



Minutes
Oregon Racing Commission
February 21, 2019

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, February 21, 2019, in Room 1A 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 1:31 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 delete the Best Practices subcommittee report

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

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

Action: Approval of the minutes from the Nov. 15, 2018, meeting and the Jan. 22, 2019, special meeting

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

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

Old Business:

Medication and Horse Welfare Subcommittee Report

Vice Chair Conde stated that the subcommittee met this morning and discussed statistics from the Portland Meadows (PM) meet. He reported there were four catastrophic injuries, resulting in a rate of 1.3 per 1,000 starters. Two of those were fatal bleeds. Necropsies on the four horses revealed no banned substances in their systems. There were five medication violations at the meet, a low number.

The subcommittee discussed the rollout of the new claiming rule, which allows some claims to be voided if a horse is placed on the vets list. The implementation got off to a rocky start, Vice Chair Conde noted, adding that is not uncommon with any new initiative. The policy continues to be to jog claimed horses.

Vice Chair Conde reported that the track surface committee found the PM track had been good despite dry fall weather, with an even depth. There had been few complaints.

Two jockeys suffered serious injuries, he stated, but are expected to return to riding.

The subcommittee also discussed the Coggins policy for summer fair meets. The Commission stresses the importance of horsemen having their Coggins papers in order. It will notify fair managers of the policy and post signs at the fairs. Stewards will be alert to violations and potentially fine and/or suspend violators.

ADW Subcommittee Report

Vice Chair Conde reported that the subcommittee met today and noted that several Senate bills beneficial to ADWs and the industry are moving forward in Salem. The bills deal with exchange betting, historical racing for ADWs, and permitting a simulcast license to be separate from a commercial meet. Votes on the bills are expected in the next 30 to 45 days.

The subcommittee heard a quarterly audit report that reflected good compliance by ADWs. More audits are coming up. The quarterly handle report likewise reflected a healthy industry, Vice Chair Conde noted, adding that the bigger players are getting bigger, while growth is slower in the small businesses. He encouraged all ADWs not to be shy about bringing innovative ideas to the Commission.

Budget Subcommittee Report

Commissioner Anderson reported that Executive Director McGrail went through the Commission's draft one-year budget for 2019-20 this morning with the subcommittee. Because of the possible closure of PM, the Commission was asked to draft a one-year budget instead of its usual two-year document.

She explained that the Commission had asked industry groups and fairs for their hub fund requests. Most of the groups requested racing development funds in line with a previously agreed upon percentage formula. A significant difference from past years is the Oregon Thoroughbred Owners and Breeders Association's (OTOBA) request; the group has requested an additional \$45,600, citing a depletion of OTOBA reserves and the possible closure of PM, which will result in OTOBA losing its free office space.

The fairs are requesting about the same amounts as in the past, Commissioner Anderson reported, with the exception of Grants Pass, which is asking for an additional \$40,000 over the approved \$202,000 allocation. That would help cover an increase in expenses for the Southern Oregon Horse Racing Association to operate a training track from May 1 to June 15, when the race meet opens.

The subcommittee asked the industry groups to submit their requests for fair-meet funding by March 1, Commissioner Anderson stated.

Commission Chair Palmer added that after the money for fair meets is approved, the subcommittee will address the industry groups' other requests, based on what is happening in the industry.

Executive Director's Report

Director McGrail reported on the concluded PM meet. The track was in good shape, with no complaints from horsemen. Oregon Championship Day on Dec. 16 saw good racing among Oregon-breds for nice-sized purses. He explained that uncertainty about PM's future continues, although the Commission is working under the assumption that the property will be sold and no commercial race meet will be held next year at PM. PM management has not asked the Commission to vacate its offices, he added.

Senate Bills 76 (exchange wagering), 77 (historic racing), and 78 (non-race-meet simulcast) are set for a third reading in the Senate this afternoon. Director McGrail stated he was hopeful the legislation would move forward quickly and the Commission can begin rule-making.

The Legislature's Joint Committee on Ways and Means heard the Commission's budget presentation Jan. 28. Director McGrail thanked the ORC's Karen Parkman and Chair Palmer for attending the meeting and helping advance the budget. Following a work session yesterday, the budget has been moved to the floor with a "do-pass" recommendation. Director McGrail noted that revenue appears to support allocations along the same lines as last year; however the PM situation and implementation of legislation will affect revenue and possibly agency staffing. The full consequences of the closure of PM will not be known for a few months.

