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Minutes
Oregon Racing Commission
October 19, 2023

Meeting Detail

The Oregon Racing Commission (ORC) met at 1:30 p.m. Thursday, October 19th, 2023, via Zoom videoconference.

Call to Order

Vice Chair Margaret Doherty called the meeting to order at 1:30 p.m. and conducted roll call.

In Attendance

Commissioners: Margaret Doherty, Diego Conde, Quinn Berry, Lindsay Fowler, and Scott Beckstead

Staff: Executive Director Connie Winn; Karen Parkman, Program and Administrative Coordinator; Kelly Routt, Assistant Attorney General (AAG)

Excused

None

Approvals:

Meeting Agenda

Action: Approval of the agenda with the amendment to remove the HRA report and Southern Oregon Horse Racing Report

Moved by: Commissioner Conde

Seconded: Commissioner Berry

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

Meeting Minutes

Action: Approval of the September 2023 meeting minutes.

Moved by: Commissioner Conde

Seconded: Commissioner Berry

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

OLD BUSINESS:

Executive Director's report

Executive Director Connie Winn started by reporting that two new commissioners have joined the ORC, pending completion of their oaths of office. The first is Commissioner Beckstead, who has an extensive background in animal law and welfare, owned his own law firm from 1994-2008, and was the mayor of Waldport from 2002-2007. He coauthored the first casebook on animal law in 2000 and has worked multiple policy director positions within the Humane Society of the United States and began work as Director of Campaigns for two affiliates – Animal Wellness Action and Center for a Humane Economy – in 2020. Saving wild and domestic horses from cruelty and slaughter is one of his top priorities. Second is Commissioner Fowler, who has been a public defender since receiving her J.D. from West Virginia University. She has been the partner of Veralrud & Fowler since 2008, and values her clients and reputation. She grew up attending horse races with her father, and now enjoys competing and trail riding with her horse Triton. She also enjoys reading, loves animals, and collecting orchids. Director Winn welcomed both Commissioners to the ORC.

She then thanked the representatives from the ADWs who came to attend the Fiscal and Advisory Committee meeting held at the Portland State Office Building (PSOB) earlier that day. This included Russel Fine (President, Game Play Network), Gene Chabrier (VP Regulator Affairs and Business Development, Xpressbet), and Andrew Silver (Council/Online Gaming Compliance, Churchill Downs). She also thanked David Trueman (Manager of Operations, PointsBet), Cindy Ochsner (Chief Financial Officer, AmWest Entertainment), Nelson Clemmens (President, AmWest Entertainment), Andrew Moore (General Manager – Racing, Fanduel), Tom Cassidy (Senior Manager – Industry Relations, Fanduel), and Lynnelle Fox Smith (Executive Director, Oregon Thoroughbred Owners and Breeders Association (OTOBA)) for participating in the meeting remotely. A second Fiscal and Advisory Committee meeting is scheduled for this coming Monday to discuss HUB funds. Both meetings will result in new rules to bring to the commission in November.

The fall meet at Grants Pass Downs concluded with good purses, good spirits, and the track surface was amazing. Unfortunately, Director Winn reported that four horses suffered fatal injuries during the race meet and had to be euthanized. The first was when Queen Breezy suffered a cannon bone fracture and the horse behind her, Bete Rouge collided and broke her shoulder. One jockey was transported to the ICU in Medford for a head injury but has been released and is recovering. The

other jockey sustained a minor injury. On the final day of racing, the two horses Jess After Midnight and Phantoms Book both broke their fetlocks in unrelated incidents in separate races. The ORC has launched a comprehensive investigation and is collaborating with industry experts, veterinarians, and stakeholders regarding these incidents and to prevent future tragedies. The HRA is fully compliant with this investigation. No further races are scheduled for 2023.

The ORC is committed to the safety and welfare of Oregon's racehorses and racing participants. Director Winn reported meeting with Dr. Everman, Presiding Steward Twiggs, and Chief Investigator Adams to discuss medication rules and track safety, as well as meeting with all staff members to brainstorm additional ideas and strategies. Some ideas being considered, which will be discussed at the next Medication and Safety Committee meeting include: changes to medication rules, starting gate rules and procedures, pre-race history research on horses arriving and entering races, additional security, revamping trainer testing, safety training for jockeys, outriders, and starting gate personnel, additional staff training on best practices, consideration of technological solutions to aid in early identification of possible injuries, an anonymous tip line, increasing training time for equine athletes, review and update emergency procedures for environmental issues (example: smoke), plate inspections, and discussing track surface types and improvements.

