



## MINUTES

### **Oregon Racing Commission September 18, 2014**

#### **Meeting Detail**

The Oregon Racing Commission (ORC) met on Thursday, September 18, 2014 in Room 1A of the Portland State Office Building (PSOB) located at 800 NE Oregon Street, Portland, Oregon

#### **Call to Order**

Commission Vice-Chair, Charlie Williamson, called the meeting to order at 1:33pm

#### **In Attendance**

**Commissioners:** 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

#### **Excused**

Chair Chris Dudley

## **AGENDA ITEMS**

#### **Approvals:**

##### **September 18, 2014 Meeting Agenda**

**Action:** Motion to approve the agenda as submitted.

**Moved by:** Commissioner Jan Palmer, DVM

**Seconded:** Commissioner Michael Huber, DVM

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

##### **August 1, 2014 Special Meeting Minutes**

**Action:** Motion to approve the August 1, 2014 Special Commission Meeting Minutes as submitted.

**Moved by:** Commissioner Michael Huber, DVM

**Seconded:** Commissioner Jan Palmer, DVM

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

**July 17, 2014 Meeting Minutes**

**Action:** Motion to approve the July 17, 2014 Commission Meeting Minutes as submitted.

**Moved by:** Commissioner Michael Huber, DVM

**Seconded:** Commissioner Angel Baez

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

**June 30, 2014 Special Meeting Minutes**

**Action:** Motion to approve the June 30, 2014 Special Commission Meeting Minutes as submitted.

**Moved by:** Commissioner Michael Huber, DVM

**Seconded:** Commissioner Jan Palmer, DVM

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

**June 30, 2014 Emergency Meeting Minutes**

**Action:** Motion to approve the June 30, 2014 Emergency Commission Meeting Minutes as submitted.

**Moved by:** Commissioner Michael Huber, DVM

**Seconded:** Commissioner Angel Baez

**Vote:** Vice-Chair Williamson 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 Charles Williamson stated that the sub-committee did not meet this month. He welcomed Nelson Clemens of US Offtrack and asked him to speak about a request for a rule amendment. The proposed amendment is to include single shareholder Subchapter S Corporations in OAR 462-210-0010 (15). Vice-Chair Williamson stated that the ORC has already included single member LLCs in this rule. He stated that the ADW sub-committee will meet next month. The group will discuss presenting this request to the Commissioners during the regular meeting. The request will include consideration of a temporary rule to amendment OAR 462-210-0010 (15). If approved, the amendment will immediately go into effect. The ORC can then takes steps to make the amendment permanent.

Nelson Clemens stated that US Offtrack has had an increasing number of requests from those who are wagering client entities to be allowed to wager as single shareholder Subchapter S Corporations. He stated that the LLCs and the S Corps have similar characteristics in terms of the reason why they want this. He stated that the request for this rule amendment is to allow ADWs to build a handle that is responding to the interests of the client base they serve. Mr. Clemens stated that the other ADW licensees are also likely to benefit from this amendment.

**b. Best Practices**

No Report

**c. Budget and Hub Funds**

No Report

**d. Medication and Horse Welfare**

No Report

**e. Executive Director's Report**

Executive Director Jack McGrail stated the fair meets have concluded. He stated that the Tillamook fair went well over all. The track surface was good. The starting gate worked well and the average starters per race were 5.62 this year versus 5.39 last year and there was an increase to the handle. He stated that they did have an issue that resulted in a "no contest race" and that it was resolved quickly.

Director McGrail stated that Harney County had some notable achievements. The average starters per race this year were 6.47 versus 5.02 last year. He stated that they added one additional race after receiving approval from the Commission. He stated that there is good momentum for Harney County with a 70% increase to their handle and full fields.

Director McGrail stated that along the Harney County's success there were some problems that need to be addressed. He stated that the track surface was not up to the standards that the ORC expects. He stated that there were several issues with it and these issues caused delays.

