



**Minutes**  
**Oregon Racing Commission**  
**February 16, 2017**

**Meeting Detail**

The Oregon Racing Commission (ORC) met on Thursday, February 16, 2017, in Room 1C 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 1:32 p.m.

**In Attendance**

**Commissioners:** Chair Charles Williamson, Commissioner Christopher Dudley, Commissioner Diego Conde, Commissioner Michael Huber, DVM (on phone)

**Staff**

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

**Excused**

Vice-Chair Jan Palmer, DVM

**Agenda Items**

**Approvals:**

**Action:** Approval of the meeting agenda

**Moved by:** Commissioner Diego Conde

**Seconded:** Commissioner Christopher Dudley

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

**Action:** Approval of the January 19, 2017, minutes as amended by counsel

**Moved by:** Commissioner Diego Conde

**Seconded:** Commissioner Christopher Dudley

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

**Old Business:**

**A. Medication and Horse Welfare Report**

Director Jack McGrail stated that the sub-committee met this morning and discussed ways to disseminate information about the 6-month Coggins rule. He explained that information about the rule's implementation will be on the ORC website and sent as an e-mail blast to stakeholders. He added that the

Oregon Horsemen's Benevolent & Protective Association (OHBPA) will make the information available through its website and email list, and it will be in condition books that Shorty Martin is preparing for the upcoming fairs. Director McGrail explained that he is working on a more comprehensive document that includes the rationale for continuing the policy.

Director McGrail noted that the Oregon Department of Agriculture has terminated its Coggins reciprocity agreement with Washington and Idaho regarding transporting horses between states. He added that Presiding State Steward Michael Twiggs will work with fair managers to come up with a policy for cataloging horses entering each fairgrounds and Coggins reports. He noted that getting the word out is the most important aspect – horsemen will generally comply if they know about the rule, he added.

The subcommittee also discussed hair testing, Director McGrail stated, noting that Texas A&M University has ramped up its lab capabilities and could provide a testing alternative to University of California-Davis. The agency needs to find out if Texas tests only for Clenbuterol, or if it also tests for analogs included in the ORC rule. More lab options means more choices and potentially lower costs to the ORC, he noted.

The subcommittee also discussed removing a horse in another jurisdiction, such as Arizona, from the ORC vet's list. He explained that some jurisdictions will not allow a horse to run if it is on a vet's list anywhere. This could require a horse in Arizona, for example, to ship back to Oregon to be removed from the vet's list here so it can race in Arizona, which can be unnecessary and burdensome. The ORC developed a new policy allowing the regulatory veterinarian in the state seeking the horse's removal from the list to file a written report with ORC Senior State Veterinarian Stacy Katler indicating that the horse has met the conditions for removal. Dr. Katler could then remove the horse from the Oregon list. Director McGrail noted that such reciprocity between jurisdictions is becoming common. He explained this is a policy change and does not require action by the Commission.

Chair Williamson asked if the agency was looking into providing clinics during the summer fair circuit to help horsemen with the cost of Coggins tests, as it did last year. Director McGrail stated that the OHBPA has not requested that assistance. In response to a follow-up question, he noted that twice-yearly Coggins is not an insignificant cost for a big stable. Chair Williamson suggested mailing a letter with the Coggins policy to owners and trainers to be certain everyone was informed, and counsel concurred.

## **B. Executive Director's Report**

Director McGrail stated that the Commission presented its budget Feb. 8 to the Legislature's Ways & Means Committee subcommittee on transportation and economic development. He noted that several stakeholders spoke in support. He stated the subcommittee is likely to review the bill in late March or early April, followed by a recommendation from the legislative fiscal office.

Director McGrail reported that trackman Steve Wood has expressed his willingness to help out again with track surfaces for the fair meets.

Director McGrail stated that the ORC will have an Advanced Deposit Wagering (ADW) sub-committee meeting next month. He noted that ADW Supervisor Connie Winn recently completed audits at US Off-Track and at Premier Turf Club and has scheduled audits at NYRA Bets and Xpressbet. He noted that ADWs continue to innovate and are looking to launch new products, which ORC hopes to facilitate while still providing regulatory oversight.

Director McGrail stated that the Department of Administrative Services (DAS) has reviewed the agency's internal controls. The agency is waiting to hear about any recommendations regarding efficiencies within the system and ensuring the ORC has redundant internal financial controls.

### **C. Portland Meadows (PM) Report**

General Manager Karsten Hennze noted there were a lot of differences between the just-concluded PM meet and last year's, citing racing days, last year's racing clubs and this year's weather. He stated that on-track handle was down about \$115,000 compared to the previous year, or about 13%. He noted that the track ran a lot of Sundays, which is supposed to draw a local crowd, but allowed that bad weather was a factor. Racing three days a week resulted in slightly lower field sizes. He added there was a significant reduction in off-track betting on PM races, which may be attributable to Sunday racing as well. He noted that closures at OTB sites affected the year-over-year analysis.

Mr. Hennze stated that the out-of-state wagers were \$16 million this year compared with \$21.5 million last year, adding that a significant portion of the difference was due to last year's racing club races. He noted that PM ran 35 of the 37 scheduled race days. Four days were cancelled and two were rescheduled. Mr. Hennze stated that PM ran 300 races this year versus 344 last year. Average field size was 7.29, down from 7.52 last year (Pick-6 races inflated last year's number, he noted).

Mr. Hennze stated that three jockeys suffered significant injuries this meet and five horses suffered catastrophic injuries, for a rate of 2.29 per 1,000 starters. He attributed two or three of those to track surface and noted he is reviewing equipment and talking internally about what can be done to improve track conditions.

