

MINUTES

OREGON RACING COMMISSION

October 15, 2009

The Oregon Racing Commission met on Thursday, October 15, 2009 in Room 1A of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon. Commissioners in attendance were Vice Chair Stan Robson, Michael Huber, DVM, Chris Dudley, Charles Williamson and via telephone, Chair Kerry Johnson.

Vice Chair Robson announced that he would conduct the meeting in view of the fact that Chair Johnson was attending via telephone.

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

1. October 15, 2009 Meeting Agenda

ACTION: MOTION (Dudley) Approve agenda as submitted.

VOTE: 5 Aye, 0 Nay

2. September 10, 2009 Meeting Minutes

ACTION: MOTION (Dudley) Approve minutes as submitted.

VOTE: 4 Aye, 0 Nay, 1 Abstain, as follows: Huber: Aye
Dudley: Aye
Williamson: Aye
Johnson: Aye
Robson: Abstain

3. Proposed 2010 Oregon Racing Commission Meeting Dates

The commissioners were all agreeable to the proposed meeting dates for 2010, including scheduling the June meeting in Grants Pass. The exact meeting date will be announced at a later date.

4. Sub-Committee Update Reports

a. Advanced Deposit Wagering and Multi-jurisdictional Hubs

Nothing to report.

b. Best Practices

Commissioner Dudley provided the commissioners with his July retreat notes and requested feedback on their Best Practices. He also asked for any feedback on the Best Practice criteria and the system for achieving success. He explained that he'd received the commissioners' Best Practices Score Sheets for this year and that they'd scored 100% approval in 13 of the 15 criteria and 80% approval in the remaining two, a massive improvement over last year.

ACTION: MOTION (Dudley) Motion to adopt the Best Practices Score Sheet.

VOTE: 5 Aye, 0 Nay

b. Budget and Hub Funds

Executive Director Evers explained that they'd been asked by the legislative fiscal office to do re-projections of the commission's revenues, which includes revenues

from the pari-mutuel handle, the ADWs and the outs tickets (winning tickets that

don't get cashed). Once the revisions were completed, he stated he would report the information to the budget subcommittee and then the subcommittee would make a full report to the commission, hopefully, at the next meeting. He added a heads up that revenues were going down and that he was concerned about both the pari-mutuel handle and the ADW revenues.

c. Medication and Horse Welfare

Commissioner Dudley stated that the subcommittee was submitting the ORC Animal Safety and Welfare Policies and Practices document for the commission's approval. He read through the document that provided improvement recommendations on six issues, as follows: Track Surface; Non Steroidal Anti-inflammatory Drugs (NSAIDs) and Cortisone; Toe Grabs; Pre Race Exams; Euthanasia, and a Fatality Evaluation Program (Necropsy Program). [The document's available on the Oregon Racing Commission website.]

Regarding the Necropsy Program, Commissioner Dudley explained that the commission was trying to develop a partnership with Portland Meadows and the racing community to find a vendor to transport the carcasses from the track to OSU-CVM without any additional cost to Portland Meadows. Portland Meadows currently paid \$140.00 for each carcass to be removed from the track. He continued that the necropsies would be paid out of the ORC budget and that they currently estimated each one to cost between \$167.00 to \$200.00. Based on the records over the last six years, they expected, at most, 20 necropsies, bringing the total cost to \$3,200 to \$4,000.

Commissioner Dudley concluded, "We think, both in terms of our responsibility to look at the safety of the industry in this state and also our responsibility to respond to the people who are watching closely what happens in this industry, we think this is a good program to go forward with. And, Dr. Huber's excited about the possibility that we'll get some significant information about horse injuries through that process."

ACTION: MOTION (Dudley) Adopt the ORC Animal Safety and Welfare Policies and Practices as amended.

⇒ Commissioner Williamson requested that the document be amended under Appendix 1 - Pre-Race Examination to include race horses rather than just "in the best interest of racing".

→ Commissioner Huber added that it safeguards the riders as well, so they also needed to be included.

⇒ When Vice Chair Robson's asked whether other tracks in Oregon would also be included, Commissioner Dudley responded that a big issue would be transportation of the carcasses, from Burns for example. He stated the subcommittee recommended trying the program first at Portland Meadows, but agreed to keep it on the table for future considerations.

→ Commissioner Williamson agreed with Vice Chair Robson. He suggested that perhaps if these practices were communicated to the other tracks

that the staff could impose only those that could reasonably be applied.

