



Minutes
Oregon Racing Commission
November 21, 2019

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, Nov. 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; Commissioner Charles Williamson; Commissioner Steven O'Hagan

Excused

Vice Chair Diego Conde

Staff

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

Agenda Items

Approvals:

Action: Approval of the meeting agenda, amended to add under New Business: Discussion and possible authorization of disbursement of Backside Improvement Funds to TMB Racing

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Steven O'Hagan

Vote: Commissioners Palmer, Williamson and O'Hagan voted AYE, and the motion carried unanimously (3:0).

Action: Approval of the minutes from the Oct. 6, 2019, ORC meeting

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Steven O'Hagan

Vote: Commissioners Palmer, Williamson and O'Hagan voted AYE, and the motion carried unanimously (3:0).

Old Business:

Medication and Horse Welfare Subcommittee Report

Commissioner O'Hagan reported that Senior State Veterinarian Tom Everman had provided statistics on the Grants Pass meet at today's subcommittee meeting. Highlights included: 960 horses entered to run; 92

horses entered on bute only, 858 entered on bute and Lasix, so more than 98 percent of horses entered on bute. In pre-race exams, 18 horses, were scratched due to lameness, which is less than 2 percent, according to Dr. Everman's report. Four horses suffered injuries while racing – all were soft-tissue injuries and not life threatening, and Dr. Everman felt they were not related to the track conditions. There were two bleeders and no catastrophic injuries.

Commissioner O'Hagan noted that the subcommittee also discussed the use of bisphosphonates and shock-wave therapy. Bisphosphonate use is of greatest concern in relation to yearling sales, which is not a factor in Oregon other than how it relates to the greater public perception of racing.

The subcommittee also discussed a potential policy change regarding working horses coming off the vet's list. Dr. Everman has proposed requiring all horses working off the list to pass a drug test.

Subcommittee members also briefly discussed security in Grants Pass, noting that improvements need to be made to perimeter security. Suggestions included adding cameras and working with local police and fire departments.

Executive Director's Report

Director McGrail reported the inaugural Grants Pass commercial meet had many positives, in addition to those Commissioner O'Hagan mentioned: field size, track conditions, safe racing, and TMB Racing's cooperation and responsiveness to Commission requests. Things that need improvement before the next meet include increasing the distribution of the export signal; perimeter security; and a more robust simulcast network. Overall, the meet went very well, he stated.

Performing pre-race exams on all horses was a major development for the ORC, Director McGrail stated, and that went very smoothly, thanks to the efforts of the veterinary staff and the support and cooperation of the horsemen.

Director McGrail noted that Commissioner Peggy Anderson has resigned from the board, as she plans to spend much of her time out of state. He thanked her for her service. In addition, Don Averill has stepped down from his position as race director of the Tillamook County Fair. Director McGrail noted his contributions, knowledge and enthusiasm for racing, adding he will be hard to replace.

On the budget, Director McGrail reported the agency will appear before the Joint Ways and Means Committee of the Legislature in February. The ORC will be seeking its second-year biennial expenditure limitations. He noted agency revenue derived from pari-mutuel racing is significantly down.

He reported that the ORC has purchased two Datamars Omnimax Bluetooth microchip scanners and ORC staff will attend training at Emerald Downs in March. The scanners will be used for horse identification beginning in 2020.

Update on TMB Racing LLC

Rod Lowe and Kendra Lellis of TMB Racing updated the Commission on the just-concluded race meet. Ms. Lellis reported that it was a successful meet, noting that any safe meet is a success.

Mr. Lowe reported the following statistics for the meet: 14 days of racing; 123 races; average field size of 7.06; total purses of \$907,100; average purses of \$64,793 per day; average purse of \$7,375 per race (he

noted that Oregon has not seen those kinds of purses in many years); total handle of \$1,086,193.40; percent of out-of-state wagering was 74%; daily average was \$20,560.79; export daily average was \$56,641; handle on the last day (11 races) was \$131,000. Mr. Lowe noted 1993 was the last time Grants Pass saw those wagering amounts. Leading jockey was Kassie Guglielmino and leading trainer was Jorge Rosales.

He stated that there are two primary areas of focus for the spring meet: stabilizing the on-site racing experience for the industry and customers, which would include a plan for improving security on the backside; and increasing the export handle. Other plans include widening the track to allow 10-horse fields; a marketing effort in cooperation with NYRA to increase awareness of export; evaluating post times and race dates to increase export activity; and potentially offering additional pools, such as a guaranteed Pick-4, to attract more players.

Ms. Lellis clarified that TMB was no longer signed with Churchill Downs, and as of Dec. 1 would be aligned with NYRA for all content for the OTBs. This will result in more product for consumers, and consequently an increase in handle.

