

MINUTES

OREGON RACING COMMISSION

February 15, 2007

The Oregon Racing Commission met on Thursday, February 15, 2007 at the Portland State Office Bldg, 800 NE Oregon Street, in Room 140. Commissioners in attendance were Chair Jeff Gilmour, Vice Chair Todd Thorne, Lisa Metcalf, Kerry Johnson and via telephone, Julianne Davis.

Agenda items were discussed in the following order with resulting actions:

1. Approval of December 21, 2006 Minutes

ACTION: MOTION (Metcalf) Approve minutes as submitted.

VOTE: 5 Aye, 0 Nay

2. Race Date Requests for 2007

a. Grants Pass Downs – Josephine County Fair/Southern Oregon Horse Racing Assn.

ACTION: MOTION (Thorne) Approve race dates (June 16, 17, 23, 24, 30 and July 1, 4, 7 & 8, 2007) as submitted.

VOTE: 5 Aye, 0 Nay

b. Eastern Oregon Livestock Show

ACTION: MOTION (Metcalf) Approve race dates (June 8 - June 10, 2007) as submitted.

VOTE: 5 Aye, 0 Nay

c. Crooked River Roundup

ACTION: MOTION (Thorne) Approve race dates (July 11 - July 14, 2007) as submitted.

VOTE: 5 Aye, 0 Nay

d. Tillamook County Fair

ACTION: MOTION (Metcalf) Approve race dates (August 9 - August 11, 2007) as submitted.

VOTE: 5 Aye, 0 Nay

e. Harney County Fair

ACTION: MOTION (Johnson) Approve race dates (September 8 - September 9, 2007) as submitted.

VOTE: 5 Aye, 0 Nay

3. Portland Meadows Update Reports

Dwayne Yuzik, General Manager, Portland Meadows, was present to answer questions. Information and discussions included the following:

During Christmas week, Portland Meadows established a new all source wagering handle of \$947,000. Export sales are up 74%, primarily due to an increase in race days, 49 compared to 43 last year at this time. Average daily export handle is up 53%.

Field size for this meet is 7.41, compared to last years 7.8. They plan to make up some of the races lost when racing was cancelled for three days due to frozen track conditions.

⇒ In response to Chair Gilmour's request for clarification, Mr. Yuzik stated that, at present, they intended to make up the races, not the race days. He explained that they were currently having difficulty filling the fields and indicated that they would review the situation next month after the schedule changed to two race days per week.

Special dates coming up at Portland Meadows: Saturday, February 24th the Oregon Breeders Award and Sunday, February 25th, the Portland Meadows Mile.

Portland Meadows and Magna Entertainment will commence a multi-million dollar capitol improvement project. Improvement plans include the following: Construction of a new Instant Racing room that will house 150 instant racing devices plus ten Oregon Lottery terminals; construction of new wash room facilities; upgrades to the heating and air conditioning; installation of wagering carrels and 30 plasma TVs; and improvements to the food and beverage areas.

⇒ In response to Chair Gilmour's question, Mr. Yuzik explained that the Instant Racing room would not open until May, after Portland Meadows last day of live racing. He agreed to keep the Commission informed.

4. Sub-Committee Update Reports

Hub Sub-Committee Update: Vice Chair Thorne explained that another hub rules hearing would be held on March 15, 2007 at 10:30 am, prior to the Commission meeting. He stated that he would appreciate any proposed language changes to be submitted on or about February 28, 2007.

5. Confirmation of Next Commission Meeting – March 15, 2007

All Commissioners indicated that they would be present at the next meeting.

6. Repeal of Temporary Medication Rules and Implementation of Permanent Medication Rules OAR 462, Division 160

ACTION: MOTION (Metcalf) Repeal temporary medication rules and implement the permanent rules on Wednesday, March 7th, 2007 at 5:00 pm.

VOTE: 5 Aye, 0 Nay

7. Legislative Update

Chair Gilmour requested information on any proposed changes to ORS 462 currently before the legislature.

⇒ Dick Cartney, Oregon HBPA, stated that they have two bills that have been presented to the legislature and a third that they are still working on so it has not yet gone before the legislature.

a) Mr. Cartney explained that the issue being addressed in **Senate Bill 439** came up while working on the draft for the new medication rules. The law currently states that no medications are allowed to be administered after entry. He added that the law is now outdated as entries no longer occur 24 hours prior to racing. The proposed change, as written in this bill, would read "An animal may not participate in any race if (a) Less than 24 hours before post time the animal has been

administered any drug that is prohibited by the Oregon Racing Commission”.

→ Chair Gilmour explained that there was a hearing on this bill and that the committee has voted the bill to the Senate floor.

