

MINUTES

OREGON RACING COMMISSION

JULY 18, 2002

The Oregon Racing Commission met on Thursday, July 18, 2002, at 1:30 p.m. for their regular meeting in Room 140 of the Portland State Office Building located at 800 NE Oregon Street, Portland, OR. Commissioners in attendance were Steve Walters, Chair; Tom Towslee, Vice Chair and Jeff Gilmour. Commissioner Lisa Metcalf was excused. Commissioner Todd Thorne was excused for most of the meeting, however, he was present via telephone in order for the commission to take action on agenda item #3. Chair Walters introduced Robin McGinnity from the Attorney General's Office who was acting as general counsel for this month while Raul Ramirez was out on family leave. Agenda items were discussed in the following order with resulting actions:

1. Approval of June 21, 2002, Minutes

ACTION: MOTION(Towslee) Approve minutes as submitted. For the record, Commissioner Gilmour stated that even though he had not been present at the June meeting, he had talked with other commissioners about the items discussed and had thoroughly read the minutes.

VOTE: 3 Aye, 0 Nay, 2 Excused

2. Harney County Fair 2002 Race Meet Application - September 7 and 8

Steve Barham recommended approval. Chair Walters requested that now and in the future the tote company be named instead of stating "the same as last year".

ACTION: MOTION(Towslee) Approve the application and delegate to the executive director the authority to approve racing official positions not yet filled.

VOTE: 3 Aye, 0 Nay, 2 Excused

(At this point in the meeting, Chair Walters recused himself due to a conflict of interest and turned the chair over to Vice Chair Towslee. Commissioner Thorne was called and was present by telephone.)

3. Youbet.com Request to Amend Operating Plan Pursuant to OAR 462-220-0040(2)

Commissioner Towslee stated the request being made was to waive the .25% tax that is placed on wagers through Youbet.com's hub in Oregon when place in California. Commissioner Gilmour questioned whether or not the effect of this change could be measured, to which Steve Barham responded affirmatively.

ACTION: MOTION(Gilmour) Approve request submitted by Youbet.com to waive the .25% tax on wagers originating in California to become effective the beginning of the Del Mar race meet.

VOTE: 3 Aye, 0 Nay, 1 Excused, 1 Recused

(The meeting was turned back over to Chair Walters and Commissioner Thorne was excused.)

4. Request for Reinstatement of License Submitted by James Sannes

Mr. Sannes was not present. Based on the investigator's report submitted by John Hayes, Steve Barham recommended the commission deny the request for reinstatement.

ACTION: MOTION(Towslee) Deny the request for reinstatement of license submitted by James Sannes.

VOTE:

3 Aye, 0 Nay, 2 Excused

5. Portland Meadows Update

Art McFadden began by stating the Oregon people, jockeys and trainers, are doing quite well at Emerald Downs this season. There are 140 horses on the grounds, many of whom are racing at Emerald. A number of inquiries have already been received regarding stall applications for the 2002-03 race meet. Last month the EPA inspected the site and according to the engineers it passed with flying colors. Jim McAlpine and Jim Gagliano were in town to look at possible MEC-owned OTBs located in Portland, and then they visited both Portland Meadows and Multnomah Greyhound Park as well as the new site south of Wilsonville. Mr. McFadden reiterated that Magna is committed to Oregon. Mr. McFadden stated the Portland Meadows race meet application for 2002-03 would be submitted in time to be placed on the August meeting agenda.

Commissioner Towslee again reiterated his concern voiced at the June commission meeting about the possibility of some sort of games going on in California between TVG and Magna and expressed his desire that Oregon and its .25% tax not be part of some larger scheme of two corporations playing out in California. Commissioner Towslee suggested that Scott Daruty call him to discuss this issue. Chair Walters stated he would also like to talk with Scott about this issue.

Regarding the property south of Wilsonville, a land use attorney and David Evans & Associates, planners, have been hired. Contacts have also been made with ODOT. While it does not appear that much is happening, Magna is committed to building a new race track, they are spending money for the experts and those hired quite some time ago are still working for them.

6. Multnomah Greyhound Park Update

Carl Wilson reported the Murray Kemp Classic was won by Silent Power, an Oregon-bred, and it was his twelfth win in a row. In the final eight greyhounds in the race, five of them were Oregon-breds which is a tribute to what has happened with the Oregon-bred program over the past several years. As of last Sunday the average daily handle on MGP races \$136,442, and the total Oregon handle to date is \$18,641,000, which is down 3.6%.

7. Grants Pass Race Meet Report

Steve Barham stated there was a letter in the commissioners' packets from Al Westhoff in which he summarized the race meet for this year. Total handle was \$1,015,676. The average daily handle, which included off-track simulcast handle for 2002, was down \$2,775 from the average daily handle for 2001 which was live handle only. Mr. Barham also pointed out that last year they had only a nine day race meet compared to nineteen days this year which could have an effect on the average daily handle being so different.

8. Crooked River Roundup Race Meet Report

Steve Barham stated their total handle was \$164,007 over the course of four days which is down from last year but not a lot. In addition, he handed out a report on the jockey incentive program as it stands through Crooked River Roundup. In order for jockeys to be eligible for monies from the fund, they

need to participate in four of the five summer race meets. Those jockeys who have already participated in three race meets need only to participate in either Tillamook or Harney County. The ones who have only participated in two race meets so far will have to participate in both of the remaining meets.

9. Confirmation of Next Commission Meeting

It was decided to change the August commission meeting to August 22, 2002, instead of August 15, 2002, and most likely will take place at Multnomah Greyhound Park.

10. 2003-05 Oregon Racing Commission Budget

Steve Barham stated this is basically an agency request budget. In addition, he presented two handouts to the commission for informational purposes. Mr. Barham stated the state is again looking at performance measurements and putting them in a form format. The performance measurements in the first handout are currently going through a review process in Salem to see if they're okay. They are a result of a meeting he had with Commissioners Gilmour and Thorne and are reflective of the goals and performance measurements in the budget narrative. The other matter is something the agency has to do and is directed by HB3182, which directs the agency to identify some reduction options in its requested budget. Since the Racing Commission is an "Other Fund" agency, Mr. Barham stated it is fairly unlikely these will be discussed in any great detail but they do have to be represented. In the second handout he provided four alternatives that the commission could consider if it were necessary to take any action on reducing the agency requested budget. Mr. Barham recommended third option which would make video patrol a cost of the race tracks. And then there would also be a potential reduction of \$358,000 in special payments which is the Development Fund. In response to a question by Commissioner Towslee, this budget assumes a \$955,000 ending balance. Last session the legislature said they wanted the agency to maintain a six-month ending balance. The money beyond our operating needs by statute goes to the General Fund.

ACTION: MOTION(Gilmour) Regarding the directive by HB3182, adopt the reduction alternative of video patrol and \$358,060 in special payments.

VOTE: 3 Aye, 0 Nay, 2 Excused

ACTION: MOTION(Gilmour) Adopt the proposed budget as submitted.

VOTE: 3 Aye, 0 Nay, 2 Excused

There being no further business, the meeting was adjourned.