



MINUTES

Oregon Racing Commission
September 16, 2010

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, September 16, 2010 in Room 1A of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon.

In Attendance

Commissioners: Chairman Stan Robson, Vice-Chairman Christopher Dudley, Michael Huber, DVM and Charles Williamson.

Staff: Randy Evers (Executive Director) and Kelly Gabliks (Assistant Attorney General)

Absent

Commissioner Kerry Johnson

Call to Order

Commission Chairman Stan Robson called the meeting to order at 1:32 p.m.

AGENDA ITEMS

Approvals:

September 16, 2010 Meeting Agenda

Action: Motion to approve the agenda as submitted.

Moved by: Commissioner Williamson

Seconded: Vice-Chairman Dudley

Vote: 4 Ayes, 0 nays

August 19, 2010 Meeting Agenda

Action: Motion to re-approve the August meeting agenda for the record with correct action and vote.

Moved by: Vice-Chairman Dudley

Seconded by: Commissioner Williamson

Vote: 4 Ayes, 0 nays

August 19, 2010 Meeting Minutes

Action: Motion to approve the August 19, 2010 Meeting Minutes as submitted.

Moved by: Vice-Chair Dudley

Seconded: Commissioner Williamson

Vote: 4 Ayes, 0 nays

Old Business:

Sub-Committee Update Reports

a. **Advanced Deposit Wagering (ADW) and Multi-jurisdictional Hubs**

Commissioner Williamson stated that the sub-committee will meet immediately following the Commission meeting to consider some matters. There is nothing to report until after the meeting.

b. **Best Practices**

Vice-Chairman Dudley stated that he had circulated to the Commissioners by e-mail a draft of the evaluation for Executive Director Randy Evers and that he would give the Commissioners time to respond. The final evaluation statement will be submitted for the record at the October 2010 meeting.

c. **Budget and Hub Funds**

Chairman Robson stated that the sub-committee met prior to the regular Commission meeting. He commented that there was more “doom and gloom” news about what might be happening to our budget forecast for the 2011-2013 biennium.

Chairman Robson stated that nothing would be permanent regarding the budget until after the December forecast. He then asked Executive Director Evers to comment.

Director Evers stated that the Commission approved the agency’s proposed budget. The next step of the process is that an analyst from the Department of Administrative Service, Budget and Management Division reviews the proposed budget and makes recommendations to the Governor’s office. The ORC received that document back this week and we are being treated consistently with all other state agencies at this time. Director Evers reported, consequently, the 2011-2013 biennium (July 1, 2011 thru June 30, 2013) currently includes additional cuts to the Oregon Racing Commission budget in the amount of \$80,000 in services and supplies. The services and supplies category is everything other than total employee compensation packages. This translates to approximately a 4% reduction in overall services and supplies. This also includes the category of hub funds that go out to the summer fairs, the Oregon Horsemen’s Benevolent and Protective Association (OHBPA), Oregon Thoroughbred Owners and Breeders Association (OTOBA) and Portland Meadows. Director Evers reported that there is more troubling news with all agencies being directed to plan on a 5.5% reduction to personal services; which is the salary side of things. For the Racing

Commission that is about \$138,000 or one to one-and a-half positions to be cut out of the budget. Director Evers stated that this is all preliminary information and there will be more direction to come over the next few months. Overall, the budget in State government is not in good shape. Director Evers closed, by stating that he plans to work closely on developing a plan to look at all the options with the Commission managers when more clarity is revealed regarding what is being asked of the Commission.

Chairman Robson stated that even though we are not a general fund agency, that no one is exempt from possible budget hits.

Commissioner Williamson stated that the agency needs to make it clear to the state that when the ORC cuts positions, that we are also probably cutting revenue. If it's going to cost the state revenue by cutting positions, it may not be the wisest choice.

Commissioner Huber questioned whether the Commission had any open unfilled positions.

Director Evers stated the Commission would be filling one, part-time, seasonal veterinary position. Director Evers reported this was a full-time position that has been cut to a part-time, seasonal position this year. The veterinarian who fills this position will only work race days to cover the needs of the test barn.

Chairman Robson stated in regard to hub funds: for those receiving them (and this message needs to get out to the fairs as well) that the Commission strongly recommends other funding sources be sought. As this economy moves forward, it is uncertain what additional cuts will be necessary. This can impact the hub funds available to allocate. Vice-Chairman Dudley suggested, if appropriate, that Director Evers draft a letter to the race meet directors early on so they are aware and can begin working on identifying other resources.

d. Medication and Horse Welfare

Commissioner Huber stated that the sub-committee did not meet this month but will meet next month. There is nothing to report.

e. Executive Director Report

Staffing

Executive Director Randy Evers announced Karen Parkman was selected as the OS 1 and offered his congratulations. The selection committee included Nancy Artmann and Mike Twiggs of the ORC and Vicki Jorgensen the Commission's human resource manager.

