



Minutes
Oregon Racing Commission
April 20, 2017

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, April 20, 2017, in Room 1B 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 Diego Conde (via phone)

Excused

Commissioner Michael Huber, DVM

Staff

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

Agenda Items

Approvals:

Action: Approval of the meeting agenda.

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Action: Approval of the March 16, 2017, minutes

Moved by: Commissioner Christopher Dudley

Seconded: Vice Chair Jan Palmer, DVM

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Old Business:

A. Executive Director's Report

Executive Director Jack McGrail reported that the response to the Request for Proposals (RFP) for equine drug-testing closed last month with fewer respondents than had been anticipated. Truesdail Laboratories was awarded the contract.

He stated that fair meet purses had received a \$500 per race boost from the Oregon Horsemen's Benevolent & Protective Association (OHBPA). He added that the Oregon Thoroughbred Owners &

Breeders Association (OTOBA) and the Oregon Quarter Horse Racing Association (OQHRA) had also made purse contributions, including OTOBA's pledge of \$10,000 to a race at Burns in September. Also regarding fairs, he stated that information on the 6-month Coggins requirement had been well dispersed via meetings, websites, and mailings.

The Commission, with the help of Noel Cassidy of United Puett, is reviewing starting gates for each of the fairs this week, Director McGrail reported. He noted that he had attended the gate inspection at Union, where safety suggestions included installation of grab bars and additional padding. Some maintenance – greasing, rust removal and painting – is necessary, but overall, Director McGrail stated, the gate is in good shape. The Harney County gate, on the other hand, has been deemed unrepairable, and Director McGrail reported he would go over options with representatives of that meet.

Director McGrail reported that United Tote has been contracted to provide services to all fair meets. He added that increasing handle at the fairs required modernized equipment, and United Tote has that capability. He thanked Tony Harris at Intermountain Tote for his past years of service.

On the legislative front, Director McGrail reported that the Commission's budget, House Bill 5036, received a do-pass recommendation and was before the Ways & Means Committee. He stated he hoped approval would come in the next couple of weeks.

Director McGrail also thanked industry representatives who lobbied and testified against House Bill 3252, which did not move out of committee. The bill, which would have banned greyhound racing, would have had serious negative consequences for the racing industry, he stated.

Vice Chair Palmer asked if the Kennewick, Wash., gate was inspected. Director McGrail stated that it was and was found to be in good condition, but it is a cumbersome, 10-horse gate, making it not the first choice to transport to the Burns meet. The Commission is looking into other options for that meet. He added that the Prineville gate had been inspected and looked good; inspections at Tillamook and Grants Pass were pending.

B. Budget Sub-Committee report

Hub funds 2015-17: Vice Chair Palmer stated the sub-committee had discussed how to distribute a surplus balance from the 2015-17 hub funds of approximately \$123,500. The sub-committee's recommendation is:

- \$4,000 for Noel Cassidy of United Puett for approximately eight days of gate inspection
- \$2,500 to Steve Woods for track inspection for two fair meets falling within the biennium
- \$35,000 to OHBPA to reimburse expenses for extending the Portland Meadows race meet
- \$10,500 to OQHRA for its purse account
- \$8,000 to OTOBA for its foal registration program
- \$70,000 to Portland Meadows (PM) for capital improvements, including a tractor/rotovator, TV screen updates and Instant Racing marketing services contract

Action: Approve distribution of surplus hub funds for 2015-17 as outlined.

Motion: Vice Chair Jan Palmer, DVM

Seconded by: Commissioner Christopher Dudley

Discussion: Chair Williamson asked whether the PM expenditures are appropriately in the public interest, expressing concern about whether the Commission was giving a private company money it would have to spend regardless, or whether the allocation is necessary to further racing.

Director McGrail responded that the allocation was well within the scope of what the Commission is authorized to do to promote pari-mutuel racing. PM is under a lot of financial pressure, he added, noting that the Commission awards the track allocations every year, and this is simply a supplement to that.