→ Interim Executive Director Gordon Tallman added he had spoken with Athena Zeek and it was his understanding that after the bill goes to the Senate it will come back to the House for committee and further input. At that point, Ms. Zeek requested that the Commission take either a neutral position or a supportive position.

b) Mr. Cartney announced that Senate **Bill 441** addresses the distribution of the other 1/3rd of the Hub funds and that the hearing is scheduled for February 22, 2007.

c) The third bill pertains to un-cashed vouchers and has not yet been drafted.

⇒ Chair Gilmour announced that the Commission budget is scheduled to go before the Ways & Means Committee on Tuesday, February 20, 2007 with the work session scheduled for Thursday, February 22, 2007.

8. Action on Proposed Order for Patrick A. Gleason

Patrick Gleason and his attorney Ralph Schlegel provided oral testimony on their exceptions to the proposed order that was issued by the ALJ on December 27, 2006. Mr. Schlegel stated: “I feel strongly that Mr. Gleason is a worthy candidate to have the opportunity to file an application for a license and that there’s really no reason at all under these circumstances to revoke his license and that his suspension should be lifted.”

At this time the Commission entered into Executive Session. Upon their return, Chair Gilmour announced that during Executive Session, the Commission considered multiple items relating to the legal ramifications of licensees. He then continued with the same agenda item.

ACTION: MOTION (Davis) Revoke Mr. Gleason’s license with eligibility to reapply after a period of two years. The amount of time his license has been suspended will be credited to that two year period. This revocation is based on the fact that he provided false or misleading statements on his application regarding his past criminal history and with respect to social security numbers. These reasons will be more formally explained in an order that will be issued by the Commission at a later date.

VOTE: 5 Aye, 0 Nay

9. Action on Proposed Order by Default for Thomas H. Beale

ACTION: MOTION (Thorne) Adopt the Proposed Order by Default as the Final Order.

VOTE: 5 Aye, 0 Nay

10. Action on Proposed Order for Kevin C. Murray

ACTION: MOTION (Johnson) Adopt the Proposed Order as the Final Order.

VOTE: 5 Aye, 0 Nay

11. Action on Proposed Order for Cynthia E. Kelly

ACTION: MOTION (Johnson) Adopt the Proposed Order as the Final Order.

VOTE: 5 Aye, 0 Nay

12. Action on Proposed Order for Nicholas C. Bell

ACTION: MOTION (Thorne) Adopt the Proposed Order by Default as the Final Order.

VOTE: 5 Aye, 0 Nay

13. Action on Proposed Order for Desiree A. McGraw

Kelly Gabliks, AAG, explained that Ms. McGraw agreed to surrender her License if that is acceptable to the Commission.

ACTION: MOTION (Thorne) Accept the surrender of the license.

VOTE: 5 Aye, 0 Nay

14. Action on Proposed Order for Michael L. Herod

This agenda item was tabled until the next meeting.

15. Action on OAR 462-160-0140(6)(a)

Kelly Gabliks, AAG, explained that it is her legal opinion that the Commission does not have statutory authority to seek payment from the licensees for split sample costs when there is a question as to whether there is an interfering substance in the sample as written in the new medication rules that will become effective in March. She recommended that the Commission adopt a temporary rule that suspends the enforcement of that sentence in the rule. Temporary rules last for 180 days, so within that 180 days, the Commission would delete that portion in a permanent rule.

ACTION: MOTION (Johnson) Adopt the temporary rule to delete the sentence in OAR 462-160-0140(6)(a) that reads: "The cost incurred by this additional testing, in addition to any fines and penalties, shall be borne by the licensee."

VOTE: 5 Aye, 0 Nay

16. Public Comment

⇒ Rod Lowe, SOHRA, stated that the county is in support of having horse racing because they recognize its importance. He added that a budget has been submitted and he encouraged the Commissioners to review it and let them know whether it will be approved as soon as possible.

He thanked the Commission for all of their help with the fair meets, adding that keeping horses in the state and providing a racing circuit for them to run was vitally important. He also appreciated the strides that Portland Meadows was making to better horse racing and better the purses. He stated that he was aware of some additional hubs possibly coming to Oregon and felt the reason that they continued to want to do business in Oregon was because they see the stability of the hubs that are here and that's thanks to the wonderful job the Commission is doing. He added that he very much appreciated the fact that the hubs bring their sources through the state of Oregon which has enabled the fair meets to continue.

→ Chair Gilmour explained that he, Interim Director Gordon Tallman, and summer meet officials have been working together on finalizing the disbursement of the Hub funds and are getting closer to knowing what funds will be available for the summer race meets. He stated that he planned to be able to allocate those funds at the next Commission meeting in March.

⇒ Ursula Gibbons seconded Mr. Lowe's comments about the friendliness of the Commission and the state of Oregon allowing more hubs to come in and the fact that they want to come to Oregon. She stated that it benefits the live racing industry.

She invited everyone to come out to Portland Meadows for Oregon Breeder's Awards Day on February 24, 2007. She explained that it is an opportunity to congratulate all those people that breed and own horses that race here in Oregon and elsewhere.

There being no further business, the meeting was adjourned.