

## MINUTES

### **Oregon Racing Commission May 20, 2010**

The Oregon Racing Commission met on Thursday May 20, 2010 at 1:30 p.m. in room 1A of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon.

**In Attendance:** Commissioners, Vice Chair Chris Dudley, Michael Huber, DVM, Kerry Johnson, Charles Williamson, Executive Director Randy Evers and Kelly Gabliks, AAG.

**Absent:** Chair Stan Robson

Commission Vice Chair Chris Dudley acting as chair in Commission Chair Stan Robson's place called the meeting to order at 1:30.

Commission Vice Chair Chris Dudley announced that Commission Chair Stan Robson would be calling in on conference phone. Therefore, Commissioner Dudley proposed some changes to the agenda to accommodate Commissioner Robson's call.

Commissioner Dudley asked that the commission approve, first the agenda and the changes to it and then the minutes from the March 18, 2010 meeting. The change of order to the agenda would be as follows: New Business first followed by Old Business and TVG to be moved to first position for licensing renewal.

#### **1. May 20,2010 Meeting Agenda**

Action: Motion: (Johnson) Seconded: (Williamson) to approve the agenda and the changes to the order of the agenda to New Business first and Old Business second and TVG to be moved up to first position for licensing renewal.

Vote: 4 ayes, 0 nays

#### **2. March 18, 2010 Meeting Minutes**

Action: Motion: (Dudley) Seconded: (Johnson) to approve March 18<sup>th</sup>, 2010 Commission meeting minutes as submitted.

Vote: 4 ayes, 0 nays

#### **3. Multi-Jurisdictional Simulcasting and Interactive Advance Deposit Wagering Totalizator Hub Licensing Renewals:**

Audrey Kauffman, Oregon Racing Commission's pari-mutuel auditing manager, having reviewed the applications for all nine companies applying for renewal prior to the meeting, verified all required information submitted and recommended all nine applicants for approval. Audrey Kauffman accompanied each applicant as the Commission went through the review process individually.

Commissioner Kerry Johnson questioned each of the nine Multi-jurisdictional Simulcasting and Interactive Advance Deposit Wagering Totalizator Hub Companies applying for licensing renewal from the due diligence check list.

The companies applying for license renewal are as follows:

**TVG:** Roger Nyquist was present with B.J. Cosson to represent TVG for their licensing renewal. Roger thanked the Commission and expressed appreciation for their hard work. Roger answered the questions from the checklist favorably.

Action: Motion: (Johnson) seconded: (Robson) to approve TVG for licensing renewal.  
Vote: 5 ayes, 0 nays

**Twin Spires:** Brad Blackwell was present on behalf of Churchill Downs DBA Twin Spires. Brad answered the questions from the checklist favorably.  
Action: Motion: (Johnson) seconded: (Huber) to approve Twin Spires for licensing renewal.  
Vote: 4 ayes, 0 nays

**AM West Entertainment, LLC:** Nelson Clemmens was present on behalf of AM West Entertainment, LLC. Nelson answered the questions from the checklist favorably.

Action: Motion: (Johnson) seconded: (Huber) to approve AM West Entertainment, LLC for licensing renewal.  
Vote: 4 ayes, 0 nays

**The Racing Channel, Inc.:** Richard Amatal was present on behalf of The Racing Channel; Inc. Richard answered the questions from the checklist favorably.

Action: Motion: (Johnson) seconded: (Williamson) to approve The Racing Channel, Inc. for licensing renewal.  
Vote: 4 ayes, 0 nays

**eBet Technologies, Inc.:** Mark Gregory was present on behalf of eBet Technologies; Inc. Mark answered the questions from the checklist favorably.

Action: Motion: (Johnson) seconded: (Huber) to approve eBet Technologies, Inc. for licensing renewal.  
Vote: 4 ayes, 0 nays

**Xpress Bet, LLC:** Gene Chibrier was present on behalf of Xpress Bet, Inc. Gene answered the questions from the checklist favorably.  
Action: Motion: (Johnson) seconded: (Williamson) to approve Xpress Bet, Inc. for licensing renewal.  
Vote: 4 ayes, 0 nays

**Premier Turf Club, LLC:** Dwayne Yuzik was present on behalf of Premier Turf Club, LLC. Dwayne answered the questions from the checklist favorably.

Action: Motion: (Johnson) seconded: (Williamson) to approve Premier Turf Club, LLC for licensing renewal.

