

MINUTES

OREGON RACING COMMISSION

JUNE 20, 2003

The Oregon Racing Commission met on Friday, June 20, 2003, at 2:00 p.m. for their regular meeting in the Arts and Crafts Building at Josephine County Fairgrounds in Grants Pass, OR. Commissioners in attendance were Steve Walters, Chair, and Todd Thorne. In order to have a quorum on matters requiring commission action, Commissioner Jeff Gilmour was present via telephone during the discussion and action on those specific agenda items. Commissioner Lisa Metcalf was excused, and the governor has not yet appointed an individual for the remaining commissioner position. After calling the meeting to order Chair Walters thanked Josephine County Fair and the Southern Oregon Horse Racing Association for hosting the commission for their annual June meeting in Grants Pass. Agenda items were discussed in the following order with resulting actions:

1. Approval of the May 15, 2003 Minutes

ACTION: MOTION(Thorne) Approve minutes as submitted.

VOTE: 3 Aye, 0 Nay, 1 Excused

2. ODS Technologies, L.P. d/b/a TVG 2003-2004 Application for Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub License

Roger Nyquist stated the application was similar to the application presented last year and is going forward with operations as they currently exist. Chair Walters stated there were some issues he would like to discuss at some point with Mr. Nyquist regarding the status on the negotiations with VISA to solve the problem with respect to the use of VISA cards for legal hub wagers however he did not want to take up Commissioner Gilmour's time today to pursue those issues. Mr. Nyquist responded that the negotiations were ongoing and they were hopeful that it would be resolved. Jodi Hanson recommended approval.

ACTION: MOTION(Thorne) Approve application submitted by ODS Technologies, L.P. d/b/a TVG for the fiscal year 2003-2004 to operate a multi-jurisdictional simulcasting and interactive wagering totalizator hub.

VOTE: 3 Aye, 0 Nay, 1 Excused

On a related matter Mr. Nyquist stated at their last meeting the commission amended the rule to extend the sunset one year on the ability for the hubs to charge less than .25%. Mr. Nyquist made the formal request to extend the ability to charge less than the .25% for another year for TVG.

ACTION: MOTION(Thorne) Apply the rule as approved at the May meeting to the TVG application.

VOTE: 3 Aye, 0 Nay, 1 Excused

3. Request by OQHRA to Distribute Oregon Bred Breeder and 1% Owners Bonus Funds From 2002-2003 Portland Meadows Race Meet

Chair Walters began by commending the OQHRA for submitting this request well before the commission meeting date so that commissioners would adequate time to review the request. John Harris was present and stated the total amount of breeders bonus awards was \$11,574.51 and each of the breeders will receive 6.9% for each of their horses. The 1% owners' bonus was figured on a net figure of \$21,151.80 and will be paid out on a 6.63% to

each one of the horses. Each of the figures will be less by 5% as an administration fee for the association. Jodi Hanson recommended approval to issue the bonuses.

ACTION: MOTION(Thorne) Approve request to distribute the Oregon bred breeder and 1% owners bonus funds.

VOTE: 3 Aye, 0 Nay, 1 Excused

4. Request by OTBA for Payment of Oregon-bred Thoroughbred Owners' Bonus and Breeder Awards Earned During 2002-2003 Portland Meadows Race Meet

Ursula Gibbons began by stating there were old owners' bonus checks totaling \$156.69 that the OTBA has not been able to deliver or were never cashed, so she was requesting approval to void those checks and add them to the owner bonus to be paid out for this meet. Jodi Hanson recommended voiding the checks and adding them to the distribution.

ACTION: MOTION(Thorne) Approve voiding checks and adding them to distribution.

VOTE: 3 Aye, 0 Nay, 1 Excused

There are some past breeder award checks in the amount of \$550.70 which Ms. Gibbons also requested be voided and added to the current breeder awards to be distributed. Jodi Hanson recommended approval of the request.

ACTION: MOTION(Thorne) Approve voiding checks and adding them to distribution.

VOTE: 3 Aye, 0 Nay, 1 Excused

Ms. Gibbons stated the owner bonus is a problem this year in that there are two pending cases that have not been resolved. If there ends up being a redistribution of the purses it would affect the Oregon-breds who would move up in placing and total purses it would increase the total Oregon-bred earnings. The available options would be either adding that amount to the total earnings and using it as a space holder then determining a percentage and making a distribution based on that percentage or that the OTBA take part of that money from the hub money which they have already received. Ms. Gibbons requested the input of the commission on how to deal with the situation. Jodi Hanson stated that she and Ms. Gibbons had discussed this issue and it appeared the best way to resolve the issue at this time would be to go with the first option cited by Ms. Gibbons.

ACTION: MOTION(Thorne) Approve basing the owner bonuses on current Oregon-bred earnings which do not include the two pending cases, and if there is a redistribution of the purses on the pending cases that the bonuses be held over to the distribution for next year.

VOTE: 3 Aye, 0 Nay, 1 Excused

Based on the actions taken by the commission on the requests submitted by the OTBA, Jodi Hanson recommended approval of the request to distribute the owners' bonus and breeder awards earned during the 2002-2003 Portland Meadows race meet.

ACTION: MOTION(Thorne) Approve distribution of the Thoroughbred owners' bonus and breeder awards.

VOTE: 3 Aye, 0 Nay, 1 Excused

5. Proposed Order for Larry J. Farrell

Chair Walters stated his preference was that this item be held over to the July commission meeting. He has a lot of concerns about the proposed order and needs to know more about the record and the evidence that was before the hearings officer before being able to act on the order. Commissioners Thorne and Gilmour concurred with holding this item over to the next meeting.