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Tote contract: Vice Chair Palmer stated that the Budget Sub-committee also discussed tote company contract funding. Dean Noyes of the Crooked River Roundup (CRRU) has been negotiating a 3-year contract with United Tote for the summer fairs. The race-day fee for each association is \$2,150, with a 3 percent increase each year. The Union meet, which wished to remain with Intermountain Tote, has decided to join the rest of the fair meets in using United Tote, she noted. The increased cost this year to the Commission is \$7,936.25, she stated, a sum offset by an approximately \$7,800 decrease in jockey insurance.

Director McGrail noted that the Commission had previously approved spending for the tote company contract, and today's action simply concerns the \$7,900 increase. It is anticipated the decrease in jockey insurance will offset that amount, but that contract is not yet signed.

Action: Approve \$7,936.25 increase in previously approved tote company contract

Motion: Vice Chair Jan Palmer, DVM

Seconded by: Commissioner Diego Conde

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Hub funds 2017-19: Vice Chair Palmer stated that the sub-committee also discussed – without making any decisions -- the hub fund allocations for 2017-19 for the fairs and for the associations and PM.

She noted that the Commission needed to approve 2017-19 hub fund requests for the Eastern Oregon Livestock Show (EOLS) in Union and Grants Pass Downs, because checks for those meets will be issued in May and June, before the next Commission meeting.

EOLS requested \$59,280 per year, including: video photo finish, \$1,300 daily for 3 days; TruForm, \$860 daily/3 days; purses \$2,000 for 23 races; purse incentive match, \$700 daily/3 days; marketing and advertising, \$800; racing secretary, \$800 daily/3 days.

The request also included \$1,500 annually for gate improvement, which the sub-committee decided to take out of the request, contingent on the actual cost. That brings the request to \$57,780 for each year.

Action: Approve \$57,780 hub fund allocation to EOLS for this year.

Moved by: Vice Chair Jan Palmer, DVM

Seconded: Commissioner Christopher Dudley

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Vice Chair Palmer stated that Grants Pass' \$202,785 request included: video photo finish \$1,190 per day for 9 days; TruForm, \$875 daily/9 days; purses, \$2,000 for 72 races; purse incentive match, \$2,000

daily/9 days; racing secretary, \$800 daily/9 days. She stated the meet has requested an increase for marketing and advertising from \$2,000 last biennium to \$6,000 this year, which includes posters, brochures, chamber of commerce membership, website and TV. The meet also has a line item for IdaBet simulcasting, estimated at \$1,000 daily/9 days.

Vice Chair Palmer stated that the sub-committee felt the increase in marketing and advertising was legitimate and requested an end-of-meet report that considers whether the extra advertising money made a difference to the meet. Sub-committee members were not certain \$1,000 was an accurate daily sum for IdaBet – it might be closer to \$500 – so recommended approval of the funding request, with the proviso that it receive a more precise amount for IdaBet, not to exceed \$1,000 per day.

Action: Approve \$202,785 hub fund allocation to Grants Pass Downs for this year, with the understanding that IdaBet may be less

Moved by: Vice Chair Jan Palmer, DVM

Seconded: Commissioner Christopher Dudley

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

C. Best Practices report

Commissioner Dudley reported that the Best Practices Sub-committee was scheduled to meet after the open meeting, and the report would be next month. Chair Williamson noted that Vice Chair Palmer had put together an evaluation form for stakeholders and others to evaluate the executive director that should be distributed in the next few weeks.

D. Future of Racing in Oregon Group (FROG) report

Vice Chair Palmer stated that the group met this morning and discussed the effort to find an alternative training facility to PM. She reported that Oakhurst Farms was probably not a possibility, for financial reasons. Tillamook is interested, she reported. There is a new, 100-by-250-foot pavilion, which could be used for working horses in the winter, when the track is not available. Tillamook representatives will approach the fair board to inquire about insurance, etc.

