



Minutes
Oregon Racing Commission
July 18, 2019

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, July 18, 2019, in Room 1B 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 Peggy Anderson; Commissioner Steven O'Hagan

Staff

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

Agenda Items

Approvals:

Action: Approval of the meeting agenda, amended to add an Executive Session under ORS 192.502(9) and ORS 192.501(2)

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

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

Action: Approval of the minutes from the June 20, 2019, ORC meeting

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

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

Old Business:

ADW Subcommittee Report

Vice Chair Conde reported that the subcommittee met briefly Monday, June 24, to plan the ADW roundtable that was held July 17. An executive session followed.

Executive Director's Report

Director McGrail reported that all went well at the recently completed meets at Grants Pass and Prineville. The total handle for nine days of racing at Grants Pass was \$574,000, up slightly from last year. Weather ranged into the 90s; track surface was in good shape; there were no catastrophic or jockey injuries. The Firecracker Futurity ran for a purse of \$37,950. He noted the scheduled opening day for the fall commercial meet is Sept. 22.

Over four days at Prineville, Director McGrail stated, the bottom purse was \$3,200; top stakes purses were \$13,500 for Quarter Horses and \$12,000 for Thoroughbreds. Handle was up almost \$90,000, due to the simulcast, although on-track handle was down about \$9,000. Total handle was \$419,911, up from \$339,594 last year. There were no catastrophic injuries; one jockey broke his wrist.

Director McGrail noted that gate crews at both meets did an exceptional job. He thanked Terry Crystal, who was brought in at the last minute as racing secretary, as well as ORC staff and horsemen. He added that the small size of the horse population remains a problem – as it does nationally. He noted that preliminary discussions have been held about how to incentivize horsemen to attend the Harney County Fair meet when the commercial Grants Pass meet starts the following weekend. It will take effort and cooperation to get enough horses to Harney County to support the meet, he stated, adding that the ORC remains committed to keeping racing vibrant at all the fairs.

Nationally, Director McGrail reported that the California Horse Racing Board voted June 20 to leave the Association of Racing Commissioners International because of conflicts in the medication policies of the two groups.

Medication and Horse Welfare Subcommittee Report

Commissioner O'Hagan reported that the subcommittee met this morning and continued the discussion about whether the Commission should have an emergency plan to deal with horse breakdowns, such as the recent spate at Santa Anita, and what that would look like. The subcommittee discussed the pros and cons of strict rules vs. more flexible guidelines that factor in the expertise of stewards and veterinarians. The subcommittee decided to investigate what other states are doing before proceeding.

The subcommittee decided that starting with the fall meet in Grants Pass, a Commission veterinarian will conduct prerace exams on all in-today horses at commercial meets. That will require a second Commission veterinarian. Noting that horsemen have expressed concerns about how the timing would work with the administration of pre-race Lasix, Commissioner O'Hagan stated that details have to be worked out.

Action: Authorize the executive director to begin the search to hire a second Commission veterinarian

Moved by: Commissioner Steven O'Hagan

Seconded: Vice Chair Diego Conde

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

Update on TMB Racing LLC

Rod Lowe and Kendra Lellis of TMB Racing, accompanied by Richard Scheidt of Churchill Downs, updated the Commission on plans for the fall meet. Ms. Lellis stated that the operators had just signed an

agreement with the horsemen. Lots of work has been completed: a \$10,000 insurance bond has been secured, as has \$2 million in liability insurance; a security plan and operations plan are under way; negotiations with the county are proceeding.

She added that a new entity has been formed, GP Horseracing LLC, which will be signing with Churchill Downs today or tomorrow.

Ms. Lellis continued that stall applications are out; the condition book is in process; websites are under construction; the tote board will be installed in August; replacement of the safety rail is under way and will be completed in August; an equine ambulance is being built. Track widening and improvements will not be completed by fall, so an eight-horse gate will be used this season. She stated that Mr. Scheidt has been working on OTBs, and all Source Market Fee agreements have been signed.

Mr. Scheidt explained that four OTB locations were launched July 1: three in the Portland area, as well as Lava Lanes in Bend. Phase 2 consists of four more outlets expected to be available the first week of August: Stadiums, Speakeasy, Capital Cantina and the Medford Lava Lanes. Those applications are at the Commission.

He noted that Alexander's in Bend had been very helpful in sharing how it runs its operation with other locations, and he wanted to thank them on the record. He noted that going from a tellered to a tellerless operation will be a big change – all outlets will be tellerless. He stated that they were having trouble getting the Monarch content, particularly Del Mar, and Churchill workers were trying to secure the signal.

Commissioner Williamson had several questions, which Mr. Lowe addressed. Mr. Lowe stated they are working on jockey insurance. He noted that race dates have been approved starting Sept. 22 and running Sundays and Mondays for seven weeks, ending Nov. 4. He stated race days may need to be changed to Saturdays and Sundays. Post times would be 1 p.m. Saturday and Sunday, or 1 p.m. Sunday and 4 p.m. Monday. Mr. Lowe stated that the new LLC would seek the license. He noted that widening is not planned for the whole track, only the chute and the front lane. The track also will be lengthened by 40 yards in that area.

Commissioner Anderson asked about security. Mr. Lowe stated that additional fencing will secure the entire backside and there will be a guard shack staffed around the clock. If horses need to be quarantined, the plan is to use the same system as over the summer – a couple of nearby farms have agreed to take horses that require quarantine until they are cleared.

