



Minutes
Oregon Racing Commission
Sept. 29, 2022

Meeting Detail

The Oregon Racing Commission (ORC) met at 1:30 p.m. Thursday, Sept. 29, 2022. The meeting was held via videoconference.

Call to Order

Chair Diego Conde called the meeting to order at 1:34 p.m.

In Attendance

Commissioners: Chair Diego Conde; Commissioner Charles Williamson; Commissioner Jan Palmer, DVM; Commissioner Margaret Doherty

Staff

Executive Director Connie Winn; Catriona McCracken, Assistant Attorney General (AAG)

Agenda Items

Approvals:

Action: Approval of the meeting agenda

Moved by: Commissioner Jan Palmer

Seconded: Commissioner Charles Williamson

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

Action: Approval of the minutes from August 2022 meeting

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Jan Palmer

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

Old Business:

Executive Director's Report:

Director Winn introduced herself to the Commissioners and thanked the hiring committee for selecting her for the position. She noted that after visiting with stakeholders, she feels Oregon horse racing has a strong future. She reported the addition of new Commissioner Margaret

Doherty and gave a special thanks to quarter horse trainer Hector Magallanes for all he did helping fill fields for races this season. Winn also gave special recognition to Ron Sutton, Randy Boden, and Rod Lowe for their efforts to ensure commercial racing. She congratulated Chief Investigator Eric Shepherd for being selected to work this year's Breeders' Cup. Winn noted the Commission is hiring for two positions: administrative assistant and supervisor of account wagering hubs.

She reported a new OTB will be opening in Ontario, with several more in the works. She noted a survey has been sent to stakeholders, which will help guide future changes. She reported the following distributions were made: \$5,600 to Southern Oregon Horse Racing Association (SOHRA) for racing secretary, \$7,000 to SOHRA for the jockey incentive, \$189,000 to the Oregon Horsemen's Benevolent & Protective Association (OHBPA) and a reimbursement to OHBPA of \$13,500 for Tillamook purses, and \$89,250 each to the Oregon Thoroughbred Owners & Breeders Association (OTOBA) and the Oregon Quarter Horse Racing Association (OQHRA).

New Business:

Review and possible approval of Agency Request Budget (ARB):

Program and Administrative Director Karen Parkman the budget subcommittee met this morning. She recommended approval of the ARB as submitted.

Commissioner Palmer reported that TMB funds were available for distribution and stakeholders have been advised. No decisions concerning those funds will be made immediately.

Action: Approve Agency Request Budget

Moved by: Commissioner Jan Palmer

Seconded: Commissioner Charles Williamson

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

Summer fair meet reports:

Eastern Oregon Livestock Show (EOLS)

Director of Racing Nate Jacob reported EOLS, held June 10-12, was licensed for 20 races, filled 14, but only nine were run due to weather and track conditions, with one race canceled Saturday and the whole card canceled Sunday after heavy rain. The racing handle was \$20,698, which is down around \$17,000 from 2021. There was good race attendance despite the poor weather, he said. For the 14 races that were filled, half were Quarter Horse races with an average purse of \$2,778 and half were Thoroughbred races with an average purse of \$3,242.

Mr. Jacob expressed concern about jockey costs, though funding from ORC helped. He also said he remained concerned about transfer time to get the racing secretary from Grants Pass Downs to Union and felt there is room for improvement. He said he was still looking for a candidate to fill the racing director position.

Southern Oregon Horse Racing Association (SOHRA)

SOHRA President Rod Lowe thanked all who stepped up to make the race meet successful despite “the surprise that it was.” The OHBPA played an instrumental role thru financial backing and purchasing equipment for SOHRA. Josephine County and the fairgrounds are both very supportive of the future success of racing, he said, and SOHRA is working with them on the 2023 race schedule. There were 374 starters; no jockeys were injured.

The live handle totaled \$233,272. The average daily handle was \$33,325 and average handle per race was \$4,022. The handle July 4 was \$74,330, which was the largest since July 4, 2005, Mr. Lowe said. Races were livestreamed, but all betting took place at the track. In total, 58 races were run with 24 of those being Quarter Horse races and 34 being Thoroughbred races. Average field size for Quarter Horses was 7.21 and for Thoroughbreds was 5.91, creating a total average race field of 6.45; a higher average than all California fairs, all Oregon fairs, and Emerald Downs, he noted. Total purses for the meet were \$471,200. The meet had 27 sponsors, which contributed to its success.

Crooked River Roundup

Director of Racing Doug Smith said entries were down, resulting in 30 races run, instead of 36. Attendance was a record at 22,400 over the course of the four-day meet. Total purses were \$152,925 with an average purse per race of \$5,097. There were 147 starters, and average an field of 4.9 horses.

