the previous meet. Of those wagers, \$640,000.00 is on export sales per day. PM has lost, on average, \$120,000.00 in bets on PM races per day (of which they collect a host fee). The in-state wagers on PM races, on average, are \$31,227.00 versus \$33,894.00 last meet. That is down 7.87%.

PM has processed \$16.2 million dollars in wagers from October 4, 2010 through March 13, 2011 on in-state, Oregon wagers versus \$17.9 million the previous season (which is down 6.7%). Mr. Alempijevic stated that while this has the appearance that things are not good, in the last four weeks it has actually improved. Mr. Alempijevic stated that when calculating an average over the last four weeks the PM network has only been down 3.73%; this is not great news but certainly showing improvement.

Mr. Alempijevic stated that PM will not be able to meet the 690 races required of this race meet with their current schedule. PM will provide a plan to meet that total within the next two business days.

Final Approval of Summer Race Meets:

Commission Chairman Stan Robson stated that the security plans submitted by both Josephine County and Harney County adequately described their plans for 24-hour security during their race meets.

Action: Motion to remove conditional approval and give full approval of the race dates for Josephine County Fair (Grants Pass Downs) and Harney County Fair.

Moved by: Commissioner Johnson

Seconded: Commissioner Huber

Vote: 5 Ayes, 0 nays

New Business:

Discussion on detail of meeting minutes:

Commission Vice-Chairman Chris Dudley stated that he would like to see more summarizing of the meeting minutes versus the detail that has increased the number of pages, time and effort by staff to produce this kind of detail. He stated that PM provides the Commissioners with a report each month so there is no need for that much detail in that section.

Commissioner Williamson stated that he agreed with reducing the detail of the PM report section of the minutes and that he would like to see detail reflected in what was done and more of summary on what was said.

Commission Chairman Stan Robson stated that overall he liked the detail of the minutes. The PM report could be reduced because of the report received. Chair Robson stated that there are people who read these once they are posted to the website and it is good to

have a fairly detailed synopsis so they are kept apprised of what is going on in the Commission.

Assistant Attorney Kelly Gabliks suggested waiting on making any changes, as Public Records are currently being discussed in the legislature and this may have some impact on minutes.

No vote was taken at this time.

Oregon Thoroughbred Owners & Breeders Association (OTOBA):

Wendie Hayes-Pounds Director of the OTOBA introduced a new employee of the OTOBA, Lynelle Foxsmith. Ms. Foxsmith will work part-time to assist the OTOBA with their accounting standardization process. Ms. Hayes-Pounds reported that Ms. Foxsmith is present with her today to learn more about the Commission. Ms. Hayes-Pounds stated that she had three things to report:

- The Annual Champions Banquet

The OTOBA recently had their annual Champions Banquet at Spirit Mountain. It was a great success. The list of current champions was handed out to the Commissioners. The champions on the list were recognized as being sired by stallions standing in the state of Oregon.

The OTOBA recognizes two and three-year-old champions and older handicappers or competitors in the older cap. The OTOBA also recognizes a sire and broodmare of the year and the leading breeder of the year.

- Breeder of the Year Award

The leading breeder of the year award went to Jack and Cookie Root standing at Oakhurst Farms. Dr. and Mrs. Root will represent the OTOBA at T.O.B.A. (the national organization). Ms. Hayes-Pounds stated that the OTOBA wanted to further publically recognize Dr. and Mrs. Root for their generous donation of a free breeding to "Grindstone" for raffle at the banquet. Dr. Root further told everyone in attendance that had put a raffle slip in that they also were entitled to a free breeding to one of his other two stallions. Ms. Hayes-Pounds stated that Dr. Root recognizes that the state's foal crops are falling off significantly and that opportunities for the future are becoming limited. This was a tremendous offer of generosity and support to Oregon's Thoroughbred breeding industry.

- Racing Around Oregon

Ms. Hayes-Pounds stated that the OTOBA is putting together a program for this year's five summer race meets called "Racing Around Oregon." The OTOBA will propose some stakes level races for fillies, colts and geldings. This is a separate program from the "Highpoint Challenge" which they will still offer.

Executive Director Randy Evers reported that he and his wife attended the Champion awards banquet and agreed that it was a lot of fun. Directors Evers asked the Commissioners if they would like him to draft a letter of acknowledgement to Dr. and Mrs. Root for their tremendous support to the industry.

Action: Motion to approve Director Evers to draft a letter on behalf of Racing Commission to be signed by all the Commissioners acknowledging Dr. and Mrs. Root's dedication and support to the industry.

Moved by: Commissioner Williamson

Seconded: Commissioner Johnson

Vote: 5 Ayes, 0 Nays

Information, Materials and Approvals:

None

Contested Cases:

- **Rammerman – Final Order by Default:**
Assistant Attorney General Kelly Gabliks presented her case before the Commission regarding the matter of Brian Rammerman.

Action: Motion to approve the final order by default as written and impose the fine of \$200.00 as recommended by counsel.

Moved by: Commissioner Johnson

Seconded: Commissioner Williamson

Vote: 5 Ayes, 0 Nays

- **Wooten – Final Order:**
Assistant Attorney General Kelly Gabliks presented her case before the Commission regarding the matter of James Wooten, Jr.

Action: Motion to adopt the final order as amended to add that Mr. Wooten cannot reapply for licensure with the Oregon Racing Commission for five years.

Moved by: Commissioner Johnson

Seconded: Commissioner Dudley

Action: Amend motion to adopt the final order as written with the allowance of Mr. Wooten to reapply for licensure after two years.

Moved by: Commissioner Williamson

Seconded by: Commissioner Huber

Vote: Commissioners Williamson and Huber – Aye

Commissioners Robson, Johnson and Dudley – Nay

Action: Vote taken on original motion

Moved by: Commissioner Johnson

Seconded: Commissioner Dudley

Vote: Commissioners Robson, Johnson and Dudley – Aye

Commissioners Williamson and Huber – Nay

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Oregon Horsemen's Benevolence & Protective Association, Inc. (OHBPA):

Ron Sutton, Vice President of OHBPA, stated that the OHBPA sponsored a nutrition seminar for members and the turn-out was a success. Mr. Sutton stated that 51 people signed up and 47 people attended. A Purina representative spoke for about an hour regarding horse nutrition and it was well received. Mr. Sutton reported that he had gathered up prizes and give-a-ways and virtually everyone went home with something. The event was fun and informative. Mr. Sutton stated that they will have another seminar at the beginning of next season's race meet. A different topic will be chosen such as medical supplies with a medical supplier as the guest speaker.

James Wooten, Jr.:

Mr. Wooten explained to the Commissioners the circumstances regarding his license application and why he completed the paperwork in the manner he did.

Confirmation of the Next Commission Meeting:

Thursday, April 21, 2011, Room 1D of the Portland State Office Building at 1:30 pm.

Adjournment:

There being no further business, the meeting was adjourned at 3:00 p.m.