



Minutes
Oregon Racing Commission
May 16, 2019

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, May 16, 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 1:31 p.m.

In Attendance

Commissioners: Chair Jan Palmer, DVM; Vice Chair Diego Conde; Commissioner Charles Williamson; Commissioner Peggy Anderson; Commissioner Steven O'Hagan (arrived late)

Staff

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

Agenda Items

Approvals:

Action: Approval of the meeting agenda, amended to add Discussion of Moving June Meeting to June 28 in Grants Pass

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

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

Action: Approval of the minutes from the March 21, 2019, ORC meeting, and the March 27, 2019, special meeting

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

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

Old Business:

Medication and Horse Welfare Subcommittee Report

Vice Chair Conde reported that the subcommittee met this morning and discussed three topics:

- A) Grants Pass commercial meet preparation. The Commission is working with TMB Racing to have the facility ready when the commercial meet begins Sept. 22. Additional sand is being added to the track surface, new safety rails will be installed, and part of the track will be widened to accommodate 10-horse fields, he stated. TMB is also working on security improvements to limit access to the backside. Vice Chair Conde added that overall, the subcommittee is satisfied with the progress being made in Grants Pass.
- B) Santa Anita breakdowns. The subcommittee recommended the Commission develop an emergency plan that would be triggered by to-be-determined circumstances in the event of multiple breakdowns, as happened at Santa Anita over the winter. Vice Chair Conde noted it is important to have objective criteria to stop racing and not put all the responsibility for making that decision on the stewards. The safety of the horses and jockeys has to be the first priority, he added. The subcommittee hopes to have a draft of this policy in the next month, he stated.

Another measure to increase safety at the commercial meet would be that when a horse on the vet's list is worked off, blood be drawn at the same time to ensure the horse is in compliance with medication rules. The subcommittee plans to move forward with a rule that would require a blood draw.

- C) New York Racing Association pre-race protocols. Acknowledging that the ORC faces some budget constrictions and that circumstances in Oregon and New York are not identical, the subcommittee would like to move forward with performing pre-race exams on all in-today horses, Vice Chair Conde reported. Doing so could require a second commission veterinarian.

The subcommittee also noted that the racing secretary must enforce the Vet's List and not allow horses that appear on the list (often from another jurisdiction) to run. The Commission will send a letter reminding the secretaries of this, Vice Chair Conde added.

ADW Subcommittee Report

Vice Chair Conde reported that this morning the ADW subcommittee heard a report on the last quarter's handle that indicated that many ADWs are increasing their revenue, but the smaller ones are struggling. The subcommittee would like to hold a roundtable with the ADWs, probably in July or August, so the industry can suggest solutions.

The subcommittee also discussed pending legislation in the form of Senate Bills 76 (virtual racing) and 77 (exchange wagering), which appear en route to approval, Vice Chair Conde stated. SB 78 (simulcast independent of a race meet) apparently is not advancing.

The subcommittee also briefly visited concepts that might appear before the 2021-22 Legislature, such as sports betting and fantasy sports.

Best Practices Subcommittee Report

Commissioner Anderson summarized the subcommittee's meeting this morning. Members talked about the pending evaluation of the Executive Director: Director McGrail will meet with the Commission chair and vice chair prior to the June meeting, those results will then be forwarded to the full Commission. The full Commission will meet in executive session in June to discuss the evaluation, to be followed by an open session.

Commissioner Anderson stated that the 2019 survey for stakeholders is live on the ORC website. It has been translated into Spanish, and that version will be added to the website. The subcommittee also discussed logistics of making both the Spanish and English versions available in hard copy at the Licensing Office at the fair meets, where they could be filled out and returned to a “suggestion” box.

Commissioners will fill out their Best Practices performance measure self-evaluations after the Executive Director’s evaluation is complete, Commissioner Anderson noted.

Executive Director’s Report

Director McGrail reported that at the Commission’s special meeting on March 27, TMB Racing LLC received a license to run a commercial meet in Grants Pass effective July 1. The plan calls for 14 days of racing in September and October, through Nov. 4, plus another 15 days in May and June of 2020. He noted that TMB has plans to improve the Josephine County Fairgrounds facility, including adding material to the track, lights for night racing, new barns and a simulcast facility. The license grants TMB exclusive rights to conduct simulcast racing statewide, Director McGrail stated, adding that simulcast is important both to the financial health of the industry and to keeping enthusiasm for racing alive.

The fair meets begin June 7 in Union, Director McGrail stated, adding that track consultant Steve Wood would visit most of the meets to help with track surfaces.

Shorty Martin has resigned as racing secretary for the fairs, Director McGrail reported. The Commission is looking for a replacement for what Director McGrail described as a difficult job – the secretary must know the horses and the horsemen. A couple of candidates have been identified, he stated, adding that he hopes to have a decision next week. He noted that Condition Books for the fair meets in Union and Grants Pass have already been completed.

Dean Muchow has retired as chief investigator and has been replaced by Katrina Robson, Director McGrail reported. He introduced James Candiff, who has been hired as an Investigator 2 in a seasonal capacity. He brings a law enforcement background to the job, Director McGrail stated. He also noted that the investigators also perform licensing functions.

