

# MEETING MINUTES

## OREGON RACING COMMISSION

February 13, 2008

The Oregon Racing Commission met on Wednesday, February 13, 2008 at 1:30 p.m. in Room 1D of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon. Commissioners in attendance were Chair Kerry Johnson, Vice Chair Stan Robson, Chris Dudley, and Charles Williamson. The governor appointed Dr. Michael Huber to fill the vacant commissioner position; his term on the commission will begin on February 18, 2008.

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

### 1. Approval of Agenda

Chair Johnson added three items to the agenda: item 4a, announcement and welcome of the new commissioner; item 4b, appointment of Commission Advisory Committee for Hubs; and item 4c, appointment of Commission Medication Advisory Committee.

### 2. January 17, 2008 Meeting Minutes

ACTION: MOTION (Dudley) Approve minutes with one correction under item seven, changing the number \$78,793 to \$48,793.

VOTE: 4 Aye, 0 Nay

### 3. Allocation of Hub Funds for 07-09 Biennium

As chair of the Hub Allotment Advisory Committee, Commissioner Robson explained that the commission tried to put together a better format for distributing the hub funds for this biennium, adding that they based their decisions on the law and the subsequent rules and a philosophy to do what would best promote horse racing in Oregon. He stated that in the future, he would like to have even more input on concerns about the budget and where the funds should be used.

Commissioner Robson continued, "We did make - keeping at the foremost that the purse enhancements were a priority, we made several preliminary decisions. One was not to fund any request for any issues that were prior to these last six quarters. Another was to eliminate capital improvement requests, at this time, unless safety was an issue. Next, we did not feel that we could fund transportation support for Grants Pass or summer stabling at Portland Meadows. The latter may not be an issue in that that may not even be able to take place. I don't believe there's an agreement in effect once the meet ends. In fact, all horses have to leave, I guess, shortly after the last meet. Another decision was not to support specific breeding efforts where there was no expectation for the foal to eventually race in Oregon."

"These decisions, again, were made for this particular budget. It doesn't mean that they can't be modified for the next time we go around. But, we had to find some place to start and we felt this was getting us to a point where, we hope, you'll feel that we enhance each of your organizations

the best we could with the monies that were there.”

“We, also, are going to recommend a requirement to this budget cycle. We’d like to be able to evaluate our budget decisions by asking each of you to report to us, both in writing and verbally, how your hub funds were spent and how you feel it affected your individual programs. This isn’t to be a burdensome or punitive measure, but it is something we feel could be proactive and informative in both helping us make the appropriate adjustments in future budgets, but also allow for accountability. We’re subject to audit at any time from the state and I don’t think we’d do a very good job – or could do a very good job right now with the way everything is all over the board. We think that with this process and your help, we’ll be able to be more accountable as a commission as well as have some accountability for you folks.”

“In retrospect, even though you may not receive all of what you requested, and you won’t because the money’s not there, everyone should and will realize the significant increase over the last biennium.”

Commissioner Robson explained that the hub funds for the summer fair meets included funding for the Jockey Incentive Program (increased by \$5,000 to \$40,000), video photo finish, tote, Truform, jockey insurance (\$102,000), racing secretary (\$23,750), purses (\$2,200/race), matching incentive (\$2,000/day), marketing (\$1,000 per race meet), and operating expenses for Grants Pass. For six quarters of the biennium, each fair meet will receive the following: EOLS \$133,890; JCF \$550,070; CRR \$210,120; TCF \$71,345; and HCF \$55,945.

The hub funds for the associations were allocated primarily for purse monies as follows: OHBPA \$228,200; OTOBA \$215,400; OQHRA \$136,600; OGA \$140,000. Commissioner Robson explained that the allotment to the adoption kennel would be reduced to \$7,500 per month instead of the previous \$10,000 and that the payments will be terminated in 2009, one year earlier than previously scheduled.

In addition, funds were also allocated for the following: marketing (\$40,000) at Portland Meadows which they would be required to match, two-way radios (\$10,000) and animal lab testing (\$118,447).

The total budget for the six quarters was \$2,075,967.

⇒ For the record, Commissioner Williamson announced a potential conflict of interest as his firm had represented the OHBPA, the OGA and the OGBA in the past.

In conclusion, Commissioner Robson stated that he understood that there might be some concerns and exceptions taken with the process and welcomed additional input, whether individually or at a meeting. He also encouraged the different groups, if at all possible, to work together prior to the budget allocations to create a formula that would be best for each

organization.

ACTION: MOTION (Williamson) Approve the hub funds as allocated.

