



Minutes
Oregon Racing Commission
October 6, 2019

Meeting Detail

The Oregon Racing Commission (ORC) met at 10:00 a.m. Sunday, Oct. 6, 2019, in the meeting room of the Hampton Inn and Suites, 110 N.E. Morgan Lane, Grants Pass, OR.

Call to Order

Chair Jan Palmer, DVM, called the meeting to order at 10:00 a.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

Agenda Items

Approvals:

Action: Approval of the meeting agenda

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 Aug. 15, 2019, ORC meeting

Moved by: Commissioner Charles Williamson

Seconded: Commission Peggy Anderson

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

Old Business:

Medication and Horse Welfare Subcommittee Report

Commissioner O'Hagan reported that the subcommittee met Oct. 5, and Senior State Veterinarian Tom Everman shared numbers related to the new pre-race exam protocol, in which all in-today horses are examined. According to Commissioner O'Hagan, Dr. Everman reported that 244 horses were entered the first four days of racing at Grants Pass Downs. Of those, three were scratched for lameness, nine were scratched for sickness or other reasons, and none came off the track lame after racing. Dr. Everman expressed satisfaction with how the exams were going, Commissioner O'Hagan reported.

Commissioner O'Hagan stated that Senior State Steward Mike Twiggs said there had been no problems with track surface except for one day of heavy rain, when the first two races were run and the rest were cancelled because of safety concerns. The track had dried out sufficiently by the following day that a full card was run without incident. Mr. Twiggs told the committee that the association was investigating equipment modifications to deal with heavy rain.

There are a few security concerns: The perimeter gates are not always manned, and when horses get loose in the stabling area, there is concern about them getting through the gates and to the road.

The committee also discussed the grant funds available through the Oregon Thoroughbred Owners & Breeders Association (OTOBA) for horse safety and education. Commissioner O'Hagan noted that OTOBA had not received any applications yet. The committee talked about possible uses for that money, including an additional vet on the summer circuit, improvements to the test barn, a rock-picker for the track, and additional lighting.

Executive Director's Report

Director McGrail reported mixed results for the Harney County Fair meet. Through various incentives – provided by both the Commission and the horsemen – a sufficient number of horses came to the meet. On Friday, however, there were not enough jockeys. Noting that “one without the other is not a solution,” Director McGrail stated it was time to revisit the Jockey Incentive Program. Short fields also reduce handle, affecting the horsemen and the meet. The track was in good shape, he noted.

He noted there has been discussion of separating the rodeo and the race meet, and running the races right after the Prineville meet. The proximity of the two locations could serve the horsemen well, he stated, adding the Commission encourages any ideas that would improve the summer circuit.

One horse suffered a catastrophic injury in Harney County, the only one this summer. No jockeys were injured.

Regarding the new Grants Pass meet, Director McGrail praised improvement on both the backside and front side: the new safety rail, track material, large digital tote board, additional stalls. He noted that it's becoming a very attractive place to race; the horse population reflects that; and the Commission is optimistic about the meet's future.

The Commission has hired Dr. Tom Everman as the new Senior State Veterinarian and Dr. William Ferguson as the Test Barn vet. The two of them are implementing the new pre-race exam policy.

Oregon Championship Day is Oct. 20, Director McGrail noted.

Efforts are continuing to revitalize the simulcast network, he stated, with TMB Racing and Churchill Downs working to resolve the situation. Handle suffers when the signal is not available from meets such as Santa Anita, Golden Gate and Gulfstream, he noted.

Update on TMB Racing LLC

Travis Boersma of TMB Racing, accompanied by Kendra Lellis and Rod Lowe, stated that considering time constraints between signing a lease and opening day, he was proud of the efforts of TMB Racing, the ORC, the horsemen and fairgrounds officials to make the meet operational. After a couple of weekends,

he stated, handle stands at \$236,000 and average field size is 7.1 starters. He said there was “hiccup” with racing on Sept. 29 due to hard rain.

Mr. Lowe explained further: The track had been sealed to protect it from the weather, but the jockeys did not like the feel of it. After discussion, the track was groomed lightly, a second race was run, and the track turned to mud. There was a consensus among jockeys, stewards and himself, Mr. Lowe stated, to cancel the rest of the card. He noted they need to figure out how to run races in the rain in Grants Pass – something that has not been an issue for years in the summer meet. He stated he planned to work with jockeys, his track crew and track expert Steve Wood, so that between making changes to the track surface and equipment issues, they can run on a rainy day. In response to a question from Commissioner Williamson, Mr. Lowe explained how sealing the track works.