Director McGrail reported on the agency’s legislation. There is a work session Monday on SB 76 and 77; both are likely to be passed, he stated. The third bill, separating simulcast from a live race meet, apparently will die in committee, but Director McGrail noted that bill became less important with the licensing of TMB Racing. He added that the Commission may reintroduce that legislation two years from now.

New Business:

Update on TMB Racing LLC

(Commissioner O’Hagan, who has been lost, enters the meeting and is introduced by Chair Palmer.) Rod Lowe of TMB Racing, accompanied by Omar Amin of Churchill Downs, updated the Commission on plans for the commercial meet in Grants Pass. He reported that TMB is working diligently to satisfy ORC regulations. TMB also is negotiating with Churchill Downs to help with the simulcast, as well as other parts of the meet. TMB is improving the track surface and plans to widen and lengthen the track, a project that requires approval by the city and county, because it will require moving a city road and taking part of the YMCA parking lot. That project may not be completed by September, Mr. Lowe added.

Before September, he stated, the safety rail will be installed, a new tote for a 10-horse field with a big screen will be in place, sand will be added to the track (850 tons before the summer meet and another 850 tons by September). Mr. Lowe noted that the track has a lot of clay, and sand will help with drainage. Track consultant Steve Wood will work with the track before the fair meet starts in June.

Mr. Lowe reported that TMB has met with the county commission, the fair board and manager and legal advisers to discuss security issues and fencing off parts of the grounds to restrict access. They have met with no opposition from the county, he noted, adding that everyone in Grants Pass is excited about the new meet.

Chair Palmer asked Mr. Lowe if he had any concerns about how the changes, particularly to the track surface, might affect the summer meet. Mr. Lowe responded that he had consulted with Mr. Wood and adding sand now to the track would have no effect on either the fair races or other events on the track during the county fair. Mr. Lowe noted that the track is good, but has a lot of clay, and the addition of sand will help with drainage if the fall season is rainy. TMB is working to get the balance right so the track will work for spring, summer and fall racing.

Mr. Lowe also reported that TMB is buying new equipment. It has made an offer on two very good harrows at Golden Gate and is also planning to purchase a horse ambulance, a 10-horse starting gate and tractors.

In response to a question about the status of the simulcast, Mr. Lowe stated that TMB is working with Churchill Downs and negotiating who will do what. Different locations have been identified and are being discussed.

Chair Palmer asked about Coggins policy enforcement. Mr. Lowe responded there had been no problems so far. He has a new backside manager, Harvey Boyle, and so far every horse on the grounds has negative Coggins papers. He said he thought horses would start coming in for the commercial meet around Sept. 1.

Discussion of Moving June Meeting to June 28 at Grants Pass

Chair Palmer noted that in the past, the Commission held a meeting at one of the fair meets, but ceased doing so about five years ago because of financial concerns. Instead, each Commissioner was encouraged to attend one fair meet, with the goal of covering all five.

She noted that Commissioner Williamson had suggested moving the June meeting to June 28 in Grants Pass. She stated that was an option, or the Commission could hold a meeting in September in Grants Pass once the commercial meet opens, perhaps in conjunction with opening day, Sept. 22. The Commissioners could still be encouraged to attend fair meets. Noting budget concerns, she added that might be on a “volunteer” basis not funded by the Commission.

Director McGrail noted some revenue sources could be affected by the uncertainty regarding Portland Meadows (PM): for example, simulcast revenue, and Historic Racing terminals will cease producing revenue when PM’s license expires June 30. But having the Commissioners attend the fairs is doable from a budget standpoint.

Commissioner Anderson noted that TMB has a lot of work ahead, and September would be a better time to hold a meeting there. Commissioner O'Hagan and Vice Chair Conde agreed.

Commissioner Williamson stated that the Commission awards the fairs \$750,000 a year, the Commissioners should attend them, and the Commission should pay for that. Chair Palmer suggested the Commission continue to pay for Commissioners to attend the fairs, and tentatively plan for the full Commission to meet in Grants Pass in September.

Commissioner Williamson stated he would attend the Grants Pass fair meet. Chair Palmer plans to attend the Prineville meet, as does Commissioner Anderson. Vice Chair Conde stated he would go to Tillamook.

The consensus among Commissioners was they would firm up a plan to meet in September in Grants Pass meet after the Budget Subcommittee meets next month. Commissioner Anderson suggested staff come up with an estimate of what holding that meeting in Grants Pass would cost.

Contested Cases:

None

Public Comment:

Future of Racing in Oregon Group (FROG) Report

Lynelle Fox Smith reported on behalf of FROG. She stated that FROG met this morning and members discussed topics that had already been discussed at today's Commission meeting.

In addition, she noted that Randy Evers of the Oregon Horsemen's Benevolent & Protective Association had looked into updating the economic impact study last done in 2012. The estimated cost was \$20,000. FROG decided to table the matter, Ms. Smith stated, and revisit it later.

Confirmation of Next Commission Meeting:

The next regular Oregon Racing Commission meeting will be Thursday, June 20, 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: Vice Chair Diego Conde

Seconded: Commissioner Charles Williamson

Vote: Commissioners Palmer, Conde, Williamson and Anderson voted AYE, and the motion carried unanimously (4:0) Commissioner O'Hagan did not vote.

There being no further business, the meeting was adjourned at 2:10 p.m.