VOTE: 4 Aye, 0 Nay

⇒ Executive Director Evers clarified that the commission did not receive this money in one lump sum, but it would be allotted over the next six quarters of the biennium. He explained that Carol Morgan, Program and Administrative Coordinator, would contact each group to find out exactly when the funds were needed and then create a distribution schedule based on that information. He added that they might be able to work with the budget officer to move up some of the allotment, if necessary, to accommodate all of the requests.

#### **4. Portland Meadows Race Meet Report**

Will Alempijevic, Director of Wagering and Guest Services, Portland Meadows, and Jerry Kohls, Racing Secretary, Portland Meadows, were present to answer questions. Information and discussions included the following:

Oregon on-track wagering at Portland Meadows was up 1.75% and the OTB network was up over 5% compared to last year at this time. The OTB network success was due to some capital improvements that provided a better experience for the guests so that they stayed longer and came more frequently. On track wagering at Portland Meadows was up 2%, averaging \$27,000 per race day with 51 days total of racing since October 1, 2007 compared to last year's 49 race days. The OTB network wagers were down 2%; in state was up 1%; export was up almost 26%.

As of February 10, 2008, they had run 473 races compared to last year's 438 races; the average field size of 7.48 compared to last year's 7.42; currently had 695 horses on the grounds compared to last year's 715 horses. Daily average purse pay-out gross was \$48,567, up 12.8% compared to a year ago.

Four stakes races were scheduled for the last two days of racing including the Portland Mile (\$30,000) and the Donna Jensen (\$20,000) on Monday, March 10, 2008, and on closing day, March 11, the Oregon Derby (\$25,000) and the Oregon Oaks (\$20,000).

Chair Johnson announced that the Governor's office had confirmed the new commissioner, Dr. Michael Huber, OSU College of Veterinary Medicine, who will begin serving on the commission February 18, 2008.

Chair Johnson also announced the appointment of the following committees:

Hub Advisory Committee chaired by Commissioner Williamson and including Kerry Johnson and Executive Director Evers.

Medication Advisory Committee chaired by Commissioner Dudley and including Commissioner Huber and Executive Director Evers.

*At this time, the commission entered into executive session and upon their return continued the meeting with the next agenda item:*

**5. Account Wagering Activities by Out-of-State Residents**

Commissioner Dudley stated, "The commission received a request from the Virginia Racing Commission on November first to ask us to order Youbet.com to stop accepting wagers from customers in Virginia because Youbet is not licensed by the Virginia Racing Commission as an advanced deposit wagering operator. Not knowing quite what to do with this, we asked our legal counsel to look at the complaint and look at what we're doing in the State of Oregon and look at what activities were being undertaken under our licensed hubs. The advice back to us is that when you do an electronic wager in one of our hubs, that bet takes place in the State of Oregon. Because that's a legal bet in Oregon and it's a legal bet under any laws or rules we can find nationally effecting account wagering, there is no violation."

ACTION: MOTION (Dudley) Send a letter to Virginia stating that the commission would take no action because there were no violations.

VOTE: 4 Aye, 0 Nay

**6. Action on Stipulated Order of License Surrender for IRG**

Commissioner Williamson explained that IRG had agreed to surrender their Multi-Jurisdictional Simulcasting and Interactive Wagering Totalizator Hub license.

ACTION: MOTION (Williamson) Adopt the Stipulated Order.

VOTE: 4 Aye, 0 Nay

**7. Action on Final Order by Default for Raymond M. Wilson**

ACTION: MOTION (Williamson) Adopt the Final Order By Default.

VOTE: 4 Aye, 0 Nay

**8. Action on Final Order by Default for Aaron P. Shaw**

ACTION: MOTION (Williamson) Adopt the Final Order By Default.

VOTE: 4 Aye, 0 Nay

**9. Action on Final Order by Default for Thomas L. Johnston**

ACTION: MOTION (Robson) Adopt the Final Order By Default.

VOTE: 4 Aye, 0 Nay

**10. Action on Final Order by Default for Franklin P. French, Jr.**

ACTION: MOTION (Robson) Adopt the Final Order By Default.

VOTE: 4 Aye, 0 Nay

**11. Confirmation of Next Commission Meeting – March 20, 2008**

All commissioners indicated that they would be present at the next meeting. Chair Johnson announced that the meeting would focus on hubs and trying to gain a better understanding of their operations which would include the commissioners taking a tour of two of the ADW's prior to the meeting.

## **12. Public Comment**

⇒ Harvey Boyle, Vice Chair, Josephine County Fair Board, thanked the commission for their budget allocations.

There being no further business, the meeting was adjourned.