



## MINUTES

### Oregon Racing Commission January 16, 2014

#### Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, January 16, 2014 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

#### Staff

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

#### Excused

Commissioner Angel Baez

## AGENDA ITEMS

#### Approvals:

##### **January 16, 2014 Meeting Agenda**

**Action:** Motion to approve the agenda with a change to move agenda item #6 to follow executive session.

**Moved by:** Commission Vice-Chair Charles Williamson

**Seconded:** Commissioner Huber

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

##### **November 21, 2013 Meeting Minutes**

**Action:** Motion to approve the November 21, 2013 Commission meeting minutes as submitted.

**Moved by:** Commissioner Vice-Chair Charles Williamson

**Seconded:** Commissioner Huber

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

## Old Business:

### Sub-Committee Update Reports:

- a. Advanced Deposit Wagering (ADW) and Multi-jurisdictional Hubs  
Vice-Chair Williamson stated that he and Chair Dudley met with the sub-committee, several ADW representatives and Randy Evers on January 15, 2014. The group discussed some upcoming issues and will share the information when there has been more development. He stated that the sub-committee met again on January 16, 2014 prior to the Oregon Racing Commission meeting. Vice-Chair Williamson reported that ORC Director McGrail pointed out that there may be a need for a rule change in the future to allow sole shareholder S Corporations to wager as we allow sole member LLC's to wager.
- b. Best Practices  
Chair Dudley stated that the best practices policy that was adopted provides the opportunity for the Commissioners to meet with the Executive Director in executive session to talk about his performance and goals. He stated that he would like to do that while in executive session today.
- c. Budget and Hub Funds  
No Report
- d. Medication and Horse Welfare  
Commissioner Huber stated that the sub-committee met to discuss the Uniform Model Medication for Rules and Penalties. He stated that the document is accessible on line for anyone to review. He reported that it is a set of recommendations made by the Racing Medication Testing Consortium (RMTTC). It is backed by the Racing Commissioners International (RCI) and a number of jurisdictions have adopted their recommendations. The ORC has not made any decisions regarding the adoption of their recommendations. The sub-committee is still reviewing the recommendations. Commissioner Huber stated that the sub-committee is planning to invite Michael Ziegler, Executive Director, of Safety and Integrity Alliance for the National Thoroughbred Racing Association (NTRA) to discuss the rules.  
  
Commissioner Huber stated that there were two additional catastrophic injuries in the month of December. These two fatalities raise Oregon's ratio to 1.7 catastrophic injuries per 1000 starters.
- e. Executive Director's Report  
Executive Director Jack McGrail stated that the budget is on track as adopted. The associations and PM have received their allocation payments approved by the Commission for this period. The Association of Fairs Convention begins January 16, 2014. Director McGrail stated that he would be attending Saturday, January 18, 2014 for the racing portion of the convention. He reported that he would be addressing the safety issues regarding helmets and vests for the gate crews and the starting gates. He stated that the jockey incentive program will continue. He reported that the summer race meet racing secretary Shorty Martin, has resigned his position. The fairs are currently looking for his replacement.

Director McGrail stated that he appreciated the participation from the ADWs and the ADW sub-committee for the discussion and input at the sub-committee meeting.

Director McGrail stated that he is happy to report that the horsemen and PM have come to an agreement to reduce the number of races. He stated that when a request can be presented from a unified position it makes it much easier for a decision to be made.

Director McGrail announced that the ORC's Chief Investigator, Steve Brewster will retire on January 31, 2014. He stated that he has provided a great deal of leadership for his department and the agency and that he will be missed. Director McGrail congratulated Mr. Brewster and thanked him for his service.

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

Commissioner Palmer stated that FROG is scheduled to meet at the Association of Fairs Convention that is being held in Salem on Saturday, January 18, 2014.

g. **Portland Meadows Report (PM)**

Will Alempijevic General Manager of PM was present to give the PM report. He stated that the race meet for 2012 had concluded by December 9, 2012. PM ran 58 race days in the 2012 race meet.

For the 2013 race meet PM has run, to date, 44 race days including one partial cancellation. He stated that by reducing the number of race days and other purse enhancements provided by the OHBPA, PM has been able to raise the average purse payout. The average daily purse is \$56,785.00 versus \$40,900.00 for the previous meet which an increase of 38.76%. He stated that as a result, PM has seen the average runners per race increase to 7.6 runners versus 6.72 runners per race.

Mr. Alempijevic stated that the average live on track handle per day is \$35,000.00. He stated that \$5,000.00 is the daily average within the off-track betting network. This is a total of \$40,557.00 per day versus \$33,000.00 last year which an increase of 22% year over year.

Mr. Alempijevic stated that on export sales there has been an increase of 54% on an average basis year over year. He stated that the daily export sales are \$425,000.00 versus \$275,000.00 last year.

Mr. Alempijevic stated that PM is going to fall beneath the requested amount of races that it was approved for. He stated that PM applied to run 484 races. There are three race days left in this meet and the race entries have been drawn for one of the those three days. There are ten races scheduled for that day which leaves two days left to draw entries for. He stated that the last two days are scheduled to run ten races each. If those races are filled PM will have run 475 races for this meet. Mr. Alempijevic stated that this number would be 9 races short of the approved number. He stated that PM has done several things to try to catch up those races from the cancellation. Unfortunately, the horse population hasn't been available to do that. Mr. Alempijevic stated that PM could run match races to meet the target but it isn't in anyone's best interest to try to catch up those races by doing that. He stated that he would like to obtain approval from the Commission to run 9 less races. The last race day PM had on January 15, 2014 there were only 5.89 runners per race.

