



**Minutes**  
**Oregon Racing Commission**  
**October 19, 2017**

**Meeting Detail**

The Oregon Racing Commission (ORC) met on Thursday, October 19, 2017, 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 Diego Conde; Commissioner Angelo Turner; Commissioner Christopher Dudley (by phone).

**Staff**

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

**Agenda Items**

Chair Williamson opened the meeting by welcoming new Commissioner Angelo Turner. Commissioner Turner introduced himself by saying that he worked in the health care industry and his father had owned two race horses – neither of which ever won a race – at Del Mar.

**Approvals:**

**Action:** Approval of the meeting agenda.

**Moved by:** Commissioner Diego Conde

**Seconded:** Vice Chair Jan Palmer, DVM

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

**Action:** Approval of the September 21, 2017, meeting minutes.

**Moved by:** Commissioner Diego Conde

**Seconded:** Vice Chair Jan Palmer, DVM

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

**Old Business:**

**Executive Director's report**

Executive Director McGrail thanked outgoing Commissioner Michael Huber, DVM, for his nearly 10 years of service on the Commission and his contributions and professional knowledge as a veterinarian to help make the industry safer and stronger in Oregon. He then welcomed Commissioner Turner to the Commission.

Director McGrail noted that Portland Meadows (PM) has run six cards, and the meet is going smoothly, with the track in good shape. The new association steward, Vince Funk, is working with the Commission stewards as well as handling the Australian separate pools simulcast wagering. The coming week will have three days of racing – Sunday, Monday and Tuesday – and PM has asked to move post times on this Monday and Tuesday to 1 p.m.

Nationally, Director McGrail reported that new regulations that went into effect Sept. 28 essentially allow the total amount of a bet to be used in determining if reporting and withholding thresholds are reached. ADW licensees report that “tax tickets” have been reduced by 80% to 90%. As this money is returned to bettors, it is projected that up to an additional \$1 billion in annual wagering will run through the pari-mutuel system.

Director McGrail noted that the Oregon Fairs Association racing committee meeting is 1 to 3 p.m. Oct. 28 in Albany. He will be there, as well as perhaps one of the Commissioners.

He noted that the Commission is scheduled to elect new officers in either November or December, and that will be reflected on the agenda.

### **Portland Meadows Report**

Karsten Hennze, PM General Manager, reported that the horse count is lower than previously and the meet has dropped to nine races per card from the optimal 10. Next week, with three race days, will likely have 8-race cards; PM will then try to go back to 10.

The daily handle in September/October last year averaged \$455,000, Mr. Hennze stated. It has averaged \$428,000 this year, with one fewer race most days. He noted that post times have not changed on the shorter days, and the best races for handle usually come at the end of the day when the East Coast shuts down. Given that field sizes have been smaller and there have been fewer races, it is encouraging to be that close to last year’s handle, he stated. He added that he is optimistic the meet will be relatively strong. PM has enough jockeys, he stated. One horse was vanned off with a chip, he reported, but there have been no breakdowns so far. Thanks to a new piece of equipment, the track is in better shape than it has been.

Mr. Hennze provided additional information on handle: Handle on races toward the end of the day is more than \$100,000, which makes up for low handle -- \$15,000 to \$20,000 -- early in the day. He added that an occasional big day is \$1 million. Last year’s daily handle averaged \$550,000 to \$600,000, which PM hopes to improve on this year.

The implementation in the tote for the new IRS rules is scheduled for Oct. 24, he stated.

Chair Williamson asked how many horses are at the track. Mr. Hennze stated that last year’s peak was 600 to 650, and he thinks there are 80 to 100 fewer this year. He noted that the best way to draw more horses is purse money. He added that PM is focused on Instant Racing, because its success would do more than anything else to drive the success of live racing. He reported that PM is working on “fuller development” of Instant Racing. The product has been much improved recently, and PM is ready to upgrade its marketing effort and facilities.

## **New Business:**

### **Fair Director's Report – Grants Pass Downs**

Rod Lowe, Director of Racing for the Southern Oregon Horse Racing Association (SOHRA), stated that overall the meet was good, except financially. Improvements to the starting gate, in the form of new batteries and the addition of solar panels, eliminated a clicking sound that had given horses a false cue.

