



Minutes
Oregon Racing Commission
October 18, 2018

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, October 18, 2018, in Room 1C 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 1:30 p.m.

In Attendance

Commissioners: Chair Jan Palmer, DVM; Vice Chair Diego Conde; Commissioner Charles Williamson; Commissioner Angelo Turner; Commissioner Peggy Anderson (by phone)

Staff

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

Agenda Items

Approvals:

Action: Approval of the meeting agenda

Moved by: Vice Chair Diego Conde

Seconded: Commissioner Peggy Anderson

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

Action: Approval of the Sept. 20, 2018, meeting minutes, amended to correct a typographical error on page 3, paragraph 2, sentence 2: “month” to “money”.

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Angelo Turner

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

Old Business:

Executive Director’s Report

Director McGrail reported that the Portland Meadows (PM) meet was off to a good start, with no catastrophic injuries, good weather, the track in good condition and about the number of horses expected. The stewards and State Veterinarian Stacy Katler held a meeting with horsemen to explain the new medication rule and policy. The meeting was well attended, notice of the change has been prominently posted, and it is felt the horsemen understand the changes. There have been no violations so far.

Budget discussions, including the implications of the unsettled situation regarding the track's future, are under way. Director McGrail stated that he hoped to get clarity from PM within the next 60 days, which would influence budget decisions.

The Governor's Office has approved the ORC's Legislative Concepts, which are important to the industry, including the fair meets, Director McGrail stated. He noted that he will be encouraging legislators to support the concepts, and encouraged horsemen and others in the industry to also lend their support.

FROG Report

Lynnelle Fox Smith, Executive Director of the Oregon Thoroughbred Owners & Breeders Association (OTOBA), reporting on behalf of FROG, stated the group met this morning and discussed Portland Meadows, some struggling OTBs, and the Welcome Back BBQ, which was very successful. She reported that the group decided to change its bylaws to remove the ORC as a member. Commissioners will no longer have membership in the group, although they are welcome to attend meetings. She added that future discussions will consider whether or not FROG will continue as a 501(c)(5). Meetings will continue to be held at 10 a.m. on the third Thursday of the month, for at least the next three months. Ms. Smith stated she would be the person sending out agendas and minutes.

Portland Meadows (PM) Report

Karsten Hennze, PM General Manager, reported the six days of live racing so far had gone well. Financially, numbers are up a little from previous years. He noted field size is up a horse per day, despite there being fewer horses on the grounds (about 580 this year, compared to 650 last year). He noted that field size is a big driver of business and thanked people for running their horses. Mr. Hennze added there have been no catastrophic equine injuries and no significant jockey injuries. There have been no issues of note with the track surface.

Mr. Hennze noted that two OTBs are losing money and are a financial drag on PM. He added he has been talking with the stakeholders about what to do and will come up with a plan.

He reported no update on the potential sale of the track. Noting that it is budget planning time, he stated he has been getting pressure from higher up to ensure the operation is profitable after live racing ends, adding that is not currently the case. Mr. Hennze noted that if he can put a plan together, PM will be strongly positioned to deal with a land sale. The best position is to be profitable, he added.

Commissioner Turner asked why previous sales had fallen through. Mr. Hennze stated the rumor was it had been difficult to get all the landowners in agreement, but his understanding is they are in agreement on this offer. Regarding environmental factors, he reported the property is known to be wetlands, low lying and have easements.

Discussion and Possible Approval of Format Change for ORC Meeting

Chair Palmer briefly recapped the history of Commission sub-committees. She noted that sub-committee meetings are subject to the public meetings law – they must be noticed and open to the public with minutes taken -- and more than two Commissioners cannot be present. The two Commissioners on the subcommittee bring a report on the subcommittee's action to the full Commission.

She outlined the choices before the Commission:

- 1) Keep the current format. Chair Palmer stressed that three Commissioners could be present only if one was going to leave the meeting, and the third Commissioner was needed to step in.
- 2) Disband the subcommittees and have all topics addressed by the full Commission.
- 3) Use a hybrid format that retains the subcommittees, but if a Commissioner feels a topic warrants full review by the entire board, the subcommittee meeting would be canceled and the discussion would take place at the general meeting.

Action: Adopt Option 3, with a change in language to indicate it is the chair or vice chair of the subcommittee who has the power to cancel the meeting and bring it to the full Commission.

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

Discussion: Commissioner Turner stated he preferred Option 2, noting that its strength was Commissioners learned subject matter from all areas. Commissioner Williamson responded that by doing away with subcommittees, the Commission sacrifices leadership potential and the expertise Commissioners develop. Commissioner Anderson stated that Option 3 sounded reasonable, but as the newest member of the Commission she was willing to go along with whatever the majority wanted. She stated she was fine with Option 1.

Vote: Commissioners Palmer, Conde, Williamson and Anderson voted AYE. Commissioner Turner voted NAY. The motion carried (4:1).

