



MINUTES

Oregon Racing Commission August 15, 2013

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, August 15, 2013 in Room 1A of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon

Call to Order

Commission Chair, Chris Dudley, called the meeting to order at 1:30pm

In Attendance

Commissioners: Chair Chris Dudley, Vice-Chair Charles Williamson, Commissioner Jan Palmer, DVM, Commissioner Michael Huber, DVM and Commissioner Angel Baez

Staff

Jack McGrail, Executive Director and Kelly Gabliks, Assistant Attorney General

AGENDA ITEMS

Approvals:

August 15, 2013 Meeting Agenda

Action: Motion to approve the agenda as submitted with one change to move up agenda item #5 to #1.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Palmer

Vote: Chair Dudley took roll and the results were unanimous with 5 Ayes, 0 Nays

July 11, 2013 Meeting Minutes

Action: Motion to approve the July 11, 2013 Commission meeting minutes as submitted with one correction to add that there was discussion to change policy to allow oral argument for licensees.

Moved by: Commissioner Vice-Chair Charles Williamson

Seconded: Commissioner Palmer

Vote: Chair Dudley took roll and the results were 4 Ayes,*0 Nays

*Commissioner Huber abstained from voting as he was absent from the July 11, 2013 meeting.

Approval of Temporary Rule

Executive Director Jack McGrail presented the new temporary rule for the jackpot wager. Commissioner Huber asked to have some discussion. He asked how long it would be in effect.

Assistant Attorney General Kelly Gabliks stated that it would be in effect for 180 days. Commissioner Huber asked if there were any comments from the public.

Action: Motion to approve the temporary rule for the jackpot wager.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Huber

Vote: Chair Dudley took roll and the results were unanimous with 5 Ayes, 0 Nays

Action: Motion to suspend the thirty (30) day requirement set out in Administrative Rule 462-200-0270 and provide written approval for immediate implementation of the temporary rule for the jackpot wager.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Huber

Vote: Chair Dudley took roll and the results were unanimous with 5 Ayes, 0 Nays

Old Business:

Sub-Committee Update Reports:

a. Advanced Deposit Wagering (ADW) and Multi-jurisdictional Hubs

Commission Vice-Chair Williamson stated that the sub-committee had not met. Chair Dudley asked if staff had checked with Racing2Day as to whether they are going to apply for licensing elsewhere or cease operations. Executive Director McGrail stated that he had contacted them and they have not stated their intentions as of yet.

b. Best Practices

Commission Chair Dudley stated that the mission and goals document has been updated. He read through the changes and explained why the changes were made. The Commissioners were in agreement with one correction.

Action: Motion to approve the adoption of the changes to the Mission and Goals document.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Huber

Vote: Chair Dudley took roll and the results were unanimous with 5 Ayes, 0 Nays

Chair Dudley stated that the Commissioners discussed the "Criteria Defined" document while in Prineville and requested that staff make a few changes. He read through the changes and all were in agreement with one correction.

Action: Motion to approve the adoption of the changes to the "Criteria Defined" document.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Huber

Vote: Chair Dudley took roll and the results were unanimous with 5 Ayes, 0 Nays

c. Budget and Hub Funds

Commissioner Palmer stated that the sub-committee did not meet this month.

d. **Medication and Horse Welfare**

Commissioner Huber stated that the sub-committee met prior to the ORC meeting. The purpose of the August sub-committee meeting was to review catastrophic injuries and fatalities for this past fiscal year and the current summer race meet circuit.

Commissioner Huber stated that from July 1, 2012 through June 30, 2013 there were five (5) fatalities out of 4,683 starts. He stated this is a fatality rate of 1.07 per 1,000 starts and is approximately 50% less than the benchmark of 2.0 per 1000 starts. The ORC is pleased to see this improvement. Two of the fatalities, one in Prineville and the other in Tillamook, were thought to be associated with aortic rupture rather than the typical injuries seen. There was an addition to the agenda regarding a safety discussion around the summer race meets and the starting gates.