Summer Fairs

Director Evers reported that the summer race meets concluded with the Harney County Fair. Everything went very well, lots of horses and riders entered. Overall, the summer race meets went well. There are a couple of issues to address from the Grants Pass and Burns meets. Directors Evers stated he will have the ORC

Stewards, Martin Hamilton and Mike Twiggs, give a summer race meet summary at the October commission meeting. Director Evers commented on what a great job staff did and that the new racing secretary Francis (“Shorty”) Martin did an unbelievably great job. Trainer after trainer and owner after owner commented about the great job Shorty did. Director Evers stated that Portland Meadows race meet begins October 4, 2010 and all parties are very excited about that. Director Evers announced that the Commission’s licensing department now has the ability to accept credit/debit cards for the purchase of licenses for the first time.

New Business:

I. Oregon Horsemen’s Benevolent and Protective Association(OHBPA)

Jim Ferguson President of the OHBPA and Dick Cartney, Director of the OHBPA were present to report on improving horse safety. Dick Cartney stated there are few things more important to a horseman than the care, safety and well being of his horses. Mr. Cartney continued with reciting a statement by Nick Nickelson, the president of Keeneland Racing Association that states “safety is a process, there is never a final victory. We must always be vying for improvements and innovations that will make our sport safer for all.”

Mr. Cartney stated that all horsemen feel this way and are striving to do just that. Mr. Cartney reported that he believed the horsemen and the commission have greatly improved in the area of safety in recent years. While some of the ideas have not originated with the OHBPA, we have been cooperative and supportive of making changes and adopting programs that other people/organizations have developed.

Mr. Cartney stated that he wanted to point out some of the programs that have been instituted, starting with the Jockey Club. It was the Jockey Club that established an equine injury database.

Portland Meadows is one of eighty-one race tracks, representing 86% of the live racing days in North America, that are enrolled in this program. The data collected from a broad cross-section of tracks across the US and Canada serves as an important tool for tracks seeking benchmarks concerning the safety of horses.

Over time the database will yield numerous trends and factors associated with racing injuries that are believed to lead to strategies for prevention. Another more recent effort towards injury prevention has been working with and supporting the Commission staff in doing pre-race inspections.

Mr. Cartney stated that he thought the pre-race inspections have helped. Additionally, the necropsy program at OSU that Commissioner Huber, DVM was instrumental in establishing for horses that suffer catastrophic injury provides information that will help in future injury prevention.

Mr. Cartney believes one of the biggest challenges horsemen face is maintaining a safe system surface for horses to race over. This is something continuously worked on with management. Mr. Cartney stated Portland Meadows deserved a lot of credit for their

efforts, as last year; they had a track consultant/expert come and provide suggestions on maintaining and improving the track surface.

In summary, Mr. Cartney stated that the majority of their memberships are very dedicated, hard-working people. Horse racing and horses are their lives. They spend many long hours conditioning and caring for their horses, often starting early in the morning and not leaving until very late at night especially on race days. It is a great financial and emotional investment.

Mr. Ferguson addressed the Commission from the position of a trainer he shared that safety is very important to both owners and trainers because it is far easier to properly care for the horses you have, than to replace them. It is very expensive to lose one. There are not many of them out there and a good one is hard to find. Mr. Ferguson stated that he had turned his horses out (to pasture) for the summer to rest them and has now brought them in for conditioning.

Commissioner Williamson thanked Mr. Cartney and Mr. Ferguson for the overview and asked what specifically the OHBPA is doing to promote horse safety? And whether there is any new technology on the horizon or ideas they might have to offer? Additionally, Commissioner Williamson stated what the Commission is looking for is direction on whether there is anything that we've not done that should be done.

Mr. Cartney stated that he believed they are doing all they can do, all that they know to do right now. They need to continue collecting information from the database in hope that it will lead to new information and technology.

Commissioner Huber stated that he appreciated the report. Commissioner Huber questioned Mr. Cartney and Mr. Ferguson, as a result of the Grants Pass issue, whether there is someone who could be appointed to be the voice of the OHBPA for the media so that factual information is reflected in publications.

Mr. Ferguson agreed this should be something to explore. Consequently, Dr. Huber added that when a reporter comes to the track and starts asking questions to anyone who will be interviewed, it is that person's opinion that becomes true and factual no matter how far off the mark or even completely incorrect it might be.

Mr. Cartney stated that it would be very difficult to have someone present at every race meet for that purpose. He offered that OHBPA reps are available at their offices if someone wanted to contact us there.

