



MINUTES

Oregon Racing Commission July 11, 2013

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, July 11, 2013 in the Meeting Room, of the Stafford Inn, located at 1773 NE 3rd Street, Prineville, Oregon.

Call to Order

Commission Chair, Chris Dudley, called the meeting to order at 12:03pm.

In Attendance

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

Staff

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

Excused

Commissioner Michael Huber, DVM

AGENDA ITEMS

Approvals:

July 11, 2013 Meeting Agenda

Action: Motion to approve the agenda as submitted.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Palmer

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

June 20, 2013 Meeting Minutes

Action: Motion to approve the June 20, 2013 Commission meeting minutes as submitted.

Moved by: Commission Vice-Chair Charles Williamson

Seconded: Commissioner Palmer

Vote: Chair Dudley took roll and the results were unanimous with 4 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 did not meet.
- b. Best Practices
Commission Chair Dudley stated that there will be discussion later in the meeting.
- c. Budget and Hub Funds
Commissioner Palmer stated that the sub-committee did not meet this month.
- d. Medication and Horse Welfare
Chair Dudley stated that sub-committee did not meet and is scheduled to meet next month.
- e. Executive Director's Report
ORC Executive Director, Jack McGrail stated that the Grants Pass meet concluded. He stated that the increase to the handle and per race was significant. Prior to the meet there was concern about field size but as it turned out field size was up a little more than half a horse on average from 5.09 to 5.68 per race. There were fewer races but across the board numbers were up. Director, McGrail stated Rod Lowe and the entire Southern Oregon Horse Racing Association (SOHRA) brought new, good energy to the meet and did a fantastic job.

Director McGrail stated that the Crooked River Round-Up (CRRU) had its opening day Wednesday, July 10th. He reported that it was a great event, was well attended, and the handle was up even though they had one fewer race. The handle per race was up significantly from \$4700.00 last meet to \$5600.00 this meet. He commended race meet Director, Doug Smith for the CRRU race meet and his crew for doing such a fantastic job in putting together their meet. Director McGrail wished them luck in their continued success for this year's meet. Director McGrail reported that a jockey was injured and that it appears he may not ride for the rest of the meet. No horses were injured.

Director McGrail reported that Racing2Day, one of the Advance Deposit Wagering (ADW) Companies licensed by the ORC will cease operations in September. The budget sub-committee will meet to determine how this will affect the budget.

Director McGrail welcomed Josh Dieringer to the mutuels auditor position. He stated that Mr. Dieringer has been a part-time seasonal racing worker in the ORC's test barn. He will help there until there are new racing workers hired. The recruitment for the test barn positions will be posted this week.

Director McGrail reported that Presiding Steward, Martin Hamilton and Deputy Steward, Mike Twiggs of the ORC are conducting a Northwest Continuing Education Seminar for Stewards. The date for the seminar is September 23rd and 24th

2013. This is being held in collaboration with the Washington Racing Commission and will be hosted at Portland Meadows.

Director McGrail further reported that the Portland Meadows (PM) 2013 race meet is scheduled to begin Sunday, July 21, 2013. He stated that PM is doing an impressive job with their marketing campaign. Opening day has many events scheduled. They are having a hat contest, a craft beer festival, promotions, food deals etc.

Director McGrail concluded by stating that the Racing Commissioners International (RCI) meets at the end of this month in Saratoga. He stated that he will not be attending this meeting but that he will receive the information that comes out of the meeting and will report on that next month.

Commissioner Williamson asked if Racing2Day was ceasing business operations or if they are being licensed in another state. Director McGrail stated that he would be contacting Racing2Day to clarify why they are not renewing their license.

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

Commissioner Palmer stated that she did not have a report as the FROG group is scheduled to meet next week.

g. **Oregon Horsemen's Benevolent & Protective Association (OHBPA)**

The OHBPA Executive Director, Randy Evers, stated that he and the members of the OHBPA were very happy with Rod Lowe and SOHRA team and wanted to thank them for running a great race meet. He stated that in the past few years the Grants Pass meet has been tough. The horsemen were happy with the environment this year, how things went and were excited to be back in Grants Pass.

OHBPA Director Evers stated that the Horsemen love coming to Prineville and are looking forward to this being another great race meet. He stated that Doug Smith, Racing Director and his crew do a fabulous job putting the race meet together. They work at getting the community involved and do an unbelievable job gaining support.

OHBPA Director Evers gave a little background on how the PM "backside improvement fund" has worked in the past and that the process is very thorough. He stated that the primary players in making requests for use of the funds are Portland Meadows, the OHBPA and the Oregon Quarter Horse Racing Association (OQHRA).

These three groups consider a lot of requests. Currently, there is approximately \$135,000.00 in that account. This fund was created for the purpose of improving things on the backside. The money is collected from a percentage of the handle. The interpretation of the statute implies that it should be used for capital improvement.

He stated that he didn't have examples of what it has been used for in the past but that it can be used for anything that improves the backside as long as all three groups agree to the project. He stated that for the last couple of years as the Executive Director of the ORC he approved them himself as long as the groups were in agreement which is why the Commission has not seen any of the requests brought forward.

With regard to this request, PM learned that this year and into the future it will cost about \$70,000.00 more to remove the straw and manure than it has in past years. PM stated that they would pay half of this increased cost if the other groups would agree to pay the other half. This would mean a cost of \$35,000.00 each. All groups are in agreement and the long term solution is being worked on. For this year, it will really help the horsemen to approve this request.

Commissioner Williamson stated that he appreciated the explanation. He asked if Executive Director McGrail wanted the Commissioners to consider this request for approval or denial due to the nature of this request. Director McGrail stated that he would.