Commissioner Palmer asked why necropsies are not done on horses that suffer catastrophic injury at the summer race meets. Commissioner Huber stated that there hasn't been a way to transport them from the summer race locations to Oregon State University (OSU). Commissioner Palmer stated that maybe the Commission should research whether there is a local veterinarian in each area that would consider doing the necropsies. All were in agreement.

e. **Executive Director's Report**

Executive Director McGrail reported on the changes to the mission and goals document. He addressed the concern that Commissioner Palmer had about the end of meet reports. He reported that Prineville had a great meet and that their handle was up from last year with fewer races. He thanked staff for the work they do at the meets and commended Doug Smith and the Prineville staff for the great job they did conducting their meet.

Executive Director McGrail stated that Tillamook put together a great meet. Don Averill and all the volunteers worked really hard to make it a success. They rented a jumbo tron television screen to view the race. The handle was up three of the four days of racing but, overall, was slightly down. This may have been due to some scratches that reduced field size on the Friday card. One scratch came from the gate not opening properly. The horse broke through it which caused the Stewards to call a non-starter scratch. This was the appropriate call. This is one of the reasons proper functioning and gate safety are being reviewed. There will be more to come on that subject.

Executive Director McGrail reported that Portland Meadows (PM) had a very successful opening day. They sold out of food and beverage. Attendance was at an all time high. The racing handle was nearly double what it was in 2012. He stated that it appears PM is moving in the right direction.

Executive Director McGrail reported that RCI held their Saratoga conference. He stated that most of what came out of that meeting was geared for some of the larger tracks. One of things that was discussed was a penalty system for medication violations that Oregon may want to consider adopting. There is a model for this already established and is based on a point system.

Executive Director McGrail stated that Jill Miller, ADW and Mutuels Manager, will be conducting two (2) audits; one with Twin Spires and one with Game Play by the end of this year.

Executive Director McGrail stated that there is a small window of time to get things done in the upcoming legislative session. There was discussion in the FROG meeting around the need for quick action to write rules for instant racing so they can be considered during this mini session.

Executive Director McGrail presented some of his goals and objectives for the year. He stated that he wanted to work on improving safety at the race meets. He also stated that after the Harney County Fair race meet has concluded, all the meets will be evaluated and a plan will be designed. He stated that he would like to see the gate crew wearing helmets as they do at PM, as well as better operating gates.

Action: Motion to approve the ORC Executive Director's goals and objectives for the year.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Baez

Vote: Chair Dudley took roll and the results were unanimous with 5 Ayes, 0 Nays

f. Future of Racing in Oregon Group (FROG) update

Commissioner Palmer stated that FROG met prior to the ORC meeting. She reported that the group discussed the opt-in program and that Wendie Hayes-Pound is in charge of facilitating that program. She stated that there was a lengthy discussion on how the legislature works and why it's important that we continue with generating PAC funds. Commissioner Palmer stated that the group talked about the starting gate issues at the summers fairs and they have a FROG member working on collecting some information on the costs of new and used gates and the cost of transporting it from fair to fair.

g. Portland Meadows Report

Jerry Kohls, Assistant General Manager and Director of Racing at Portland Meadows (PM), presented the PM report. He provided a written report to each of the Commissioners. He stated that last year PM started on July 9, 2012 and by August 12, 2012 they had run eleven days. This year PM started a week later so that they wouldn't be starting the day after Prineville and they chose not to run the Sunday after Tillamook concluded.

Mr. Kohls stated that PM has only run one day per week since opening day on July 21, 2013 and had run a total of three days through August 11, 2013. PM has had in those three days 24 races with 8.08 average runners per race. This is quite an increase from last year. He reported that the average purses per day are \$40,400.00 which is an increase of 16%. That number will increase by running two days per week with 10 races per day for a total of 20 races per week.

Mr. Kohls stated that total wagering on PM races only has averaged \$72,730.00 per race day. The OTBs are averaging \$4012.00 compared to \$3026.00 last year which is an increase of 24%. PM export sales have averaged \$265,000.00 per day compared to \$172,000.00 last year. This is up \$53,000.00 from last year. The grand total on PM races for this year on the first three days averaged \$342,000.00 per day compared to last year's total of \$211,000.00. This is an increase of 61%.

Mr. Kohl's reported that in regard to in-state Oregon wagering on all product since the start of the year, PM is down a little over 4% on track and 9% for the OTBs which is an average total of -6.8%.

