

# MINUTES - AMENDED

## OREGON RACING COMMISSION

JULY 16, 1998

The Oregon Racing Commission met on Thursday, July 16, 1998, in Room 140 of the Portland State Office Building located at 800 N. E. Oregon Street, Portland, Oregon. The meeting began with hearings at 9:00 a.m. The commission adjourned for lunch and reconvened at 1:30 p.m. for the balance of the meeting. Commissioners in attendance were as follows: Stephen Walters, Chair; Laura Fine, Vice Chair; Richard Reid, Tom Towslee and Baltazar Ortiz. Prior to discussing the meeting agenda items, Chair Walters apologized to Al Westhoff, his staff and members of SOHRA for the last minute cancellation of the June commission meeting which was to have been held in Grants Pass. Agenda items were discussed in the following order with resulting actions:

### 1. Minutes May 28, 1998 Commission Meeting

ACTION: MOTION(Reid) Approve minutes as submitted.

VOTE: 5 Aye, 0 Nay

### 2. New Portland Meadows

#### a. 1998-99 Preliminary Race Meet and Race Dates Request

Mike Dorough reported they are requesting 80 days of live racing with the window beginning in mid October and extending through the end of April 1999. The dates request was being made at this time in order for them to begin solidifying marketing plans and contracts for vendors and simulcasting. Prior to taking action on this item, Chair Walters requested Richard Edwards, Miller Nash, and Gene Ferryman, NPM, to come forward to explain further the contents of a letter received from Mr. Edwards regarding the status of the ownership of NPM. The following is a transcript of that portion of the meeting:

*"EDWARDS: As I noted in a letter to the Racing Commission on July 13, 1998, an agreement was entered into between Mr. Ferryman and the Lees and the NPM under which the substance of which is that Mr. Ferryman acquired the shares of stock owned by Mr. Lee and the NPM. That transaction was consummated and closed on June 30, 1998. It was for the most part a cash transaction although there is a small amount left to be paid under that, a very small amount. I can respond to specific questions if you want on that, but essentially there has been a transfer of the shares of stock.*

*"WALTERS: That was going to be my question, just to confirm that the shares of stock have been transferred so that Mr. Ferryman now is the owner of 100% of the stock of the NPM.*

*"EDWARDS: That is correct.*

*"WALTERS: And my understanding is that, obviously in a transaction like this there are representations and warranties and that type of thing other than the additional payment due in October, that there are no other contingencies to the transaction that would cause it to unwind.*

"EDWARDS: That is also correct.

"WALTERS: And my further understanding is that you're in the process of obtaining dismissals of the various lawsuits between the Lees and Mr. Ferryman and the NPM. I believe in our conversation you described that as about 75% done and you are in the process of consummating those dismissals.

"EDWARDS: There were a number of disputes existing between the parties, I am not sure of the exact number of the lawsuits, but I am aware of three or four that have, I believe, have been signed and I think the others are in the process of either being submitted for signature or are being circulated for counsel's signature, the various attorneys representing the parties in the transaction.

"WALTERS: Any other questions by members of the commission concerning the nature of this transaction or what has occurred with respect to the ownership situation at the NPM?

"TOWSLEE: Have you been notified either formally or informally of any challenges to the agreement?

"EDWARDS: No (conferred with Mr. Ferryman). I think it's fair to say that neither of us have heard anything on that.

"WALTERS: I want to say for my part that this has obviously been a long and difficult history in NPM but it is very gratifying to see the situation has finally been resolved."

ACTION: MOTION(Towslee) Approve race dates as submitted for the 1998-99 New Portland Meadows race meet subject to the timely submission of an application for issuance of a race meet license, and approval of that application by the commission.  
VOTE: 5 Aye, 0 Nay

**b. Inside Rail**

Woody Mitchell reported they had put out to bid replacement for the inside rail. It was decided to install a Steriline rail, which is made in Australia. The transaction was completed Wednesday evening, July 15, 1998, which means the rail will arrive in September and will take approximately 10 to 24 days to install. The total cost is \$215,000 and will include replacement of the outside stretch and chute rails in addition to the inside rail. Gary Baze stated that this rail meets the requirements set by the Jockeys' Guild.

**c. Invoice for Days Down During 1997-98 Race Meet**

The invoice submitted covers the six days of racing which were cancelled due to the concern of the safety of the inside rail following the accident of Kathy Mayo. Steve Barham recommended approval of the request and suggested that the amount invoiced be deducted from the amount due for the 1998-99 season.

ACTION: MOTION(Fine) Credit NPM for the lost days of racing and deduct the amount from the amount due for the 1998-99 season.  
VOTE: 5 Aye, 0 Nay

**3. Confirm Executive Director's Action on Approval of OTBA Distribution of Oregon-bred Owner Bonus and Breeder Awards**

Steve Barham reported that due to the cancellation of the June commission meeting, he polled commissioners to approve payment of the Oregon-bred owner bonus and breeder awards in order for those payments not to be held up. According to Ursula Gibbons, OTBA, the monies have been distributed.

