



MINUTES

Oregon Racing Commission April 21, 2011

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, April 21, 2011 in Room 1D of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon.

In Attendance

Commissioners: Vice-Chairman Christopher Dudley (presiding), Commissioner Michael Huber, DVM, Commissioner Charles Williamson and Commissioner Kerry Johnson

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

Excused

Chairman Stan Robson

Call to Order

Commission Vice-Chairman Christopher Dudley called the meeting to order at 1:34 p.m.

Commissioner Dudley stated that the Commissioners will immediately go into Executive Session following the public session to conduct performance review of the Executive Director.

AGENDA ITEMS

Approvals:

April 21, 2011 Meeting Agenda

Action: Motion to approve the agenda as submitted.

Moved by: Commissioner Johnson

Seconded: Commissioner Williamson

Vote: 4 Ayes, 0 Nays

March 17, 2011 Meeting Minutes

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

Moved by: Commissioner Williamson

Seconded: Commissioner Johnson

Vote: 4 Ayes, 0 Nays

Old Business:

Sub-Committee Update Reports:

- a. Advanced Deposit Wagering (ADW) and Multi-jurisdictional Hubs
Commissioner Johnson stated that the sub-committee met earlier that morning prior to the Commission meeting and reviewed information provided by staff. They discussed ways to stay progressive in the industry in order to remain on the cutting edge.
- b. Best Practices
Commission Vice-Chairman Dudley stated that he had nothing to report this month.
- c. Budget and Hub Funds
Commission Vice-Chairman Dudley stated that the Commission will would defer to "New Business" item #5 for the budget and hub funds report.
- 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 the ORC's budget Senate Bill #5543 has a work session scheduled for Wednesday April 27, 2011. Director Evers stated that he spoke to the ORC's legislative fiscal officer and there doesn't appear to be any problems or concerns. Director Evers stated that he and Nancy Artmann will go to Salem for the work session. Though no testimony may be asked for, the ORC will have representation to answer any questions the legislators may have.

Director Evers reported that Senate Bills #148 and #149 passed out of the Senate and were assigned to the Business and Labor Committee as reported at last month's meeting. Director Evers stated that on the morning of April 20, 2011 Audrey Kauffman, Hub Manager, Mike Twiggs, Deputy Steward and he went to Salem to give testimony on the Bills. Mrs. Kauffman testified on Senate Bill #148 and Mr. Twiggs gave testimony on Senate Bill #149. After extensive conversation about the concerns over Senate Bill #149 (which will allow our agency to set license fees by rule), it was decided that it would be amended to cap the amount the fees could be raised. The cap will be \$30.00. Both bills passed out of committee unanimously.

Portland Meadows (PM) Report:

Will Alempijevic, General Manager of Portland Meadows, stated that PM recently completed the 2010-2011 live race meet. The PM race meet began the first week of October and was originally scheduled to run through the end of March. PM extended the meet into April running races on April 4th 6, 2011. Over the course of this period PM ran 690 races in 73 race days. There was a reduction in the average runners per race down to 7.45 this meet versus 7.54 for the same period in the previous meet. Average purses for this meet were \$46,340.00. The average at this point for the previous meet was \$43,342.00. Mr. Alempijevic stated that this was a very challenging year. Other race tracks that are bigger and more popular than PM shifted their schedules to run on traditional dark days which increased the amount of competition in the market.

PM averaged \$673,000.00 in handle per day. That includes \$30,000.00 from in-state wagers and \$642,000.00 in export sales. At this point last year this total was \$801,000.00 with \$33,000.00 in-state wagers and \$767,000.00 in export sales per day. This is a significant drop in export sales of approximately 16%. Mr. Alempijevic reported that these decreases in the daily handle are a result of the New York off track betting sites (OTBs) being closed. Mr. Alempijevic stated that PM saw a strong increase in their New York Racing Association (NYRA) handle.

New Business:

Hub Fund Allocations:

Commissioner Johnson stated that the funds to be allocated are down by \$250,000.00. The allocation this year is \$2,022,475.00. All the summer race meets are receiving a 10% reduction from the last biennium. The Hub funds will continue to fund the Jockey incentive program at \$30,000.00 for each summer. It will fund one-half of the Jockey insurance for the summer meets. It will fund the racing secretary position.

Commissioner Johnson stated that the Associations are receiving a slightly higher reduction of 15%. There are no matching "marketing funds" for Portland Meadows. The budget sub-committee will continue to support the ORC's effort in horse safety and will fund lab testing for next biennium. Commissioner Johnson stated that this is the Budget Sub-committee's recommendation.

Action: Motion to approve the Hub fund allocations for 2011-2013 as recommended by the Budget Sub-committee.

Moved by: Commissioner Johnson

Seconded by: Commissioner Williamson

Vote: 4 Ayes, 0 Nays

Commissioner Johnson asked that staff draft a letter to the Fairs and Associations notifying them of the amount of their allocations.