Mr. Hennze noted that Oregon Championship Day field size and handle were hampered by severe fog and the fact that the day's card had been rescheduled from Sunday to Wednesday. On-track handle was \$22,000.

### **New Business:**

### **D. Discussion and Possible Approval of Summer Fair Race Meet License Applications Form A**

**Eastern Oregon Livestock Show:** Director McGrail stated that the Eastern Oregon Livestock Show applied for its usual three days of racing: June 9, 10 and 11. He noted that some details, such as those regarding security and the tote provider, might change, and asked the Commission to approve only the race dates at this time.

**Action:** Approve race dates for the Eastern Oregon Livestock Show.

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

**Seconded:** Commissioner Diego Conde

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

**Grants Pass Downs:** Rod Lowe, Director of Racing for the Southern Oregon Horse Racing Association (SOHRA), requested Grants Pass Downs race dates of: June 17, 18, 24, 25, and July 1, 2, 4, 8 and 9.

**Action:** Approve race dates for Grants Pass Downs.

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

**Seconded:** Commissioner Christopher Dudley

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

**Crooked River Roundup:** Dean Noyes, Director of Racing for the Crooked River Roundup (CRRU), requested race dates of July 12, 13, 14 and 15.

**Action:** Approve race dates for Crooked River Roundup.

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

**Seconded:** Commissioner Christopher Dudley

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

**Tillamook County Fair:** Camy VonSeggern, Tillamook County Fair Manager, requested race dates of August 9, 10, 11 and 12.

**Action:** Approve race dates for the Tillamook County Fair.

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

**Seconded:** Commissioner Diego Conde

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

**Harney County Fair:** Director McGrail presented the Harney County fair request for its usual race dates: September 8, 9 and 10. He stated that the Commission is discussing with Kennewick fair officials using that meet's gate in Harney County. Noting past issues with the Harney County meet, Director McGrail stated the fair board had unanimously expressed support for a race meet.

**Action:** Approve race dates for the Harney County Fair.

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

**Seconded:** Commissioner Christopher Dudley

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

#### **E. Oregon Thoroughbred Owners and Breeders Association (OTOBA) Hub Fund Report**

Lynnelle Fox Smith, Executive Director of OTOBA, reported that through its incentive program, OTOBA reimbursed 51 foal registrations for 2016. Given the program's success, OTOBA has asked the ORC for continued funding in 2017.

Ms. Smith stated that hub funds also went toward a starter's bonus of \$100 paid to the breeder of any Oregon-bred Thoroughbred running anywhere in the United States or Canada. She stated 164 Oregon-breds running in 2016 made just over \$1 million, and OTOBA paid out \$16,400 to breeders.

Ms. Smith stated that OTOBA also pays a breeder's award at PM. Ten percent of all earnings are paid to the breeders; this year, 60 breeders received a total of \$35,869. Ms. Smith noted that for the PM meet, Oregon-breds earned \$358,699, down significantly from last year's total of about \$417,000. She attributed that difference to cancelled race days.

Ms. Smith noted that the Oregon Derby was cancelled due to January's weather, but plans call for rescheduling it for the fall. She reported that OTOBA is working on its three summer fair programs -- purse supplements, high-point challenge and breeder's awards -- and is considering adding a racing series that would build over the summer meets.

#### **Contested Cases:**

None

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

None

**Public Comment:**

Dean Noyes, CRRU Director of Racing, reported on jockey insurance for the fair meets, noting that an April 1 deadline is approaching, and he will forward approved race dates to the underwriters. He reported that of five claims last year, two have closed. There were \$35,000 in claims against the insurance policy for what Mr. Noyes called a great year. (In answer to a question, Director McGrail stated the policy cost about \$176,000). Mr. Noyes stated he was anticipating a favorable renewal rate.

Mr. Noyes reported he had been working with Randy Evers of the OHBPA and Rod Lowe of SOHRA on a simulcast project, and they have received a proposal from IdaBet. He also praised Trident, which provides video services for CRRU, for the company's responsiveness and professionalism.

He noted that United Tote has provided a proposal to cover all five fair meets. He added there are a few kinks to be worked out, but the proposal should move forward this year.

Commissioner Dudley asked if there was a cost implication for the fairs using United Tote. Mr. Noyes responded that there is a transportation expense, but the fairs had worked out an arrangement that would benefit the five meets. He stated that they are also working on a way to store the tote centrally to save money.

Commissioner Dudley asked whether there was any loss control with jockeys on safety issues. Mr. Noyes replied that it was a three-legged stool composed of jockeys, tracks and insurance. He noted a favorable shift in number of breakdowns, track conditions and jockey culture over the past several years. He added that the fairs do not control jockeys – they are not employees – but he has seen a positive trend in the culture. Mr. Noyes noted that there had been conversations in the past about whether jockeys should be subject to an exam to determine whether they were physically fit to ride.

Director McGrail noted that as better jockeys attend race meets, there is less likelihood of problems. The jockey incentive and other financial incentives result in better jockeys attending the meets, he added.

Chair Williamson asked about the safety of railings. Mr. Noyes stated there had been no railing issues at CRRU. Presiding State Steward Michael Twiggs noted that safety rails at the fairs are cost prohibitive. He stated that the biggest problem they encountered last year involved unsafe pipe clamps on a railing at Grants Pass, but the problem was fixed.

**Confirmation of the Next Commission Meeting:**

The next Oregon Racing Commission meeting will be March 16, 2017, at 1:30 p.m. in Room 1C of the Portland State Office Building (PSOB), 800 N.E. Oregon St., Portland, OR.

**Adjournment:**

**Action:** Motion to adjourn.

**Moved by:** Commissioner Christopher Dudley

**Seconded:** Commissioner Diego Conde

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

There being no further business, the meeting was adjourned at 2:24 p.m.