Mr. Kohls stated that three OTBs that have closed one in Grants Pass, one by the Airport and Coaches in Beaverton.

Mr. Kohls stated that PM was very happy to report that Wednesday, August 14, 2013 PM's on track handle was up 12%, the OTBs were up over 100% and the export sales were up over 84% compared to last year's Wednesday, August 15, 2012 race day.

Mr. Kohls stated that PM is very thankful for the hub funds they have received and the support of the entire racing industry. He stated that without this support the marketing and advertising expenses would have been severely cut. He stated that PM has about a dozen billboards and wall scapes around Portland. They are placed in highly visible areas. There are about two dozen ads on outdoor transit, Tri-Met buses and C-Tran, and there are ads in magazines and newspapers.

Mr. Kohls reported that PM is producing a television show. It airs on Saturdays from 6:00-6:30pm and re-airs a couple of times throughout the weekend. There will be twelve episodes; four have been televised to date. PM also has radio commercials on 750 The Game and KXL news radio. He reported that PM has more than 13,000 fans on Facebook and that number is growing.

Mr. Kohls stated that opening day was unbelievably great. There were lots of activities and the parking lot was overflowing. He stated that PM believes that opening up the infield for events like the pop-up pool event is going to be a way to promote growth. The BBQ cook-off will be held in the infield and PM has put up \$5000.00 as first prize to the winner of the cook-off. PM is partnering with the Trail Blazers again, That has been very effective.

Executive Director Randy Evers of the Oregon Horsemen's Benevolent and Protective Association (OHBPA) Stated that PM is doing a great job with marketing and advertising. He stated that the OHBPA has put up \$400,000.00 to guarantee the purse account. He stated that this money hadn't been invested very well in past years so the OHBPA agreed to take a risk this year and guarantee the account.

Director Evers stated that the hope is that a larger purse size will draw more horses and that will produce larger field sizes and, in turn, produce a larger handle. Having a larger handle will pay purses but, if the handle doesn't increase, the purses will be guaranteed with the OHBPA money. PM is receiving horses from Boise, ID and they are starting to come in from Emerald Downs as well. He stated that it's always been known that if purses go up, the quantity and quality of the horses that race will go up and then the handle will go up.

New Business:

I. Approval of Harney County race meet application Form B and C

Action: Motion to approve Form B and C for the Harney County race meet.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Huber

Vote: Chair Dudley took roll and the results were unanimous with 5 Ayes, 0 Nays

Information, Materials and Approvals:

None

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

Chair Dudley stated that Commissioner Williamson has requested that the ORC send the Commissioner meeting packets electronically versus the mail. All agreed to convert to electronic meeting packets with a hard copy being provided at the meeting.

Commissioner Williamson requested that the Commissioners discuss a change in policy for licensees that are being disciplined. He stated that he would like to allow licensees or their Attorney to speak on their behalf to the Commission prior to the Commissioners voting on the disciplinary action that is being proposed. Commissioner Huber stated that he would like to see this tabled until the records can be reviewed as to why the ORC stopped allowing this to occur. He stated that he was okay with the decision to allow this if all are in favor.

Action: Motion to change the policy to allow licensee's up to ten minutes to speak to the Commissioners on their own behalf, or have an attorney to speak for them, prior to the Commissioners voting on disciplinary action taken against them.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Palmer

Vote: Chair Dudley took roll and the results were 4 Ayes, *0 Nays

*Commissioner Huber abstained from voting

Public Comment:

Roger Nyquist inquired about the provision for a temporary rule that he and BJ Cosson presented to the ADW sub-committee. He asked how the development of the rule was going. Executive Director McGrail stated that he is working with staff on the details of the rule and invited Mr. Nyquist to join them on some of the informal discussion. He stated that he plans to have it on the agenda for the next meeting of the Commission.

Confirmation of the Next Commission Meeting:

The next ORC meeting will be Thursday, September 19, 2013, at 1:30pm in Room 1B of the Portland State Office Building located at 800 NE Oregon Street, Portland, OR 97232

Adjournment:

Action: There being no further business, the meeting was adjourned at 2:58pm

Moved by: Vice-Chair Williamson

Seconded: Commissioner Huber

Vote: Chair Dudley took roll and the results were unanimous with 5 Ayes, 0 Nays