



Minutes
Oregon Racing Commission
August 18, 2016

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, August 18, 2016, in Room 1D of the Portland State Office Building (PSOB), 800 N.E. Oregon St., Portland, OR.

Call to Order

Chair Charles Williamson called the meeting to order at 1:31 p.m.

In Attendance

Commissioners: Chair Charles Williamson, Vice Chair Jan Palmer, DVM, Commissioner Christopher Dudley, Commissioner Michael Huber, DVM (by phone)

Staff

Jack McGrail, Executive Director, Catriona McCracken, Assistant Attorney General (AAG)

AGENDA ITEMS

Approvals:

August 18, 2016, Meeting Agenda

Action: Approve the August 18, 2016, meeting agenda, amended to correct the date of the meeting. No motion was made, but a vote was taken.

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

June 16, 2016, Meeting Minutes

Action: Motion to approve the June 16, 2016, Commission Meeting Minutes.

Moved by: Commissioner Christopher Dudley

Seconded: Vice Chair Jan Palmer, DVM

Vote: Chair Williamson 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**
No report.

- 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 that the three fair meets held so far had been successful due to a number of factors: Commission staff engaged with fair managers early, which led to resolution of most starting gate, test barn and track surface issues before the meets began. He noted that the purse supplement offered by the Oregon Horsemen's Benevolent & Protective Association (OHBPA) was a valuable addition to each meet. Director McGrail noted that trackman Steve Wood offered his expertise, and Race Secretary Shorty Martin put together cards that made the most of horses present. Good weather was an additional factor in the meets' success, as was the fact that horsemen brought fit horses to fill the fields. Director McGrail noted that the jockey incentive program is growing and attracts and retains riders; last year's problem of horses being scratched because no rider was available has not been repeated this year. Director McGrail added that he hoped the Burns meet would see a full complement of jockeys, because the jockey bonus includes an all-meet incentive.

In Grants Pass, the handle of \$383,000 was up \$70,000 from last year. Director McGrail praised the efforts of Southern Oregon Horse Racing Association officials Sheri Morin, Rod Lowe and Tag Wotherspoon, as well as the track crew. He noted that the track gets a lot of use because horses train on it and the racing lasts for a month, adding that consultant Steve Wood said the track would need a significant amount of material added next year.

Director McGrail stated that the Crooked River Roundup in Prineville had a remarkable meet, with huge crowds and daily wagering substantially higher than last year, culminating in Saturday's handle of \$90,000. Total wagering was \$273,613, compared with \$228,000 last year. An extra race was added on the last day. Director McGrail congratulated Director of Racing Dean Noyes and his staff on a record-breaking year. Night racing has advantages in driving attendance and contributing to a party atmosphere, Director McGrail noted, but is hard on horsemen and staff. He commended the work of the test barn crew, noting they were frequently working till 1 or 2 a.m.

After six consecutive weekends of racing, the Tillamook meet follows a welcome three-week break, Director McGrail noted. He stated that Director of Racing Don Averill and his crew do a great job of welcoming the horsemen, and the track surface was kind. The meet trended upward, with the handle up slightly from last year. He noted that the meet boosted its purses through the Fair Board's efforts to obtain sponsorships and by utilizing the matching funds program offered by the Commission. Director McGrail noted that horsemen are remaining in Tillamook to train until the Portland Meadows meet begins through an agreement negotiated between the fair and the OHBPA, allowing horses not at Emerald Downs to be fit and ready when Portland opens.

The final fair meet, in Burns, is September 9-11.

Noting that the Racing Commission is self-funded, Director McGrail stated that the agency had submitted an agency-request budget, which begins the budget process. Revenues align with projections, he stated, with hub funds available expected to be similar to those in the last biennium. He noted that Portland Meadows, the OHBPA, the Oregon Thoroughbred Owners and Breeders Association (OTOBA) and the Oregon Quarter Horse Racing Association (OQHRA) had made a joint proposal on how to divide up the available funds and submitted it to the Commission.

Director McGrail stated the historic racing terminals revenue had increased, indicating this could be a revenue source to provide a lifeline to the racing industry, as was contemplated when the legislation permitting historic racing was passed. He added that he recently approved a co-mingling agreement with Wyoming that allows a critical mass of wagering on historic racing.

