



Minutes
Oregon Racing Commission
May 18, 2017

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, May 18, 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 Michael Huber, DVM; Commissioner Christopher Dudley; Commissioner Diego Conde

Staff

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

Agenda Items

Approvals:

Action: Approval of the meeting agenda.

Moved by: Vice Chair Jan Palmer, DVM

Seconded: Commissioner Christopher Dudley

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

Action: Approval of the April 20, 2017, meeting minutes

Moved by: Commissioner Christopher Dudley

Seconded: Commissioner Diego Conde

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

Old Business:

A. Executive Director's report

Executive Director Jack McGrail reported that the starting gate inspections have been completed by Noel Cassidy of United Puett. The Harney County gate was the only one deemed unsuitable, and the Commission has discussed with Dean Noyes of the Crooked River Roundup (CRRU) using that meet's gate for Harney County. Noting that the roads between Prineville and Burns are good, with no wires to impede traffic, he stated that seemed to be a practical solution. The CRRU Board of Directors has indicated it is willing to lease the gate to Harney County, with details to be worked out.

Commission stewards are scheduling pre-meet inspections for the fair meets, beginning May 25 or 26 with Deputy State Steward Jim Smith at the Eastern Oregon Livestock Show in Union, Director McGrail stated. Trackman Steve Wood is scheduled to be there June 8-9.

Also regarding fairs, he stated that the Commission will buy weight pads to be used at the fairs to ensure that underweight riders carry assigned weights. The fairs have been borrowing weight pads from Portland Meadows (PM). Senior State Veterinarian Stacy Katler has put together a Coggins tracking system that Racing Secretary Shorty Martin and his wife, Karen, will administer. After Coggins verification, the data will be input, simplifying tracking and record-keeping.

Director McGrail stated that he had received a preliminary application from PM that is conditional upon the meet reaching agreement with the horsemen. He added that the Commission hopes to receive the full application by next month's meeting, including a horseman's contract and an agreement on number of races.

He thanked Gene Chabrier from Xpressbet for his presence at today's meeting and presenting the company's application for a 3-year license renewal. In conclusion, Director McGrail noted that BJ Cosson is retiring June 29 as vice president of TVG, noting that he had been a tremendous asset to the racing community in Oregon.

B. ADW Sub-Committee Report

Commissioner Christopher Dudley stated that the ADW sub-committee met this morning and reviewed quarterly hub handles. The good news, he noted, is that handle is up overall, with the large hubs consistently up and the smaller ones struggling. He noted that a lack of growth in the small hubs could affect ORC revenue, because the Commission uses money from that assessment for distribution to the industry.

He added that the sub-committee reviewed the ADW checklist that the Commission uses when considering hub applications for renewal and found it complete. Commissioner Dudley stated that the sub-committee then went into Executive Session to discuss proprietary product development by certain ADWs.

C. Budget Sub-Committee Report

Vice Chair Jan Palmer noted that most of what the sub-committee discussed is on the agenda and will be discussed later in today's meeting.

D. Best Practices Report

Commissioner Dudley noted that after a false start having the Commissioners fill out Best Practices score sheets, the Best Practices sub-committee discovered that its timeframe for doing its self-evaluation did not meet the Department of Administrative Services (DAS) timeline. In response, he explained, the sub-committee has come up with a new approach. After the June Commission meeting, Commissioners will receive electronically a score sheet, a definition of criteria for Best Practices and a staff memo showing action over the past year that indicates the Commission is meeting performance goals. The memo will include sub-committee work.

Commissioners may fill out the forms on hard copy, but Commissioner Dudley noted that eventually the process would have to be done electronically. It will be on the right timeline for reporting back to the state, and may in the future include progress updates during the year.

Chair Williamson added that Vice Chair Palmer was continuing to work on the 360-degree evaluation of Director McGrail.

E. 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 stated that the effort seemed to be “going nowhere fast.” Tillamook has fizzled, because officials there do not think they can make the facility available over the winter.

FROG also discussed use of backside improvement funds, she noted, and is waiting for estimates. Big projects are building housing for grooms, cleaning overgrown ditches and fixing stall floors.

She added that Don Slone, Racing Director of the Harney County Fair, gave a report on that meet’s status.

Commissioner Huber asked if it would be possible for the FROG meetings to be held at PSOB. Vice Chair Palmer replied that had been tried, but parking was problematic, and sometimes the group was unable to reserve a room. After discussion about how room reservations in PSOB work and a general agreement that it was confusing to change the meeting site from month to month, the group decided to hold the June 15 FROG meeting at 10 a.m. in PSOB Room 1C.

New Business:

F. Discussion and Possible Approval of ADW License Renewal - Xpressbet

Commissioner Dudley called on ADW Supervisor Connie Winn and Gene Chabrier, Vice President of Regulatory Affairs & Business Development for Xpressbet, to report on the company’s application for a 3-year license renewal. Ms. Winn stated that she had validated all information in the application, including financial records, and ascertained the application meets Commission criteria.

Action: Approve renewal of Xpressbet license for 2017-20

Moved by: Commissioner Christopher Dudley

Seconded: Commissioner Michael Huber, DVM

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

G. Discussion and Possible Approval of Hub Funds for Steve Wood Consultation

Director McGrail explained that the Commission already approved hub funds for trackman Steve Wood through June 30. Before the Commission today is approval of hub funds for his consultation for the last three summer meets: Crooked River Roundup, Tillamook County Fair, Harney County Fair. Vice Chair Palmer stated that the average fee was \$1,250 per fair.

