



## MINUTES

### Oregon Racing Commission September 20, 2012

#### Meeting Detail

The Oregon Racing Commission (ORC) met on Thursday, September 20, 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, Commissioner Charles Williamson and Commissioner Jan Palmer, DVM

#### Staff

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

#### Excused

Commissioner Michael Huber, DVM and Vice-Chair Christopher Dudley

## AGENDA ITEMS

#### Approvals:

##### **September 20, 2012 Meeting Agenda**

**Action:** Motion to approve the agenda as submitted with the addition of the Portland Meadows report.

**Moved by:** Commission Palmer

**Seconded:** Commission Williamson

**Vote:** Chair Robson took roll and the results were 3 Ayes, 0 Nays

##### **August 10, 2012 Meeting Minutes**

**Action:** Motion to approve the August 10, 2012 Commission meeting minutes as submitted.

**Moved by:** Commission Palmer

**Seconded:** Commissioner Williamson

**Vote:** Chair Robson took roll and the results were 3 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 had met just before the ORC meeting. He stated that Commissioner Huber was absent. He reported that he met with Jan Klukis and Executive Director Evers and that Jan presented an update. He stated that she is doing some new and excellent work on the reports. Commissioner Williamson reported that Twin Spires had a security breach and that they did not inform the ORC for some time. Twin Spires wanted to investigate and get the problem resolved before notifying the ORC. Commissioner Williamson stated the he and Executive Director Evers would like the ORC to be notified immediately if something like this occurs in the future.

Commissioner Williamson stated that Executive Director Evers has been working with a new ADW company that may be applying for licensure in the state of Oregon. This would be a great addition.

b. Best Practices

No Report

c. Budget and Hub Funds

Commission Chair Stan Robson stated that the sub-committee met with the ORC managers to determine what the work load will look like when the 2012 race meet ends. He stated that there will be sufficient work to retain most, if not all, of the ORC staff for the period between the end of the 2012 race meet and the 2013 race meet.

Chair Robson stated that the sub-committee reviewed the 2013-2015 budget report. The documents were well prepared and ready to be presented.

Chair Robson reported that the Oregon Quarter Horse Racing Association requested additional hub funds for two races they will be running at PM. He stated that the budget sub-committee cannot grant the request at this time.

d. Medication and Horse Welfare

No Report

e. Executive Director's Report

Executive Director Randy Evers stated that the Tillamook County Fair went very well. Their handle was up slightly. This is the first year Tillamook was able to run a seven horse field. They had a giant screen television over the infield and a new saddling paddock. These are all very positive signs for the Tillamook race meet.

Executive Director Evers stated that the summer fair race meets concluded with the Harney County Fair race meet in Burns, Oregon. He stated that overall things were

better this year. The safety issues that have been a problem in previous years were mostly resolved.

They had a shortage of horses causing some race cancelations. The purse money from the canceled races was used to increase the purse sizes for the races that were run. The betting handle was down significantly which was disappointing for a three day meet.

Director Evers stated that a few members of the FROG group, Commissioner Palmer, Commissioner Williamson and he are going to meet with the Union and Burns race meet representatives to discuss how to improve field size and the handle for their race meets. This meeting is scheduled for October 4, 2012.

f. **Portland Meadows' Report**

Will Alempijevic, General Manager of Portland Meadows (PM) provided a copy of the PM report to the Commissioners. He reported that this year's meet has run approximately ten weeks since the beginning of July through the end of September 16, 2012. This report is compared to last year's meet that ran from October 17<sup>th</sup> through December 18<sup>th</sup>, 2011. There have been 24 race days this year including one partial cancelation versus race days 27 days last meet.

There have been, on average, 6.27 runners per race this year versus 7.63 last meet. Mr. Alempijevic stated that this is a difficult number to overcome. He stated that field size is very important and that PM is trying to be creative with products like the claiming series to fill races. To date \$37,600.00 of purse money has been paid out per race day versus \$41,600.00 per race day last meet. This is a drop of approximately 10% year over year. The on-track handle this year is \$34,130.00 on a daily basis versus \$22,870.00 from the last meet which is an increase of 49.23%. This is a number that PM is very proud of. Mr. Alempijevic stated that; while this is not enough to pay for the show they have made huge progress. Now the challenge is to convert the new customer base into bettors.