Mr. Boersma stated that TMB was adding races to make up for the races lost on the short day, as well as working with the horsemen to ensure enough races are offered for available horses. He stated there are 405 horses on the grounds.

He noted there was an issue with a licensee allegedly possessing narcotics on the grounds. ORC investigators were called in and police arrested the individual. Director McGrail added the individual’s license was suspended.

Mr. Boersma stated upgrades remain to be done on track lighting, cameras, high-speed internet and the PA system. The city has approved plans to widen and lengthen the track, which he hopes will be done by spring. He also noted that TMB is working on creative ways to get content to the OTBs. Regarding XpressBet lounges, Mr. Boersma stated he is still assessing, but thinks there is a tipping point with ADWs and OTBs. He has hired a consultant to study the data and do the math.

Commissioner Anderson asked if the meet has had any trouble attracting jockeys. Mr. Lowe responded jockeys are abundant, with 16 available.

In response to a question about attendance, Mr. Lowe noted that Sundays should be the big day for attendance, and the meet had been held so far on two rainy Sundays, including one on which races were canceled. Attendance has not been bad, he summed up – better than expected on Mondays.

New Business

Discussion and Possible Approval of License for New Totalizator Company -- Exacta Systems, LLC

Katherine Paisley appeared for Exacta Systems, LLC. ADW Supervisor Connie Winn stated an on-site comprehensive audit had been done of Exacta Systems. The company meets all criteria, she reported, and she recommended approval.

Action: Approve totalizator license application by Exacta Systems, LLC

Moved by: Commissioner Charles Williamson

Seconded: Vice Chair Diego Conde

Vote: Commissioners Palmer, Conde, Williamson and O’Hagan voted AYE, and the motion carried unanimously (4:0). Commissioner Anderson was absent for the vote.

Discussion and Possible Approval of License for New ADW Company -- ELS Gaming, LLC

Representing ELS Gaming were Prentice Salter, Bill Yucatonis and Jeff Franklin. All expressed high satisfaction with their experiences with the ORC, Mr. Franklin calling it the “most responsive regulatory commission” in the country. Ms. Winn reported that she has done three audits associated with the

application. The company meets all criteria on her checklist, she stated, praising their cooperativeness and transparency, and she recommended approval of the application. In response to a question from Commissioner Conde, Ms. Winn added that there is a condition on the approval: The company is subject to a final review of their product before it goes live.

Action: Approve ADW license application by ELS Gaming, LLC

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).

Discussion and Possible Approval of Revision to ORS 462-220-0040

Action: Approve Revision to ORS 462-220-0040

Moved by: Commissioner Charles Williamson

Seconded: Commission Steve O'Hagan

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

Executive Session

The Commission went into Executive Session at 10:41 a.m. for discussions with Commission counsel pursuant to ORS 192.660(2)(h) (discussion of legal rights and duties regarding current litigation, or litigation likely to be filed); ORS 192.660(2)(f) (information or records exempt from disclosure); ORS 192.345(2), OAR 462-220-0070 (as trade secrets); and pursuant to ORS 192.355(9) (discussion of potential litigation related to signals for off-racecourse mutuel wagering as referenced in ORS 462.710). The Commission emerged from Executive Session at 11:20 a.m.

Fair Directors' Reports

Crooked River Roundup (CRRU): Doug Smith, director of racing and racing chair, introduced Steve Holliday, vice president of the Crooked River Roundup Association and incoming pari-mutuel manager, and Pat McCabe, a longtime member of the Board of Directors. Mr. Smith stated CRRU had an incredible year from the standpoint of handle, customer satisfaction and safety. During 36 races, one rider suffered a broken hand and no horses suffered catastrophic injuries. He credited the veterinarians -- Stacy Katler of the ORC and Jared Nyman of the association -- with keeping sore horses from racing.

Unique to Prineville, Mr. Smith stated, was the new "win-picture platform," which allowed pictures to be taken with patrons appearing on an elevated platform behind the horse. This increased safety by keeping unlicensed people off the track, and sped time between races.

Live handle for the four days was \$217,091, compared to \$231,981 last year, he noted. However, simulcast increased to \$202,820 over the meet, compared to \$107,613 last year, for a total handle of \$419,911 compared to \$339,594. TVG was the largest ADW. The top five states for handle were: California, \$44,000, 44.8%; Washington, 10.6%; New York, 5.6%; Oregon, 4.9%; Illinois was fifth. Thirty-nine states wagered on the CRRU, he stated. Mr. Smith added that he expects the handle will continue to grow.

Also new this year was a 16-by-18-foot video board next to the tote board that was popular. He noted that in the future, the video board could become an income generator with advertising and sponsorships. Attendance was 14,000 over four nights, or about 3,500 per night. Most paid \$7 admission to attend, he added.

