



MINUTES

Oregon Racing Commission March 15, 2012

Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, March 15, 2012 in Room 1A of the Portland State Office Building located at 800 NE Oregon Street, Portland, Oregon.

Call to Order

Commission Chair, Stan Robson, called the meeting to order at 1:30pm.

In Attendance

Commissioners: Chair Stan Robson, Vice-Chair Christopher Dudley, Commissioner Charles Williamson
Commissioner Michael Huber, DVM and Commissioner Jan Palmer, DVM

Staff

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

AGENDA ITEMS

Approvals:

March 15, 2012 Meeting Agenda

Action: Motion to approve the agenda as submitted with three additions. Two under new business: "Gold Star Certificate" and Grants Pass' request for an Arabian race. The third addition to the agenda will be under public comment and is a letter of compliment.

Moved by: Commissioner Huber

Seconded: Commission Vice-chair Dudley

Vote: 5 Ayes, 0 Nays

February 16, 2012 Meeting Minutes

Action: Motion to approve the February 16, 2012 Commission meeting minutes as submitted.

Moved by: Commission Vice-chair Dudley

Seconded: Commissioner Huber

Vote: 5 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 met after the February ORC meeting. The sub-committee was brought up-to-date on matters going on in other states. He stated that there is not anything for the ORC to do regarding these matters at this time but will keep the Commission informed.

b. Best Practices

Commissioner Dudley stated that ORC performance measures score card was updated after review and discussion in the last ORC meeting. The ORC is meeting its performance measure criteria with the exception of #7. This measure has been asterisked and noted at the bottom of the page. The reason for not having a score regarding this measure is because the ORC has not submitted a policy option package during the most recent legislative sessions.

Commissioner Dudley stated that he provided a document containing the job description for the Executive Director. He requested that the commissioners review it and note any changes they would like to discuss. Commissioner Dudley stated that this discussion will be placed on the agenda for the next meeting.

Commissioner Dudley stated that he spoke to Chair Robson about the Executive Director evaluation and the next steps. It was decided that a second Commissioner will be appointed to assist Commissioner Dudley in conducting the evaluation. Together they will solicit input from the associations and stakeholder groups. Once the information has been collected the evaluation will be scheduled.

Commissioner Williamson agreed to assist Commissioner Dudley with the Executive Director's evaluation.

c. Budget and Hub Funds

Chair Robson stated that the sub-committee discussed how to maintain ORC staffing as the racing calendar will change. Each staff member will keep a charted record of accountability for April and May. The sub-committee will review the staff's charts to have a clear picture of what each staff member will be doing during the gaps between race meets.

Chair Robson stated that the sub-committee is recommending that the additional \$65,000.00 in hub funds that originally would have been held for the second biennium now be given to Portland Meadows this biennium to be used at Portland Meadows' discretion with the caveat that the Associations and Portland Meadows do the best they can to match those funds in order to make this new racing schedule as successful as possible. The sub-committee would like the Associations and Portland Meadows to take this idea back to their organizations for consideration. He would like to revisit the discussion at the next ORC meeting and to have the Associations and PM present what they will agree to before the Commissioners vote on this recommendation.

d. Medication and Horse Welfare

Commissioner Huber stated that the sub-committee did not meet this month. Currently the sub-committee is waiting to receive more information regarding Clenbuterol.

Commissioner Huber reported that there was a letter sent to Harney County Fair after last month's Commission meeting. The letter was sent to clarify to the fair what safety changes are being requested and that the fair respond by May 1, 2012 as to how they will comply with the requests.

e. Executive Director's Report

Director Evers thanked Chair Robson and Commissioner Palmer for the great meeting they had with the ORC managers. The meeting was to discuss how to track all work done by the entire staff to identify whether there will be meaningful work once the racing calendar changes to summer racing at Portland Meadows.

f. Portland Meadows' Report

Will Alempijevic, General Manager of Portland Meadows (PM) stated that he had provided the PM report to the Commissioners. The report is from October 3, 2011 thru March 14, 2012. The 2011-2012 race meet ran 55 race days versus last year's 73 race days a difference of 18 days. PM ran 525 races this year with 4040 starters for an average of 7.7 runners per race. This is an increase of runners per race of .15. Last year PM had an average of 7.45 runners per race.

The total purses paid out this meet were approximately \$2.3 million versus \$3.4 million last year. The average purse per day was \$42,000.00 versus \$46,000.00 last year.

PM saw a significant increase to the handle on Mondays when "Fairgrounds," a premier race track, chose not to run on Mondays in 2012. This worked out to be very good for PM because the wagering public turned their attention to PM. The 2012 portion of this year's meet ended up being much better than the 2011 portion of the 2011-2012 race meet. PM processed just over \$1.3 million in on-track bets for an average handle per day of \$24,301.00. This was a break even number from last year's \$24,388.00. PM's off-track betting sites (OTB's) network processed a total of \$430,000.00 in bets on PM live racing for an average daily handle of \$7,828.00. This was a 9% increase from last year. The in-state figures combined were \$32,129.00 this meet versus \$31,568.00 last meet. This was a surprising and welcomed result.