ACTION: MOTION(Towslee) Approve request to confirm the executive director's action.  
VOTE: 5 Aye, 0 Nay

#### **4. Oregon Appaloosa Racing Association 1998 Budget**

Steve Barham recommended approval.  
ACTION: MOTION(Reid) Approve the 1998 budget as submitted.  
VOTE: 5 Aye, 0 Nay

#### **5. Oregon State Fair 1998 Race Meet Application**

Rusty Vernon came before the commission to answer any questions if necessary. Steve Barham recommended approval.  
ACTION: MOTION(Towslee) Approve OSF 1998 race meet application.  
VOTE: 5 Aye, 0 Nay

#### **6. Multnomah Greyhound Park Update**

Carl Wilson reported the Oregon taxable handle is up .6%. While the Oregon handle on live races is down 6%, the total live handle is down only 3.7%. Exports are up 4%, which is about 24% of the total handle. The simulcast handle is up 4%.

#### **7. Actions on Contested Cases Heard Today**

##### **a. Brian L. Turner**

ACTION: MOTION(Towslee) Accept recommendation of the board of stewards to revoke Mr. Turner's license. The evidence showed there clearly was a violation of the drug rule as well as a definite history of repeated violations of the drug rule.  
VOTE: 5 Aye, 0 Nay

##### **b. Robert W. Webb**

This was a default hearing as Mr. Webb did not appear.  
ACTION: MOTION(Ortiz) Accept recommendation of board of stewards for revocation of license.  
VOTE: 5 Aye, 0 Nay

##### **c. Raul Puentes Hernandez aka Raul Fuentes Rosales**

This was a default hearing as Mr. Hernandez aka Rosales did not appear.  
ACTION: MOTION(Reid) Accept recommendation of board of stewards for revocation of license.  
VOTE: 5 Aye, 0 Nay

## 8. Race Meet Reports

### a. Eastern Oregon Livestock Show

Steve Barham reported their handle was approximately equal to what it was last year. The biggest thing to report is they did get their new rail installed.

### b. Grants Pass Downs

Al Westhoff thanked the commission and staff for their efforts in helping them to have a successful race meet in spite of a rocky start. They lost four days out of the first five due to inclement weather. Make-up days were added on the four Wednesdays in June. Their average live handle was approximately \$46,000/day with \$16,045/day coming from sending their signal out, and the number of horses averaged 6.81 per race. There is a \$500 carryover in the purse account for next year.

### c. Crooked River Roundup

Steve Barham reported the handle was down slightly compared to last year even though they had big crowds. They did experiment this year with having the rodeo and racing take place on different weekends. They also put in a new rail.

## 9. Permanent Amendment of OAR 462-050-260 - Pari-Mutuel Ticket Cancellations

Steve Barham stated this rule had previously been adopted as a temporary rule. The action that now needs to be taken is to make it a permanent rule.

ACTION: MOTION(Fine)

Approve OAR 462-050-260 as a permanent rule.

VOTE:

5 Aye, 0 Nay

## 10. OQHRA Request to Distribute Oregon-bred Breeder and 1% Owners Bonus from 1997-98 Portland Meadows Race Meet

Dave Nelson summarized the contents of the letter which requested approval of distribution. Steve Barham recommended approval.

ACTION: MOTION(Reid)

Approve request as submitted by the OQHRA.

VOTE:

5 Aye, 0 Nay

## 11. Greyhound Farms of Oregon 1998-99 Budget ) *These items were combined* OGBA 1998-99 Budget ) *for discussion*

Steve Barham began by describing the issues needing to be considered. The OGBA is requesting commission approval for the full amount of the breakage, approximately \$75,000, as part of their budget. The GFO is seeking commission approval for one-third of that amount, or \$25,000, to fund their compliance program. If the GFO request were to be approved, the OGBA would receive only \$50,000. Representatives from both organizations presented testimony as well as Paul Romain representing the OGA. The commission deliberated and discussed various alternatives. The executive director recommended approval of funding for the stakes races and putting a hold on the rest of the funds for the moment. Secondly, since the commission acknowledged the importance of the greyhound registry and wanted it to continue, that program could be funded from monies other than breakage for the time being. Finally, the commission could delegate authority to the executive director to release additional breakage monies, if necessary, to insure the continuation of the registry.

ACTION: MOTION(Towslee) Approve recommendation of the executive director and delegate the authority to release more breakage monies to keep the registry operating, if necessary.

VOTE: 5 Aye, 0 Nay

**12. OAR 462-050-386 - Approval Criteria of the Commission for Authorizing Receiving Tracks**

Commissioner Ortiz reported on the hearing he conducted on May 27, 1998, at which time he took testimony on the proposed rule. Steve Barham went through each section of the rule, with additional comments being offered by Chair Walters. The commission deliberated on the rule and made a few changes.

ACTION: MOTION(Fine) Approve OAR 462-050-386 as amended.

VOTE: 4 Ayes (Walters, Fine, Reid, Ortiz), 1 Nay (Towslee)

There being no further business, the meeting was adjourned.