

MINUTES

OREGON RACING COMMISSION

December 17, 2009

The Oregon Racing Commission met on Thursday, December 17, 2009 in Room 1A 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, Michael Huber, DVM, Chris Dudley, and Charles Williamson. As noticed, the meeting commenced at 12:30 pm and the commission immediately went into executive session pursuant to ORS 192.660(2)(f); ORS 192.660(2) (h); and/or ORS 192.690(1). Public session began at its regularly scheduled time of 1:30 pm (approximately).

Chair Johnson called the meeting to order and announced that the commission was in executive session for approximately one hour. The commission did not make any decisions or take any votes during that time.

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

1. December 17, 2009 Meeting Agenda

ACTION: MOTION (Huber) Approve agenda as submitted.

VOTE: 5 Aye, 0 Nay

2. November 19, 2009 Meeting Minutes

ACTION: MOTION (Robson) Approve minutes as submitted.

VOTE: 5 Aye, 0 Nay

3. Proposed Summer Race Meet Dates for 2010

Executive Director Evers stated that after considering all of the conversations and meetings held to talk about the conflicting race dates with the fairs, he recommended that the commission accept the following race meet schedule "in concept":

Union would run the first or second weekend in June, depending on how the calendar falls; Grants Pass would run the next four consecutive weekends, which meets the Oregon HPBA and Oregon QHRA requests, and Prineville would run the third week in July.

ACTION: MOTION (Robson) Accept this concept.

VOTE: 5 Aye, 0 Nay

4. Sub-Committee Update Reports

a. Advanced Deposit Wagering and Multi-jurisdictional Hubs

Nothing to report.

b. Best Practices

Commissioner Dudley announced that Executive Director Randy Evers would talk about the Agency Management Report that was sent to the legislature.

Executive Director Evers explained that one of the thirteen Best Practices required the commission to review the Agency Management Report and the performance measures. The four performance measures were approved by the legislature and submitted with the biennial budget request. When the document was presented at

the 2009 legislative session, the commission was only in compliance with one of the four measures. Today, with data collected from July 1, 2008 through June 30, 2009, the commission was now in compliance with three of the four measures. The measures were as follows:

1. Animal Safety – The commission tracked the number of horses euthanized by the Oregon Racing Commission veterinarian due to catastrophic injuries. The target was set at 1.5 horses euthanized per every 1,000 starters. The commission was not meeting that goal and was at 3.16 horses euthanized per 1,000 starts for the last fiscal year. In response to some of the concerns about horse safety, Dr. Huber chaired the Horse Medication and Safety Committee. During the commission meeting two months ago [October], the commission approved the policies and procedures that were proposed by the committee.

Executive Director Evers stated that he, along with others, was optimistic that with some of the changes and with the support of the race track, the OHBPA, OQHRA and OTOBA, that the number of horses euthanized on Oregon's race tracks would decrease. He added that this was quite controversial when the information was presented to the Ways and Means Committee and that the legislators were asking the commission to do everything they could to better this number.

2. Licensing Turnaround Time – The commission tracked the number of days it took from the time licensing received an application to the conclusion of the criminal background check. The target was set at five days and the commission was meeting that goal.

3. Excellent Customer Service – This measure was required by every state agency per the legislature in 2005. At the last legislation, the commission had a process problem meeting this measure because the only data that was being gathered was from people who wanted to file a complaint. Now, anyone who came in the licensing office to fill out an application was asked if they would like to, voluntarily and anonymously, fill out a customer survey form. The target goal was that 75% of the people gave staff an above average or excellent rating and, currently, the commission was receiving a rating of 94%. He added that he was proud of the staff and the work that they do in the licensing office to try to accommodate the licensees.

4. Best Practices – Last time, the commissioners reported that they were meeting eight of the 13 established criteria. Just a couple of months ago, the commissioners completed a survey and reported that they were now meeting all 13 of the best practices criteria which met the target goal of 100%.

For this year, the commission was meeting three of the four measures. The next step in the process was to gather the information from July 1, 2009 to June 30, 2010 and report that to the legislature for the 2011-2013 budget. Hopefully, by that time, the commission would be able to bring down the number of horses euthanized so that it was, at least, closer to the set target goal. He added that 1.5 was a very aggressive target, stating that the national average was slightly over two per thousand starters. A request to change that target goal was denied by the Ways and Means Committee.

b. Budget and Hub Funds

Vice Chair Robson stated that the preliminary information that they had received was that the commission would be significantly short of the revenues that they'd budgeted. He hoped to have the accounting info by the next meeting.

c. Medication and Horse Welfare

Commissioner Huber stated that the subcommittee did not meet this month, but indicated plans to try to meet next month. He stated that after crunching the numbers based on the Agency Management Report, measure one, and based on the numbers provided by Portland Meadows on their race meet, the number of fatalities was currently at 2.7 from the previous 3.16 horses euthanized per 1,000 starters. He hoped that they could continue on a positive trend and minimize some the injuries to lower that number.

d. Nominating

Commissioner Dudley stated that the committee met and were placing the following slated candidates before the commission for election for terms beginning January 1, 2010 to December 2011. The nominations were Stan Robson for Chair and Chris Dudley for Vice Chair.

