



MINUTES

Oregon Racing Commission

April 16, 2015

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, April 16, 2015, in Room 1A of the Portland State Office Building (PSOB), 800 N.E. Oregon St., Portland, Oregon.

Call to Order

Commission Chair Chris Dudley called the meeting to order at 1:32 p.m.

In Attendance

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

Staff

Jack McGrail, Executive Director and Raul Ramirez, Assistant Attorney General

AGENDA ITEMS

Approvals:

April 16, 2015, Meeting Agenda

Action: Motion to approve the agenda as submitted.

Moved by: Vice-Chair Charlie Williamson

Seconded: Commissioner Michael Huber, DVM

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

March 19, 2015, Meeting Minutes

Action: Motion to approve the March 19, 2015, Commission Meeting Minutes as submitted.

Moved by: Vice-Chair Charlie Williamson

Seconded: Commissioner Angel Baez

Vote: Chair Chris 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

No report

b. Best Practices

Chair Dudley stated that the report would be covered under New Business.

c. Budget and Hub Funds

Commissioner Palmer suggested postponing discussion until New Business.

d. Medication and Horse Welfare

No report

e. Executive Director's Report

Executive Director Jack McGrail thanked the Budget Committee – made up of Chair Dudley, Commissioner Palmer and Karen Parkman – for its work in identifying funds available.

He provided a couple of industry notes. He stated that Idaho's governor had vetoed a bill that would have made Instant Racing illegal, so the state was continuing to pursue Instant Racing as an avenue for revenue generation for horsemen and Les Bois Park. In Kentucky, he noted, the racing commission has approved a regulation that allows tracks to card Lasix-free races. He added that unlike in Oregon, when the Kentucky commission approves a rule it goes to a legislative research committee after it is approved and before it is put into effect. Director McGrail called it a significant change in the landscape, allowing a racetrack operator to card races differently from what the commission has decided are medication rules.

Director McGrail stated that the Commission meeting scheduled for Grants Pass, in the Host House at the Josephine County Fairgrounds, may be a combined June/July meeting. The Commission intends to hold an informal conversation about uniform medication rules after the meeting to gather thoughts from horsemen and other stakeholders.

He noted with the change in leadership in Salem, the ORC has a new liaison in the governor's office. Following a meeting with her, he said the current administration was supportive of horse racing in Oregon.

Vice-Chair Williamson suggested that the meeting in Grants Pass begin at 2:30 instead of 2. The Commission agreed to the new time.

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

Commissioner Palmer stated that the FROG met April 13. The group discussed housekeeping measures related to its accounts, Instant Racing and providing information on post-race after care for Thoroughbreds.

In response to Commissioner Huber's request for clarification on the after care discussion, Commissioner Palmer explained that some FROG members had been

working on finding resources for owners of retiring race horses to safely place them after their racing career is over.

Commissioner Huber asked if that would be called “rehomeing.” Commissioner Palmer said they were calling it “after care.”

New Business:

Discussion and Possible Approval of Hub Fund Requests for the Summer Fairs:

Chair Dudley amended the headline, noted that the topic was actually total distribution of Hub funds, including to Portland Meadows.

Commissioner Palmer, budget sub-committee chair, reported that the hub fund allocations are based on revenue projections and are subject to the actual revenues and final approval of the budget. The allocation is higher than expected, because the sub-committee determined that the contingency reserve funds were available for use. Commissioner Palmer said the group is proposing to use them because of the current state of racing. She emphasized that the increase due to the reserves are a one-time funding source and once they were spent they would be gone.

Commissioner Palmer stated that most of the requests are being moved forward as submitted. Some minor changes had been made, including a proposal that the ORC would fund two-thirds of the jockey insurance for the summer fairs. This insurance has jumped substantially this year. For the biennium, the ORC’s portion cannot exceed \$235,000; the ORC is proposing to supplement \$117,760 per year for the fairs.

The Commission has received all the hub fund requests which include requests from the OHBPA, the OTOBA, the OQHRA and Portland Meadows. The sub-committee changed percentages of the distributions slightly. The Horsemen’s group, Thoroughbred group and Quarter Horse group had a combined proposal totaling \$200,000 more than the last biennium, and divided the \$200,000 70/18/12 percent, respectively. The sub-committee proposed changing that distribution of the extra \$200,000 to a 60/20/20 percent division. Total distribution would be \$518,000 for the OHBPA, \$222,000 for the OTOBA and \$168,000 for the OQHRA. The moneys would be used for breeders’ awards, incentives, and purses. Portland Meadows (PM) requested \$400,000. If the budget is approved and the revenue comes in as projected, the total distribution for the associations and PM will be \$1,308,000 for the biennium.

