



Minutes
Oregon Racing Commission
July 19, 2018

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, July 19, 2018, in Room 1E of the Portland State Office Building (PSOB), 800 N.E. Oregon St., Portland, OR.

Call to Order

Chair Jan Palmer, DVM, called the meeting to order at 1:32 p.m.

In Attendance

Commissioners: Chair Jan Palmer, DVM; Vice Chair Diego Conde; Commissioner Charles Williamson, Commissioner Angelo Turner; Commissioner Peggy Anderson.

Staff

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

Agenda Items

Approvals:

Action: Approval of the meeting agenda, amended to remove “discussion and possible approval of Commissioners’ self-evaluation” and to add “discussion and possible approval of Agency Request Budget.”

Moved by: Vice Chair Diego Conde

Seconded: Commissioner Charles Williamson

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

Action: Approval of the June 21, 2018, meeting minutes.

Moved by: Commissioner Angelo Turner

Seconded: Commissioner Charles Williamson

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

Old Business:

Medication and Horse Welfare Sub-committee Report

Vice Chair Conde reported that the sub-committee met this morning and discussed four things:

- Proposed changes to the controlled therapeutic medication rules. He explained that the proposed changes aim for better consistency and uniformity among jurisdictions. Director McGrail will draft a proposed rule, with the aim of holding a public hearing Sept. 20.

- Proposed changes to the claiming rule. The proposed rule voids claims under certain situations related to horse health and is designed to promote the safety of the horse and protect the interests of horse buyers, Vice Chair Conde reported. He noted the rule has been distributed to stakeholders, a public comment period is open and a public hearing is scheduled for Sept. 20.
- Contingency plan if Portland Meadows (PM) closes before the end of the meet. Vice Chair Conde noted this situation is not anticipated.
- Equine ambulance at fairs. Vice Chair Conde stated that the stewards will investigate whether equine ambulances at the fairs are sufficient and safe and report back to the sub-committee.

ADW Sub-committee Report

Vice Chair Conde reported that the sub-committee met this morning and discussed quarterly handle and trends, which are mixed. Generally, the bigger ADWs are doing better than last year, the smaller ones are struggling a bit.

He added that the sub-committee discussed three Legislative Concepts: virtual greyhound racing; exchange wagering; and sports betting. The sub-committee feels confident that the first two have the support to move forward, he stated. Vice Chair Conde noted that sports betting is a complicated issue that will require more effort and coordination among stakeholders and agencies.

The last subject discussed was rules requested in the ORC's March ADW forum. Vice Chair Conde noted that the forum generated suggestions for rules that are being drafted regarding four topics: virtual racing; allowing ADWs to share information on "bad actors"; allowing ADWs to share information on self-excluded players (the Commission has to investigate what its role should be in regard to such a list); and rules for handicapping contests that would allow tracks to participate.

He reported that those rules should be available for public discussion on Sept. 20.

Budget Sub-committee Report

Commissioner Anderson reported the budget sub-committee met yesterday and reviewed the 2019-21 biennial Agency Request Budget (ARB), which is to be submitted to the Chief Financial Office in Salem by Aug. 1. She stated that revenues are anticipated to show an increase, but much of that will be offset by higher costs for services. IT, PERS and legal are all expected to be higher, and inflation is factored into projections. Despite cost increases, if revenues meet projections, more funds will be available to the industry than in the current biennium. She noted that allocations in the ARB are based on current allocations to the fairs and the percentages previously agreed upon by industry groups. She added that stakeholder agreement may or may not be in place when the allocations are actually calculated.

Commissioner Anderson stated that the Commission expects to allocate \$3.2 million to fairs and industry groups for the 2019-21 biennium; that compares to about \$2.8 million in the current biennium. The General Fund will receive about \$1.2 million (paid to the state), compared with \$1.14 million in the current biennium. She cautioned that all calculations presume no changes in the number of ADW licensees and comparative stability in pari-mutuel handle, revenue and participant licenses.

Action: Approve Agency Request Budget for submission to Chief Financial Office in Salem
Moved by: Commissioner Peggy Anderson
Seconded: Commissioner Charles Williamson

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

Best Practices Sub-committee Report

Vice Chair Conde reported that the subcommittee met today to review the Commissioners' performance self-evaluations, which reflected "good grades." The subcommittee determined that issues raised by former Commissioner Dudley had been addressed.

Vice Chair Conde added that the Executive Director's evaluation will be scheduled for November. Chair Palmer noted that the vice chair usually heads the evaluation and coordinates it with another commissioner.