Mr. Smith said he is looking into a product called FastBet Mobile through United Tote to make betting more effective on an intranet platform, reducing crowds at the mutuels windows.

There were no significant injuries to horses or riders this year. Mr. Smith said next year plans call for working on the track surface and making a fenced pathway from the barns to the track to separate the horses from the parking areas and crowds. The fairgrounds has received a \$270,000 grant dedicated to building a jockeys’ room, but the building estimate has come in at \$1.2 million. Mr. Smith said improvement would be made to the building, but probably not before 2024.

Tillamook County Fair

Fair Director Camy VonSeggern said the race meet was very successful this year compared to last.

Racing Director Steve Smith provided statistics: Nine jockeys rode in 32 races, with an average field size of five horses. Nine Quarter Horse races were run, up from one in 2021. The total handle was \$142,000, up 44.7 percent from last year. Saturday’s handle was the second largest in Tillamook racing history at \$52,000. One jockey suffered a minor injury on Thursday; however, that rider was back to racing on Saturday. The minimum purse was \$4,000.

Update by Horse Racing Association (HRA) LLC:

Mr. Lowe reported that the HRA is well underway in its third month of operations and has been able to make a seamless transition, settling into the Off-Track Betting (OTB) network with contracts rolling over easily. Two OTBs, in Roseburg and Medford, decided not to move

forward, but a new OTB has opened in Ontario, and four other sites are in the works: Prineville, Hermiston, Grants Pass, and Medford. Handles have increased compared to the same time last year. Twenty live race dates are planned for 2023 (eight summer and 12 fall) in Grants Pass. SOHRA will remain involved, he said, running the summer fair-type meet, and continue to support HRA with the fall commercial race days. The track will open for training in May, with racing in June to July, taking a break for the fair circuits, then picking back up Labor Day weekend thru October.

Key Performance Measures (KPM) report:

Ms. Parkman summarized the [KPM report](#), which consists of four parts: animal safety, license turnaround time, customer service, and best practices.

Over a multi-year span, the ORC has observed a reduced number of race-related equine fatalities. In fiscal 2021, there were 1,464 starters and three race-related equine fatalities, for an average of 2.05 fatalities per 1,000 starters. Oregon's target is 1.5 fatalities per 1,000 starters, meaning the state was at 73 percent of goal. The national average for 2021 was 1.39 fatalities per 1,000 starters. However, when looking at average fatalities over the past five years, Oregon remains on track with an average rate of 1.23 fatalities per 1,000 starters (122 percent of goal).

The licensing office has a target of issuing licenses within five days of receipt and most licenses are processed the day of receipt. Customer service is measured by survey response, and the ORC did not receive any survey results during the fiscal year.

Discuss and possible approval to start rulemaking process to:

Repeal OAR 462-200-0700 Instant Racing 1-2-3 with Pick N

Amend OAR 462-230-0100 Totalizator Licensing Requirements

Amend OAR 462-230-0020 General Totalizator Requirements

Amend OAR 462-140-0125 Commission Supervisor of Account Wagering Hubs

Director Winn explained several rules needed updating and rewording to increase clarity. In the case of OAR 462-230-0100 and OAR 462-230-0020, the proposed change would adopt Kentucky's policies regulating tote companies.

The proposed repeal of OAR 462-200-0700 concerns an instant racing machine that no longer exists.

The amendment of OAR 462-140-0125 changes the title of Commission Supervisor of Account Hubs to Director of Mutuels, which aligns with other jurisdictions that have similar positions.

Action: Begin rulemaking process to repeal OAR 462-200-0700 and amend OAR 462-230-0100, 462-230-0020, and 462-140-0125

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Jan Palmer

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

Discussion of possible relocation or elimination of ORC Portland office:

Director Winn proposed relocating or eliminating ORC office in the Portland State Office Building. She said the Commission pays \$120,000 per biennium to rent an office that is seldom used. Options include downsizing to a smaller, less expensive office or transitioning to Portland staff working completely remotely.

Commissioners discussed pros and cons. Commissioner Williamson said the agency should have a physical presence where the public and licensees can deal with Commission staff in person. Chair Conde shared this concern but noted that downsizing and relocating had merits. Keeping a physical presence was important for those without remote access. Commissioner Palmer disagreed, saying times have changed, and noted a physical office required staffing to be useful to the public.

Director Winn noted the Portland office has had only a handful of visitors in the past two years, adding that building access is currently restricted to staff only, and visitors must be escorted.