Director McGrail noted that earlier this year, a pre-filing committee discussed possible adoption of the National Uniform Medication Program (NUMP). After the committee met several times, it was clear more discussion was needed. The program has four parts:

- 1) Adoption of the controlled therapeutic substance list;
- 2) Third-party administration of Lasix;
- 3) Multiple medications violation penalty system; and
- 4) Laboratory accreditation program.

He added that the Association of Racing Commissioners International (ARCI) is holding town hall meetings nationwide in an effort to reach uniformity in the industry. Ten states, most recently Pennsylvania, have adopted the National Uniform Medication program in full, he stated. Director McGrail noted that he attended a July 13 meeting at Emerald Downs. He added that the Executive Director of the Washington Racing Commission indicated that his group was likely to wait until all the information was in from town hall meetings before Washington decided whether to adopt the program in whole or in part. Director McGrail stated that Washington officials would convene in December at the ARCI conference in Tucson, and that was their likely target date. Noting that Oregon is not compelled to follow Washington – and the two states already have different levels on some medications -- Director McGrail stated it was preferable if the two states aligned because they are on the same circuit. He stated that medication for the upcoming Portland Meadows meet would be status quo; the only change in medication policy is hair-testing and the total ban on Clenbuterol in Quarter Horse and mixed-breed races.

Director McGrail stated that the request for proposals (RFP) for the drug-testing contract was due in the ORC office Monday (August 15), but the Department of Administrative Services was still formatting it. He added that he expected it soon, and the Commission is eager to proceed. Horsemen will be included, he stated, as well as the Medication and Safety Committee in scoring the RFP. He noted that he expected only two or three responses to the RFP.

Chair Williamson asked if any specific things – that the Commission would want to be sure to repeat -- had been instrumental in the success of the fair meets. Director McGrail credited the success to a number of details: Steve Wood's expertise; getting the checklists to the track a month in advance; and stewards' on-site visits.

In response to a question from Chair Williamson about catastrophic injuries, Director McGrail stated there had been two, both occurring after races in the gallop out, at Union and Grants Pass.

Vice Chair Palmer asked about jockey injuries. Director McGrail responded that a few had gone to the hospital, with the most serious injury to a shoulder/collarbone.

Chair Williamson asked if the Commission should consider going first on the National Uniform Medication Program, rather than waiting for Washington's lead. Commissioner Huber expressed support for that, stating he did not see why Oregon should be held back,

especially because the two states already are not in agreement on certain medication levels.

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

Vice Chair Jan Palmer stated that the group met this morning at Portland Meadows (PM) and discussed the fair meets, what might work with the assessment the group did last year, and marketing.

New Business:

Oregon Thoroughbred Owners and Breeders Association (OTOBA) awards:

Lynnelle Fox Smith, Executive Director of the OTOBA, thanked the Commission for its continued support. She stated that OTOBA paid 67 owners of Oregon-bred Thoroughbreds bonuses totaling \$184,911.89. Oregon-breds at Portland Meadow's last race meet earned \$413,380, meaning the bonus amounted to almost 45 percent of their earnings – the highest it's been for a couple of years.

Ms. Smith stated that the group held its 5 percent administrative fee of \$9,732.21. The service fee to non-members of OTOBA totaled \$871.56.

OTOBA paid breeders awards in February, she noted, from hub funds. The group pays 10 percent on all earnings for Oregon-bred breeders; 58 breeders received a total of \$41,338. The non-member service charge on that payment was \$357.41.

OTOBA has reimbursed 40 breeders in the foal-registration program funded by the Commission. More are expected before the year ends, Ms. Smith added. She noted that she had heard from new people who are breeding Thoroughbred racehorses, an encouraging sign for the industry.

Ms. Smith stated that OTOBA was continuing the high-point challenge at the fair meets, with the top 5 fillies and top 5 colts/geldings, determined after the Harney County Fair, receiving cash prizes. OTOBA had contributed purse supplements to every fair meet, and every fair meet has had at least one race for Oregon-breds, she stated.

In the third year of its scholarship program, OTOBA awarded three scholarships to Oregon State University students: \$1,000 to Laurel Caldwell; \$500 to Laura Sahlfeld and \$500 to Renee Bauman.

Noting that the Commission has allocated OTOBA more money in hub funds, Ms. Smith explained that OTOBA was going to pay \$100 to the breeder of every Oregon-bred competing anywhere.

Ms. Smith concluded by noting that she had provided the Commission with key statistics for the past three years.