Vice Chair Conde noted that the subcommittee also discussed results of the KPM survey, which he characterized as a customer-satisfaction survey. He stated that there was more feedback this year, with 65 responses, and 75% of the respondents rated the Commission's performance as excellent or good. The results will be forwarded to the state.

Commissioner Anderson requested that public comments made on the survey be forwarded to all Commissioners, noting that they were consistent with comments she hears at the track.

Executive Director's Report

Director McGrail reported that average field size at Grants Pass increased from 5.8 last year to 6.15 this year, a healthy increase that is good for the industry and helps boost handle. Having lots of horses on the grounds created some issues with stall assignments, which Director McGrail characterized as a good problem to have.

Handle was \$555,000 compared to last year's \$425,000, much of that attributable to the simulcast and ADW involvement. Director McGrail stated the track surface was in great shape. A fractious horse caused one gate issue, which caused other gates to misfire, leading the stewards to declare a non-race with wagers refunded.

Before the meet, a horse entered the grounds without a negative Coggins test and tested positive for Equine Infectious Anemia (EIA). The subsequent quarantine created some problems for horses traveling to and from the track. Director McGrail noted the ORC does not have staff on the grounds fulltime when the track opens for training, but next year will consider putting someone on site opening day to increase Commission supervision.

Director McGrail stated that Prineville was successful in terms of field size (an average of 6-plus horses per race) and purses – the bottom purse on Saturday was a healthy \$3,500. Horsemen were happy with track conditions.

He noted there were problems with outriders. He has asked the stewards to look into whether the licensing standards for outriders, gate people and pony people that apply to commercial meets should also be implemented at the fair meets. He added that anyone who is on the track should have a base level of competence – it's a safety issue.

Simulcasting was a qualified success, he reported. Fairs, horsemen and technology need to coalesce to improve getting the signal out and getting program information to the public, he stated, but it's a good initiative that can increase handle.

Adjustments to the Jockey Incentive Program and recruitment efforts paid off, he noted, with no scratches due to a lack of riders.

Director McGrail reported there have been no catastrophic breakdowns so far this summer, and expressed his appreciation to the horsemen, track vets and State Veterinarian Stacy Katler for their commitment to keeping horses healthy.

Director McGrail reported that the amended claiming rule has been filed, the public comment period is open, and a hearing is set for Sept. 20. If adopted, the rule will be in place by the start of the PM meet.

Chair Palmer asked what the Coggins protocol will be for the Tillamook meet. Director McGrail replied that the track is open, and Presiding State Steward Mike Twiggs will go there early next week and check for Coggins. He noted that the problem with horses on the grounds without Coggins comes up only at Grants Pass and Prineville, which open for training in advance of their meets.

Chair Palmer noted that the Commission must have a mechanism in place to enforce its Coggins rule. Director McGrail stated the solution next year might be to have an ORC official on the grounds for several days when the Grants Pass meet opens to check papers.

Commissioner Anderson noted that the EIA positive in Grants Pass cost the fairgrounds two horse shows, adding that the effects extend beyond the racing community.

Future of Racing in Oregon Group (FROG) Report

Commissioner Turner reported that FROG met this morning. Members talked about problems for the ADWs at Prineville when programs came out late Friday, and the effect that had on online handle, which was \$35,000 on Thursday, \$11,000 on Friday and \$36,000 on Saturday. He noted that Randy Evers of the Oregon Horsemen's Benevolent & Protective Association had offered to serve as simulcast coordinator next year. Commissioner Turner noted that some people were not able to bet Wednesday night at Prineville because of lengthy lines.

FROG also discussed the short gap between summer meets – particularly Grants Pass and Prineville – and the toll that takes on horses and horsemen. Participants thought it might be time to have a conversation about the summer schedule.

Commissioner Turner noted that the group talked about sports betting. He stated the Commission should have a discussion with the powers in Salem, sooner rather than later, and not let the Lottery assume it will control all of it.

Commissioner Turner added that FROG also discussed PM's future. He stated if the meet closes, he would like to look into using that facility's trucks and other equipment at another site. He added that he would like to introduce stakeholders to the owners of Langdon Farms and another landowner near the Aurora Airport.

Contested Cases:

None

Other Business as May Properly Come Before the Commission:

None

Public Comment:

None

Confirmation of the Next Commission Meeting:

The next regular Oregon Racing Commission meeting will be Thursday, Aug. 16, 2018, 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 Diego Conde

Seconded: Commissioner Charles Williamson

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

There being no further business, the meeting was adjourned at 2:09 p.m.