Director McGrail reported that the rodeo activities at Harney County need to be reviewed and it's events realigned with the race meet. There has been ongoing conflict and this needs to be resolved. The combination of running a rodeo and a race meet can coexist and has worked well at the Eastern Oregon Livestock Show (EOLS) in Union, OR. Director McGrail stated that the ORC will work with Harney County to make corrections in these areas so they are ready for next year's meet.

Director McGrail reported that the jockey incentive program was designed by the Stewards. The purpose of the program is to provide a cash payment incentive for jockeys to ride at the summer fair meets.

He stated that the incentive program is working and that the \$35,000.00 that was allocated for it is being paid out again this year.

Director McGrail reported that the jockey incentive program payments are in addition to the jock mount fee and any percentages of purse money earned. Director McGrail congratulated the horsemen and staff for getting the word out to make this program and the summer fairs a success.

Director McGrail stated that PM is ready to go for the fall race meet. The one day special event they had in August with the BBQ and eight live races was a big success.

Director McGrail stated that the instant racing rules will be promulgated and hopefully up for approval at the November 20, 2014 ORC meeting.

Director McGrail reported that Josh Dieringer is scheduled to attend the Annual Simulcast Conference in Florida. He stated that it is essential that the ORC attend these conferences in order to stay abreast of the latest information coming out for the industry.

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

Commission Vice-Chair Williamson reported that the group met last week. He stated that they discussed how the BBQ went and possibly participating in the upcoming Macy's Holiday parade again this year. He stated that it is good to see everyone working together on the issues that face the industry.

**g. Portland Meadows Report**

Will Alempijevic, General Manager of Portland Meadows (PM) stated that PM is very thankful to the stakeholders, the associations, the horsemen and the ORC. Their support and quick response made the special event BBQ with live racing a successful day. He stated that the handle for the day was \$43,635.00 and that PM is very proud of this number. They ran eight races that day. He stated that events like this help to keep customers engaged with the PM product.

Mr. Alempijevic stated that the campaign for the fall-winter live race meet has begun. He stated that there are numerous out-door ads such as billboards and ads on buses. This campaign is geared towards actual horses that have raced at PM. He reported that there is a television show that will air on Comcast Sports Net every Wednesday in October.

Mr. Alempijevic stated that the instant racing rules have been submitted and PM is looking forward to a January launch.

**New Business:**

**Oregon Thoroughbred Owner & Breeders Association (OTOBA) Presentation:**

Lynnelle Smith, Executive Director for the OTOBA stated that she had a power point slide show to present. She stated that the Commission granted approval back in April for the OTOBA to enter into an agreement with the Oregon Horsemen's Benevolence and Protective Association (OHBPA) and the Stronach Group. The agreement was in regard to instant racing and that agreement is before you for consideration of approval.

Director Smith presented the slide show and report on the top earners and the breakdown of how the hub fund allocation money that the OTOBA receives from the ORC is spent.

Director Smith stated that OTOBA is requesting approval from the Commission to retain 10% as the administrative fee. Historically this fee has been 5%. She stated that with the handle going down which is where this fee comes from and their costs to administer award and bonus payments going up, that an increase to 10% will help them stabilize costs. She stated that if there is any surplus after administration of award and bonus payments that it will go back into the bonus account.

**Action:** Motion to approve the instant racing agreement between the OTOBA, the OHBPA and Stronach Group.

**Moved by:** Commissioner Jan Palmer, DVM

**Seconded:** Commissioner Michael Huber, DVM

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

**Action:** Motion to approve payment of awards and bonuses and to allow the OTOBA to increase the administrative fee from 5% to 10% with any surplus being returned to the bonuses account.

**Moved by:** Commissioner Michael Huber, DVM

**Seconded:** Commissioner Angel Baez

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

**Information, Materials and Approvals:**

None

**Contested Cases:**

None

**Other Business As May Properly Come Before the Commission:**

None

**Public Comment:**

None

**Confirmation of the Next Commission Meeting:**

The next ORC meeting will be Thursday, October 16, 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 2:40p.m.

**Moved by:** Commissioner Jan Palmer, DVM

**Seconded:** Commissioner Michael Huber, DVM

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