→ Executive Director Evers commented that number four, Pre-race Exams, was developed with the idea of conducting them at Portland Meadows, but that they could also look at something like it for the fairs, keeping in mind the logistics of the fairs and the location of the stalls to the race tracks. He added that with a little flexibility, they might be able to modify these policies and practices and implement them at the five fair meets.

⇒ Vice Chair Robson stated the budget committee had set aside approximately \$5,000 of hub funds for this program, so the proposed total cost of \$4,000 would be well within the budget.

VOTE: 5 Aye, 0 Nay

5. Grants Pass Race Track Request for Hub Funds

Executive Director Randy Evers explained that Grants Pass had completed the resurfacing of their track. However, while working on that project, they had identified an additional cost of \$35,000 and were falling a little short of being able to pay for the entire project. He stated that last summer, due to the poor weather, they had lost some races and had returned \$13,000 of unused purse money. They were now requesting that the commission return those funds to them to help pay for the race track resurface.

⇒ Vice Chair Robson explained that he had chaired the Budget Advisory Committee and had also spoken previously to the other committee member, Chair Johnson, regarding this issue. He stated that while they had strongly discouraged the use of hub funds for capital improvement, he recommended that their request be considered as they'd gone the extra mile and it was an expenditure the commission had already budgeted.

⇒ Commissioner Dudley stated that he shared Vice Chair Robson's concerns. He explained that because of their efforts to raise the money themselves and because the circumstances in Grants Pass had been critical, he would approve their request to use the money for capital improvements. He stated that it was out of protocol for him because he'd rather see the money being used for purses.

ACTION: MOTION (Dudley) Approve the allocation of \$13,200 of purse money to Grants Pass Downs for track improvement.

VOTE: 5 Aye, 0 Nay

6. Tillamook County Fair Race Meet – End of the Meet Report by Jerry Underwood

Jerry Underwood, Tillamook County Fair, was present to answer questions. After distributing copies of his report to the commissioners, he read the race meet information into the record, which included the following:

The 2009 Tillamook County Fair was the most successful one in their history, setting records on Saturday with 25,583 fairgoers in attendance and a total of 73,333 fairgoers in attendance over the four day period.

The total handle for the four days was \$149,584 for thirty-three races with an average handle of \$4,532 per race. Eight horses were scratched which resulted in

approximately \$5,000 being refunded, otherwise, the handle would have been even higher.

In an effort to positively impact the race handle, the fair board was considering increasing the starting field from six to seven horses for next year, if they are able to repair or replace their existing starting gate.

There were over 200 horses on the grounds during the race meet which more than filled the thirty-three races; most races had two extra horses that were also eligible for entry.

Thoroughbred horses set two track records this year and many horsemen and race officials agreed that the condition of the race track was very good; however, one horse fatality occurred when the horse reared up just before entering the starting gate.

The hub funds provided purse money in the amount of \$2,200 per race which was increased to a \$2,500 minimum purse by contributions from the fair board. Combining that with the \$8,000 received in hub funds in matching purse money; \$8,000 from individual race supporters; \$2,000 from the OHBPA; \$2,500 from the OTOBA; the overall total purse money was up 36% to \$97,050. In addition, the OTOBA was able to fill three Oregon bred races; seventeen of the races had purses ranging from \$3,000 to \$4,250; and State Senator Betsy Johnson, an ardent fair supporter, donated \$1,000 towards a \$3,500 Quarter Horse Race.

The hub funds also helped supplement race meet expenses which included the jockey's bonus, the tote board, photofinish/video services, past performance inserts, and advertising.

Other contributions that helped support the race meet included: bricks of cheese that the fair board distributed to the horse owners, once their horse entered the paddock, and to the jockeys when they picked up their checks; a halter and lead rope, courtesy of Chinook Winds Casino and Resort, to each winning horse owner; a blanket that the fair board provided to each feature race winner; a plaque given by the fair board and Truform Racing Services to the leading jockey and trainer; a backside BBQ, provided by Lonnie Craig; a dinner at the Tillamook Elks Club, sponsored by the fair board; and season admission and parking passes that the fair board mailed out to known, large bettors who were from out of town.

Thanks went to the OHPBA for providing 60 portable stalls and to Portland Meadows for opening up their training facility and for entering into an agreement with the OHBPA to allow free stabling.

Thanks also went to the Oregon Racing Commission and Executive Director Randy Evers. Without the financial aid provided and the help of the commission staff and officials, the Tillamook County Fair would not be successful.