6. Confirmation of Next Commission Meeting – July 17, 2003

That date is best for Chair Walters, Commissioner Thorne will adjust his schedule in order to be present and depending on what the legislature is doing Commissioner Gilmour may be in the same situation as he is in for this meeting. It was the understanding that Commissioner Metcalf would be present.

7. Change of Commission Meeting Date for June 2004

Based on discussions at an earlier commission meeting this year, Jodi Hanson suggested moving the June 2004 meeting in Grants Pass from Friday, June 18th to Friday, June 11th. Commissioner Metcalf is never available to attend a meeting the third week in June but the second week would be okay. The meeting date will then be changed to June 11, 2004. Carol Morgan will make the necessary arrangements with Jackie at Josephine County Fair.

(Having completed all of the agenda items requiring a quorum in order for action to be taken by the commission, Commissioner Gilmour was permitted to return to his duties of dealing with the issues at hand during the current legislative session.)

8. Multnomah Greyhound Park Update

Jeff Grady stated their handle has been down a little, however, their export handle has been going up. He has acquired another marketing person, so he feels they should be able to show some improvements in June and July. They are planning on opening three to four off-track sites within the next month and a half. The sites are located in the Gresham area, East Portland, Milwaukie and Hayden Island. They have requested for and it was approved by Jodi Hanson for an additional race card on Saturday afternoons. Since they are trying to promote the family atmosphere and children cannot enter the facility after 6:00 p.m., they wanted to have an additional day where families would be able to be in attendance.

9. Eastern Oregon Livestock Show Race Meet Report

Bob Blair, presiding steward, reported the meet was very successful. The jockey incentive program is working very well. There were nine riders total for the meet. The races were good; they have a new tractor and system for working the track which has reduced the amount of time to work the track between races. The hub money was used for maintenance and repair of the facility. They had one major problem this year in that they twenty more horses than they had stalls, so they had to round up some portable pipe stalls between the barns to hold them. There are several things that Mr. Blair thinks they need and that will be in his end of the meet report. The major problem they have is the timing of the races and the rodeo events. The races at Union have always been an added feature in between rodeo events, and as a result both Saturday and Sunday they lost the crowds for both their feature races because the rodeo was over before the end of the race card. Mr. Blair said they were going to be recommending better

scheduling on that for next year. Jodi Hanson added that it was great to see people come together to work on some of the minor glitches that turned up. Despite the economy, the handle was actually up for the first time in about four years. The stewards met with representatives of the event to talk about some of the issues, i.e., safety, working on ways to develop good hub requests to fix some of the problems.

10. Grants Pass Race Meet Report

Al Westhoff thanked the support the commission has given JCF and SOHRA with the hub monies. The purses were the biggest contribution, the fences are partially completed and they will ask to finish those next year. He also thanked the OHBPA and OQHRA for their support of the race meet. The handle is down a little bit from last year but they are also down in the number of races. The simulcasting also is down and he can't attribute it to anything in particular. They have had a number of blanket races. They would always like to have more horses as they have had a number of four horse fields. As to number of horses, they put up 390 stalls and they have had 350 to 360 horses. Not all of them are ready to run, however. In response to a question regarding the jockey colony this year, Mr. Westhoff responded that it has been right around 15 riders. The jockey incentive program has been great in getting jockeys to come to Grants Pass. Chair Walters asked Mr. Westhoff to confer with people and ask some questions at the OTBs so that he can provide in his end of the meet report at the next commission meeting some information as to why the simulcast handle seems to be down. In the past it has accounted for 35% of their handle which is not the case this year.

Chair Walters stated he wanted to make a general comment about the value of the hub money. The hubs in Oregon have contributed tremendously to the racing industry in the state. One job of this commission and the industry in general is to continue to make this a friendly environment for hubs so that they will want to stay here and that perhaps other hubs will want to come to Oregon to conduct their business because it is a very vital part of our racing industry.

11. Legislative Update

Jodi Hanson reported SB 790, which was originally filed by representatives on behalf of Magna, was gutted and stuffed and now takes away the restriction in Chapter 462 as far as horse and greyhound racing in the Portland metropolitan area happening at the same time. Mr. Westhoff was instrumental in writing some language to protect the summer fair meets.

12. Request from Arthur L. McFadden for Approval to be Licensed in More Than One Official Category

Chair Walters stated awhile ago the commission amended the rule that formally prohibited employees, officers and officials of a race meet from owning horses and provided for case-by-case approval by the commission. Mr. McFadden has submitted his request for both horses and greyhounds. The problem is that when the horse rule was amended, the commission did not at the same time amend the greyhound rule. Since the language of the rule does not really meet the criteria for adopting an emergency rule, the executive director was directed to initiate the rulemaking process to amend the greyhound rule to be consistent with the horse rule regarding ownership of racing animals by race meet employees, officers and officials.

13. Other Business Before The Commission

Al Westhoff inquired about the new machines at Multnomah Greyhound Park. Jeff Grady, MGP, came forward and stated the instant racing machines are doing quite well during the live performances, however, are not doing as well during the simulcasting only days due to the fact they are install on the main level and are not near the simulcasting area. As yet they have not advertised the machines but will be conducting a major advertising campaign towards the end of July. There are currently 20 Thoroughbred machines installed and they will be getting 5 more from Southland Park which will be greyhound machines. The response from the patrons has been very positive, and it seems to be mostly a younger crowd that is using them.

There being no further business, the meeting was adjourned.