



Minutes
Oregon Racing Commission
December 21, 2017

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, December 21, 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 1:30 p.m.

In Attendance

Commissioners: Chair Charles Williamson; Vice Chair Jan Palmer, DVM; Commissioner Diego Conde; Commissioner Christopher Dudley; Commissioner Angelo Turner (by phone, called in after approval of agenda and minutes).

Staff

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

Agenda Items

Approvals:

Action: Approval of the meeting agenda, amended to include a report by the Best Practices Sub-committee.

Moved by: Commissioner Christopher Dudley

Seconded:

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

Action: Approval of the November 16, 2017, meeting minutes.

Moved by: Commissioner Christopher Dudley

Seconded: Commissioner Diego Conde

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

Old Business:

Best Practices Sub-committee Report

Commissioner Dudley reported that the Best Practices Sub-committee reviewed Commission progress on the 18 Best Practice indicators. The committee reviewed Commission actions taken between July and December with an eye to which Best Practices they met. The sub-committee plans to make this review quarterly, Commissioner Dudley stated. The sub-committee will send a memo based on this morning's review to the other Commissioners for their feedback.

Commissioner Dudley added that the sub-committee also looked at the Key Performance Measures survey, noting that the current process – dropping a survey in a box – was not very useful. The sub-committee will look at different ways to get the survey to stakeholders in order to collect a more meaningful response.

ADW Sub-committee Report

Commissioner Dudley reported the sub-committee heard an update on Historic Racing and whether legislation is needed to move forward. He noted that some stakeholders expressed concern about communication on the issue. He noted that the proposed legislation is not an ORC bill. He added that the change would be necessary to move forward with certain new offerings from ADWs.

The sub-committee also heard an overview from ADW Supervisor Connie Winn and Commissioner Conde on the RTIP symposium they attended earlier in December in Arizona. Commissioner Dudley asked Commissioner Conde to recap that report.

Commission Conde stated that he attended the symposium with two goals: to meet leaders in the ADW industry and to get an unofficial report card on ORC performance. General feedback was positive, he reported, with attendees praising both Executive Director McGrail and Ms. Winn. He noted two hot topics: handicapping contests and how to regulate them, and the imminent nationwide legalization of sports betting. Commissioner Conde encouraged the Commission to continue to send representatives, including a commissioner, to this event.

Commissioner Dudley reported that the sub-committee also held an executive session regarding a proposed new licensee, which the Commission will take up under new business.

Chair Williamson noted that the bill before the Legislature is important to the Commission and to racing in Oregon, and that the Governor's Office has indicated it is ok for the Commission to go Salem, not to lobby for the bill, but to explain it.

Executive Director's Report

Executive Director McGrail reported that things are going well at Portland Meadows (PM). Stewards report the jockeys are riding well, track surface remains in good condition, there have been fewer positive tests, and few issues on the backside. The backside safety committee and track committee meet regularly, he noted, and the dialog among track management, horsemen and Commission staff helps ensure the safety of the sport.

Last Sunday was Oregon Championship Day, which drew a large crowd, he noted. Handle figures have declined about 12% compared to last year, Director McGrail noted, not altogether surprising given competition from a new casino in Washington. Pari-mutuel handle nationally has increased, he added, probably due to new tax rules, which is encouraging. Sports betting is likely on the near horizon, he reported, and the Commission should take steps to see how that might the support horse-racing industry.

Revenue for racing development is meeting projections, Director McGrail stated, and checks should go out early next year.

The Commission plans to take a close look at rules early in 2018 and amend or delete those that are no longer serving their purpose.

He also thanked Phil Trowler and Martin Auerbach from DRF Bets for coming to the meeting to present an application for a new ADW license.

Portland Meadows (PM) Report:

Karsten Hennze, PM General Manager, stated that since his last report, the meet has not seen any catastrophic equine injuries or significant jockey injuries. He noted that the track bought a rotovator last season, and the track crew has reported it works well to chop up the track surface following an overnight freeze, resulting in a consistent track surface.

Handle numbers over the year are down a little bit, he noted, adding, however, that live racing last week was particularly good. The track had a million-dollar day on Oregon Bred Day, which was a Sunday. Looking ahead, he noted that January is traditionally a stronger month for PM.

New Business:

Discussion and Possible Approval of New ADW License for DRF Bets:

ADW Supervisor Winn introduced Phil Trowler, President, and Martin Auerbach, General Counsel and Senior Managing Director, from DRF Bets. Mr. Trowler noted that his company had been in racing for 125 years and looked forward to working with the Oregon Racing Commission. Mr. Auerbach echoed that sentiment, noting that an ADW hub license from Oregon was the foundation for building the ADW-oriented dimension of the business.

Ms. Winn ran down her checklist and reported that the company met all criteria. Her recommendation is to approve the license, with conditions. She noted that the company is starting up and operating as an affiliate of an existing licensee, and it wishes to gain a license in advance of opening a hub before approaching individual states. Conditions involve allowing the ORC to review the completed packet after that occurs, as well as reviewing third-party vendors for portals and geo-locating software. Director McGrail will determine when the conditions are met.

Ms. Winn noted that the ORC had a past, similar agreement with another ADW, which acquired its license and did not go live until a year or two afterward.

Action: Approve the licensing of Daily Racing Form LLC -- for a period from January 1, 2018, through June 30, 2022 -- including requirements listed in a memo to the Commission regarding conditions that must be met before the company becomes operational.

Moved by: Commissioner Christopher Dudley

Seconded by: Commissioner Diego Conde

Vote: Commissioners Williamson, Palmer, Conde, Dudley and Turner voted AYE, and the motion carried unanimously (5:0).

Discussion and Possible Approval of OQHRA Request for Increase in Distribution from Purse

Account:

Leah Nelson, Executive Secretary of the Oregon Quarter Horse Racing Association (OQHRA), Chris Philbrook, Chairwoman of the Oregon Quarter Horse Racing Association, and Dave Nelson, OQHRA Board member, addressed the Commission. Ms. Nelson explained that the association for years has taken \$15,000 from the Quarter Horse purse account during the PM meet to fund association operations and wants to increase that amount to \$20,000.

Director McGrail noted that the increase was modest and the OQHRA has not requested an increase in some time. He noted that ORS 462.062 authorizes the disbursement and makes it subject to Commission approval. He recommended approval of the request.

Action: Approve OQHRA request for increase in distribution from purse account

Moved by: Commissioner Diego Conde

Seconded: Commissioner Christopher Dudley

Vote: Commissioners Williamson, Palmer, Conde, Dudley and Turner voted AYE, and the motion carried unanimously (5:0).

Other Business as May Properly Come Before the Commission:

None

Public Comment:

None

Contested Cases:

None

Confirmation of the Next Commission Meeting:

The next regular Oregon Racing Commission meeting will be Thursday, January 18, 2018, at 1:30 p.m. in Room 1A of the Portland State Office Building (PSOB), 800 N.E. Oregon St., Portland, OR.

Adjournment:

Action: Motion to adjourn.

Moved by: Commissioner Diego Conde

Seconded: Commissioner Christopher Dudley

Vote: Commissioners Williamson, Palmer, Conde, Dudley and Turner voted AYE, and the motion carried unanimously (5:0).

There being no further business, the meeting was adjourned at 2:00 p.m.