



MINUTES

Oregon Racing Commission January 17, 2013

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, January 17, 2013 in Room 1B 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 Stan Robson, Commissioner Jan Palmer, DVM and Commissioner Michael Huber, DVM

Staff

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

AGENDA ITEMS

Approvals:

January 17, 2013 Meeting Agenda

Action: Motion to approve the agenda as submitted with the addition of Oregon Horseman's Benevolent & Protective Association (OHBPA) under new business.

Moved by: Commission Vice-Chair Williamson

Seconded: Commissioner Huber

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

November 17, 2012 Meeting Minutes

Action: Motion to approve the November 17, 2012 Commission meeting minutes as submitted.

Moved by: Commission Vice-Chair Williamson

Seconded: Commissioner Robson

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

Commissioner Williamson stated that the sub-committee met today. He further stated that Jill Miller spoke about her new position as ADW manager and that she toured TVG. He reported that she is doing well and improving with the assistance of Executive Director Evers.

Vice-Chair Williamson stated that there is a new ADW that is preparing to open. Their name is "GamePlay." They are finalizing the details of their licensing application in order to be ready to submit it for review in the next couple of weeks. Once it has been reviewed Ms. Miller will present it at the next ORC meeting for approval.

Vice-Chair Williamson stated that SporTech has purchased eBet, and the Commission is looking forward to continuing business with them.

Vice-Chair Williamson stated that the ORC currently has nine licensed ADW and that the combined handle is approximately two-billion dollars annually.

b. Best Practices

Commission Chair Dudley stated that he had provided all the Commissioners with the Best Practices document to review and complete. He stated that the document is a self-evaluation as to how the Commissioners are doing with regard to their performance progress within the ORC. He requested that these reports be completed and returned to him by February 6, 2013. He stated that he will tabulate the calculations and the results will be discussed at the next meeting.

c. Budget and Hub Funds

Commissioner Robson reported that the sub-committee met and Director Evers provided them with budget information and balances cash to date. He stated that the cash account will be in arrears by the end of 2013. This is due, in part to the \$200,000.00 for non-collected winning tickets called "outs" that we usually receive being reduced. Commissioner Robson stated that the racing development fund is ahead. He stated that the sub-committee has directed Executive Director Evers to rebalance the loss in the cash account by offsetting it with racing development funds.

Commissioner Robson stated the budget sub-committee is requesting the Commission to entertain a motion to continue the \$200.00 supplement to purses for the coming racing season. He reported that the sub-committee is also reviewing the possibility of helping out more with the costs of jockey insurance. He stated that before the ORC entertains a motion for the Commission to pay more toward insurance they would like the fairs to work collaboratively to see if they can generate some of the additional funds that are needed to purchase this insurance.

Commissioner Robson stated that there will be a letter sent to the associations informing them that the hub funds that they will receive this biennium will be equal to what was paid out last biennium.

Action: Motion to approve an additional \$200.00 per race, to be given to each of the five summer fair race meets, to be used for purses for the 2013 race meets.

Moved by: Commission Robson

Seconded: Commissioner Palmer

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

d. Medication and Horse Welfare

Commissioner Huber stated that the sub-committee met and that it had been three months since they met last. He stated that four items were discussed. He reported that Executive Director Evers attended the Racing Commissioners International (RCI) conference in December. The sub-committee discussed some of the information shared at the conference with regard to safety reins and the definition of "practitioner." He stated that no action was taken at this time by the sub-committee on these items. ORC Veterinarian, Stacy Katler, discussed the withdrawal time proposals coming from RCI regarding corticosteroid drugs.

Commissioner Huber stated that the sub-committee discussed the Portland Meadows end of meet report. He stated that the catastrophic injury statistics were at a monumental low of .83 per 1000 starts.

e. Executive Director's Report

Executive Director Randy Evers stated that he attended the annual summer fairs meeting. He stated that in previous years there might have been as few as seven people in the room and this year there were as many as thirty. Each of the race meets had at least two people in attendance. There were representatives from the Oregon Horsemen's Benevolent and Protective Association (OHBPA), the Oregon Thoroughbred Owners and Breeders Association (OTOBA), the Oregon Quarter Horse Racing Association (OQHRA) and Commissioners Dudley and Palmer. There was healthy discussion about the last race meet and what was learned, as well as, the upcoming race meet. He stated that there seems to be a good amount of support and a healthy spirit of trying to work together. It was a productive meeting.

Director Evers requested that each of the ORC track staff complete an end of meet report. He stated that he would forward the reports to the Commissioners when they are finished.

Director Evers shared that there are two bills being presented to the legislature by PM. The first is House Bill 2613, introduced by Representative Brian Clem. This Bill would authorize instant racing in the state. It had a first reading in the house on January 14th and has been referred to the speaker so it can be assigned to a committee.

