



MINUTES

Oregon Racing Commission June 10, 2011

Meeting Detail

The Oregon Racing Commission (ORC) met on Friday, June 10, 2011 at 10:00 a.m. in the conference room of the America's Best Value - Sandman Inn Located at 2410 E "R" Ave., La Grande, OR.

In Attendance

Commissioners: Chair Stan Robson (presiding), Vice-Chair Christopher Dudley, Commissioner Charles Williamson and Commissioner Kerry Johnson (by phone)

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

Excused

Commissioner Michael Huber, DVM

Call to Order

Commission Chair Stan Robson called the meeting to order at 10:10 a.m.

AGENDA ITEMS

Approvals:

June 10, 2011 Meeting Agenda

Action: Motion to approve the agenda with the addition of discussion under new business regarding redistribution of hub funds for Portland Meadows presented by Will Alempijevic, General Manager for Portland Meadows.

Moved by: Commissioner Williamson

Seconded: Commissioner Dudley

Vote: 4 Ayes, 0 Nays

May 19, 2011 Meeting Minutes

Action: Motion to approve the May 19, 2011 Commission meeting minutes as submitted.

Moved by: Commissioner Williamson

Seconded: Commissioner Dudley

Vote: 4 Ayes, 0 Nays

Old Business:

Sub-Committee Update Reports:

- a. Advanced Deposit Wagering (ADW) and Multi-jurisdictional Hubs
Commissioner Johnson stated that there was nothing new to report.
- b. Best Practices
Commission Vice-Chair Dudley stated that there was nothing to report.
- c. Budget and Hub Funds
Commissioner Johnson stated that there was nothing new to report.
- d. Medication and Horse Welfare
Commission Vice-Chair Dudley stated that there was nothing new to report.
- e. Executive Director's Report
Executive Director Randy Evers stated that Senate Bill 149A passed out of the House and was on its way to the Governor for signing. Director Evers reported that all of the ORC Senate Bills have been passed and are through the legislative process.

Portland Meadows (PM) Commercial Race Meet License Renewal:

Will Alempijevic, General Manager for Portland Meadows (PM) stated that PM and the Oregon Horsemen's Benevolence and Protective Association (OHBPA) have made great progress toward finalizing the racing agreement between them but that it was not finished. Mr. Alempijevic stated that he was confident it would be finalized shortly but, unfortunately, could not be finalized prior to this meeting. It has been a serious matter and both parties have proceeded with care. PM is in serious financial difficulty at this time and is evaluating ways to reinvigorate the local market and possibly shift PM's racing schedule. Thankfully the OHBPA has been supportive and have made themselves available for numerous meetings.

Commission Chair Robson asked Mr. Alempijevic if there would be a completed agreement by the end of this month. Mr. Alempijevic stated that he thought there would be.

Commissioner Williamson stated that he would move to approve the license conditionally with full approval upon having a signed agreement between PM and the OHBPA that is satisfactory to the Executive Director.

Commission Chair Robson stated that he would prefer to have a special tele-conference meeting to approve PM's license after an agreement has been reached. Commission Vice-Chair Dudley stated that he agreed with waiting to approve PM's license until after an agreement had been reached.

Mr. Alempijevic stated that he would make himself available for a tele-conference meeting for approval of PM's license. Mr. Alempijevic stated that he would notify the ORC when PM and the OHBPA have finalized their agreement.

New Business:

Multi-jurisdictional Simulcasting and Interactive Advance Deposit Wagering Totalizator Hub Licensing Renewal:

Audrey Kauffman, Hub Fund Manager for the ORC, reviewed the application packet submitted by Racing 2 Day, LLC who has applied for a five year license renewal. Mrs. Kauffman stated that she had verified all information submitted and recommended the applicant for approval. Mrs. Kauffman accompanied Mr. Caldwell who was representing Racing 2 Day, LLC.

Mr. Caldwell stated that Racing 2 Day is expanding internationally. Stan James PLC are new partners with Racing 2 Day, LLC and bring with them 600 brick and mortar off track betting site (OTB) outlets around the world. They will take the American product to these sites. Mr. Caldwell stated that Racing 2 Day has been negotiating with some of the larger tracks for product and have secured several.

Commissioner Williamson asked questions from the Oregon Racing Commission's due diligence check-list and Mr. Caldwell answered all questions favorably.

Action: Motion to approve Racing 2 Day, LLC for a five-year license renewal with the Oregon Racing Commission.

Moved by: Commissioner Dudley

Seconded by: Commissioner Williamson

Vote: 4 Ayes, 0 nays

Portland Meadows:

Will Alempijevic, General Manager of Portland Meadows stated that he submitted an e-mail letter to the ORC Executive Director, Randy Evers. Mr. Alempijevic stated that the letter is requesting the Commission to re-evaluate their decision regarding the distribution of the hub fund allocations for the 2011-2013 biennium. Mr. Alempijevic stated that it came as quite a shock that Portland Meadows had been passed over for any share of the available hub funds. Mr. Alempijevic reported that he fully acknowledges that these are tough times and that the Commission is receiving fewer funds to distribute. However, Portland Meadows is facing significant financial difficulties. As mentioned in the letter Portland Meadows truly is the "back bone" of racing in Oregon and is requesting that the Commission redistribute the hub funds to include Portland Meadows with a share of the funds. Mr. Alempijevic stated that Portland Meadows is looking at new strategies to stay in business and truly needs the financial support as they move into a new business model.