He reported that the meet was safe. One horse suffered a minor injury in the gate and one jockey was injured in the paddock, but he was back that night.

Two 105-degree days kept people home and hurt handle, concession and gate receipts, Mr. Lowe noted.

He characterized IdaBet as somewhat successful for its first year, generating \$82,383 off track. Unfortunately, he added, it didn't make any money for the meet. Early figures indicate a \$4,232 loss, though he is still discussing the figures with United Tote.

Field sizes were better than last year: 5.82 vs. 5.69 horses per race, and the meet added a race for 73 total races.

Mr. Lowe reported purses were up, but on-track handle was down \$37,356, which represented a \$7,500 loss compared to last year. IdaBet figures are pending. In sum, the meet has been going in the wrong direction financially for the past three years and needs to make adjustments, he stated. The total loss for this year was nearly \$12,000. He attributed that to several factors: hot weather, older equipment that required repairs, increasing labor costs. Costs are climbing, but revenues are not.

Director McGrail asked if those costs are one time or recurring. Mr. Lowe responded that aside from \$1,000 in equipment, most would be recurring costs. He noted the recurring costs for IdaBet and its technicians could possibly be reduced in the second year, adding that he would like to see IdaBet grow, but \$12,000 was a large loss for the meet. Continuing to lose at that rate will put the races out of business in two or three years, he stated.

Mr. Lowe noted that Grants Pass operates more like a commercial meet than a fair meet in that it opens May 1 for training with a track crew and outriders. The meet has ongoing costs over the 8 weeks it is open for track crew, fuel, tractor repairs, etc. He noted that not being open for training could offer cost savings.

Director McGrail noted that opening early for training was a benefit to the horsemen.

Responding to a question from Chair Williamson, Mr. Lowe stated the meet had 7 to 10 jockeys, which wasn't enough; some horses couldn't race because of a lack of riders. However, he added that he is on the American Quarter Horse Association's racing committee and is investigating the possibility of getting jockeys from Oklahoma (where Remington Park issued checks to 67 different jockeys last year). He asked the Commission to look at the Jockey Incentive Fund to see if part of the money could go toward an incentive to draw jockeys from out of the area, adding that the current system is not increasing the number of jockeys at the fair meets.

Chair Williamson noted that the Future of Racing in Oregon Group has been talking about the jockey situation. That group next meets Nov. 16.

### **Fair Director's Report – Crooked River Roundup**

Dean Noyes, Director of Racing for Crooked River Roundup, reported that 2017 went well, with ample horses, the largest purses offered in CRRU's recent history (the lowest purse was \$3,200 and the largest was \$17,000), which generated lots of positive comments from horsemen, and great community support. Purses totaled \$146,942, exceeding CRRU's goal and last year's total of \$135,000. A total of 219 horses ran in 36 races, with no short fields.

The handle totaled \$265,518, slightly less than last year, and Mr. Noyes noted some marketing opportunities were missed.

He stated that United Tote was a great investment, as it was able to process more tickets faster with fewer errors.

CRRU is still doing the math on how simulcasting via IdaBet worked, Mr. Noyes reported, with payments still coming in. He noted that he thinks it's a great system and had expected, going into it, that the first year would involve working out kinks.

Sharing the starting gate with Harney County seemed to work out well for both meets, he reported. CRRU will use the funds garnered from leasing the gate for its maintenance.

Regarding technology, Mr. Noyes stated that CRRU is expecting to invest in better cameras, lighting, and other equipment to move the simulcast from a video display to a "production" of the races. It will be completely different from what it has been, he stated.

The meet had 10-plus jockeys, which was down from last year's 13 but enough, he reported. CRRU matched the incentive funds provided by the Commission. There was one minor jockey accident, but he was OK the next day, and no horses broke down.

Commission Turner asked about an issue regarding veterinarians that Mr. Noyes referenced in his written report. Director McGrail noted that he thought the issue had been resolved at the time, explaining there had been confusion about having a race meet veterinarian on premises vs. on call. Rules require a veterinarian be on premises during live racing, he stated, but during training, the veterinarian can be on call. Director McGrail explained that OAR 462-140-0050 spells out the process for filing a complaint against a racing official.