Director McGrail noted he attended the Oregon Fairs Association committee meeting Jan. 12 in Salem and was encouraged to see a lot of interest in keeping the fair meets going and improving them. Doug Smith, new director of racing for the Crooked River Roundup, mentioned adding a big screen in the infield for replays at that meet; Tillamook is looking into simulcast possibilities; and a contingent of Harney County representatives are looking to revitalize their meet, he reported. Director McGrail noted that Grants Pass, with nine days and the availability of its track for training, is the linchpin of the summer circuit.

Noting that safety is a priority, Director McGrail stated the stewards would schedule pre-meet inspections at the fairs, and the Commission continues to contract with a track safety expert to help with track preparation.

Senate Bill 78, which authorizes the Commission to issue a pari-mutuel simulcast license to a non-race-meet licensee, is critical, Director McGrail stated. If there is no commercial-meet licensee, it is critical for both the horsemen and the agency that the simulcast revenue continue, but the bill is also important for maintaining enthusiasm for horse-racing in Oregon, so that a future racetrack operator has incentive to locate here.

Director McGrail explained that the Commission is accepting applications from qualified entities seeking to run the statewide simulcast network. He noted that a little more than half of statewide wagering is conducted at PM, so it is important to keep that market, as well as expanding the statewide distribution. The application is on the ORC website. The expectation is that applicants will make proposals to the full Commission next month.

In personnel news, Director McGrail noted Chief Investigator Dean Muchow is retiring at the end of February after 11 years with the Commission. The Commission hopes to hire Mr. Muchow on a per diem basis for the fair circuit, Director McGrail added.

Portland Meadows (PM) Report

Karsten Hennze, PM General Manager, thanked the horsemen, ORC staff and PM employees for a successful meet. The 37-day meet saw no cancellations, with no major weather problems. The track was kept up well and, acknowledging the injuries reported on earlier by Vice Chair Conde, Mr. Hennze stated it was overall a safe meet.

Handle overall on the meet was down 10 percent, though it was up at PM, which Mr. Hennze attributed to the increased number of Sunday race days. The export was down. Field size, he stated, was up from last year and averaged 7.6 horses.

Mr. Hennze had no update on the future of PM. Inspections on behalf of the prospective buyer continue. The assumption, he added, is that a sale will go through, but that could change.

The stated that the Stronach Group intends to continue as a stakeholder in Oregon and is looking at all options, from new tracks to simulcast licensing, and has been in discussions with stakeholders. He added that Stronach hopes to release proposals in the next month or so.

Commissioner Turner asked if the finalization date for the sale remains April or May, and if only one buyer is in play. Mr. Hennze answered yes to both.

New Business:

Discussion and Possible Approval of ORC Meeting Dates for 2019

Action: Adopt ORC meeting dates for 2019

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Peggy Anderson

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

Discussion and Possible Approval of Summer Meet Applications "Form A"

Action: Approve Eastern Oregon Livestock Show summer race meet application Form A

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Peggy Anderson

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

Action: Approve Southern Oregon Horse Racing Association summer race meet application Form A

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Peggy Anderson

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

Action: Approve Crooked River Roundup summer race meet application Forms A, B, C

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: Approve Tillamook County Fair summer race meet application Forms A, B, C
Moved by: Commissioner Charles Williamson
Seconded: Vice Chair Diego Conde
Vote: Commissioners Palmer, Conde, Williamson, Turner and Anderson voted AYE, and the motion carried unanimously (5:0).

Action: Approve Harney County Fair summer race meet application Form A
Moved by: Commissioner Charles Williamson
Seconded: Vice Chair Diego Conde
Vote: Commissioners Palmer, Conde, Williamson, Turner and Anderson voted AYE, and the motion carried unanimously (5:0).

Other Business That May Properly Come Before the Commission:

None

Public Comment:

Future of Racing in Oregon Group (FROG) Report

Lynnelle Fox Smith, Executive Director of OTOBA, reported on behalf of FROG. She stated that FROG met this morning and members discussed the future of PM and other possible applicants interested in continuing horse-racing in Oregon. The group also talked about the jockey incentive program at the fairs, which had a budget last year of \$35,000. FROG members agreed that program and support of jockeys at the fairs should continue, and members were designated to look further into it.

Confirmation of Next Commission Meeting:

The next regular Oregon Racing Commission meeting will be Thursday, March 21, 2019, at 1:30 p.m. in Room 1A of the Portland State Office Building (PSOB), 800 N.E. Oregon St., Portland, OR.

Adjournment:

Action: Motion to adjourn.
Moved by: Commissioner Charles Williamson
Seconded: Vice Chair Diego Conde
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 2:02 p.m.