



Oregon Racing Commission  
P.O. Box 366  
Gresham, OR 97030  
[ORC\\_info@orc.oregon.gov](mailto:ORC_info@orc.oregon.gov)  
971-673-0213 Fax  
[www.oregon.gov/racing](http://www.oregon.gov/racing)



**Minutes**  
**Oregon Racing Commission**  
**September 21, 2023**

**Meeting Detail**

The Oregon Racing Commission (ORC) met at 1:30 p.m. Thursday, September 21, 2023, via Zoom videoconference.

**Call to Order**

Chair Charles Williamson called the meeting to order at 1:30 p.m. and conducted roll call.

**In Attendance**

**Commissioners:** Charles Williamson, Jan Palmer, Margaret Doherty, Diego Conde, and Quinn Berry

**Staff:** Executive Director Connie Winn; Kelly Routt, Assistant Attorney General (AAG)

**Excused**

None

**Approvals:**

**Meeting Agenda**

**Action:** Approval of the agenda.

**Moved by:** Commissioner Conde

**Seconded:** Commissioner Doherty

**Vote:** Commissioners Williamson, Doherty, Conde, Berry, and Palmer voted AYE, and the motion carried unanimously (5:0).

**June and July Meeting Minutes**

**Action:** Approval of the June and July 2023 meeting minutes.

**Moved by:** Commissioner Doherty

**Seconded:** Commissioner Berry

**Vote:** Commissioners Williamson, Doherty, Conde, Berry, and Palmer voted AYE, and the motion carried unanimously (5:0).

## **OLD BUSINESS:**

### **Executive Director's report**

Executive Director Connie Winn reported that two new commissioners will be up for confirmation next week. If they are confirmed, this will be the last meeting for Chair Williamson and Commissioner Palmer. Director Winn thanked them for the service and notified them that they will both be receiving plaques to celebrate their time with the commission. Director Winn continued that the fall meet at Grants Pass Downs is underway. So far, races are going well with large field sizes and the track is in excellent condition. Director Winn stated that she has been invited to present ORC's progress on the audit and how the Commission is bettering Oregon with the House Committee on Gambling on September 27, 2023, at 8:30 a.m. Commissioner Doherty has volunteered to accompany Director Winn. Director Winn commended Micah Lloyd, Director of Mutuals, for being asked to join one of the Association of Racing Commissions international committees and for being recognized as one of the top regulators in less than a year on the job.

Director Winn reported that the ORC is making progress on initiatives released by the governor's office. The ORC will present our new Diversity, Equity, and Inclusion program and Continuity of Operations plan at the next ORC meeting. Director Winn has also been working on revamping the orientation process and placing all on the ORC website for public access. The ORC has also launched a new Strategic Panning Committee and track safety and medication rules have been topics of discussion among Director Winn, Tom Everman DVM, and presiding steward Mike Twiggs to better protect the athletes.

## **NEW BUSINESS:**

### **Report from HRA**

Rod Lowe thanked Chair Williamson and Commissioner Palmer for their time with the commission. He reported that the fall race season is halfway through with 6 completed race days. Field size has been following an upward trend and overall, there have been 47 races with 297 starters. That gives an average of 6.32 horses per start. With Emerald Downs ending their meet, more horses have been coming to race at Grants Pass Downs. Last weekend, there were 16 races and 118 starters, for an average of 7.38 horses per race. This coming weekend, it is expected there will be 6 to 8 ten horse fields providing for the largest averages of the meet so far. The HRA has leased property from Travis Boersma next to the fairgrounds, which contains 210 stalls, to accommodate the additional horses. There have been two minor jockey injuries, but no other incidents. Total purses so far are \$394,457 for an average purse of \$8,392 per race. Live racing is being streamed to the Off Track Betting (OTB) network, which includes 10 facilities in the state of Oregon. The OTB handles have been stable, with approximately \$9 million coming in so far for the year. Mr. Lowe concluded his report with hopes that the weather continues to hold out and that the second half of the fall meet continues to be successful.

### **Eastern Oregon Livestock Show Race Meet Report**

The representative for the Eastern Oregon Livestock Show was experiencing technical difficulties and was not present for the meeting. A written report has been included in the packet with these minutes.

### **SOS Audit Recommendations and Updates**

Executive Director Winn reported that there were four recommendations from the audit, all of which the commission has agreed to address. The first is to add policy or rule requirements to evaluate new and changes to game and wagering operations to ensure no conflicts with state constitution and statute. Two rules have been created, which have already been approved by the commission to begin the rulemaking process. A fiscal and advisory committee meeting is scheduled for October 19<sup>th</sup>. Afterwards, the rules will be filed and finalized. The Department of Justice (DOJ) and SOS auditing team were both closely involved in the writing of both rules to ensure recommendation criteria was met. Annual review on the process and rules will continue, with understanding that technology changes, which may require additional recommendations and changes to rules over time. It has been further recommended by the AAG that the ORC confirm that all current licensees comply with Oregon constitution and statutes, and four meetings have been held with our AAG on the subject.

The second recommendation was to enhance rules and develop policies and procedures for allocating and reviewing the use of Alternative Deposit Wagering hub funds. These are hub funds that do not go directly to the fair meets, but to the associations or the track. Prior to Director Winn starting in her role, there had been a lack of accountability and documentation regarding these funds. Efforts to correct this issue began last September, and included: requirements for additional information on applications, scheduling, and audit of the previous fund distribution, and providing clear expectations that new rules and policies would be developed. An amendment to the rule has been filed outlining new requirements for hub fund accountability, which includes a fiscal and advisory committee that will be meeting next month, the creation of a noninsurance program, and a robust application process.

