



MINUTES

Oregon Racing Commission September 19, 2013

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, September 19, 2013 in Room 1B of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon

Call to Order

Commission Vice-Chair, Charles Williamson, called the meeting to order at 1:30pm

In Attendance

Commissioners: Vice-Chair Charles Williamson, Commissioner Jan Palmer, Commissioner Angel Baez
(Commissioner Michael Huber, DVM attended by phone)

Staff

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

Excused

Chair Chris Dudley

AGENDA ITEMS

Approvals:

September 19, 2013 Meeting Agenda

Action: Motion to approve the agenda as submitted with the addition of the OTOBA budget presentation.

Moved by: Commissioner Palmer

Seconded: Commissioner Baez

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

August 15, 2013 Meeting Minutes

Action: Motion to approve the August 15, 2013 Commission meeting minutes as submitted.

Moved by: Commissioner Palmer

Seconded: Commissioner Baez

Vote: Vice-Chair Williamson took roll and the results were 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 had not met.
- b. Best Practices
No report
- c. Budget and Hub Funds
Commissioner Palmer stated that the sub-committee did not meet this month.
- d. Medication and Horse Welfare
No report
- e. Executive Director's Report
Executive Director Jack McGrail stated that the summer race meets have all concluded. He thanked the staff for all their efforts and hard work. He stated that the handle was up overall for all the meets. He stated that Harney County had 20 races total. He thanked Al Peterson, Gay Welliver, Dan Ward and Dave Graham for donating their own money to purchase betting vouchers. The vouchers were given out to the fans to help encourage interest in the sport.

Director McGrail stated that the ORC Stewards Martin Hamilton and Mike Twiggs will be conducting the Oregon/Washington Racing Commissions continuing education seminar for stewards, judges and racing officials. The seminar begins Monday, September 23, 2013. He stated that it is a two day seminar with a full agenda.

Director McGrail reported that Maryland Racing Commission adopted on Tuesday, September 17, 2013 the uniform medication standard and drug testing rules. There are a number of states that have adopted these rules. The rules include twenty-four of the commonly used therapeutic drugs that are going to have threshold testing levels with Lasix being the only standard race day medication.

Director McGrail stated that PM had a great racing day on Labor Day with the handle being up 200% overall. He stated that this looks like tangible evidence that all the efforts being made to succeed are working. He stated that he is looking forward to hearing the PM report.

Director McGrail stated that he did not have much to share on the progress of the Instant Racing legislation. The rules have been submitted to the justice department for review. He stated that he hopes to have more progress by next meeting.

Director McGrail stated that the jockey incentive program seems to be working well. He stated that the standings will be posted in the jockey's room and other public places in effort to increase awareness of the program.

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

Commissioner Palmer stated that FROG met last week. She stated that the main project that the group is working on right now is how to replace the starting gate for the summer meets. She stated that Randy Boden has been helping to come up with ideas for that.

Commissioner Williamson stated that he was appreciative that the group was working on the starting gate replacement project.

g. Portland Meadows (PM) Report

Will Alempijevic General Manager of PM was present to share the monthly report with the Commissioners. He stated that Labor Day was a smashing success. He stated that there were people being introduced to horse racing for the first time on that day and that the handle on track was \$127,105.00 on PM races. He stated that this may not seem significant but last year the average race day handle was \$32,000.00. This is a remarkable achievement as there has not been a race day handle of even \$100,000.00 in decades. Mr. Alempijevic thanked the horsemen for their participation and staff for their work. He stated that the summer race meet is very important to the future of PMs' success. He stated that the export sales were \$415,000.00 with the total handle for the day being \$548,000.00.

Mr. Alempijevic stated that PM cut race days due to the availability of horse supply and market demands and it seems to be working well.

Mr. Alempijevic stated that last year at this time PM had run 25 race days compared to 12 race days this year. The average runners per race have gone up from 6.27 last year to 7.53 this year. The average purses paid per day this year is \$55,408.00 versus \$36,120.00 last year. This is a 53% increase. PMs' average purses per race have gone up about \$1500.00. PM ran 8.5 races per race day last year versus 9.5 per race day this year.

On track PM is averaging \$50,283.00 per day this year versus \$32,765.00 last year which is an increase of 53.47%. The off-track betting sites (OTBs) are experiencing more daily wagering as a result of PM putting out a better product. The OTBs are averaging \$5407.00 this year versus \$3394.00 last year which is an increase of 59.3%.

Mr. Alempijevic stated that PMs' export sales have also gone up. By this time in the meet last year the average daily export sales were \$192,853.00 versus \$355,865.00 this year which is an increase of 84.53%.

Mr. Alempijevic stated that PM processed \$21,900,000.00 in-state wagers in Oregon from January 1, 2013 thru September 15, 2013 versus \$23,900,000.00 last year which is a drop of 8.39%.

Mr. Alempijevic stated that the pop-up pool party they conducted in the infield was a big success again this year. He stated that PM plans to have more of those types of events during the summer part of the meet when the infield can be used. Oregon Championship Day is the next big event on November 17, 2013.

h. **Oregon Horsemen's Benevolence & Protective Association (OHBPA)**

OHBPA Executive Director Randy Evers thanked PM, the Oregon Thoroughbred Owners & Breeders Association (OTOBA), the Oregon Quarter Horse Horse Racing Association (OQHRA) and the OHBPA for all the efforts to have a great race meet. He stated that the Future of Racing in Oregon Group (FROG) is doing a great job as well and thanked Commissioner Palmer for her leadership in the group.