Vice Chair Palmer asked if the foal registration reimbursement is included in the hub fund request for the next biennium. Ms. Smith noted that allocation had been handled separately because of additional funds made available due to a legislative change. She stated that OTOBA would try to work it in, and hoped the hub fund allocation would go up.

In response to a question from Commissioner Dudley about the number of Oregon breeders who received checks, Ms. Smith explained that in 2014-15, OTOBA changed its awards system to pay for first- through fifth-place finishers. Previously, it paid winners only. More breeders received checks as a result.

Oregon Horsemen's Benevolent & Protective Association:

Randy Evers, Executive Director of the OHBPA, stated that horsemen are hoping to build on the successes of the summer meets, with lots of horses and jockeys, during the 2016-17 Portland Meadows meet. To that end, he explained, the OHBPA board decided to:

- 1) Contribute \$130,000 from savings to the purse account. This is in addition to OHBPA hub funds, 100 percent of which go to purses. This contribution brings the bottom purse up to \$5,300.
- 2) Pay a \$100 participation bonus to all horses finishing sixth through 12th. At Portland Meadows, horses finishing first through fifth share the purse; with this bonus, horsemen will receive enough to cover their expenses to race that day. This will cost about \$75,000 over the course of the meet.
- 3) Provide \$40 worth of free bedding for every horse stabled at PM, at a cost of about \$30,000.
- 4) Scrape footing and provide new bark chips at 52 hot walkers at PM, at a cost of about \$20,000.
- 5) Pay \$80,000 to PM to offset costs of keeping the track open from August 25, 2016, through February 4, 2017. Mr. Evers noted it is expensive to keep the backside open, and this would allow horses to stay at PM between the Tillamook and Emerald Downs meets. This payment was negotiated as part of the contract between PM and the OHBPA.

The total cost to the OHBPA of these initiatives is roughly \$335,000, Mr. Evers stated.

Mr. Evers reported on five Coggins clinics sponsored by the OHBPA, with funding of up to \$5,000 by the ORC. He recapped that the tests cost \$30, with the ORC and the OHBPA each contributing \$10 per test, and OTOBA contributing an additional \$10 for Oregon-bred Thoroughbreds. The usual cost for the test is \$60 to \$90, Mr. Evers stated.

With one clinic remaining tomorrow at Portland Meadows, 137 horses have been treated in the program, Mr. Evers stated: 25 and 43 over two days at Grants Pass; 61 at Prineville and 8 at Portland Meadows. If a total of 150 horses are treated, the cost to the ORC will be \$1,500, he noted. He added that the horsemen were appreciative of the program. Of the 137 tests, all have been negative, he added. Mr. Evers thanked Dr. Jack Root and Dr. Alice Lombard for basically volunteering their time to perform the tests.

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Dean Noyes, Director of Racing for the Crooked River Roundup, reported regarding jockey insurance that one jockey in Prineville had broken his collarbone, the worst injury so far this year. Another jockey at Grants Pass hurt his arm/shoulder, and another jockey suffered a minor foot injury at Tillamook.

At the Prineville meet, Mr. Noyes stated there was an incredible inventory of horses, including a lot of interest from Idaho. He noted that the dates of the Prineville meet add to its success; Central Oregon hosts a lot of summer activities, and the race weekend falls perfectly following Fourth of July and Brewfest events. Questions continue about changing the dates, he stated, but CRRU officials and race fans like the current dates and don't want to mess with a successful formula.

Mr. Noyes noted the OHBPA's increased support in purses. He stated that after years of asking for more horses, the meet this year had so many horses on Friday looking for a race that organizers added an 11th race Saturday. It meant a lot of work for a lot of people, he added, but he felt it was important to acknowledge the horsemen's contribution. He thanked the OHBPA and Mr. Evers for helping make the purse for the additional race possible.

Mr. Noyes noted that the meet had more jockeys than ever before, and attributed that largely to the work of Mr. Evers and FROG on the jockey incentive program. Mr. Noyes noted that they instituted a “profit-sharing” program in which the CRRU put an extra \$2,000 into the meet’s incentive program, funding it in the same matrix as the rest of the money in the program. Everyone got a bump in their paycheck, he added.