Commissioner Dudley asked Mr. Alempijevic how much PM received this biennium. Mr. Alempijevic reported that PM had received \$68,000 in matched marketing funds that PM went above and beyond to meet.

Commissioner Williamson stated that he didn't think the Commission should make a decision in this meeting and the letter needed to be referred to the Budget and Hub Fund sub-committee. Redistributing these funds would have to be reviewed by the sub-committee as changes will affect the other recipients of the hub funds. Commissioner Williamson stated that the Commission would be able to make a decision at the next meeting after they have recommendations from the sub-committee.

Commission Chair Robson stated that he agreed with Commissioner Williamson. Mr. Alempijevic stated that he appreciated the Commission's consideration of this matter.

Information, Materials and Approvals:

None

Contested Cases:

Final Orders by Default and Options Memos:

Assistant Attorney General Kelly Gabliks gave review regarding the case of David Lee, Elizabeth Lee and Marilyn Whiteside. Ms. Gabliks stated that because these cases are intertwined she would present them together. Ms. Gabliks reported that David Lee, Elizabeth Lee and Marilyn Whiteside applied for licensure in 2010. Background checks were completed and licenses were granted. After the Lees and Ms. Whiteside were licensed some irregularities came to light. The ORC Board of Stewards became aware of a situation in Montana that led them to believe that Mr. Lee, Mrs. Lee and Ms. Whiteside may have falsified their applications. Mr. Lee, Mrs. Lee and Ms. Whiteside stated on their applications that they had never been arrested or convicted. Upon further investigation Mr. Lee, Mrs. Lee and Ms. Whiteside had all in fact been arrested and charged with felony animal cruelty in Montana. This information was not reflected in the ORC's original background check. Each of them had other offenses that were not listed on their applications and because these were not disclosed the Lees and Ms. Whiteside were suspended. Ms. Gabliks offered the range of options that the Commission could impose.

Action: Motion to adopt memo option of revoking Mr. David Lee's license and provide that he is ineligible to apply for licensing with the ORC for ten (10) years.

Moved by: Commissioner Williamson

Seconded: Commissioner Dudley

Vote: 5 Ayes, 0 nays

Action: Motion to adopt memo option of revoking Ms. Elizabeth A. Lee's license and provide that she is ineligible to apply for licensing with the ORC for ten (10) years.

Moved by: Commissioner Williamson

Seconded: Commissioner Dudley

Vote: 5 Ayes, 0 nays

Action: Motion to adopt memo option of revoking Ms. Marilyn Whiteside's license and provide that she is ineligible to apply for licensing with the ORC for ten (10) years.

Moved by: Commissioner Williamson

Seconded: Commissioner Dudley

Vote: 5 Ayes, 0 nays

Other Business As May Properly Come Before the Commission:

Commission Chair Robson stated that it is with great sadness that he is announcing that Commissioner Johnson had not been reappointed for a third term. It is the Governor's policy that only two terms may be served. Commission Chair Robson acknowledged Commissioner Johnson for her service and contributions to the Oregon Racing Commission.

Commission Vice-Chair Dudley thanked Commissioner Johnson for her knowledge and contributions and stated that she will be missed.

Commissioner Williamson stated that he seconded the acknowledgment.

Public Comment:

Dick Cartney, Executive Director of the Oregon Horsemen's Benevolence and Protective Association (OHBPA) stated that he was joined by Ron Sutton, Vice-President of the OHBPA and Nick Lowe who is also a Vice-President for the OHBPA. Mr. Cartney stated they were present to give a brief comment regarding the contract negotiations between the OHBPA and Portland Meadows. Mr. Cartney shared that it has been a very complex situation and that everyone has been working very hard. Mr. Cartney thanked the ORC for the patience it has shown during this process.

Mr. Sutton, Vice-President of the OHBPA stated that he had a request of the Commission to possibly appoint a committee of individuals from stakeholders of the industry, the ORC, the hubs, the horsemen's organizations, the fairs and the commercial race meet. The objective would be to create a five-year plan. There are difficult decisions that have to be made and, in order to do that, a committee built with people from each area may be prudent.

Commissioner Williamson stated that the Commissioners may want to have the Executive Director consider that request and talk to some stakeholders and make a recommendation at the next meeting. Commissioner Williamson stated that he had some ideas on acquiring some outside consulting work.

Confirmation of the Next Commission Meeting:

Thursday, July 21, 2011, Room 1A of the Portland State Office Building at 1:30 p.m.

Adjournment:

There being no further business, the meeting was adjourned at 10:48 a.m.