Director Evers reminded the Commissioners that the OHBPA has guaranteed the purses this year at \$5000.00. He stated that this has put \$400,000.00 of the OHBPA reserve funds at risk if the handle is not sufficient to fund the purse account. He stated that he thinks this has a significant impact on the average runners which in turn helps the handle.

Director Evers stated that the other item that the OHBPA sponsored this meet is the Owner Incentive Program. This program is for owners that started a horse at PM in August and September. They will receive a starter bonus. The rules of the program are if an owner started a horse in August they received \$100.00 and if the horse came back in September the owner received an additional \$200.00. He reported that to date of this meeting the OHBPA has paid out \$81,000.00 to participants in starter bonuses. The last day of the program is Sunday, September 22, 2013. We anticipate another \$12,000.00-\$13,000.00 to be paid out by the end of the program.

New Business:

1. **Oregon Thoroughbred Owners & Breeders Association (OTOBA)**

Executive Director Lynnelle Smith presented the Budget report for the OTOBA. She thanked the Commissioners for approving the allocation of hub funds that the OTOBA receives. She reported that the OTOBA uses those funds to cover purses for Oregon Championship Day, Breeders Awards and the summer fair programs. She stated that if the OTOBA did not receive these funds they would not be able to provide these programs.

Director Smith stated that the summer fair race meet were a success. She stated there were 48 Oregon bred horses that ran the in the summer meet and they earned approximately \$78,000.00. The OTOBA will be paying out \$4,400.00 in breeders awards and that total represents 10% of all first place finishes.

Director Smith stated that the OTOBA changed the structure to the High Point Challenge. In the past, the top five horses were awarded cash prizes. This year the top five mares and fillies and the top five colts and geldings will receive cash prizes. This year the OTOBA will pay out \$5,250.00 to the top ten horses for competing in the High Point Challenge.

2. **Crooked River Round-Up (CRRU)**

Dean Noyes, President of the CRRU Rodeo and Fair Association was present to report on the changes to the board of directors for the association. He stated that Doug Smith had resigned after 35 years of service. He stated that he left the association in strong condition after a great meet.

Mr. Noyes stated that association is committed to looking at the future with fresh eyes and ears and also plans to be more active with FROG. He stated that he wanted to assure the Commission that while Mr. Smith will be missed, the association is strong with

plenty of shoulders to share the weight of the work. He stated that they are looking forward to another great race meet for 2014.

3. Approval of Temporary Rule

Executive Director Jack McGrail presented a new temporary rule. He stated that he designed the rule for temporary ADW employee licensing. The duration for this license will be for a one year period and it will cost twenty dollars. He stated that the same background check and provisions will be done for these licenses as is done on all licenses. The reason for this rule is that ADW companies hire temporary employees for special events. After that one event the temporary employee may go on to obtain permanent employment elsewhere and would have no need for a \$60.00 three-year license. This rule allows a more cost effective way for an ADW to hire a temporary employee.

BJ Cosson and Rodger Nyquist of TVG were present to comment on the new rule. Mr. Cosson stated that Director McGrail did a good job explaining and drafting the rule. He stated that it will greatly help them out with the one and two day events that they hire temporary employees for.

Mr. Nyquist stated that this again is another move that is consistent with the ORC being a friendly regulatory environment for ADWs and this is why they are all licensed in Oregon. He stated that he supports the passage of this temporary rule.

Action: Motion to approve the temporary rule as drafted allowing the special event temporary licensing.

Moved by: Commissioner Palmer

Seconded: Commissioner Baez

Vote: Vice-Chair Williamson took roll and the results were 4 Ayes, 0 Nays

Action: Motion to suspend the 30 day requirement set out in OAR 462-200-0270 and provide written approval for immediate implementation of the special event licensing rule.

Moved by: Commissioner Palmer

Seconded: Commissioner Baez

Vote: Vice-Chair Williamson took roll and the results were 4 Ayes, 0 Nays

Vice-Chair Williamson introduced Nelson Clemens of Amwest. Vice-Chair Williamson asked Mr. Clemens if he was present to support this new rule being approved. Mr. Clemens stated that while he supports the rule he was in town to meet with ORC staff and Director McGrail. He stated that he and Director McGrail had good discussion over industry issues and that he had accomplished his goal of spending some time with staff.

Information, Materials and Approvals:

None

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Rod Lowe was present to represent the Southern Oregon Horse Racing Association (SOHRA). He stated that he wanted to report on how their meet went this year. He stated that in 2012 there were 86 races and in 2013 there were 72 races. He stated that the number of horses per race in 2012 was 5.09. He stated that in 2013 there were 5.68 per race. Mr. Lowe stated that the handle with fewer races, was more than the previous year. In 2012 the handle was \$293,697.00 and in 2013 it was \$302,059.00.

Mr. Lowe stated that the association feels it was a successful race meet and they are appreciative of all the considerations and funding they were given by the ORC. He stated that SOHRA is planning on another year. He stated that they are currently working with Josephine County to create a new contract for the 2014 race meet. He stated that they are expecting an increase to the rent for the fair grounds.

Commissioner Palmer asked if they had any trouble getting horses entered. Mr. Lowe stated that they did and were glad that they had reduced the number of races.

Commissioner Huber congratulated Mr. Lowe and SOHRA on their work and the success of their race meet.

Confirmation of the Next Commission Meeting:

The next ORC meeting will be Thursday, October 17, 2013, at 1:30pm in Room 1C 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 2:32pm

Moved by: Commissioner Palmer

Seconded: Commissioner Baez

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