The Commission would retain access to the building's meeting rooms, she said. She also noted most ORC staff is already working remotely from Grants Pass. Other considerations include archiving and storing records. Director Winn and Ms. Parkman estimated it would take a month or two to electronically scan all records. Commissioner Doherty wanted to know if any other state commission had gone fully remote and how records would be handled.

Other possibilities include moving to a smaller office in Portland, relocating to Salem or Grants Pass, or sharing a suite, as some other small agencies do. If the Commission decides to move, the lease requires 6 months' notice. Several Commissioners expressed concern about giving notice without a new location already secured.

Candy Morasch of Grants Pass commented that city might be a better location as it is emerging as the racing center for the state. She added she would be happy to help find an office space in the area.

Chair Conde noted no decision was being made at this time, but the consensus seemed to be that, at a minimum, downsizing and relocating to a more accessible and cheaper location was in the best interest of the Commission. Commissioner Palmer cautioned that she would not want the process dragged out for months.

Ms. McCracken, ORC counsel, said she didn't know whether a state agency was allowed to not have a state office. She recommended contacting the Governor's Office liaison for clarification.

Chair Conde asked Director Winn to do so, as well as providing a report to the Commission on how long it would take to scan records and address Commissioner Doherty's concerns about archiving and how many agencies do not have physical offices. He said the consensus was to at least downsize and relocate. Once it has more information, the Commission can decide whether to rent a new space or go completely remote, he said.

Discussion and possible vote on Commission officers and subcommittee assignments for fiscal 2023:

Chair Conde explained that under Commission policy, his term as chair should have ended in December 2021, but circumstances intervened. He added it was important for the health of the Commission to rotate roles regularly, and it was time for a new chair. He suggested Commissioner Williamson become chair, effective with the next meeting. Commissioner Palmer suggested Commissioner Doherty become vice chair.

Action: Commissioner Charles Williamson becomes Chair and Commissioner Margaret Doherty becomes vice chair

Moved by: Commissioner Jan Palmer

Seconded: Chair Diego Conde

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

Director Winn asked when this would be effective. Chair Conde stated Oct.1, 2022; the other commissioners agreed. To remain in line with the Commission policy, Chair Conde suggested calling the roles interim, expiring at the end of 2023. Counsel McCracken recommended a new motion to clarify.

Action: Effective Oct. 1, 2022, Commissioner Williamson will be Interim Chair and Commissioner Doherty will be Interim Vice-Chair, until the end of 2023, in keeping with Commission policy

Moved by: Commissioner Charles Williamson

Seconded: Chair Diego Conde

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

The Commission moved on to subcommittee assignments. After discussing the makeup of the subcommittees, they decided the Medication and Horse Welfare Subcommittee should consist of Chair Conde and Commissioner Palmer; the ADW Subcommittee of Chair Conde and Commissioner Williamson, and the Budget Subcommittee of Commissioners Palmer and Doherty. Staff will continue to serve on each subcommittee.

Director Winn recommended that the Best Practices Subcommittee be reinstated, but with a new emphasis on excellence. Commissioners Conde and Williamson said that had merit, although Commissioner Williamson expressed doubts about the value of the self-evaluation forms. Commissioner Palmer asked Director Winn to put together an outline of what that subcommittee would look like.

Action: Make subcommittee assignments as follows:

ADW subcommittee: Chair Conde and Commissioner Williamson;

Budget subcommittee: Commissioner Palmer and Commissioner Doherty;

Medication and Horse Welfare subcommittee: Chair Conde and Commissioner Palmer

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Jan Palmer

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

Public Comment:

Ms. Morasch noted she has applied to join the Commission. Director Winn explained that she had been told no new Commission appointment would be made until January, after a new governor is elected. Counsel McCracken added this is standard practice when the state administration changes and is no reflection on the candidates.

Contested Cases:

None

Other Business as May Properly Come Before the Commission:

None

Confirmation of Next Meeting:

The next Commission meeting is scheduled for 1:30 p.m. Oct. 20, 2022, via Zoom. However, Director Winn recommended canceling the October meeting and holding the next meeting in November. Commissioner Palmer wanted to be certain that canceling the October meeting would not delay giving notice on the office space. Chair Conde reiterated that questions needed to be answered prior to giving notice.

The Commission decided to schedule the next meeting for 1:30 p.m. Nov. 17, 2022, via Zoom. If needed, an extraordinary meeting concerning the office can be scheduled before then.

Adjournment:

Action: Adjourn meeting

Moved by: Commissioner Charles Williamson

Seconded: Commissioner Jan Palmer

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

There being no further business, the meeting was adjourned at 3:22 p.m.