Chair Dudley stated that he is concerned that the money is being used for operating costs more than a backside improvement cost. Ron Sutton gave some history on the use.

Jan Palmer asked why the Commission is required to approve requests for the use of this money if the money is held by PM and is a percentage of the handle and not Commission funds.

Executive Director Jack McGrail stated that the statute requires the Commission to sign off on the requests.

Action: Motion to approve the backside improvement request for \$35,000.00 to be used for the removal of straw and manure for the 2013 race meet.

Moved by: Commissioner Vice-Chair Charles Williamson

Seconded: Commissioner Baez

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

OHBPA Director Evers offered to include ORC Executive Director McGrail in negotiations of backside improvement requests in the future. Commissioner Williamson stated that he thought that would be a good plan.

Oregon Thoroughbred Owners & Breeders Associations (OTOBA)

Lynelle Fox-Smith, Executive Director of the OTOBA stated that the last time she had presented information it was to request early payment of a portion of the owner bonuses. She stated that OTOBA is now requesting approval to payout the final payment after the funds have been fully reconciled.

Ms. Fox-Smith gave some background information to help inform the ORC's new Commissioner and Executive Director as to where this money comes from. She stated that in Oregon statute 462.062 it states that Oregon Thoroughbred Owners & Breeders Association (OTOBA) receives .75% of all gross mutuel wagering on thoroughbred races at PM which includes simulcast. The OTOBA is required by statute to redistribute the money to Oregon owners and breeders of thoroughbreds in Oregon. The OTOBA was established in 1944 and its core mission is to strengthen the breeding of Oregon-bred

thoroughbreds. As a result, this money gets paid out to them in bonuses, awards and incentives.

Action: Motion to approve the second distribution of award and bonus money to the OTOBA owners and breeders.

Moved by: Commissioner Vice-Chair Charles Williamson

Seconded: Commissioner Baez

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

Ms. Fox-Smith gave a summer fairs update. She stated that at Union one Oregon-bred race was filled, at Grants Pass six Oregon Bred races were filled. As of this time, Prineville does not have an Oregon-bred race filled but hopes to do so.

Information, Materials and Approvals:

None

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Doug Smith, Director of Racing for Crooked River Round-Up (CRRU) introduced the president of the Association, Dean Mazucca. Mr. Smith thanked the ORC for holding the July Commission meeting in Prineville this year and stated that it is an honor. He stated that horse racing in Prineville has been around a long time and they will soon be celebrating their 50 year anniversary. Mr. Smith described how the CRRU race meet is put together.

Commissioner Williamson asked if there is any way to share the model CRRU uses. Mr. Smith stated that they have but mostly it is the difference in the communities. He reported that they could try harder to collaborate ideas and share strategies, but the biggest problem with working together at all, is the distance.

New Business:

Best Practices Discussion:

Chair Dudley stated that each of the Commissioners were sent the Best Practices information documents. He stated that this included the Mission and Goals document, the criteria work sheet, the score card for this year and the previous year's score card as reference from last year. He stated this information is reviewed annually as a self checking system to make sure the ORC is meeting their long and short term goals.

Commissioner Dudley stated that he would like to have discussion at this meeting. Then revisit the documents at a later meeting when there has been time to evaluate today's comments against the progress the ORC is making. He stated that they should make changes to the language in the criteria if needed, so that it better describes the goals that the ORC is trying to achieve.

Chair Dudley read through the four key performance measures and stated that he felt they are being met. Vice-Chair Williamson stated that he agreed, but would like to see a change to the Mission and Goals document in Goal #1 regarding category #3 to add the language "adoption of new rules" to support the business of racing.

Commissioner Palmer stated that she would like to see end of race meet reports. She stated that this should be enforced for all the meets and they should be received within 60 days after the end of each meet. All agreed and would like language added to the Mission and Goals document in Goal #2, category #4.

Vice-Chair Williamson stated that he would like the ORC to fund some kind of a conference or educational meeting for the fair representatives to attend. He also stated that he would like to change the language that states "will ensure" to something like "will strive to ensure" in the Mission and Goals document Goal #2.

Vice-Chair Williamson stated that the ADW sub-committee will review Long-Term Goal #3 regarding ADWs at their next meeting. He stated that he would like to change the language from "will license" one new ADW per year to something more realistic.

Chair Dudley stated that the ADW audits that need to be done for this year should be scheduled.

Chair Dudley moved the meeting forward to the review of the "Criteria Defined" document. Vice-Chair Williamson stated that he would like the word "agendas" removed from the description section for criteria #1.

There was continued discussion regarding each item in the *Criteria* document. The Commissioners agreed to have "why" section be placed next to the "yes" and "no" boxes so that if a "no" box is checked an explanation can be provided in the "why" section.

Vice-Chair Williamson requested that Executive Director McGrail meet with ORC counsel Kelly Gabliks to begin drafting rules for instant racing.

The Commissioners all agreed that the description in #13 of the *Criteria* document should end with "agencies" and that "such as the Oregon Lottery" should be removed.

The Commissioners agreed that they should have some presence at each of the fairs and that they take turns going. They agreed that if they attend in an official capacity that reimbursement is acceptable. After further discussion the Commissioners agreed to think about and then revisit whether Commissioner attendance at the fairs is reasonable and will discuss at a future meeting.

Chair Dudley requested that Commissioner Baez join the Animal Safety and Medication sub-committee. Chair Dudley stated that he would then move to the Budget sub-committee.

Confirmation of the Next Commission Meeting:

The next ORC meeting will be Thursday, August 15, 2013, at 1:30pm, in Room 1A 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 2:40pm

Moved by: Vice-Chair Williamson

Seconded: Commissioner Palmer

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