

MINUTES

OREGON RACING COMMISSION APRIL 15, 1999

The Oregon Racing Commission met on Thursday, April 15, 1999, at 1:30 p.m. in Meeting Room F in the Labor and Industries building located at 350 Winter Street NE, Salem, OR. Commissioners in attendance were Steve Walters, Chair; Laura Fine, Vice Chair; Tom Towslee, Richard Reid and David Price. Agenda items were discussed in the following order with resulting actions:

1. Approval of March 25, 1999, Minutes

ACTION: MOTION(Fine) Approve minutes as submitted.
VOTE: 5 Aye, 0 Nay

2. Statement by Chair Walters Regarding HBPA/MGP Agreement

Chair Walters wanted to offer his congratulations to the HBPA, management at MGP and the OGA for working out an agreement for the next two years regarding horse simulcasting at MGP during the summer months. He commended them for being committed to making an agreement that worked for all of them and, more importantly, for the racing fans in Oregon.

3. New Portland Meadows Update

Mike Dorough reported they have met and exceeded their goals on the live handle, stating adding the Thursday racing and dropping the Sunday racing seems to have been successful in exporting their live signal. To date the total live handle is up 28%. If comparisons to last year are made on the instate live handle only, that figure is down 3.6%. The horse simulcast is up 7% while the greyhound simulcast is down 13.6%. Their total handle is up 6%. They have begun taking harness signals on a test-case basis during the month of April, with the majority of the signals being brought only into the track. There are a couple of OTB sites that are also getting the signals.

Commissioner Towslee reported he had met with Brian Ferryman and had asked him to prepare a letter giving NPM's assessment of their lease negotiations with the property owners. Along those lines, it was the consensus of the commission to have the executive director write a letter to the property owners requesting their assessment of the lease negotiations with NPM. In both cases it was made clear the commission was not asking for specific details of the negotiations, but are just trying to get a sense as to how the negotiations are going.

Mike Dorough raised a question regarding their OTB contract with MGP, and cited the fact that MGP would be racing five evening programs for the beginning of the meet and changing to six programs beginning June 1st. NPM is concerned about the economic feasibility of being open as an OTB

site all of those days, especially when they are used to being closed Mondays and Tuesdays during the MGP season. When this issue came to Steve Barham earlier, he stated he would not approve such a request based on his delegated authority. In this particular case, the issue is not one of having competing signals and only being able to take some of them in addition to the live signal, but more, a case of not wanting to carry one or two days of live racing on Mondays and Tuesdays in order to be able to take simulcasting on Sundays, the only day MGP will not be conducting live racing. It was suggested that some economic analyses be prepared for the commission to review. Commissioner Fine felt it was premature for the commission to take any action at this time.

4. Legislative Update

There are six senate bills and either two or four house bills that affect the commission.

HB 3425 - This bill was submitted by MGP and had three provisions in it. The only remaining provision left in this bill has to do with the distribution of hub money received by the ORC. The proposal has 1/3 of the funds going to the state general fund and 2/3 going to ORC to be distributed to the racing industry. Discussion on the merits and reasoning for 1/3 of the funds being directed to the state general fund followed.

SB 228 - Would have allowed greyhound racing at OSF. This bill is dead.

SB 229 - This bill was submitted by the ORC and would have allowed the ORC to control simulcasting. There are some amendments that have been added to this bill that would allow the commission to either approve simulcasting on a windows basis or on a breed-to-breed basis. It also provides the ability for the commission to use discretionary authority to impose a tax up to 1.25%. The bill would give the commission some authority to look at future developments in simulcasting, however, there is nothing in it that says the commission has to do anything.

SB 943 - This bill was submitted by NPM and states if the commission grants NPM a license, the commission is restricted from doing anything other than maintaining the status quo for the period during which Portland Meadows is a licensed race meet.

SB 1200 - This bill was submitted by the County Fair Association and deals with simulcasting. They have put in some amendments calling for breed-to-breed simulcasting which allows Josephine County and Oregon State Fair to simulcast horse racing and uses some of those proceeds to go to other racing fairs as well as the county fair account for some of the other fairs.