Director Winn also reported that she and Commissioner Doherty had presented at the House Committee on Gambling, which seemed to be well received. Work on the Governor's initiatives continues, and focus is being placed on staff feedback, success planning, customer service, and strategic planning.

Lastly, Director Winn reported that she would be on vacation from October 25-November 10 and may not be able to be contacted. If anyone needs to contact the ORC, they should contact Karen Parkman.

NEW BUSINESS:

Swear in new Commissioners.

Position 3: Scott Beckstead

Position 5: Lindsay Fowler

The above commissioners were officially sworn into office and recited the commissioner oath of office alongside Chair Doherty.

Elect New Officers

Chair

Commissioner Conde nominated Vice Chair Doherty as Chair.

Action: Appoint Vice Chair Doherty as commission Chair

Moved by: Commissioner Conde

Seconded: Commissioner Berry

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

Vice Chair

Chair Doherty nominated Commissioner Berry as Vice Chair.

Action: Appoint Commissioner Berry as commission Vice Chair

Moved by: Commissioner Conde

Seconded: Commissioner Beckstead

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

Assign Committees

Chair Doherty made the following assignments for the commission committees after communication with each commissioner:

Medication and Safety Committee: Vice Chair Berry and Commissioner Fowler

Advanced Deposit Wagering (ADW) Committee: Commissioner Conde

Finance and Budget Committee: Chair Doherty

Best Practices and Strategy Planning Committee: Commissioner Beckstead

Action: Approve the commissioner committee assignments as assigned by Chair Doherty.

Moved by: Commissioner Berry

Seconded: Commissioner Beckstead

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

Tribal Relations Update

Micah Lloyd, the Director of Mutuals and tribal liaison for the ORC, reported on the agency's tribal relations over the past year. The Legislative Commission on Indian Services was created by statute in 1975 to support Oregon Indians and state government when their interest and work are mutually affected. In 1997, the first LCIS summit established 6 tribal groups to improve communication between tribes and state agencies. The ORC is actively involved in the Economic Development and Community Services cluster, as well as quarterly LCIS meetings. This December, representatives of the ORC will be attending the annual Tribal-State Government-to-Government summit.

In June 2022, the ORC adopted a policy on tribal consultation, which outlines the agencies' commitment to building and maintaining strong government-to-government relationships with Oregon's 9 federally recognized tribes. Within that policy, it is stated that the Executive Director and Director of Mutuals are the responsible positions for developing and implementing programs for the ORC that affect tribes. It is the ORC's goal to understand tribal concerns, priorities, and

interests as related to Oregon horse racing as well as continually exploring opportunities for partnerships and keeping the tribes updated regarding ORC events and rule changes which may interest them. All tribes were given the opportunity to appoint representatives to attend Fiscal Impact and Advisory meetings, and the ORC recently notified all 9 tribes of a rule change regarding ADW licensees to ensure changes would not conflict with tribal interests nor Oregon statutes and constitution. Some initial feedback was received. Mr. Lloyd thanked the Cow Creek Tribe for meeting on multiple occasions to discuss communication and future endeavors.

This year, all ORC staff received training about the Umatilla Tribe, located near Pendleton, Oregon. All permanent staff and one seasonal staff have completed this training. The ORC has also begun the development of a Tribal Relations page on the official website. This page is expected to go live before the end of the calendar year.

Fair Meet Reports

Eastern Oregon Livestock Show (EOLS)

The representative for EOLS was not present, and the report will be moved to the agenda for the November ORC meeting.