Vote: 4 ayes, 0 nays

**Youbet.com.Inc.** Joel Hasson was present on behalf of Youbet.com.Inc. Joel answered the questions from the checklist favorably.

Action: Motion: (Johnson) seconded: (Williamson) to approve Youbet.com.Inc. for licensing renewal.

Vote: 4 ayes, 0 nays

**US Offtrack, LLC:** Ben Hayes attorney for US Offtrack was present on behalf of US Offtrack, LLC. Ben answered the questions from the checklist favorably.

Action: Motion: (Johnson) seconded: (Williamson) to approve US Offtrack, LLC for licensing renewal.

Vote: 4 ayes, 0 nays

#### 4. Subcommittee Update Reports

a. Advanced Deposit Wagering and Multi-jurisdictional Hubs.

Commissioner Johnson stated that the ADW sub committee met earlier this month regarding the two legislative concepts that have been submitted.

Commissioner Johnson asked Executive Director Randy Evers to comment on the process. Executive Director Randy Evers stated that one of the concepts is to license Totalizator companies doing business in Oregon and the other is to look at changing licensing fees for stake holders, trainers, grooms ECT. Both have been submitted to the department of administrative services, where they will have to be approved before they can be submitted to the Governor's office and that in our State, only the Governor, can introduce legislation on behalf of state agencies. Executive Director Evers stated that they are in that process right now, and that he does not anticipate any problems with our two concepts. Executive Director Evers stated that he will keep the Commission updated when there is new information to report.

Commissioner Johnson added that this subcommittee will be proposing a rule change for a 3 year licensure of ADW's with a mandatory annual review. Commissioner Johnson stated they would be getting back to the Commission on the proposal of this rule change at a later date.

b. Best Practices

Nothing to Report.

c. Budget and Hub Funds

No adjustment at this time.

d. Medication and Horse Welfare

Commissioner Michael Huber DVM stated that the subcommittee for Medication safety and Horse Welfare met earlier that morning. They discussed 4 main topics: Outcome of pre-race exams, results of the necropsy program, conclusions associated with catastrophic injury protocol with results of the statistics and track surface at Portland Meadows.

Commissioner Huber in summation for the Portland Meadows race meets. We had a catastrophic injury ratio of 2.0 per one thousand starters which is well below the ratio of last year's number which was in the range of 3.5 per one thousand starters. While this is still higher than the legislative standard of 1.5 it is a good improvement. Dr. Huber thanked those who helped maintain the track surface and those who maintained the program associated with pre-race exams. Dr. Huber commented that they are still waiting to see if there is any information of value to be gathered from the animals that went through the necropsy program. Dr. Huber stated that during the summer race meets it is not likely that the necropsy program will be instituted due to time and distances away from Oregon State University. However, if there is a catastrophic injury, the veterinarian onsite will be assessing these animals closely enough that they will be able to categorize accordingly, the injury that occurred, for our records.

Dr. Huber also added that there will not be pre-race exams done at the summer meets. However, any horse on the vets watch list may be given a pre-race exam.

## **5. Portland Meadows Report**

Will Alempijevic, General Manager of MID Oregon Racing, Inc. dba Portland Meadows (PM) was present to give the regular monthly recap. The discussion included the following:

### **Track Attendance**

Portland Meadows concluded the 2009-2010 race meet on Saturday May 1, 2010. Will stated they had a great crowd at Portland Meadows on May 1st. However, they don't charge admission fees so he didn't know the exact number of people that attended that day, but that it was a "tremendous" day. PM had a great in-state handle and a poor export handle on that day which was to be expected due to the focus on the Kentucky Derby. Food and beverage sales were strong, program sales were strong and the buffet was sold out.

### **Racing Period from the beginning of October thru May 1, 2010**

- Portland Meadows ran 78 days including one partial cancellation vs. 66 for the previous meet including one partial cancellation.
- PM ran 721 races this season vs. 620 last year.
- The average runners per race fell almost 2%. From 7.64 runners per race last season to 7.51 this season. Will stated they were very challenged at the end of the meet to fill races. Emerald Downs and a few others start up and that affects PM

numbers as well as a few late scratches which are inevitable. Will stated that they ran a lot of races with 3-5 runners at the end of season.