Mr. Alempijevic stated that he was pleased to report that PM's export sales increased 2.68% year over year. Mr. Alempijevic stated that PM started this meet down in the double digits with even just last month reporting that export sales were down 6.56%. This increase was due to having a very strong February and March. With ten races per day and great field sizes the bettors across America responded well. PM's average export sales per day were \$658,801.00 this meet and were \$641,000.00 last meet. The total daily handle average was \$690,930.00 which is a 2.63% increase on the total daily average handle from last meet of \$673,200.00. All totaled, PM processed \$38 million on PM live races this meet versus \$49 million last meet.

Mr. Alempijevic reported with regards to wagering in Oregon, PM processed almost \$8 million in bets from the start of this race in the beginning of October thru March 11th. This is a drop of 6.23% from the \$8.3 million last year.

PM's OTB's have processed \$7.3 million this year versus \$7.9 million last year. This is a drop of 7.3%. Those two figures added together are \$15.1 million this year versus \$16.2 million last year which is a drop of 6.76%. That follows the national trend.

g. Future of Racing in Oregon (FROG) Update

Commissioner Palmer stated that the meeting was well attended and hopes that will continue. Most of the meeting was centered upon the presentation given by EconNW. Commissioner Palmer reported that EconNW did a very good job outlining to the group what can be expected from the economic impact study. EconNW needs more information from the group and the deadline for sending that information is March 30, 2012. The preliminary results of the study are expected by the end of April.

The FROG PAC is formed with thanks to the efforts of Wendie Hayes-Pounds. There was discussion on beginning some fundraising efforts.

Commissioner Palmer stated that Ron Sutton and James Young will begin work on revamping the jockey incentive program.

Commissioner Palmer stated that the Washington County tourism grant will meet its request deadline.

New Business:

Oregon Thoroughbred Owners and Breeders Association (OTOBA):

Wendie Hayes-Pounds of the OTOBA presented the "Oregon Bred" report to the Commission. She provided a copy of the report to each of the Commissioners for review. Ms. Pounds reported that out of the 55 race days that PM ran, there were 47 race days that included Oregon bred restricted races that were filled.

Ms. Pounds stated that 27.8% of all starters were Oregon bred horses this year. Oregon bred horses won 25.3% of the over-all races this year including five on the last day. There were 441 total Thoroughbred horse winners this year. Of those totals, 112 were Washington bred horses, 106 were Oregon bred horses, 91 were California bred horses, 69 were Kentucky bred horses, 34 were Canadian bred horses and 29 were "others." The highest on-track handle day this year was the "Oregon Bred Day." Ms. Pounds stated that all the information contained in this report is verifiable as it was received from the "Equibase" statistics database.

Summer Race Meet Location for Commission Meeting:

Chair Robson stated that there are funds in the budget to continue with an annual off-site ORC meeting at one of the fairs. Commissioner Huber asked if the Commission has

had a meeting at each of the fairs and, if so, which fair would be next in rotation. Director Evers stated that Tillamook County Fair would be next in the rotation.

Action: Motion to approve conducting the August ORC meeting at Tillamook County Fair on Friday, August 10, 2012 at 11:00am.

Moved by: Commission Vice-chair Dudley

Seconded: Commissioner Huber

Vote: 5 Ayes, 0 Nays

Gold Star Certificate:

The Gold Star Certificate is awarded to boards and agencies for adopting good accounting practices. The Racing Commission has received this award for the last four years. Director Evers gave special thanks to the ORC's Program and Administrative Coordinator Nancy Artmann for her hard work in preparing the budget. He also thanked one of the State's Accountants, Opal Bontrager for her assistance in the matter.

Grants Pass Request to Run an Arabian Race:

Chair Robson stated that Grants Pass is requesting approval to run an Arabian race. They are concerned that they may not be able to fill all their races and would like this as an option.

Director Evers stated that Grants Pass ran Arabians in the past. He is confident that the ORC and the fair can handle any issues that may come up without any additional costs or efforts.

Commissioner Huber stated that he was concerned with the care and fitness level of the horses that will come from out-of- State for that one meet. He questioned whether the fair and the ORC will provide some kind of provisions to ensure the fitness level of these horses. ORC Presiding Steward Martin Hamilton stated that there will be a provision in place for assessment.

Action: Motion to approve Grants Pass to run Arabian races at Grants Pass Downs for the 2012 summer race meet.

Moved by: Commission Vice-chair Dudley

Seconded: Commissioner Palmer

Vote: 5 Ayes, 0 Nays

Information, Materials and Approvals:

None

Contested Cases:

None

Other Business As May Properly Come Before the Commission:

None

Public Comment:

Letter of Compliment:

Director Randy Evers read a letter that was sent to the ORC. The letter contained praise to Portland Meadows for how much they have improved the facilities and the quality of service from staff. The letter also contained praise and appreciation for the ORC and how it is operating. The writer also stated that his impression is that the relationship between the ORC, the horsemen and Portland Meadows has really improved since the last time he attended the races.

Confirmation of the Next Commission Meeting:

Thursday, April 19, 2012, Room 1A of the Portland State Office Building at 1:30p.m.

Adjournment:

There being no further business, the meeting was adjourned at 2.26p.m.