Crooked River Roundup (CRR)

Doug Smith, Director of Racing at the CRR, reported that he had accidentally submitted the 2019 report, which went out in the meeting packet, but he had forwarded the correct 2023 report to Director Winn, which will be posted with the minutes. The CRR saw record attendance during 2023 race meet, with large handles and no reported injuries. Due to the \$4,000 purse contributions from the ORC, along with contributions from HBPBA and the Oregon Quarter Horse Racing Association (OQHRA), the bottom purses were \$6,500, and feature racing with higher purses increased the excitement revolving around the meet. Total approximate attendance for the 4 nights of racing is estimated to be around 23,000 spectators. This large attendance meant the facilities were at maximum capacity, and a challenge for next year will be finding ways to expand the space for additional attendants.

Prior to the race meet, the facilities at CRR were leveled and 30,000 yards of new soil was added to the track and arena, creating a completely level racing surface. In the past, large quantities of dirt had to be manually moved away from the track to create a safer race surface. This update required approximately \$37,000 in investments from CRR. The building of 20 new stalls, which were purchased in the spring of this year, has officially been completed. While they were not ready for this year's meet, they will be available next year. This project cost \$48,000 and brings the total number of stalls to 283. This is just one example of how CRR is continuing in its investment to better and grow Oregon horse racing.

For the 4 days of racing, which were held July 12-15th, a total of 35 races were run. There were 8 races on Wednesday night. There were three Quarter horse races, which averaged 6.3 starters per race, and five Thoroughbred races, which averaged 6.2 starters per race. Total purses were \$52,000 and the total race handle was \$61,676. On Thursday night, three Quarter horse races, averaging 7.6 starters per race, and five Thoroughbred races, averaging 5 starters per race, were ran for a total of 8 races. The total purses were \$52,000 and the total race handle was \$54,291. On Friday, five Quarter horse races, averaging 6.4 starters per race, and four Thoroughbred races, averaging 5.25 starters per race, for a total of 9 races were ran. The total purse was \$65,000 and the total race handle was \$86,613. On Saturday, four Quarter horse races, averaging 7 horses per start, 5 Thoroughbred races, averaging 5.6 horses per start, and 1 mixed breed race with 6 starters were ran for a total of 10 races. The total purse was \$87,400 and the total race handle was \$94,098. This brings the total purses for the entire meet to \$256,400 and the total race handle for the meet to \$296,678.

Mr. Smith thanked all the contributing parties for their investments toward purse moneys. The ORC made an initial contribution of \$144,000 for 36 races. As 35 races were run, the \$4,000 meant for the 36th race has been returned to the ORC. OQHA contributed \$1,000 per Quarter horse race for overnights, futurity, and the Sosa Stakes. The OHBPA also contributed \$1,000 for all overnights. OTOBA offered an incentive for all Oregon-breds, however none of the offered races were filled so the funds were returned. Another \$52,400 was contributed by local supporters and horsemen for an average of \$1497.14 per race.

The CRR also launched the use of FastBets Mobile during the 2023 race meet. This is a geofenced application that allows connected parties within a set geography to make bets with their smart phones. The app brought in \$600 on Wednesday night, but by the end of the meet was averaging \$5,000-6,000. Users praised the ease of the app and CRR predicts use will increase as patrons become more familiar with its use, and the added benefit of shorter lines at the mutuels windows and not risking the loss of their seat if they get up to make a bet. Mr. Smith reports being in contact with the mutuels manager at the Miles City Bucking Horse Sale in Billings, MT, who has reported up to 35% of their total wagering takes place through FastBets. For 2023, the connection area for betting through the app was limited to the grandstands. CRR will be working with commission staff to learn about expanding the geofence area to the barns for the horsemen in 2024.

Looking forward to the 2024 season, CRR has some goals for improvements. One would be the purchase of a rock picker to remove rocks from the track prior to the race meet. The horsemen aided in this effort this year by hand picking stones off the surface. These rocks represent a potential hazard to the horses. Expected cost is approximately \$43,000. The CRR is working with their partners to secure funding. Another project is the rebuilding of the jock's room, which is currently too small for the stewards and jockeys to be able to have a meeting if needed. The new jock's room will have a 30-foot x 30-foot central area with restrooms and lockers on both sides,

versus a 10-foot x 12-foot common room in the current building. The fairgrounds received a grant which will fund \$277,000 and the CRR will contribute additional funds. This project will also require rebuilding the attached paddock area, and Mr. Smith is welcoming ideas on the best way to do this. This new facility will be ready for the 2024 racing season. Lastly, the CRR has expanded staffing from a part-time manager to a full-time general manager to oversee races and rodeos. Ann Fischer, a previous board member, was selected for the role.