Commissioner Palmer stated that the ORC, based on projections, is able to fund this, but cannot “front-load” as it had in the past biennium; the money would be distributed over the next biennium. She added that the funds to Portland Meadows were contingent on there being a race meet. She stated that going forward, the sub-committee will require that each group provide and present an itemized accounting statement of how their portions of the hub funds were spent at a Commission meeting.

The sub-committee amended some of the fair meet budgets. The adjustments were made to the jockey insurance and the funding for the racing secretary. These are items which the Commission already contributes to or pays. Commission Palmer reiterated that the Commission is funding two-thirds of the jockey insurance this year. She stated that if insurance jumps again next year, it will be a problem and the issue will have to be revisited. She urged the fairs to negotiate with as many carriers as possible to seek the best price and to consider how many days they run. Because insurance is paid per-day, meets could cut their rates substantially by combining races into fewer days.

The sub-committee recommended budgets of:

Eastern Oregon Livestock Show, \$125,000

Grants Pass, \$432,000

Crooked River Round-Up, \$185,000

Tillamook County Fair, \$180,000

Harney County Fair, \$116,000

Jockey incentive, of \$35,000.00 paid yearly by the Commission, is \$70,000 over the biennium. Jockey insurance for summer meets would be \$235,520 and the racing secretary would be \$31,050.

Commissioner Palmer summed up that the total proposed allocations came to \$2,682,570. She stated that the budget sub-committee is recommending use of most all of the racing development funds; there won't be a significant ending balance, if any. Therefore, if something extra or any unforeseen circumstances arise the ORC will not be able to fund it.

Vice-Chair Williamson asked what happens if the money doesn't come in. Commissioner Palmer replied that in that event, reductions to the allocations would have to be made.

Chair Dudley added that ORC staff had gone over the numbers and projects that using the reserve funds should increase the viability of race meets. He also emphasized that the effort is unlikely to be repeated.

Commissioner Palmer added that the ORC was going to require that a representative from each fair present an end of meet report at an ORC meeting within 90 days of the last day of the meet. Chair Dudley noted that rules already require a written report be made; the change is to require a face-to-face discussion.

Action: Motion to approve distribution of hub funds as presented by Commissioner Palmer, for a maximum of \$2,682,570 provided that the funds are generated and collected.

Moved by: Vice-Chair Charlie Williamson

Seconded: Commissioner Angel Baez

Discussion: Vice-Chair Williamson wanted to make clear that the Commission was not requiring the funds be distributed, but saying that if the funds come in, they can be distributed in this way.

Distribution is contingent on the funds' availability.

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

Key Performance Measures – Commission Evaluation Report:

Chair Dudley explained that each Commissioner is required to evaluate the performance of the Commission. He asked commissioners to fill out their questionnaires and return them before the next meeting. The Commission will schedule a meeting to discuss the results and criteria. The commissioners agreed that holding the work session before the regular meeting would be best. A public work session was scheduled for noon, before the regular May meeting.

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Will Alempijevic, General Manager of Portland Meadows (PM), stated that PM wanted to go on record as being very appreciative of the ORC's effort to support PM and its race meet. Chair Dudley reminded Mr. Alempijevic that under rules and statutes, the ORC needs an application for a race meet before June 1. He cautioned that hoops the Commission had jumped through last year would be harder to clear this time around. Mr. Alempijevic said PM and its parent company planned to begin negotiating soon with the HBPA about a future race meet.

Chair Dudley further inquired about the Derby Day hat contest. Mr. Alempijevic said the hat contest begins at noon with judging at 2:30.

Confirmation of the Next Commission Meeting:

The next ORC meeting will be Thursday, May 21, 2015, at 1:30 p.m. in Room 1A of the Portland State Office Building located at 800 N.E. Oregon St., Portland, OR 97232. It will be preceded by a work session at noon.

Adjournment:

Action: There being no further business, the meeting was adjourned at 2:01 p.m.

Moved by: Vice-Chair Charlie Williamson

Seconded: Commissioner Jan Palmer, DVM

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