Purse distribution was up slightly, from \$145,800 last year to \$147,050 this year, with average purses increasing from \$4,050 to \$4,080.

A total of 196 horses were entered, for an average field size of just under 5.4 horses per race. Noting that the small field size affects simulcast, Mr. Smith stated that if the meet could draw fields of seven horses, he thinks \$100,000 simulcast days would be achievable. The meet had enough jockeys, he added.

Commissioner Anderson suggested the win-picture platform might be an idea other meets could pick up to increase safety on the track.

Southern Oregon Horse Racing Association (SOHRA): Mr. Lowe, representing SOHRA, reported that the summer meet was successful and safe, with no jockeys or horses injured. Handle, both simulcast and live, was comparable to last year, with about 45 sponsors for races. That was a boon, he added, because it “overflowed” into the fall meet, with people calling TMB, wanting to be sponsors.

He noted that next year, there will not be a SOHRA meet; the summer meet will be wrapped into the commercial meet. Grants Pass will open for racing right after SunDowns in Kennewick closes; run till the middle of July; take a break while Prineville, Tillamook, and Ferndale (Calif.) run; then start again in September and run till November, for a total of 35 days. He added that TMB will not be racing on the Eastern Oregon Livestock Show dates.

Commissioner Anderson requested that when SOHRA submits its written report to the Commission, it include details of purse distributions.

Harney County Fair: Jordon Bennett, manager of the fair, rodeo and race meet, reported that the meet held 20 races over three days, with an average field size of 4.6 horses. That, he added, was largely attributable to a lack of jockeys – four jockeys were available to ride on Friday, and after one was injured, only three were able to ride in two races. If there had been enough jockeys to ride the horses available, average field size would have been 5.1. There were 125 horses on the grounds, up from 100 last year.

One horse died on the track; Director McGrail clarified that the cause of death was believed to be aortic failure. Mr. Bennett added that one jockey was injured but did not go to the hospital until the next day. Purses totaled \$56,000, for an average of \$2,800 per race, which was up about \$20 per race over last year, he noted. Purse supplements from the Oregon Horsemen’s Benevolent & Protective Association (OHBPA) and the Oregon Quarter Horse Racing Association contributed \$13,000. Handle was down about \$4,000; it was \$18,000 last year, \$14,700 this. He noted that the fair overall was down: Concessions were down, there was no carnival, and weather all weekend was threatening.

The meet has spent almost \$10,000 over the past three years renting the starting gate from CRRU, he noted, adding that he wants to work with the Commission to determine if that money would perhaps be better spent fixing the Harney County gate or buying a new one.

He noted the meet has been approached about moving to July dates, and that logistically could work. He stated that more research needs to be done, but it’s a possibility for 2021.

Mr. Bennett noted that horse racing has not received the attention it deserves in Burns, where it is at a crossroads. The meet has to decide which direction it wants to go: whether to move the dates, or even whether to keep racing.

Director McGrail stated that a new gate costs about \$10,000 per stall, and even with a new gate, yearly maintenance expenses can be expected. Noting that the Commission offsets some of the costs of renting the CRRU gate, he suggested buying a new gate may not be the prudent course.

Commissioner Williamson noted that the Commission should work with the fair to figure out a way to incentivize more jockeys to come to the meet. Commissioner Anderson stated that the jockey shortage is an ongoing issue and needs to be addressed – perhaps through providing portable bunkhouses or other living arrangements.

Contested Cases:

None

Public Comment:

Randy Evers, executive director of the OHBPA, noted that the Commission contributed \$6,000 in incentives to the Harney County Fair, boosting the minimum paid to starters from \$100 to \$300 for Quarter Horses and from \$200 to \$400 for Thoroughbreds, which increased the number of horses. He cited the lack of jockeys on Friday as a problem. Horses that were entered but could not run for lack of a rider received the starter incentive, he said, a move that horsemen appreciated. Mr. Evers noted that finding a place for jockeys to live, as Commissioner Anderson noted, would help with the ongoing problem.

Mr. Evers also noted that he was pleasantly surprised and almost shocked at how well the pre-race exams were going. He praised the Commission vets, Drs. Everman and Ferguson.

CONFIRMATION OF NEXT COMMISSION MEETING:

The Next Commission Meeting is Thursday, Nov. 21, 2019, 1:30 p.m. in Room 1A of the Portland State Office Building Located at 800 NE Oregon St., Portland, OR 97232

Adjournment:

There being no further business, the meeting was adjourned at 11:48 a.m.