The CRR is excited about the success of the 2023 season, and excited for 2024. Mr. Smith emphasized the importance of continual partnerships with veterinarians, including current Commission vet Dr. Everman, to ensure the safety of the horses and jockeys. He ended his report stating some of his best friends are horses and their wellbeing is paramount. He is open to discussing questions any time.

Commissioner Berry thanked Mr. Smith for his infectious enthusiasm for racing.

Commissioner Beckstead thanked Mr. Smith for the report and hopes to get to Prineville to watch some races and get to know him better. Mr. Smith offered to take Commissioner Beckstead to see some local wild horses when he visits.

Tillamook County Fair (TCF)

Camy Vonseggern reported on behalf of the TCF. The TCF had a successful meet with large fields and excellent feedback from attendants. A total of 33 races were ran between August 7-10th. Eight races per day on Wednesday-Friday, and nine ran on Saturday. Attendance over the course of the four days was approximately 43,000 people, however TCF focuses more on economic and social impact for the community than on actual attendance numbers. The collaboration between race meets has been very helpful. With Tillamook being the last meet on the summer fair circuit, the TCF can gain a lot from hearing from the previous meets on what they would have done differently or found very useful.

The \$4,000 per race base contribution from the ORC made a huge impact on helping TCF have the largest purses it has ever had. TCF also has 12 different local organizations that contribute approximately \$12,000-13,000 to purses for feature races. OQHRA contributed \$1,000 for overnights and \$5,000 for two Quarter horse futurities. OTOBA also \$1,000 for Thoroughbred overnights and \$1,000 for a feature race. These large purses made for exciting races and larger handles.

Some improvements were made to the track surface prior to racing. The track had received a complete over-haul a couple of years ago, so a little regrading and regular maintenance was all that was require. The drainage ditches along the inside rail were also re-done. TCF has a 5 to 10 year plan on bringing the footing up to a depth of 6-8 inches, and a little sand was added this year.

Steve Woods, the track inspector, was ill and unable to inspect the track this year, but presiding steward Mike Twiggs did look at the track surface prior to racing. TCF also has a partnership with a farmer in Salem who comes and runs their rock picker over the track prior to races and a second partnership has been made with the Yamhill County Fairgrounds, which have a rock picker that could be borrowed for use during the race meet if necessary. TCF is also looking into purchasing towable magnets, which can be run across the track surface and riding arena to pick up any additional debris. The starting gate is also inspected annually, and some minor maintenance was done to ensure optimal racing conditions. Finally, the racing rail was inspected, which revealed so sharp angles on corners which had to be reconfigured to make racing as safe as possible.

Steve Smith forwarded his report to Ms. Vonseggern so that she could continue his report as he was having technical difficulties.

Approximately 220 racehorses and 10 ponies were on the grounds. 21 Thoroughbred races, with an average of 5.4 horses per start, and 12 Quarter horse races, with an average of 6.16 horses per start were ran. Exact jockey numbers were not reported, but there were plenty of riders available for the meet. The total race handle for the meet was \$157,395, which is in the top 5 all-time high race handles for TCF. An all-time record high handle for a single day was made on Saturday, which a handle of \$57,400. TCF has 12 betting machines, 3 of which are self-serve. TCF does not experience long lines or long wait times for betting, which is aided by having plenty of personnel on the ground.

Chair Doherty thanked Cami for her report and stated that she was able to attend a day of races at Tillamook this year, and it was great.

Oregon Thoroughbred Owners and Breeders Association (OTOBA) Hub Funds Report

Chair Doherty asked Director Winn to first explain what a hub fund is. Director Winn explained that the ORC regulates and licenses a number of advanced deposit wagering (ADW) companies, who choose to be regulated by the ORC as we represent the gold standard for licensing and regulation. The ORC then receives licensing fees and fees on handles from these companies. Three-quarters of these funds are then redistributed back to the industry to ensure successful race meets and safety (example: jockey insurance funds). Recipients of these funds must apply on a biennial basis which is then reviewed and approved by the ORC. Allocated funds are then paid out twice a year.