Commissioner Williamson asked what community reception to the race meet had been. Ms. Lellis stated that feedback from the community, hotels, restaurant and law enforcement had all been positive. Mr. Lowe added that because of the time crunch, TMB had not solicited sponsorships, but when locals heard about the racing, they came to TMB offering sponsorships and advertising.

Director McGrail noted that the on-track handle figures were comparable to those from Portland Meadows, a number he characterized as optimistic.

Ms. Lellis noted that Monday attendance had been better than anticipated, with 2,500 on the grounds the last weekend. Mr. Lowe added that the addition of track lighting will permit twilight racing, with a 4 p.m. post-time, which will attract people after work and more East Coast bettors.

Chair Palmer asked who the point person for the OTBs is, and Ms. Lellis responded that Vestal Monroe, formerly of Portland Meadows, would be joining TMB in a few weeks. In response to a question about special days in the spring meet, Mr. Lowe stated that TMB was working with the industry groups. They were looking into working with the Oregon Quarter Horse Racing Association to bring a regional challenge race to the meet.

New Business

Discussion and Possible Approval of Tote License: I-Neda Ltd.

Representing Game Play Network and I-Neda were Cameron Benjamin and Joe Hasson (the latter by phone). ADW Supervisor Connie Winn explained that I-Neda is a United Kingdom company that is partnering with Game Play. She reported that she has done her due diligence, and because the company is overseas, a couple of minor items are outstanding. She is recommending approval of the license contingent on completion of additional background checks and the company's getting an Oregon business license. The company has asked for a license beginning Dec. 2.

Action: Approve the tote license application of I-Neda Ltd., subject to the conditions that all shareholders of 5 percent or more complete background checks and that the company is licensed in Oregon

Moved: Commissioner Charles Williamson

Seconded: Commissioner Steven O'Hagan

Vote: Commissioners Palmer, Williamson and O'Hagan voted AYE, and the motion carried unanimously (3:0).

Fair Director's Reports

Eastern Oregon Livestock Show (EOLS): Nathan Jacob, Mutuels Manager for the EOLS, introduced the show's new president, Dave Billings before beginning his report. He noted that Commission funds had allowed EOLS to make further improvements to the buildings that replaced those burned in 2017, as well replace padding on the starting gate. He reported that the June 7-9, 2019, EOLS meet ran 21 of the 23 scheduled races, noting there were not enough entries to fill the last two races. There were too many four- and five-horse fields, he stated, despite the meet offering larger purses -- \$3,800 and \$4,200 on Sunday – than ever. Purses totaled \$61,600 over three days, down from the \$64,700 scheduled last year. The lowest purse was \$2,500.

Handle was \$37,454, which was down \$1,281 from a 5-year average (eliminating the abbreviated 2018 meet), but Mr. Jacob noted that the meet was short two races. He added that the handle is influenced by the bull-riding event on Thursday – people are gone or out of money by Sunday.

A total of 115 horses were entered, 14 fewer than what was scheduled to run last year. He noted that the number of horses entered and jockeys available does not seem to be affected by purse money. Mr. Jacob noted that he had purse money available through seventh place, but not the horses entered. Nine jockeys were available, five of them new this year, and Mr. Jacob stated that the jockey incentive helps a lot.

He noted there was one jockey suffered a minor injury to his wrist and no horses were injured.

Mr. Jacob voiced concern over managing the stalls. He stated that trainers had been uncooperative about using only stalls they were assigned, and he had to seek intercession from the Commission investigators. Mr. Jacob noted he needed more help maintaining order in the barns.

Races in 2020 are scheduled for June 12-14, he stated, and 21 races are likely to be planned. Mr. Jacob thanked ORC staff and industry groups for their help over the years, noting that he plans to be the mutuels manager next year, but not be involved on the grounds.

Commissioner Williamson asked how the Grants Pass meet will affect EOLS next year. Mr. Jacob stated that he doesn't think the two meets share a lot of horses, but they certainly share the jockeys. He doesn't know if jockeys will travel across the state for three days of racing in Union.

Director McGrail noted that Grants Pass is not running on the EOLS dates, but all parties need to come up with a plan to encourage the horsemen to go to Union. It is important to keep that meet going, he added.

Tillamook County Fair: Camy Vonseggern, manager of the Tillamook County Fairgrounds, reported that the meet ran 23 races over four days, Aug. 7-10. Average field size was five or six horses, but Friday saw four-horse fields. Average field size was noticeably lower than in the past, she stated. There were 209 horses entered to run and approximately 200 horses on the grounds, she stated, noting there was appeared to be a number of horses stabled that were not intended to race. Ms. Vonseggern stated she plans to use stall applications next year to solve this problem. She thanked the Oregon Horsemen's Benevolent & Protective Association (OHBPA) for providing money that allowed horses to come to the track for training directly after the Prineville race meet, noting that changes in scheduling may prevent that in 2020.