In response to a question about potentially changing race days, Mr. Lowe explained that Sunday/Monday is better for the simulcast, and a 4 p.m. start time could capture both simulcast and the live handle. However, a 4 p.m. start time requires lights, which might not be installed by this fall. If races begin earlier Monday afternoon, it makes it harder for locals to attend, he added. He stated he expects to know next week which days racing will be.

Regarding the security plan, Director McGrail explained the investigators needed to see that once it is near completion, adding that their input can be helpful.

In response to a question, Ms. Lellis stated that GP Horseracing was a new entity, not a joint venture. Travis Boersma will be on the board. Director McGrail explained that the process is to surrender the original license and issue a new one to GP Horseracing.

Vice Chair Conde asked if simulcast agreements were in place with major tracks. Mr. Scheidt responded that they had agreements with all but Monarch, whose tracks include Gulfstream, Santa Anita, Golden Gate and Del Mar. Director McGrail requested an update in the next week or so.

The Commission discussed possible dates to hold its meeting in Grants Pass. After exploring the pros and cons of opening weekend, the Commission decided to hold its meeting at 10 a.m. Sunday, Oct. 6, which would take the place of both the September and October meetings.

New Business

Discussion and Possible Approval of Proposed Rule OAR 462-220-0100

Commissioner Williamson stated that a hearing was held this morning on the proposed rule, amended to include a definition of “animal racing.” The only testimony during the hearing was by Steve Hlas of US Off-Track. He noted that the public has until July 21 to submit comment and the Legislature has until Aug. 2 to comment. However, the rule can be adopted today with provisions, he stated. The final rule will not be submitted to the Secretary of State until Aug. 5.

Action: Adopt amended version of OAR 462-220-0100, conditional on there being no further comments submitted by the public by July 21 and the Legislature by Aug. 2. If comments are submitted, the Commission can schedule a telephone hearing.

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

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

ADW Forum Report

Vice Chair Conde reported that the Commission hosted an ADW Roundtable yesterday to permit ADW representatives to meet informally to discuss problems and areas of opportunity, as well as giving the ORC the opportunity to take the pulse of the industry and see how it can help. He thanked the ADW representatives who were present for their participation. They included: Gene Chabrier of XpressBet; Todd Bowker of Premier Turf Club; Steve Hlas, Lorilee Goodall and Deb Trickel of US Off-Track; Ken Mackenzie and Danielle Lugo of eBet Technology; and Richard Scheidt of Twin Spires.

Report and Explanation of XpressBet Lounge Concept at Portland Meadows

Gene Chabrier of XpressBet explained that the concept of an ADW lounge is not new. A customer can still open an account at Portland Meadows (PM), fund the account, make a withdrawal. He called the concept an “enhanced customer-service experience.” Noting that in the past, 60 percent of the state’s handle came through PM, Mr. Chabrier stated that the lounge is an effort to retain some of that handle. So far, he said, the enterprise was doing a little better than expected.

Mr. Chabrier answered questions from the Commission about how the lounge worked. He noted that customer-service representatives were available to help people navigate the computer system. He noted that his company has a Source Market Fee agreement with Oregon horsemen – that fee is paid by Oregon residents only. Director McGrail asked if there was a way to track the handle from Oregon residents, noting that many PM bettors come from Washington, and Source Market Fees paid by them benefit Washington racing. Mr. Chabrier noted it is too soon to tell whether the lounge will continue at PM.

Contested Cases:

None

Public Comment:

Future of Racing in Oregon Group (FROG) Report

Lynnelle Fox Smith reported on behalf of FROG. She stated that FROG met this morning and discussed the fall meet in Grants Pass and putting on a Welcome Back BBQ, as it has for the past five or six years at PM. They also talked about the summer meets and ways to draw a sufficient horse population to the Harney County Fair. She added that the group was pleased that the Oregon Horsemen's Benevolent & Protective Association and representatives of the Grants Pass meet have signed an agreement.

Oregon Thoroughbred Owners & Breeders Association

Ms. Smith then spoke in her role as executive director of the Oregon Thoroughbred Owners & Breeders Association. She announced newly elected officers: Gay Welliver, president; Sharon Balcom, vice president; and Carol Duby, secretary.

She read a statement from the Board of Directors announcing that the Legislature had awarded OTOBA funding over two years earmarked for improving the safety of horses at all tracks in Oregon. Funds will also be used to offer education on care and training to breeders and owners. She expressed the hope that OTOBA and the ORC could work together on equine safety measures. She stated that the OTOBA board is working on a process for fairs and commercial meets to request funds for safety projects, and educational programs will be established and announced as soon as possible.

Ms. Smith added that the amount awarded was \$500,000 over the biennium. The award is restricted to safety and education.

Ms. Smith noted that OTOBA is preparing to pay out owners' bonuses for the 2018-19 PM meet, as required by statute. The bonus this year is 36 percent of earnings, and Oregon-breds earned \$482,742 at PM. That results in OTOBA bonuses of \$176,183 paid to 61 owners of 92 Oregon-breds.

She noted that the money is tied to PM and the simulcast, and the track's closure and diminution of the simulcast will have a tremendous impact on the bonus. OTOBA is concerned about the consequent impact on Thoroughbred breeding in the state.

Executive Session

The Commission went into Executive Session at 2:21 p.m. pursuant to ORS 192.502(9), to discuss records exempt from public disclosure, and ORS 192.501(2), to discuss records relating to trade secrets. The Commission came out of Executive Session at 3:31 p.m.

Adjournment:

Action: Motion to adjourn.

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

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

There being no further business, the meeting was adjourned at 3:32 p.m.