5. Portland Meadows Report

Will Alempijevic, General Manager of MEC Oregon Racing, Inc., dba Portland Meadows, was present to answer questions. He provided copies of a statistical report to each of the commissioners. Information and discussions included the following:

After 30 days of racing and 271 races, they averaged 7.91 runners per race, up 3.5% from last year; total purses averaged \$42,500, a 13% reduction from the \$47,950 from last year, which could be attributed to the altered stakes schedule; in state wagers averaged \$35,000 a day, a 14% reduction from last year; export wagers, which included everyone in North America and some European sites and even Venezuela, averaged \$610,000 a day on Portland Meadows' races, an increase of 37% from last year's \$440,000.

Oregon Championship Day was held on Monday, those figures were not included in the current report which ended Sunday. The day was a phenomenal success with a great turnout and great racing. They did better this year compared to last year when Oregon Championship Day was held on a Sunday. This year, in state wager was \$41,460 compared to \$38,000 last year, an increase of 7%; and the export figure was \$670,000 compared to last year's \$150,000, an increase of 350%. He added that there was a newspaper article in the Oregonian in the Sports section the next day.

The in state wager continued to follow the same trend and the industry norm with 8.7 million wagered in state since the end of September, compared to \$10.3 million wagered last year, a drop of almost 16%.

Next week, Portland Meadows would not have any live racing, but would return on Monday, December 28, 2009.

⇒ In response to Chair Johnson's questions about Blazer Tuesday and the

People's Horse, Mr. Alempijevic explained that they'd had only one Blazer Tuesday which he attended and was very disappointed that they did not make any announcements. However, he was assured that they would not keep it a secret the next time. [Portland Meadows' offered a \$15.00 betting credit on Tuesdays to anyone who brought in the previous night's Blazer ticket for home games.] The next Monday home game was on December 28th. Mr. Alempijevic also explained that the People's Horse had won and, as the Oregonian had reported, the honorary owners from last year came back and claimed Mystacallie so that they were now her actual owners. Her total earnings were approximately \$4 to 5,000.

6. Commission Officer Elections

ACTION: MOTION (Dudley) Elect Stan Robson for Commission Chair.

VOTE: 5 Aye, 0 Nay

ACTION: MOTION (Dudley) Elect Chris Dudley for Commission Vice Chair.

VOTE: 5 Aye, 0 Nay

7. Action on Final Order by Default for Delbert H. Holcomb

ACTION: MOTION (Robson) Adopt the Final Order by Default with the condition that he not be able to apply for a license for three years.

⇒ Commissioner Williamson requested that the commission look at a penalty for people who request a hearing and then don't show up.

VOTE:

4 Aye, 1 Nay

Motion passed, as follows: Huber: Aye
Robson: Aye
Dudley: Aye
Williamson: Nay
Johnson: Aye

8. Confirmation of Next Commission Meeting – January 21, 2010

All present indicated they would be able to attend the meeting.

9. Internet Gambling and Credit Card Usage

Executive Director Evers explained that at the last meeting there was concern expressed by the ADWs about new rules being implemented by the U.S. Treasury. The purpose of those rules was to crack down on unlawful internet gambling and they were to become effective on December 1, 2009. While pari-mutuel wagering was carved out as exempt, more time was needed for the ADWs to work with the credit card companies and the banks to try to find a mechanism for players to be able to continue to fund their accounts. Executive Director Evers explained that a number of people wrote letters to request that Treasury delay the implementation, adding that he'd also submitted letters to the seven Congressional Delegates to support the ADWs' position. Treasury agreed to delay the implementation of these rules until June 1, 2010.

10. Public Comment

⇒ Vice Chair Stan Robson presented a Certificate of Appreciation to Kerry Johnson in recognition for her service and her leadership as Commission Chair from September 19, 2007 to December 31, 2009. He stated that today the Racing Commission was in a much better place and attributed her leadership for that change. He appreciated all that had been accomplished during her time as chair, including the fact that there were four new commissioners; significant staff changes; a rules review schedule; the establishment of a Hub Fund Budget; the implementation of the Animal Safety and Welfare Procedures and Policies; the addition of the Best Practices Performance Measure; and improved consistency with the ADW license application process.

Vice Chair Robson concluded that the result of all of those efforts benefited the summer fair meets, the racing community in general and appeared to have improved overall relations between the commission and the horsemen. He added that it was his hope that they continued to work with the stakeholders to make the commission more viable and to maintain and improve the commission's credibility and consistency.

There being no further business, the meeting was adjourned.