Nine jockeys rode; there was one minor injury and one serious injury. Ms. Vonseggern noted that she believes that jockey has made a full recovery. She added that neither injury was related to track conditions.

In the wake of one day being rained out last year, the fair made improvements to the track, including installation of drains and grading. Commission funds allowed the fair to install two new betting machines in the beer garden; Ms. Vonseggern noted they were not used as much as had been hoped, perhaps because of the new location.

Purses totaled \$102,950. Pari-mutuel ran well, she stated, with the betting machines being popular with wagerers. Handle was \$139,148, which is an increase over the average for both the past five and 10 years (\$135,000 and \$136,000 respectively).

Ms. Vonseggern noted the fair relies heavily on volunteers. Don Averill has resigned as director of racing, and they will be looking for a replacement – Ms. Vonseggern noted she is likely to lean heavily on the ORC to help in that effort. She added that the meet plans additional work on the track, as well as repair to the barns, hot walkers and equipment – tasks that Mr. Averill handled with his own equipment.

Executive Session

The Commission went into Executive Session at 2:33 p.m. pursuant to ORS 192.660(2)(h), to discuss its legal rights and duties regarding current litigation, or litigation likely to be filed, and ORS 192.660(2)(f) and ORS 192.355(9) to consult with counsel concerning written legal advice. The Commission resumed public session at 3:12 p.m.

New Business:

Discussion and possible authorization of disbursement of Backside Improvement Funds to TMB Racing

Director McGrail stated that the Backside Improvement Funds account, which by statute belongs to TMB Racing, contains \$191,000-plus. He recommended setting aside \$30,000 for improvements at the fairs.

Ms. Lellis stated that TMB has already invested \$350,000 on the backside, and this disbursement would be in the nature of a reimbursement. She added that the OHBPA and Oregon Quarter Horse Racing Association counseled them to request \$175,000 from the fund. Future projects include security improvements – she noted that both the county and the city have a say in security changes; widening and lengthening the track; permanent stalls and tack rooms; improved lighting on the backside; better internet.

Director McGrail noted that the Commission had discussed an allocation of \$130,000, adding that the Backside Improvement Funds do not come from hub funds. He explained that by statute, the funds generally go to the meet at which they were generated, but the Commission has the discretion to authorize their use anywhere deemed appropriate. These funds, he added, were generated at Portland Meadows, but will not be used there as the track has been sold.

Commissioner Williamson emphasized that increasing security is a priority and should be funded.

Mr. Lowe noted that Grants Pass already has stepped up security substantially, compared to the fair meet. That includes fences around the barn areas, night patrols from 9 p.m. to 7 a.m., and security personnel at the main gate on race days. With the current grounds configuration, making all the security improvements he would like to make, Mr. Lowe added, would cost about \$200,000.

Director McGrail requested that TMB Racing spend the funds, rather than use it as reimbursement, and address Commissioner Williamson's concerns about security. It also requested TMB report back to the Commission on how the funds were spent before the spring meet.

Action: Authorize disbursement of \$150,000 from Backside Improvement Fund to TMB Racing, with \$20,000 earmarked for security, with the stipulation that TMB report back to the Commission before the spring meet

Motion: Commissioner Charles Williamson

Seconded by: Commissioner Steven O'Hagan

Vote: Commissioners Palmer, Williamson and O'Hagan voted AYE, and the motion carried unanimously (3:0).

Public Comment:

Randy Evers, executive director of the OHBPA, thanked TMB Racing for stepping up after Portland Meadows closed, and the Commission for working with the horsemen to make the meet successful.

He also thanked Nate Jacob for his years of hard work on behalf of EOLS and Don Averill of the Tillamook County Fair for his support of horse racing over the years.

Contested Cases:

Action: Adopt the final order suspending Patrick J. Henry from two days of racing in the 2019-2020 calendar year as set forth in the final order

Motion: Commissioner Charles Williamson

Seconded by: Commissioner Steven O'Hagan

Vote: Commissioners Palmer, Williamson and O'Hagan voted AYE, and the motion carried unanimously (3:0).

Confirmation of next meeting:

Chair Palmer noted that the next Commission meeting is scheduled for Dec. 19, but the Commission often cancels the December meeting, so stakeholders should watch for notifications.

Adjournment:

Action: Motion to adjourn.

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Steven O'Hagan

Vote: Commissioners Palmer, Williamson and O'Hagan voted AYE, and the motion carried unanimously (3:0).

There being no further business, the meeting was adjourned at 3:31 p.m.