Director Evers reported that, the following happens when a horse breaks down: The media shows up and wants to talk to a spokes person. If one is not available, they will talk to any horseman or horsewoman they can find (and sometimes that person is not the best spokesperson which was the case in Grants Pass). The reporter spoke to a person that stated "Four furlong tracks are more dangerous."

There are experienced opinions that would state that a four furlong track offers safer running features. Director Evers stated that it would benefit the horsemen and women of

the OHBPA to have a collective voice, one person that is well informed of statistical facts and has experience that can speak to the media when needed.

2. Discussion and Approval of ORC Administrative Rules

Commissioner Williamson stated that the administrative rules hearing took place earlier that morning and that it went well. The meeting lasted about fifteen minutes. Only three people testified.

Commissioner Williamson reported that Gay Welliver of the OTOBA was the first speaker and that she had concern with the removal of language from Division 462-120-0050 paragraph (h) which was not in the original rule but added to the proposed rule draft then removed based on stakeholder feedback.

Ms. Welliver asked to have the language kept as it states that Portland Meadows will be supportive of quality Thoroughbred horse breeding. Will Alempijevic General Manager of Portland Meadows joined Ms. Welliver at the table to give testimony on behalf of Portland Meadows. He stated that while Portland Meadows does support the breeding of quality Thoroughbred horses, that requirement should not be part of their licensing application process.

Commissioner Williamson stated that he agreed with Mr. Alempijevic. The next testimony came from Roger Nyquist representing TVG. Mr. Nyquist stated that it is very important, with the prevalence of identity theft that the current language be removed regarding the requirement to obtain a social security number to open an ADW account, particularly since there are other means of verifying a person's identity. Commissioner Williamson stated that there is some opposition from some of the other ADW companies regarding the removal of this requirement. Hub Manager Audrey Kauffman worked out the language regarding the removal of the requirement to obtain an applicant's social security number to "may require" a social security number. This will allow those ADW's who still wish to require an applicant to give their social security number to open an ADW account to continue the practice.

Commissioner Williamson reported that the greyhound racing rules have been repealed and, if someone wanted to begin greyhound racing again in the future, the rules could be reinstated. Commissioner Williamson commended the staff for working on all the changes with the stakeholders and recommended that the proposed changes be adopted.

Action: Motion to adopt the proposed rule changes as submitted.

Moved by: Commissioner Williamson

Seconded by: Vice-Chair Dudley

Vote: 3 Ayes- Commission Chair Robson, Vice-Chair Dudley and Commissioner Williamson.

1 Nay-Commissioner Huber

Information, Materials and Approvals:

None

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Wendy Hayes-Pounds and Gay Welliver of the Oregon Thoroughbred Owner's and Breeder's Association were present to speak about the Thoroughbred Challenge, how well the summer race meet went overall and to ask for approval to disperse \$4,426.70 in breeders' awards.

Ms. Hayes-Pounds stated that she observed great comradery between the horsemen at the summer race meets. It seemed everyone was willing to help each other out and, it was just a great environment to race in.

The Thoroughbred Challenge: Ms. Hayes-Pounds reported in the 2010 race season there were eighty-four "Oregon Bred Horses" that competed and earned a total of \$87,710.00. Of those eighty-four horses, twenty of them were winners in a total of thirty-one different races. The horses "Danzgal" and "X Pensive Impulse", both fillies, each won two races at a single meet. "Danzgal" won twice at Grants Pass and "X Pensive Impulse" won twice at Prineville. Both horses are owned by the same trainer. The horse "Les Crime" was the horse that ran the most this season; with a total of twelve starts. He is a ten- year- old gelding still out there running on the circuit and still winning. At this time, because of his entries, he is the top horse in the "Thoroughbred Challenge." This contest is calculated based on points per entry and finish position, rather than earnings.

Action: Motion to approve the disbursement of \$4,426.70 in breeder's awards based on the summary report and letter of request dated September 16, 2010 that was presented to the Commission.

Moved by: Commissioner Huber

Seconded by: Vice-Chair Dudley

Vote: 4 Ayes, 0 nays

Roger Nyquist of TVG asked if the newly adopted rules will be in effect immediately. Assistant Attorney General Kelly Gabliks reported that the rules are in effect once filed. Director Evers stated that the rules would be filed within a day or two and then posted to the website. Mr. Nyquist also offered his support regarding the media issue surrounding breakdowns, stating that if there is a need, he would be glad to help by using his contacts in Grants Pass to help inform the media of the success stories at the summer race meets in an effort to be more proactive in this area.

Commission Chair Robson stated that he appreciated Mr. Nyquist's offer, and that it would help to be more proactive regarding this issue.

There being no further business, the meeting was adjourned at 2:30 p.m.