Approval of Amended ADW Administrative Rules:

Commissioner Williamson reported that he presided over the rules hearing that began at 10:30am and ended at 10:45am on April 21, 2011. Commissioner Williamson stated that there were four individuals that gave testimony. Rule number 462-220-0030(1) (a) was in question. Commissioner Williamson recapped the hearing stating that Roger Nyquist of TVG requested that the license renewal process that is currently required to be done each year, and has been amended in the rule change to three years, be extended to five (5) years (which would be consistent with Lottery licensing). BJ Cosson of TVG agreed with Mr. Nyquist. Commissioner Williamson stated that each licensee would have to renew their agreements and license each year but they would not have to assemble the entire application package each year. The ORC would reserve the right to approve a licensee for a term less than five (5) years on an individual basis.

Commissioner Williamson suggested that the words “for which” are placed between the word “year” and “licensing” to the amended ADW Rule 462-220-0030 (1) (A). It would read:

“The daily licensing fee is to be remitted no later than June 30 of each year “for which” licensing has been granted or is being requested.”

Commissioner Williamson stated that there was no opposition to the amended ADW rules and recommended that the Commission adopt them with the changes discussed.

Commissioner Dudley questioned whether this five-year license would require something in the application or on the license itself that has language to protect the Commission in the event taxes or licensing fees change within any five year period.

Assistant Attorney General Kelly Gabliks stated with the absence of a provision stating that the Commission could change fees each year at renewal, the fees would remain the same over that five-year term. The license and application should have language that would allow the Commission to change fees or taxes in accordance to what is current each year at renewal.

Action: Motion to approve the amended ADW rules with the change from three (3) years to five (5) years in rule 462-220-0030(1) (a) and add the words “for which” to the language in 462-220-0030(1) (A) between the words “year” and “licensing.”

Moved by: Commissioner Williamson

Seconded by: Commissioner Huber

Vote: 4 Ayes, 0 Nays

Commissioner Williamson instructed the ORC’s Executive Director Randy Evers to work with staff to add language to the licensing applications regarding a provision for disclosure to enable the Commission to change and collect current fees each year at the time of license renewal.

Multi-jurisdictional Simulcasting and Interactive Advance Deposit Wagering Totalizator Hub Licensing Renewal:

Audrey Kauffman, Pari-Mutuel Auditing and Hub Fund Manager for the ORC, reviewed the application packet submitted by XpressBet who has applied for license renewal. Mrs. Kauffman stated that she had verified all information submitted and recommended the applicant for approval. Mrs. Kauffman accompanied Gene Chabrier (representing XpressBet) as the Commission went through the review process. Mrs. Kauffman stated that due to the rule changes and licensing term, she is making notes to each application that is submitted to facilitate as seamlessly as possible the various timeline changes to required documentation within each application.

Commissioner Johnson questioned the applicant from the due diligence check list.

Xpress Bet, LLC: Gene Chabrier Director of Regulatory Affairs for Xpress Bet was present on their behalf. Mr. Chabrier favorably answered the questions asked by Commissioner Johnson from the checklist. Mr. Chabrier stated that should the Commission approve their license application, he would like to have the option to extend their licensing time frame to the five years that was just approved at this meeting without having to re-submit the entire application.

Action: Motion: To approve Xpress Bet, Inc. for licensing renewal with the option to extend their license from three years to five years.

Moved by: Commissioner Johnson

Seconded by: Commissioner Williamson

Vote: 4 ayes, 0 nays

Recognition of Dr. Jack and Cookie Root:

Commissioner Huber stated that he was very honored to present a plaque provided by the Oregon Racing Commission awarding Dr. Jack and Cookie Root for their outstanding contributions and most recent gracious gifts to the racing industry.

Information, Materials and Approvals:

None

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Audrey Kauffman, Pari-Mutuel Auditing and Hub Fund Manager for the ORC, stated that she had been given a suggestion by one of the stakeholders regarding the rule language for ORC Rule 462-220-0030(1)(A) to place the word "current" in front of the word "daily."

Action: Motion to re-open the rules hearing to amend rule #462-220-0030(1)(A) to have the word "current" placed in front the word "daily."

Moved by: Commissioner Williamson

Seconded by: Commissioner Johnson

Vote: 4 Ayes, 0 Nays

Confirmation of the Next Commission Meeting:

Thursday, May 19, 2011, Room 1D of the Portland State Office Building at 1:30 pm.

Executive Session:

The public portion of the Commission meeting was closed and Executive Session was called to order at 2:30 p.m.

Adjournment:

Commissioner Dudley adjourned the Executive Session at 3:40p.m.

There being no further business, the public portion of the Commission meeting was adjourned at 3:42p.m.