The third recommendation was to ensure commission meeting minutes provide clear and transparent communication approval detail, including attachments received by the commission to inform action approval. Starting last September, any attachments sent to the commissioners are also distributed to a list of interested parties. Beginning in January 2023, full video recordings of meetings, all written materials (except confidential documents, as provided by law), and the approved written minutes are made, posted, and publicly available.

The final recommendation was to ensure documentation of its licensee reviews are maintained and safeguarded. In September, the ORC implemented a dual control storage system, which requires audit and sensitive documents to be stored in two separate network drives. This solution was deemed sufficient. The ORC has also completed a technology strategic plan to modernize this process. This recommendation was based on historical horse racing (HHR) documentation that was missing, a finding the ORC takes very seriously. However, the ORC's Audit Assurance program still exceeded all other jurisdictions at the time. A third-party vendor was used to complete testing for changes to equipment, software, or any related technology. Gaming Laboratories International (GLI), who are considered the gold standard, offered their expertise in the development of the audit assurance program. Maintained documents include: GLI audit reports, ORC Certification letters, report and emails regarding code added to each machine with GLI, third party tote reports, daily fee reports, and tax verification forms.

Commissioner Conde commended Director Winn and the ORC for how the audit was conducted and how the recommendations have been received and changes implemented. Commissioner Doherty echoed this comment and emphasized that many of the changes were already in effect prior to the audit's release and thanked Director Winn for her work.

**Discussion and possible approval of additional funds for Racing Secretary, United Tote, and Jockey Insurance.**

Director Winn reported the commissioners had previously approved an additional \$200 per day for the Racing Secretary salary, with the caveat that the ORC had to have the funds readily available. However, the bills for jockey insurance and United Tote were higher than previously approved. The jockey insurance had been approved and budgeted for \$94,387 but is now \$120,420, requiring at least an extra \$56,066 over the biennium. United Tote had been approved for \$34,740 but was \$36,516, requiring an extra \$3,553 over the biennium. Further, a statewide employee pay raise in response to inflation was approved, increasing employee wages by 6% this year and 6.55% the following year. This was not a funded wage increase, and the ORC had budgeted for a 3% raise each year. This will result in a total of \$111,448.07 difference in staff wages over the biennium.

Director Winn reported that all of the fair meets did better than last year, and the ORC will be receiving an extra \$1,173 in our portion of the racing handles and that there was an additional \$5,000 set aside for a track consultant that was not spent. She recommends using these funds to cover the additional \$3,600 required to meet the \$200 per day increase to the Racing Secretary's salary. She would have the fairs refunded for the funds they were going to contribute for the raise and use these funds instead.

Further, the ORC is expecting to receive an additional \$200,000 this biennium as the result of a rule not usually needed which allows the ORC to charge additional money for affiliates if they reach a certain cap. Micah Lloyd recently completed an audit which revealed that two affiliates of Churchill Downs reached that cap.

There are factors that pose as unknowns, such as the loss of greyhound racing, but Director Winn feels optimistic. She recommends that the ORC still fund the Racing Secretary raise. Chair Williamson asked for clarification on how the fairs are affected and needing funds refunded. Director Winn explained that the fairs already provided funds which have been paid to the Racing Secretary already. That sum would be deducted from the additional funds owed to the ORC by the fairs.

Rod Lowe asked Director Winn if the money owed to the HRA for United Tote was included in her report. Director Winn answered that she believed so, but that she would need to look into it further.

**Action:** Increase the salary of the Racing Secretary by \$200 per day and deduct that amount from the amount that the fairs owe the ORC.

**Moved by:** Commissioner Palmer

**Seconded:** Commissioner Berry

**Vote:** Commissioners Williamson, Doherty, Conde, Berry, and Palmer voted AYE, and the motion carried unanimously (5:0).

**Request to begin rule making process for OAR 462-150-0120 – Review of new wagering technology.**

Director Winn presented the above rule, which was created from a recommendation received from the audit. This rule covers review of technology changes both online and on the grounds.

**Action:** Approval to begin the rulemaking process for OAR 462-150-0120

**Moved by:** Commissioner Doherty

**Seconded:** Commissioner Berry

**Vote:** Commissioners Williamson, Doherty, Conde, Berry, and Palmer voted AYE, and the motion carried unanimously (5:0).

**PUBLIC COMMENT:**

Randy Boden, commented on behalf of the HBPA to thank Chair Williamson and Commissioner Palmer for their long service to the ORC and all they have done for the industry.

Commissioner Palmer thanked everyone and wished the ORC the best of luck. Chair Williamson echoed the same well wishes. Commissioner Conde thanked both for their mentorship and guidance. Commissioner Doherty also thanked both for their service and guidance.

**CONTESTED CASES:**

None

**CONFIRMATION OF NEXT COMMISSION MEETING:**

The next commission meeting is scheduled for October 19th, 2023, at 1:30 P.M. via ZOOM.

**ADJOURNMENT:**

**Action:** Adjourn meeting

**Moved by:** Commissioner Conde

**Seconded:** Commissioner Doherty

**Vote:** Commissioners Williamson, Doherty, Conde, Berry, and Palmer voted AYE, and the motion carried unanimously (5:0).

There being no further business, the meeting was adjourned at 2:08 p.m.