Lynelle Fox Smith, Executive Director for OTOBA, first gave an overview of OTOBA. The association was established in 1944 with the goal of strengthening Thoroughbred breeding in Oregon. OTOBA does this by offering purse supplements, breeder awards, and incentives to facilitate the importation of broodmares and breeding stallions into the state. OTOBA supports a number of different equine disciplines but focuses on racing as it is the primary revenue source for

the association. OTOBA is a 501c5 member and supports breeders who reside across 85% of Oregon's different counties. OTOBA is active in supporting the county fair meets as well as the commercial race meet.

OTOBA received \$350,000 for the 2021-23 biennium, which ended on June 30th. OTOBA spent a total of \$366,073 on programs and incentives. All programs offered are long-time programs, many of which have been offered since the association's inception. As of now, hub funds are the association's only source of funding for these programs.

For the current biennium, OTOBA was approved for \$281,847.80, a decrease of \$75,000. As a result, several programs have had to be reduced, and the broodmare and stallion incentives were eliminated. OTOBA will continue to evaluate the need for additional changes. So far, \$113,139 has been received and \$89,597 has been spent. The remaining funds will go towards covering the breeder's awards for the recently concluded SOHRA meet at Grants Pass Downs and the rest will roll over to the 2024 fair meets.

Commissioner Beckstead had two questions. First, if OTOBA has any programs or incentives for the retraining or development of second careers for retired racehorses, and the second being if OTOBA had any policies in place against the sale of retired racehorses into the slaughter pipeline? Ms. Smith responded that there are not any formal programs due to a lack of funding, but OTOBA does have links to other programs around the country that do. Secondly, no OTOBA does not have any policies regarding the second question.

Approval of Legislatively Adopted Budget (LAB)

Karen Parkman stated that the legislatively adopted budget (LAB) is the final leg of the budget process. It starts with the agency request budget (ARB) then the second leg is the governor's balance budget (GBB), This is where changes if any, are brought to the legislature during the legislative presentation process, then it is carried to and through the senate and the house for approval. Once passed through the house and senate, it is generally signed by the governor and the biennial budget is ready to begin use.

Action: Approve the Legislatively Adopted Budget.

Moved by: Commissioner Conde

Seconded: Commissioner Fowler

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

Review and Possible Approval of the Following Plans and Policies:

- a. **ORC Language Policy**
- b. **ORC Diversity, Equity, and Inclusion Plan**

c. ORC Continuation of Operation Plan (COOP)

Executive Director Winn reported that these policies are viable to change as time goes on to meet the needs of all. The language policy will help make the agency more inclusive to serve the large Latino population that frequent Oregon's racetracks. The COOP plan lays out a formal plan for disasters or position replacements and emergencies. The Diversity, Equity, and Inclusion plan is brand new and includes a new committee to help grow the agency and provide training for the staff.

Action: Approve ORC Language Policy.

Moved by: Commissioner Berry

Seconded: Commissioner Conde

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

Action: Approve ORC Diversity, Equity, and Inclusion Policy.

Moved by: Commissioner Beckstead

Seconded: Commissioner Fowler

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

Action: Approve ORC Continuation of Operations Plan.

Moved by: Commissioner Conde

Seconded: Commissioner Berry

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

PUBLIC COMMENT:

Camy Vonseggern commented that Oregon Fairs Association annual convention had just occurred in October. This year, TCF was unable to host the commission at the convention, but next year it will be hosted at the Deschutes County Fairgrounds the second week of October and hopefully the commission can attend.

CONTESTED CASES:

None

CONFIRMATION OF NEXT COMMISSION MEETING:

The next commission meeting is scheduled for November 16th, 2023, at 1:30 P.M. via ZOOM.

ADJOURNMENT:

Action: Adjourn meeting

Moved by: Commissioner Berry

Seconded: Commissioner Beckstead

Vote: Commissioners Doherty, Conde, Berry, Fowler, and Beckstead voted AYE, and the motion was carried unanimously (5:0).

There being no further business, the meeting was adjourned at 2:47 p.m.