Mr. Noyes stated that "complaint" was probably not the best word for what he wanted to convey. He wanted to express a concern about process and procedure, he stated, but felt the situation was handled well at the event and he has no concerns going forward. He characterized the situation as a "communication breakdown" in the paddock and added CRRU would be more vigilant next year. He added he was making an observation rather than a complaint in the statutory sense.

Vice Chair Palmer asked why simulcast money is still coming in. Mr. Noyes explained there were a variety of reasons, such as a facility that sent its check to the wrong address; hub expenses for United Tote that were different from what was expected; and invoicing complicated by including parts of the Grants Pass meet. He noted that he used the same IT person Grants Pass did, and that worked well.

Mr. Noyes added that he knew simulcasting would not make money this year and hopes that next year improvements and other revenue sources will offset costs.

The tote board didn't light up, which wasn't a problem in Kennewick where Mr. Noyes saw it, he noted, but was in Prineville, where the races are run at night. CRRU made some short-term fixes that helped, he stated, and will come up with a system of overhead lights before next summer.

#### **Fair Director's Report – Harney County Fair**

Rick Paul, Interim Fair Manager, stated that the track was improved over last year; the number of horses increased from 65 last year to 111 this year; 10 jockeys rode and 22 races were run. The gate worked well with one exception.

Handle was a little disappointing, he stated, at \$4,137, compared to last year's \$3,745, despite efforts to increase handle by distributing vouchers for first-time bettors. United Tote worked well and was an improvement over last year, he stated.

Overall, he stated people felt good about the meet. Communication needs to be improved next year, Mr. Paul stated, citing rudeness by horsemen directed toward entrance-gate volunteers, profanity, dangerous driving and a lot of hay – some of it in 1400-pound bales – left in the barn area. He noted he found out after the meet that a jockey had been injured – something he felt he should have known at the time. Mr. Paul stated that fair officials needed to meet and decide how they wanted to handle such issues in the future.

Mr. Paul noted that Harney County commissioners toured the fairgrounds this week and asked that one barn, literally being held together by baling twine, be demolished.

Mr. Paul reported that the starting gate worked well.

Mr. Paul asked how "outs" work. Director McGrail explained that outs are winning tickets that are uncashed in the tote system. After 90 days, the outs from the fair meets default to the fairs.

Chair Williamson asked Mr. Paul if he had discussed the problems involving the horsemen with Randy Evers of the Oregon Horsemen's Benevolent & Protective Association (OHBPA). Director McGrail followed up by noting that Mr. Paul could file a complaint through Commission staff, but meeting with the OHBPA is a good idea.

Director McGrail questioned a discrepancy in Mr. Paul's report about purses paid, which was reported variously as \$69,000 and \$84,404. It was determined that the first number is correct and the second figure included expenses other than purses. Director McGrail asked Mr. Paul to submit an accounting of how the additional \$15,404 was spent.

Vice Chair Palmer summed up that the Commission appreciated the uphill battle Mr. Paul had fought to improve the meet over past years and expressed hope that the momentum to climb the hill would continue.

#### **Other Business as May Properly Come Before the Commission:**

None

**Public Comment:**

None

**Contested Cases:**

**Final order on OAH Case No. 2017-ABC-00716, Ruben Camacho-Barragan,** puts in place final order by default imposing 30-day minimum suspension commencing Sept. 29, 2017, and ending only when proof of attendance at Commission-approved alcohol rehabilitation program during the suspension is received and verified by Commission stewards.

**Action:** Approve final order by default in the matter of Ruben Camacho-Barragan

**Moved by:** Commissioner Diego Conde

**Seconded:** Vice Chair Jan Palmer, DVM

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

**Final order on OAH No. Case 2017-ABC-00373, Howard Belvoir,** puts in place final order by default assessing civil penalty and requiring purse redistribution.

**Action:** Approve final order by default in the matter of Howard Belvoir

**Moved by:** Commissioner Diego Conde

**Seconded:** Vice Chair Jan Palmer, DVM

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

**Confirmation of the Next Commission Meeting:**

The next Oregon Racing Commission meeting will be Thursday, November 16, 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:** Commissioner Diego Conde

**Seconded:** Vice Chair Jan Palmer, DVM

**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 2:42 p.m.