SB 5533 - This is the ORC budget bill. It has passed the senate, it has gone out of the Ways and Means Committee on the house side with the recommendation of "do pass".

SB 229, SB 943 and SB 1200 will be having a hearing on Tuesday, April 20, 1999.

Commissioner Towslee asked if there was someone who could tell him what impact the agreement between the HBPA and MGP would have, if any, on the county fair bill, specifically racing at Oregon State Fair. Rusty Vernon, OSF, and Dave Benson, HBPA, came forward to respond to the

question. Mr. Vernon responded by saying he knew nothing about the agreement, and that he had not been included in any of their discussions. Mr. Benson stated the intent on the part of the HBPA was if there was a facility at the state fair for racing, they would use the entire amount to fund the purse account at the Salem meet. Their agreement with MGP is for the HBPA to use the money at their discretion, with the Salem meet being their first priority and, in the absence of that meet, to distribute it to other races meets in the state. When asked if OSF could run a race meet for \$285,000 plus the funds already approved by the E Board, Mr. Vernon responded with the following: "There are some practical considerations having to do with guaranteeing of funds for the racing, expenditure of funds within bienniums, and those kind of issues. The Racing Commission would have to release those monies, or have some agreement to release those monies, to the State Fair prior to June 30th before they go away. The monies that the horsemen have needs to be guaranteed into the State Fair in some manner. If those conditions are met and if we know what's happening with that kind of stuff, there is a possibility that there could be a meet in 1999."

5. Oregon Greyhound Association 1999-2000 Budget

Jack Bennett reported there are some changes compared to last year's budget. Health insurance was raised, they have listed capital improvements on the Boring property and kennel rent is up. Steve Barham recommended approval.

ACTION: MOTION(Towslee) Approve proposed 1999-2000 budget.

VOTE: 5 Aye, 0 Nay

6. Oregon Greyhound Breeders Association 1999-2000 Budget

Vince Bruno stated the budget for next period is basically the same except reducing some of the legal costs. Last year's budget was to extend from June 1, 1998 to May 31, 1999, and this budget covers period May 1, 1999 to April 30, 2000, creating a one-month overlap. Included in the bank balance is \$31,000 for use by the OGBA for their benevolent fund. Questions were raised about the usage of the surplus funds in their account, notices regarding board meetings along with agendas of the meeting, and whether or not there is a GFO representative on their board. A letter was received from Greyhound Farms of Oregon requesting that commission action on this agenda item be tabled until the May meeting. Chair Walters voiced his only concern regarding taking action on this agenda item had to do with the inability of some interested and affected parties to be present at this meeting due to their transporting greyhounds from other tracks to MGP in preparation for the beginning of the race meet. Vice Chair Fine commented on what appears to be continued dissention between the OGBA and GFO.

ACTION: MOTION(Price) Approve the proposed budget.

VOTE: 3 Aye (Fine, Price, Reid); 2 Nay (Towslee, Walters)

7. 1999 Summer Race Meet Applications

a. Josephine County Fair - May 22 through June 13

Steve Barham reported the requested dates are during their existing window of race days, and he recommended approval of the application.

ACTION: MOTION(Fine) Approve race meet application.

VOTE: 5 Aye, 0 Nay

b. Southern Oregon Horse Racing Association - June 18 through July 4

Steve Barham reported the requested dates are during their existing window of race days, and they are adding some Friday night racing. He recommended approval of the application.

ACTION: MOTION(Fine) Approve race meet application.
VOTE: 5 Aye, 0 Nay

The commission took a 10 minute recess, during which time Chair Walters was notified of a family emergency and left immediately. Vice Chair Fine conducted the balance of the meeting.

8. Temporary Hub Rules - OAR 462-060-000 through OAR 462-060-050

Proposed temporary hub rules were discussed by members of the industry and the commission. Steve Barham recommended the commission adopt the temporary rules and direct staff to file notice for permanent rule making.

ACTION: MOTION(Reid) Adopt rules as submitted in certificate order of filing as temporary rules as amended.
VOTE: 4 Aye, 0 Nay, 1 Excused

There being no further business, the meeting was adjourned.