Action: Approve expenditure of \$3,750 in hub funds for trackman Steve Wood

Moved by: Vice Chair Jan Palmer, DVM

Seconded: Commissioner Christopher Dudley

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

H. Discussion and Possible Approval of Hub Funds for Summer Fair Meets

Vice Chair Palmer stated that the Budget Sub-committee reviewed hub fund requests from Crooked River Roundup (CRRU), Tillamook County Fair and Harney County Fair.

CRRU requested \$89,960 per year, which the sub-committee approved. Tillamook County Fair requested \$85,960 per year. She noted the only difference between this year and last was the inclusion of \$1,000 for marketing and advertising. The sub-committee approved the request. The Harney County Fair requested \$62,428 per year, also including \$1,000 for marketing and advertising.

Vice Chair Palmer noted that the sub-committee was forwarding Harney County's application to the Commission with a requirement that fair management submit a written summary of 2016's problems – starting gate, tote company, dog policy, security for people crossing and timing of the facility inspection – and how those problems are being addressed for 2017. She noted that some of those issues had been fixed, but the letter should acknowledge them and note how they were fixed.

Action: Approve hub fund allocations of \$89,960 per year to Crooked River Roundup; \$85,960 per year to Tillamook County Fair; and \$62,428 per year to Harney County Fair, the latter contingent upon receipt before June 15 of a letter summarizing problems and solutions.

Moved by: Vice Chair Jan Palmer, DVM

Seconded: Commissioner Christopher Dudley

Discussion: Director McGrail noted that the allocations are dependent on the Commission's receipt of funds through various sources; furthermore, that the allocations are based on projections, and do not constitute a guarantee or contractual obligation.

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

I. Discussion and Possible Approval of Hub Funds

Vice Chair Palmer stated that the Budget Sub-committee discussed hub fund allocations for the Oregon Horsemen's Benevolent & Protective Association (OHBPA), the Oregon Thoroughbred Owners & Breeders Association (OTOBA), the Oregon Quarter Horse Racing Association (OQHRA) and Portland Meadows (PM). The final amount in the racing development fund available for disbursement is \$2,869,102, she reported. After funding the summer meets (\$997,870), jockey insurance, jockey incentive, tote company and racing secretary (\$421,232 in total), the Commission has \$1,450,000 left to fund the industry associations and commercial race meet, she stated.

She explained that those entities had reached an agreement in May 2016 that the allocation be split on the following percentage basis: OHBPA, 38 percent; OTOBA, 17 percent; OQHRA, 15 percent; and PM, 30 percent. Dividing that into four payments over the biennium, the amounts are: \$137,750 to OHBPA; \$61,625 to OTOBA; \$54,375 to OQHRA; and \$108,750 to PM. Vice Chair Palmer repeated Director McGrail's proviso that the amounts are projections dependent on revenue. In addition, each group is required to submit a letter petitioning the funds, with a detailed statement of where the moneys will be allocated, prior to the checks being issued. Those letters should be received before the June 15 Commission meeting.

Action: Approve hub fund allocations, over the 2017-19 biennium, of \$551,000 to OHBPA; \$246,500 to OTOBA; \$217,500 to OQHRA; and \$435,000 to PM, contingent on receipt from each organization of a letter petitioning for the funds and a statement of how they will be spent.

Moved by: Vice Chair Jan Palmer, DVM

Seconded: Commissioner Christopher Dudley

Discussion: Chair Williamson asked whether the Commission should wait a month to see what the money will be used for before approving the allocations. Director McGrail responded that the requests are not unusual and the funds could be approved subject to review of the materials when they come in. He added that the approval is routine and has been done for the past four years. Chair Williamson expressed reservations about approving expenditure of more than \$1 million before seeing what it would be used for.

Dave Nelson of the OQHRA noted that his group could provide the requested documentation within hours – all the Quarter Horse money goes to purses – but noted that a delay would require the OQHRA to spend money on purses for the summer meets before receiving a check for those purses from the state.

Commissioner Dudley reported that the Budget committee knows where the money has been used in the past and will receive a report from each organization detailing where they spend the money for each year of the biennium. He added that it is clear where each organization has traditionally spent the money and where it is planning to spend it. Chair Williamson suggested amending the motion to make it conditional on receipt, by the next Commission meeting, of details of how the money will be used. Commission members agreed to that amendment.

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

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

Commissioner Dudley noted that in the past, the Commission has tried to have a presence at the fairs. He wondered if the Commission wished to have a member “show the flag” at each meet. Vice Chair Palmer recalled that last year the Commission “highly encouraged” each Commissioner to pick a fair to attend. Commissioner Dudley quickly placed dibs on CRRU. Chair Williamson asked Director McGrail and Karen Parkman, Program & Administrative Coordinator, to poll the Commissioners in an effort to have a Commissioner present at each fair.

Public Comment:

Camy VonSeggern, manager of the Tillamook County Fairgrounds, asked the Commission to consider sending a Commission member to the Tillamook County Fair to participate in either opening or closing ceremonies.

Confirmation of the Next Commission Meeting:

The next Oregon Racing Commission meeting will be June 15, 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 Michael Huber, DVM

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

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