7. Portland Meadows Report

Will Alempijevic, General Manager of MEC Oregon Racing, Inc., dba Portland

Meadows, was present to answer questions. He provided copies of a statistical report to each of the commissioners. Information and discussions included the following:

From September 28 to October 11, 2009, after only three days of racing and 27 races, they averaged 7.85 runners per race, an almost 8% increase over last year; purses were \$44,200 compared to \$44,800 last year; in state handle averaged \$38,932 per race day, a drop of approximately 8.29% from last year's \$42,450; export handle averaged \$442,000 per race day, an increase of 55% from last year's \$285,000.

The Oregon all product wagering continued to follow the same trend as the industry, with 1.55 million dollars wagered this year compared to 1.789 million wagered last year, a 12.8% drop.

Changing race days from Sunday to Wednesday was a phenomenal success for Portland Meadows. While the data from yesterday's [Wednesday] racing was not included in today's statistical information, the in state wagering totaled \$35,764 compared to last year's \$37,300, resulting in only a 4% drop. When other racing jurisdictions were down double digits on their own product, a 4% drop indicated that they were not hurting the local market by switching from a weekend date to a live date. In addition, the export handle (out of state bettors betting on Portland Meadows) yesterday, Wednesday, averaged \$734,000 compared to last year's average of \$84,000 on Sunday.

The marketing dollars provided by the commission were again utilized for advertising billboards this year. In addition, All Sports Radio Station 95.5, The Game, was providing them with an opportunity to have a weekly radio show, hosted by Portland Meadows announcer Jason Beam, on Saturday nights. They would also continue sponsoring the People's Horse, which this year was Maria Margarita.

On Monday, November 2nd, well known sports personality Jim Rome, radio and TV, would be coming to Oregon to conduct his radio show live from the studio and then attend a VIP party at Portland Meadows.

Thanks in large part to the OHBPA, Spirit Mountain Casino agreed to sponsor Oregon Championship Day which would be held on December 14, 2009. Portland Meadows also planned to present a fall fair on that day and hoped to include some local wineries, brewers, or food processors in an effort to try to create more of an Oregon Day to celebrate Oregon Championships.

8. Public Comment

⇒ Vice Chair Robson announced that, due to budget cuts, State employees were required to take ten mandatory furlough days plus up to four additional voluntary furlough days. He added that the Portland State Office Building would be closed during those mandatory ten days.

→ Executive Director Evers added that tomorrow the commission office would be closed to observe the first of ten Governor mandated furlough days on October 16th. He explained that on those furlough days, staff was

not allowed to answer their phones or respond to emails. He added that the dates of the other mandatory furlough days were available on the ORC website.

In response to Commissioner Williamson's question, Evers explained that Thursdays and Fridays were days off for commission staff working at the track and that they would have to observe the furlough day on a different day. He added that they had a plan in place to cover this issue for track staff and that they would not risk the safety of the horses or horsemen.

⇒ Executive Director Evers introduced the newest member of the Oregon Racing Commission, Presiding State Steward, Martin Hamilton, who'd been with the commission for approximately one month.

Mr. Hamilton explained that he'd been around the race track most of his life. He was a jockey for 22 years and worked as a racing official in three other jurisdictions (Arizona, Idaho and California) for 19 years, 17 of those years as a Steward. He added that he was happy to be in Oregon, anxious to get involved and looking forward to a long term of success.

At 3:00 pm, the commission entered into executive session, pursuant to ORS 192.660(2)(f) and ORS 192.660(2)(h), and returned at 3:56 pm to continue the next agenda item, having taken no votes nor having made any decisions.

9. Action on the Proposed Order for Donald W. Murphy

ACTION: MOTION (Williamson) Adopt a settlement agreement in place of the proposed order, as follows:

Mr. Murphy will be eligible for a Pony, Ferrier, and Groom's License. He will also be eligible to reapply in six months for an Exercise Rider and Trainer's License with the caveat that he have a recommendation from a non biased trainer who agrees to supervise him for a significant period of time.

VOTE: 5 Aye, 0 Nay

10. Action on the Final Order by Default for James R. Whiteside

ACTION: MOTION (Williamson) Adopt the Final Order by Default.

VOTE: 5 Aye, 0 Nay

11. Confirmation of Next Commission Meeting – November 19, 2009

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

There being no further business, the meeting was adjourned.