



Minutes
Oregon Racing Commission
March 21, 2019

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, March 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 1:32 p.m.

In Attendance

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

Staff

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

Excused

Commissioner Peggy Anderson

Agenda Items

Approvals:

Action: Approval of the meeting agenda, amended to move the Discussion of Simulcast License Applications to the Executive Session at the end of the meeting

Discussion: Chair Palmer explained that license-application presentations would be made by the Stronach Group, US Off-Track, TMB Racing (also known as Grants Pass) and Churchill Downs. She emphasized that the Commission would not be making a decision today.

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

Vote: Commissioners Palmer, Conde, Williamson and Turner voted AYE, and the motion carried unanimously (4:0).

Action: Approval of the minutes from the February 21, 2019, ORC meeting

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

Vote: Commissioners Palmer, Conde, Williamson and Turner voted AYE, and the motion carried unanimously (4:0).

Old Business:

Budget Subcommittee Report

Chair Palmer explained the Budget Subcommittee had asked the fairs and associations to include in their requests only the amounts needed to get through this year's summer fair meets in light of the uncertain nature of the industry and the consequent volatility of budget figures.

Beyond the amounts previously requested by the fair meets, she stated that the Eastern Oregon Livestock Show (EOLS) and the Tillamook County Fair had made one-time requests of \$2,673 and \$2,500, respectively, and the Southern Oregon Horse Racing Association (SOHRA) and the Crooked River Roundup (CRRU) had made two-year requests. SOHRA requested \$25,000 for its training facility and \$21,700 for the simulcast.

Chair Palmer stated that the budget subcommittee proposed funding the one-time fees from EOLS and Tillamook. The subcommittee suggested funding SOHRA \$12,500 this year to offset training-facility costs. Noting that there had been ambiguity last year about what constituted "opening day," she stated officials and the horsemen needed to come to an agreement on that date. The subcommittee proposed funding both SOHRA and CRRU \$1,000 a day for the simulcast, or \$9,000 and \$4,000 respectively.

On the association side, the Oregon Horsemen's Benevolent and Protective Association (OHBPA) requested \$128,300, and the subcommittee agreed to that amount. Oregon Thoroughbred Owners and Breeders Association (OTOBA) requested \$81,250. The subcommittee asked that group to halve its request for \$4,000 in administrative costs and to include funds for a championship day(s) for a total request of \$81,250. The Oregon Quarter Horse Association requested additional funds for purses and bonuses previously funded by the American Quarter Horse Association, for a total of \$57,600.

Additional fair-related requests for 2019 include: \$35,000 for the jockey incentive fund, \$102,562 for jockey insurance, \$5,000 for the track consultant and \$63,085 for United Tote. That totals \$205,647.

Action: Approve budget requests as presented for summer fair meet season

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

Vote: Commissioners Palmer, Conde, Williamson and Turner voted AYE, and the motion carried unanimously (4:0).

Executive Director's Report

Director McGrail stated that the applicants for the simulcast license all are well qualified and experienced. He noted that issuing a simulcast license to a non-racing applicant is contingent on the anticipated passage of Senate Bill 78. The ORC's three bills before the Legislature are currently before the House.

The cost of jockey insurance will increase by 4 percent this year, with the base premium going from \$152,000 last year to \$158,000 this year. The Commission will pick up the increase.

On a national note, Director McGrail reported that the Stronach Group has made a significant change in its medication policy, partially in response to equine injuries at Santa Anita. Those changes may filter down to the rest of the industry, he added.

The Commission's one-year budget appears to be on its way to approval, he reported. Because of the uncertainty in the Oregon horseracing industry, funding sources such as simulcast, historic racing and hub funds are hard to predict.

Director McGrail reported that Commissioner Angelo Turner will be leaving the Commission in the near future because of conflicts between his work schedule and the Commission's meeting schedule. Director McGrail thanked him for his service, his support and advocacy for the sport, and his creativity and willingness to think outside the box.

New Business:

Discussion and Possible Approval of Summer Meet Applications "Forms B and C"

Action: Approve Eastern Oregon Livestock Show summer race meet application Forms B and C

Moved by: Commissioner Angelo Turner

Seconded: Vice Chair Diego Conde

Vote: Commissioners Palmer, Conde, Williamson and Turner voted AYE, and the motion carried unanimously (4:0).

Action: Approve Southern Oregon Horse Racing Association summer race meet application Forms B and C

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

Vote: Commissioners Palmer, Conde, Williamson and Turner voted AYE, and the motion carried unanimously (4:0).

Contested Cases:

None

Public Comment:

Future of Racing in Oregon Group (FROG) Report

Lynelle Fox Smith, Executive Director of OTOBA, reported on behalf of FROG. She stated that FROG met this morning and members discussed updating the economic impact study last done in 2012.

Members agreed to send a letter of support regarding the Commission's bills to the Legislature. FROG decided again to print its summer fair brochure, which includes information about industry groups and the Commission and is distributed in Oregon and Washington.

Ms. Smith then switched hats and spoke on behalf of OTOBA. She distributed the Oregon statistical fact book compiled by the Jockey Club. She noted that in 2013, foal registrations for the state fell to a low of 58. OTOBA initiated programs, with funding from the Commission, aimed at reversing the trend. They include a foal registration reimbursement, breeders' bonuses, additional purse money for a racing series at the fairs, and owners' bonuses at the fairs. In 2017, foal registrations numbered 75, a 30 percent increase from the low, she stated. She reported the number of Oregon-breds at Portland Meadows had remained steady and increased by 20 percent at fair meets last year. Ms. Smith also noted that breeding helps agriculture and the economy throughout the state.

Dave Nelson of OQHRA spoke briefly, expressing the horsemen's appreciation to Commissioner Turner for his service to horseracing. Commissioner Turner vowed to stay involved in helping the industry and the horsemen.

Confirmation of Next Commission Meeting:

The next regular Oregon Racing Commission meeting will be Thursday, April 18, 2019, at 1:30 p.m. in Room 1E of the Portland State Office Building (PSOB), 800 N.E. Oregon St., Portland, OR.

Executive Session

The Commission went into Executive Session at 1:53 p.m. to consider information exempt from disclosure pursuant to ORS 192.660(2)(f), ORS 192.345(2), OAR 462-220-0070 regarding trade secrets, to allow simulcast-license applicants to present proprietary and confidential information associated with their operating plans. It emerged from Executive Session at 4:28 p.m.

Discussion of Simulcast License Application

Commissioners discussed the need for expediency in granting a license, to allow a licensee time to acquire space, make renovations, etc. Director McGrail noted that statute already authorizes the simulcast license to be given to a race-meet operator, and language in the pending statutes calls on the Commission to give preference to the operator of a commercial meet.

Adjournment:

Action: Motion to adjourn.

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

Vote: Commissioners Palmer, Conde, Williamson and Turner voted AYE, and the motion carried unanimously (4:0).

There being no further business, the meeting was adjourned at 2:42 p.m.