Mr. Noyes complimented the ORC staff, noting that many faces were new to Prineville or performing in new roles, including Shorty Martin, Mike Twiggs, Jim Smith and test barn staff. He expressed thanks for the proactive communication. Explaining that CRRU is committed to cross-training its staff, Mr. Noyes added that he appreciated that the stewards accommodated those efforts.

The handle was up more than \$44,000, Mr. Noyes stated, a 20 percent increase over last year. One of the meet’s biggest issues to address next year, he stated, is logistics -- both parking and room in the facility itself. He added that the event creates a safety issue, but the meet works closely with law enforcement. Organizers are looking into busing options that could reduce the risk of drinking and driving, while providing better transportation options for patrons. Mr. Noyes stated that other planned investments included another video board. Barn lighting and test barn improvements this year cost just over \$15,000.

In response to a question, Mr. Noyes noted that the video screens used the past two years (and costing \$10,000) were not used this year. That allowed the meet to use the money elsewhere, and to strategically identify whether people even noticed their absence. He stated the video boards in the field were not missed; those near the bar were.

Mr. Noyes noted that CRRU had built a relationship with a sportswriter, who is a racing enthusiast, from the Bend Bulletin that resulted in two articles. One on the meet, which came out just before opening day, created a lot of enthusiasm. The other was on owner/trainer relationships with their horses, he stated. Those kinds of articles foster improved public perception of racing.

Mr. Noyes also noted that between the rodeo and the race meet, the CRRU is the second-largest consumer of Pendleton Whisky in the state, after the Pendleton Round-Up. He added that the CRRU has a “three-legged stool” when it comes to revenue: handle, gate fees/admissions, and alcohol and food sales.

Vice Chair Palmer asked if CRRU had changed its marketing this year. Mr. Noyes answered that the meet had shifted its strategy away from large media toward social media and does less advertising in Portland than in the past. Following the rodeo, everyone knows about the races, he noted, adding that the Central Oregon rodeo circuit is active and promoted on radio stations, where CRRU also plugs its races.

Thanking Mr. Noyes for his report, Vice Chair Palmer noted that an in-person presentation was required of all fair meets, as a condition of hub fund allocations.

Dr. Robert O’Neil, DVM, Director of Equine Health and Safety for the Stronach Group, stated that he was encouraged by comments by OTOBA and OHBPA representatives. He noted that Stronach has a substantial investment in Oregon racing and is concerned about racing moving forward. Stronach would like to see the Racing Medication and Testing Consortium (RMTC) guidelines adopted and to help facilitate that. Noting that it is all about the integrity of racing, Dr. O’Neil stated that if you worry about the horse, everything else will be where it’s supposed to be. Noting that his background was as a horseman, veterinarian and now in administration, Dr. O’Neil stated he planned to attend future Commission meetings, as well as meetings of the Medication and Horse Welfare subcommittee. He added that he was available to the Commission by phone at any time.

Chair Williamson stated that some in the local racing community contend that Oregon horses are older and need more medication than, for example, Kentucky Derby horses, and that was a factor in acting on

the medication policy. He acknowledged that Portland Meadows and its managers had been emphatic about wanting changes in medication policy.

Dr. O'Neil responded that it's a slow process that requires cooperation among all involved. He noted that Dr. Larry Bramlage, at a recent health conference in Lexington, stated that breakdown rates had decreased dramatically in the past year in part because of a reduction in the use of Depo-Medrol. He reiterated that keeping the horse safe should be the first priority. He also stated the importance of Coggins testing.

Chair Williamson noted that Oregon's past catastrophic injury rate had been as high as 3.5 per thousand starts and now it's about 1.5 – lower than the national average. The Commission cares very much about that, he added. Dr. O'Neil noted that the breakdown rate has to do with medication levels.

Confirmation of the Next Commission Meeting:

The next ORC meeting will be at 1:30 p.m. Thursday, Sept. 15, 2016, in Room 1C of the Portland State Office Building, 800 N.E. Oregon St., Portland, OR.

Executive Session:

The Commission went into Executive Session at 2:39 p.m. pursuant to ORS 192.660(2)(f), ORS 40.225 and ORS 192.502(9) to discuss previous Executive Session minutes. It emerged from Executive Session at 2:48 p.m.

Adjournment:

Action: Motion to adjourn.

Moved by: Commissioner Christopher Dudley

Seconded: Vice Chair Jan Palmer, DVM

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

There being no further business, the meeting was adjourned at 2:49 p.m.