Mr. Alempijevic stated that in the off track betting sites (OTB's) they are averaging \$3500.00 per live race day versus \$7300.00 last year. Export sales are \$181,000.00 per live race day versus \$527,000.00 last year. The total average handle per day \$219,000.00 versus \$557,000.00 last year which is a 60% drop. PM has processed approximately 6.47 million in wagers in Oregon versus last year's 6 million which is an increase of 7.39%. PM still has a strong marketing presence. Mr. Alempijevic stated that "The Portland Mile" race was a big hit and it might become a new tradition. He stated that PM will begin having "customer appreciation day" and that is scheduled for Saturday October 6<sup>th</sup>.

g. **Future of Racing in Oregon (FROG) update**

Commissioner Palmer stated that there have been two FROG meetings since the August ORC meeting in Tillamook. Both meetings were well attended. She stated that the group reviewed passed projects. The group has decided to keep the PM Ambassador program and would like to encourage members of the associations to volunteer to help make it a success. Commissioner Palmer reported that Ron Sutton and James Young are working again this year on the jockey incentive program. The program is being redesigned to also work as a jockey retention program.

Commissioner Palmer reported that the group appointed a sub-committee to meet with the Burns and Union County Fair race representatives to discuss what can be done to improve the Burns and Union race meets.

New Business:

**Oregon Thoroughbred Owners & Breeders Association (OTOBA):**

Lynnelle Fox Smith, Executive Director of the OTOBA provided a report for each of the Commissioners and stated that she had two items to share. She reported that the summer race meets and the high point challenge were very successful. She stated that the OTOBA paid purse supplements to the fairs. The Union race meet received \$1000.00, Grants Pass received \$1300.00, Crooked River Round-Up received \$2000.00, Tillamook received \$2000.00 and Burns unfortunately did not meet the requirements so they did not receive anything. Ms. Smith stated that for the summer race meet OTOBA will be paying out \$4726.00 in breeder awards.

Information, Materials and Approvals:

None

Contested Cases:

Rodney Simpson – Proposed Order:

Assistant Attorney General Kelly Gabliks presented the Simpson case to the Commissioners. Ms. Gabliks stated that Mr. Simpson completed a license application stating that he did have arrests and convictions on his record. The Investigators who are now also operating the licensing department allowed the application to be processed as though it were factually correct. Ms. Gabliks stated that the Board of Stewards denied licensure to Mr. Simpson due to the nature of the convictions. Mr. Simpson has serious felony convictions and two outstanding warrants. One of the warrants is for an arrest in the state of Washington that happened in 2012 and one in Florida for felony vehicle theft, grand theft auto and carrying a concealed weapon. For these reasons the Board of Stewards denied licensure.

Ms. Gabliks stated that, at the hearing, Mr. Simpson stated that all of that was in the past and that he has grown-up. He talked about some of his religious involvement. He stated to the judge that he didn't think those warrants were that big of deal because they would extradite him if they were. He stated that he hadn't committed any crimes recently. The Administrative Law Judge (ALJ) listened to all of Mr. Simpson's testimony and then rejected all of his defenses. The ALJ's recommendation is that his license be denied.

**Action:** Motion to adopt the corrected, proposed order and add the provision that Mr. Simpson cannot apply for licensure for three years.

**Moved by:** Commission Williamson

**Seconded:** Commissioner Palmer

**Vote:** Chair Robson took roll and the results were 3 Ayes, 0 Nays

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

None

**Public Comment:**

Ron Sutton reported that there is a fellow horseman, James Easley who is gravely ill and that there has been a charitable event organized to help him. Mr. Sutton wanted the Commissioners to know how the horsemen have rallied around to help this individual. A dinner is scheduled along with a raffle and silent auction to raise funds to help him and his family during this time. The dinner is on Saturday, October 13, 2012 at 6:00pm.

**Confirmation of the Next Commission Meeting:**

Thursday, October 18, 2012 Room 1A of the Portland State Office Building at 1:30p.m.

**Adjournment:**

There being no further business, the meeting was adjourned at 2:18p.m.