- Of the 721 races PM ran 619 were Thoroughbred and 102 were Quarter Horse.
- Total purses paid this season were just over \$3.4 million vs. \$3.1 million last season. The longer racing season brought down the daily average from 47,600 to 44,200. Will stated that while the daily average did go down approximately 7%. The purse schedule was identical to last years for the Thoroughbred program. What this means is that horsemen or the horsemen and the race track collectively put out more, cheaper races than expensive races. The expensive races either didn't fill or didn't go or collectively didn't use. The purse schedule was exactly the same so the purses didn't drop.
- Wagering in state, PM wagered \$33,699 per day on our races in the state of Oregon which includes Portland Meadows and our fourteen OTB's. That's a drop of 13.28% from \$38,859 daily average from last season. PM exports are where there was a lot of growth. PM averaged \$750,817 this season in export sales per day which is an increase of 17.74% from the \$637,000 figure from last year. Will added that just four short years ago this average was \$220,000 per day. The total bet per day on PM races was \$784,516 which is an increase of almost 16% from last seasons \$676,000. PM is one of the few associations while a smaller association that has seen growth year over year. Oregon wagering from all of Portland Meadows product from that first weekend in October thru Sunday May 2, 2010 was \$24.3 million bet in the state of Oregon at PM and our fourteen OTB's together and that's a drop of 11.7% from the \$27.5 million figure from the period that ended that same Sunday in 2009. Commissioner Huber questioned if we're dealing with a higher pursed race vs. a lower pursed race, is the amount of betting different between them? Will answered that in a larger association the answer could probably be yes. Will continued to say that for Portland Meadows' strong point is not necessarily the individual race but the day they race and the time they race. Commissioner Williamson questioned is there is any correlation between the incidence of injury and lower purse races? Will stated he didn't know of any but that he would try to come up with that information in the next few days and get back to the Commission. Commissioner Johnson questioned regarding the hub funds that were allocated to Portland Meadows for marketing, where they placed that money and what it did for Portland Meadows? Will stated that their budget was in excess of \$100,000 and that that money went to several areas of advertizing. A large amount of it went to "The Game" radio station. With the balance to bill boards, bonus signage, The Oregonian, and The Willamette Weekly. Commissioner Johnson questioned whether or not PM would continue having "the peoples' horse". Will stated that PM probably would continue with having a peoples' horse with some adjustments. Commissioner Dudley questioned if the export products are experiences increases does that effect increases to purses? Will stated that it does. It is money generated by the association and shared with the horsemen. Will continued that he was not at liberty to give the amounts that go directly to purses but that it is shared.

## **6. July Commission Meeting Date Change**

The July Racing Commission Meeting date has been changed from July 15, 2010 to **JULY 22, 2010 and will be held in room 1B of** the Portland State Office Building 800 NE Oregon St. Portland.

## **7. State of the Breeding Industry- OTOBA**

Gay Welliver of the OTOBA spoke to the Commission on behalf of the OTOBA regarding the state of the Thoroughbred breeding industry. Gay stated that the OTOBA was established in 1944 and since that time, the first fifty years saw very little change. However, this past ten years has seen more changes than ever. Specifically the commercial breeder has left the market. It is now predominantly owner-breeders. The Jockey Club publishes a statistics book and it reflects a significant decline in foal crops in the past ten years. The board of directors has fifteen directors for the OTOBA a third of them are from other states. Breeding in general is down across the country due to the cost of breeding. It takes nearly four years to get the product to the track. The OTOBA is looking for ways to obtain racing incentives and breeding incentives or support to keep breeders and owners breeding Thoroughbred race horses. Commissioner Johnson questioned Gay regarding what OTOBA is doing to improve this situation. Gay expressed that the OTOBA needs help in this area. All ideas would be explored and can be submitted to OTOBA directly.

### **Contested Cases:**

None

### **Information Materials and Approvals:**

## **8. Confirmation of the Next Commission Meeting- JUNE 25, 2010 at 3:00 pm**

In the Arts and Crafts Building on the Josephine County Fairgrounds located at 1451 Fairgrounds Road, Grants Pass, Oregon 97527.

All Commissioners stated they would be present.

## **9. Approval of race meet officials for Eastern Oregon Live Stock Show**

Executive Director Randy Evers recommended approval of the officials; take out, Bute and lasix for all three race days.

Action: Motion: (Williamson) seconded (Johnson) to approve the officials, take out, Bute and lasix for all three race days of the Eastern Oregon Live Stock Show.

Vote: 4 ayes, 0 nays

### **Rules:**

**Nothing to report**

### **Other Business As May Properly Come Before the Commission:**

None

### **Public Comment:**

None

There being no further business, the meeting was adjourned.