FROG also discussed how to spend roughly \$85,000 in backside improvement funds, she noted. An idea that had a lot of support was conversion of the concrete barn into living quarters for grooms, and PM General Manager Karsten Hennze will look into the cost. Other ideas include cleaning overgrown ditches and fixing stall floors.

The group also discussed the brochure about summer fair meets that the OHBPA will distribute for horsemen, and the summer fair meets.

New Business:

E. Discussion and Possible Approval of Forms B and C for Summer Fair Meets

Eastern Oregon Livestock Show: Director McGrail presented Forms B and C for EOLS, stating that the application was in order and recommending approval.

Action: Approve EOLS Forms B and C for the race meet June 9-11, 2017

Moved by: Commissioner Christopher Dudley

Seconded: Vice Chair Jan Palmer, DVM

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Grants Pass Downs: Director McGrail noted that Southern Oregon Horse Racing Association (SOHRA) has partnered with Dutch Bros. Coffee in an agreement that will ensure racing's future in Grants Pass. Improvements are planned to the jockeys' room, the infield and the paddock, and a simulcast initiative could lead to Grants Pass wagering across the IdaBet platform, he reported. He added that Forms B and C were complete and recommended approval.

Action: Approve Forms B and C for the 2017 race meet at Grants Pass Downs.

Moved by: Commissioner Christopher Dudley

Seconded: Vice Chair Jan Palmer, DVM

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Crooked River Roundup (CRRU): Director McGrail noted that CRRU will offer a minimum purse of \$3,000 this year, a significant achievement, and has recruited a lot of sponsors. He added that, although it is not before the Commission yet, the meet also plans to offer simulcasting. He recommended approval of Forms B and C.

Action: Approve Forms B and C for the Crooked River Roundup race meet, July 12-15, 2017

Moved by: Commissioner Christopher Dudley

Seconded: Vice Chair Jan Palmer, DVM

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Tillamook County Fair: Director McGrail praised the meet, citing its big-screen, which enhances the races; its volunteers, who help the horsemen; and the additional training days the track provides. He recommended approval of Forms B and C.

Action: Approve Forms B and C for the Tillamook County Fair race meet, Aug. 9-12, 2017

Moved by: Commissioner Christopher Dudley

Seconded: Vice Chair Jan Palmer, DVM

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Harney County Fair: Director McGrail noted that Harney County for the first time has requested the purse enhancement offered by the Commission, which will increase purses by \$12,000 over 23 races. The meet must secure \$6,000 in sponsorships. With the caveat that a solution remains to be found for the starting gate issue, he recommended approval of Forms B and C.

Action: Approve Forms B and C for the Harney County Fair race meet, Sept. 8-10, 2017, contingent upon the gate problem being fixed

Moved by: Commissioner Christopher Dudley

Seconded: Vice Chair Jan Palmer, DVM

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

Vice Chair Palmer asked why the Grants Pass meet's win/place/show takeout at 18 percent differed from the 22 percent takeout at the other meets. Director McGrail explained that the meets are allowed to pick an amount up to 22 percent.

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Rod Lowe of SOHRA asked about timing of when the Coggins requirement goes into effect, noting that there are horses on the Grant Pass fairgrounds now, but SOHRA does not have jurisdiction over them until May 1. Director McGrail advised him that the Commission would go to the meet a month before it opens and check the horses it has jurisdiction over (racehorses and pony horses). The Commission advised him that if SOHRA gets jurisdiction over the grounds May 1, that's the date it should require a negative Coggins.

Confirmation of the Next Commission Meeting:

The next Oregon Racing Commission meeting will be May 18, 2017, at 1:30 p.m. in Room 1B of the Portland State Office Building (PSOB), 800 N.E. Oregon St., Portland, OR.

Adjournment:

Action: Motion to adjourn.

Moved by: Vice Chair Jan Palmer, DVM

Seconded: Commissioner Christopher Dudley

Vote: Commissioners Williamson, Palmer, Dudley and Conde voted AYE, and the motion carried unanimously (4:0).

There being no further business, the meeting was adjourned at 2:10 p.m.