Director Evers stated that the second bill is House Bill 2614 which would change the amount of hub funds retained in the racing development fund. The current law says two-thirds stays in the racing development fund and the new law would retain 85%. This bill had its first reading at the House and has been referred to the speaker.

f. Portland Meadows' Report

Jerry Kohls represented Portland Meadows (PM) in Will Alempijevic's absence to present the PM report. He provided a copy of the end-of-meet report to the Commissioners. He stated that the report reflects the race meet statistics beginning from July 9, 2012 and ran through December 9, 2012. PM ran 58 days with two partial cancellations. The cancellations were due to problems with the power. PM ran a total of 537 races this meet versus 525 races last meet. This meet there were a total of 3608 starters for an average 6.72 starters per race versus 7.7 starters per race last meet.

Mr. Kohls reported that total purses were \$2.3 million for a daily average of \$40,922.00, this was down 2.6% from last meet. The on-track handle daily average was \$28,697.00 which is an 18% increase from the last meet. The off-track betting sites' (OTBs) daily average was \$4,495.00 which is a drop of 42.5% from the previous meet. The in-state daily handle average this meet was \$33,193.00 which is up 3.3% from the previous meet.

Mr. Kohls stated that the average daily handle on export sales this meet was better than PM predicted at \$275,000.00 which is down 58%.

Mr. Kohls stated that thanks to the ORC, the hub funds and the OHBPA, PM had three claiming series this meet. He stated that these are popular races.

Mr. Kohls reported that on Labor Day PM ran six stakes races including the Portland Mile. Oregon Championship Day was held on November 18, 2013.

Mr. Kohls stated that catastrophic injuries for the entire meet are at 0.83 per 1000 starters. Mr. Kohls added that there were no injuries until November 21st; unfortunately there were two on that day and one other on December 8th.

Mr. Kohls stated that PM was happy with the results of their marketing campaign for this meet. The Wednesday night television show on Comcast was very popular and PM is pleased with the ratings they received. Jason Beam did his radio show and PM ran big ads during the show. PM also had wall scapes hung in strategic areas around Portland. PM used bus signage for the campaign as well. There were 400 pairs of Blazer tickets dispersed in another give-away campaign. PM offered a Breeders Cup trip drawing along with various other promotions.

PM has closed two OTBs during this race meet for lack of business.

Commissioner Huber asked Mr. Kohls what the cost was to do all of the promotions that were done this race meet. Mr. Kohls stated that he did not have the exact number but that it was approximately \$700,000.00.

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

Commission Vice-Chair Williamson stated that because Commissioner Palmer was sick on the day of the FROG meeting that he would give the report. He stated that Wendy Hayes-Pounds chaired the meeting in Commissioner Palmer's absence. He stated that

the group was briefed on how the meeting with the legislature unfolded. He stated that in the presentation before the legislature the degree of concern for the future of the industry wasn't relayed to be as dire as it is; could affect how this is related to the needed passage of the two bills that have been submitted.

The group discussed the nearly 33% increase to jockey insurance. There was considerable discussion regarding what it would take to open the backside of PM so trainers can start training. Hopefully, the horsemen and PM will continue to work on a solution that will permit training to begin in a timely fashion.

Commission Vice-Chair Williamson stated that it was decided in the meeting that he, Chair Dudley and Executive Director Evers would schedule an appointment to speak with the Governor's office to ask if it would be possible for the ORC to take a position on the two bills being presented. The Governor's counsel Liani Reeves, informed them in their meeting that the ORC could send a letter of proposal to the Governor's Office asking permission for the ORC to take a favorable position on HB 2613 and 2614.

Discussion:

Commissioner Robson stated that while it's important that we encourage and support the industry regarding the issues it faces, he has an uncomfortable feeling that the ORC could be working against itself with some of the legislators in taking a position. He cautioned the ORC to be careful. He stated that the ORC needs to be in a position to answer questions, but could be jeopardizing ourselves by taking a position on the bills.

Commission Vice-Chair Williamson stated that he didn't feel there was any harm in being supportive of the passing of these bills. He stated that he felt it would be helpful to the legislature to know the ORC is in support of these bills. He stated that these are not ORC bills and certainly we are not leading the charge in any way. With the racing industry's back against the wall, the passing of these bills may help it to survive.

Chair Dudley stated that the ORC will abide by the direction given by the Governor's office. Currently the ORC has permission from the Governor's office to submit this letter to request permission to take a stand on these House Bills. The letter needs to provide an objective picture of what the racing industry is facing. Once there is a response from the Governor's Office we will move forward in accordance to his direction. Chair Dudley stated that he supports the motion and that it is a reasonable action to take.

Action: Motion to authorize the ORC Executive Director Randy Evers to send a proposal letter requesting permission for the ORC to take a favorable position on House Bills 2613 and 2614 at the request of FROG group with the understanding that we don't move forward unless we have support from the lobbyists.