New Business:

Fair Director's Report: Grants Pass Downs

Rod Lowe, representing Grants Pass Downs and Southern Oregon Horse Racing Association (SOHRA), reported that the 2018 meet was successful in many ways: Total handle was up \$554,995, compared to \$425,846 in 2017. Average field size was up, 6.11 compared to 5.82. Attendance was up, 24,210 compared to 23,305. Off-track handle was up 160%; it was \$132,184 higher than in 2017. No jockeys or horses were seriously injured during racing. Off-track handle increased, but did not make a profit. Mr. Lowe noted that with the help of the Oregon Horsemen's Benevolent & Protective Association (OHBPA) and the ORC, expenses were covered. He stated he hoped the enterprise would become profitable in the future. He thanked those groups, as well as the Oregon Quarter Horse Racing Association (OQHRA), for making it possible to keep the track open for training.

Fair Director's Report: Crooked River Roundup (CRRU)

Dean Noyes, representing the Crooked River Roundup in Prineville, noted the meet focused on increasing Friday purses, after focusing on Saturday last year. In 2018, both days had a minimum purse of \$3,500. There were 218 horses on the grounds (one fewer than last year). Payouts totaled \$145,000. He thanked industry partners for their support, but stated he foresaw challenges that will need to be addressed next year with the 250-yard Quarter Horse sprint.

Mr. Noyes noted there were a couple of operational hiccups in the simulcast, but it nevertheless improved over 2017. He thanked Randy Evers of the OHBPA for leading discussions with Trident, Grants Pass Downs and others. He noted that sharing the starting gate with the Harney County Fair again worked well.

Mr. Noyes also reported on programs he coordinates. Regarding the Special Endorsement for jockey insurance, he noted there would be a premium credit, because of the three days of racing lost at the Eastern Oregon Livestock Show and Tillamook County Fair, totaling \$20,362.82.

Regarding the claims summary for jockey injuries at the fairs, he reported claims for the past five years:

- 2014: \$138,946
- 2015: \$50,162
- 2016: \$16,360
- 2017: \$23,675
- 2018: \$101,907

The 2018 amount represents a 77% increase, and stems from three accidents, some of which are under review. In response to a question about whether next year's insurance would go up, Mr. Noyes noted, "It won't go down."

Regarding the tote services for the five fair meets, Mr. Noyes stated the year went well. The fairs are entering the third year of the contract with United Tote.

Lastly, Mr. Noyes reported that Doug Smith will be replacing him as Race Director for CRRU. Mr. Smith has filled that role in the past.

Fair Director's Report: Tillamook County Fair

Camy VonSeggern, Tillamook County Fair Manager, reported that the meet generally was good. Handle for the first three days was down from previous years by about 10 percent, but organizers expected to make that up Saturday, which is one of the largest days for attendance.

Ten jockeys were available, and about 100 horses were stabled on the grounds. Fifty horses were entered Wednesday, 42 on Thursday, 45 on Friday, and 55 on Saturday – about average, she stated. The meet held three Quarter Horse races.

Heavy rain Saturday morning flooded the track, Ms. VonSeggern reported. Director of Racing Don Averill, in conjunction with ORC staff, determined that the track could not be made safe for racing and races were canceled that day. Ms. VonSeggern noted that resulted in many unhappy patrons and bettors, but stated she appreciated that a decisive decision was made in favor of safety. However, losing the races led to empty grandstands, refunding some admissions and having to call security. On the other hand, Ms. VonSeggern noted, reaction showed that a lot of people are really interested in racing. She noted this was the first time Tillamook had had to cancel racing in at least 20 years.

She reported that the fair took a substantial financial hit because of the cancellation of races, losing a minimum of \$10,000 in handle, as well as admissions, concessions and the cost of fulfilling contracts. She made a request that the fair be allowed to keep \$4,300 in unspent funds allocated by the ORC to help compensate for that loss.

Director McGrail noted that the money had already been allocated and this was a reasonable request.

Action: Allow the Tillamook County Fair to keep the already-allocated \$4,300

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Angelo Turner

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

Ms. VonSeggern noted that the fair's attendance was the second highest in the past 15 years, with more than 77,000 people, adding horse racing is a big part of the draw. She noted that help from the OHBPA

makes it possible for the track to stay open as a training facility, and thanked OTOBA for their sponsorship, as well as OQHRA.

Following the fair director's reports, Commissioner Anderson noted that she particularly liked the format of the CRRU report, which broke out the amount contributed by each industry group.

Chair Palmer noted that the Budget Sub-committee would discuss whether to come up with a template that the fair directors could use for their reports.

Mr. Noyes reminded the Commission that the cyclical collision of fair meet dates will occur in 2020. Chair Palmer suggested that the annual meeting of county fairs in January would be a good time to discuss that.

Other Business That May Properly Come Before the Commission:

None.

Public Comment:

Ron Sutton, President of OHBPA, thanked the fair representatives for their efforts. He noted the efforts of Mr. Noyes and Mr. Evers on the simulcast, as well as the ORC decision to financially compensate the horsemen when rain caused the cancellation of racing in Union and Tillamook. He summed up that all the fairs had been very good this year.

Confirmation of Next Commission Meeting:

The next regular Oregon Racing Commission meeting will be Thursday, Nov. 15, 2018, at 1:30 p.m. in Room 1D 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 2:30 p.m.