Mr. Alempijevic reported that for the 2013 race meet, the total handle to date is \$30,500,000.00 versus last year's total of \$33,400,000.00. This is a drop of 8.71%. He stated that PM lost a couple of their off-track betting sites (OTBs) at the end of 2012.

Vice-Chair Williamson asked if the horsemen have agreed to the reduction in races. Mr. Alempijevic stated that it his understanding that they are in agreement.

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

Randy Evers, Executive Director of the OHBPA stated that the OHBPA submitted a letter to the ORC's Executive Director, Jack McGrail stating that the OHBPA and its members approve of the reduction in races.

Director Evers stated that there is an issue with the shortage of horses and this is what has created the struggle to fill races. He stated that there is a strong relationship between the associations and PM to work together on the issue.

Director Evers reported that there is a new President, First Vice President and Second Vice President of the OHBPA. The new President is Ron Sutton, the new First Vice President is Debby Funk and the new Second Vice President is Nick Lowe.

**Action:** Motion to approve the reduction in races for the 2013 races meet to 475.

**Moved by:** Commissioner Vice-Chair Charles Williamson

**Seconded:** Commissioner Huber

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

**New Business:**

**Discussion and Possible Adoption of Proposed Rules**

Commission Vice-Chair Williamson reported that the ORC conducted the public rules hearing January 16, 2014 at 10:30am in room 1A of the Portland State Office Building. He stated that copies of the proposed rules OAR 462.120.0060 and OAR 462.200.0635 were handed out. There was no opposition to either of the proposed rules during the hearing. Commission Vice-Chair Williamson stated that all who were present were in support of both proposed rules. He stated that he recommended adoption by the ORC of both OAR 462.120.0060 and OAR 462.200.0635.

**Action:** Motion to adopt the amendment to OAR 462.120.0060 for temporary licenses which adds numbering of (1) and (2) and new language for item (2).

**Moved by:** Commissioner Vice-Chair Charles Williamson

**Seconded:** Commissioner Huber

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

Commission Vice-Chair Williamson stated that during discussion of OAR 462.200.0635 Ben Hayes of US Off-track requested a couple of changes to the language.

**Action:** Motion to adopt new proposed rule OAR 462.200.0635 Show Pick N with Unique Ticket Jackpot with the changes that were made during the rules hearing.

Section (1) line one - remove the word "horse"

Section (3) line one - replace the words "both horses" with "such dead heated betting interests"

Section (3) line three - remove the words "both" and "two"

Section (5) line two and three - replace the word "horse" with the words "betting interest"

Section (8) line four - replace the word "horse" with the words "betting interest"

**Moved by:** Commissioner Vice-Chair Charles Williamson

**Seconded:** Commissioner Huber

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

**Oregon Thoroughbred Owners and Breeders Association (OTOBA)**

Lynnelle Smith, Executive Director for the OTOBA presented a recap of 2013. She stated that the summer race meet was very successful. She reported that the OTOBA offered two prize award structures that awarded the top ten horses. In the past the award was given to the top five horses. She stated that the OTOBA hosted a Horse Country networking event at PM earlier in the year. This is a group that offers networking for equine businesses. The OTOBA has also designed a program called "Let's Race". This program offers seminars to new potential owners to help educate them on the business of racing and thoroughbred ownership. Director Smith stated that the OTOBA has also started a scholarship program to benefit youth equestrian students. Director Smith joyfully stated that the highlight of the year was the Macy's holiday parade.

Director Smith reported that 2014 is the Chinese year of the horse. She stated that the OTOBA will be using this as a theme for this year's events.

Director Smith stated that the OTOBA is launching their stallion auction event.

Director Smith requested approval to disburse the first of two payments to owners for the owner bonuses.

**Action:** Motion to approve disbursement of the first of two payments to owners for the owner's bonuses.

**Moved by:** Commissioner Vice-Chair Charles Williamson

**Seconded:** Commissioner Huber

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

Director Smith reported that there were 110 Oregon bred thoroughbreds that ran in this meet and 35 of them were new to run at PM. They earned over \$400,000.00 thru the end of December.

**Information, Materials and Approvals:**

None

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

None

Executive Session:

At 2:20pm Commission Chair Dudley stated that the ORC will now going into executive session as noticed in the January 16, 2014 ORC meeting agenda pursuant to ORS 192.660(2)(b).

Executive Session adjourned at 3:05pm and public session reopened at 3:06pm

Consideration of Possible Discipline or Dismissal of a Staff Member

Commission Chair Dudley stated that the last agenda item is the consideration of possible discipline or dismissal of staff member Jill Miller Advanced Deposit Wagering and Mutuels Manager. He asked if anyone would like further discussion.

**Action:** Motion to terminate Jill Miller as the Advanced Deposit Wagering and Mutuels Manager at the earliest practical time and that termination includes any other employment within the agency.

**Moved by:** Commissioner Vice-Chair Charles Williamson

**Seconded:** Commissioner Huber

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

Commission Chair Dudley directed staff to notify Ms. Miller of the Commission's decision and to carry out the steps to implement the decision.

Confirmation of the Next Commission Meeting:

The next ORC meeting will be Thursday, February 20, 2014, 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 3:08pm

**Moved by:** Vice-Chair Williamson

**Seconded:** Commissioner Huber

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