Moved by: Commission Vice-Chair Williamson

Seconded: Commissioner Huber

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

New Business:

Summer Race Meet Date Approvals:

Eastern Oregon Livestock Show (EOLS)

Director Evers stated that the application to request race dates for the EOLS in Union, OR needs one small correction on page two. Director Evers stated that EOLS needs to check the box agreeing to provide an end-of-meet report. Director Evers stated that he recommends EOLS race dates for approval.

Crooked River Round-Up (CRRU)

Director Evers stated that Form A for CRRU is complete and that he recommended Crooked River Round-Up for approval.

Tillamook County Fair (TCF)

Director Evers stated that Tillamook's application Form A is complete and stated that he recommends the Tillamook application for approval.

Harney County Fair (HCF)

Director Evers stated that Form A for Harney County's race meet is in good order and that he recommends the requested race dates for approval.

Commissioner Huber requested that Harney County make a correction to their application stating they will have security at all times.

Action: Motion to approve the race dates for EOLS, CRRU, TCF and HCF Form A of the summer race meet application with the condition that all race meets will provide security during the entire race meet.

Moved by: Commission Vice-Chair Williamson

Seconded: Commissioner Huber

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

Southern Oregon Horse Racing Association (SOHRA)

Director Evers stated that the application to request race dates for the SOHRA in Grants Pass, OR is complete. The application is for nine days of racing and begins on June 15, 2013 and ends on July 7, 2013. All the post times have been moved back to 1:00pm. Director Evers stated that he recommends SOHRA race dates for approval.

President Rod Lowe of SOHRA presented the request to the ORC for assistance with the jockey insurance and/or some flexibility in the budget. He discussed their budget and gave some back-ground from the Josephine County budget as well. He asked if revising the number of races to eight versus the ten applied for would be possible. He also asked for permission to use the purse money from those two races per day for operating expenses or rollover to next year's meet. SOHRA would only use that money this year to make ends meet if they needed to.

Action: Motion to approve the SOHRA race dates application Form A for the dates of June 15, 16, 22, 23, 29, 30 and July 4, 6, and 7, 2013. The motion further allows SOHRA to run eight races per day and to use the purse money from the two races per day not run to cover operating expenses or roll into the purse money for next summer.

Moved by: Commissioner Huber

Seconded: Commission Vice-Chair Williamson

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

Oregon Quarter Horse Racing Association (OQRHA)

Leah Nelson Executive Secretary for the OQRHA provided a written report to the Commissioners that summarized how the OQRHA used the hub funds that were allocated to them for the 2012 meets. She discussed the report and thanked the Commission for making their decision on the Grants Pass race meet approval.

Review of the ORC Sub-Committee Assignments

Chair Dudley stated that he had sent out a request to each of the Commissioners to report back to him whether changes may be needed or desired on the membership for sub-committees. He stated that all requested to stay on the sub-committees they currently represent.

Oregon Horsemen's Benevolent and Protective Association (OHBPA)

Ron Sutton, Vice President of the OHBPA stated that he is very happy to see that the Grants Pass race meet is approved.

Mr. Sutton provided an OHBPA report to the Commissioners that summarized the transition from a winter race meet to a summer race meet and the structure of what they paid out on behalf of the horsemen.

Information, Materials and Approvals:

None

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

Chair Dudley presented Commissioner Robson with a plaque for his years of service as Chair and Vice-Chair and congratulated him for the important work he has done. He stated that he is happy that he will continue with the ORC as a Commissioner.

Public Comment:

Ron Sutton stated that he was in support of SOHRA running the Grants Pass race meet. He has a concern about purse money being used to offset operating expenses.

Lynnelle Fox-Smith provided a report to the Commissioners and discussed its contents. She stated that the OTOBA has paid out the full 10% of the breeder awards and the partial owner's bonus of just over 17%. This totaled \$115,012.00 that has been disbursed. There will be another report in July when the second portion is paid out.

Ms. Fox-Smith stated that the summer fair high point challenge will be offered again this year. There are few changes to the structure. There will be prizes for both fillies and colts. The top five fillies and the top five colts will receive prizes. The OTOBA has voted to add \$500.00 to all Oregon bred restricted races for the summer fairs. The board will also approve up to \$1000.00 for a stakes or handicap race for all the fairs with no restrictions.

Confirmation of the Next Commission Meeting:

The next ORC meeting will be Thursday, February 21, 2013, Room 1A of the Portland State Office Building at 1:30p.m.

Adjournment:

Chair Dudley announced that the Commissioners were going into executive session under ORS 192.660(2)(i) at 2:45p.m.

Chair Dudley adjourned Executive Session at 3:30pm.

There being no further business, Chair Dudley adjourned the regular portion of the public meeting at 3:31pm.