

Washington Horse Racing Commission
Meeting Minutes
April 17, 2015

Present were: Jeff Colliton, Chairman; Paul George, Commissioner; Dr. Everett Macomber, DVM, Commissioner; Isaac Williamson, Assistant Attorney General; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of March 13, 2015.

Commissioner Macomber moved to approve the minutes as submitted. Commissioner George seconded the motion. Unanimously approved.

Item #2. Commissioners' report.

Commissioner Macomber said he was reviewing more information regarding medication issues. Some of the medications he's been looking at will be forthcoming before the Commission and will also be discussed in the meetings to be held in Tampa Bay next week.

Commissioner George said he had visited a couple of Yakima area breeding farms. He visited Lucky Acres, Steve Meredith's farm and Pulse ranches which breed both quarter horses and thoroughbreds. Commissioner George said he was looking forward to Emerald Downs' opening tomorrow although he will be attending the Sun Downs opening in Kennewick.

Item #3. Industry reports:

a. Emerald Downs.

Phil Ziegler, Executive Manager and President of Emerald Downs said the best marketing in the world will be the weather; he's looking forward to a great weekend. He said he's been watching all over the track people getting ready for the season and he has admiration for how well oiled the machine is; things happening everywhere; getting ready for tomorrow. He said the big screen is in the works, Daktronics is the vendor and they are coming out Tuesday, planning the construction and by end of July is the goal to have it installed. The simulcasting contracts are in and they are waiting for the Monarch group, and those will be done today, but will update the Commission on this. He said everyone else is signed on.

Chairman Colliton said he and Doug Moore will be at the Tampa Bay RCI meeting during opening. He said Seattle will be the site of the 2016 meeting for the ARCI board of directors. They are coming here.

b. WHBPA.

Lanna Allen said MaryAnn O'Connell was unavailable to attend and updated the Commission on the helmet buyback program. The HBPA is working on Cinco de Mayo family night; they'll have dancing, music, and a nice buffet. Ms. Allen thanked Mr. Ziegler and Ms. McKee for their appearance to meet with horsemen last weekend for the "Q and A" session.

c. WTBOA.

Will Brewer, President, announced that a new board member had been selected; Jenny Webber; she works at David Mowat's farm and is happy to have her from east side of the mountains. He's coordinating with her to see the eastern Washington farms to discuss the breeding industry. She joined the board a couple of weeks ago. She's a breeder and owner. On August 18th there is a sale, there's 100 horses entered, this is up a few from last year. Mr. Brewer said he's really excited about opening weekend; 57 percent of the entries are WA bred. He mentioned a new stallion at El Dorado, "Music of My Soul" a Noosa Beach foal. He mentioned a paper that was done on the state of the breeding industry. It was a where have they been, where they are and future projection. He noted that breeding is impacted by handle. Quality and quantity is everything. He said a lot more could be done by pushing the WA bred issue.

Commissioner Macomber asked Mr. Brewer regarding this information is there some consideration being given to revise the rule of WA bred. Mr. Brewer said he hasn't talked or heard anything about that. Commissioner Macomber asked Mr. Brewer if it were to change did he have any suggestions what the rule should say. Mr. Brewer said he'd have to consider that.

Item #4. Handicapping contest reports.

Ms. McKee went over the Emerald Downs' contests results; the Valentine's day and the Emerald Rewards handicapping contest. She noted a corresponding drop off in entries, but now with additional resources she said they may be able to do more.

Ms. McKee gave an update on the Emerald Racing Club. Commissioner George asked if the horse that had been acquired was a California bred or a Washington bred. Ms. McKee said it actually was a Kentucky bred. The trainer is Dan Markle and the horse is four years old.

Item #5. ADW license hearing -- 123Gaming, Inc.

Mr. Moore presented the application for approval. The investigation was completed and no detrimental information was discovered and staff recommended approval of the application for an Advance Deposit Wagering license. Mr. Robert Earle, CEO, was present to answer questions. Mr. Moore said that Emerald Downs presented the 123 wager in 2010. There were 30,000 wagers in Washington State and Sportech is the online partner. Commissioner George asked about the 123 wager. Mr. Earle explained the particulars. Commissioner Macomber asked about the average payout. Mr. Earle said there is a guaranteed \$2,000 minimum payout.

Commissioner Macomber moved to approve the application for an Advance Deposit Wagering license to 123Gaming, Inc, d/b/a 123bet.com. Commissioner George seconded the motion. Unanimously approved.

Mr. Brewer asked about the source market fee. Ms. McKee said this is a more favorable fee to Emerald Downs.

Item # 6. Emerald Downs Racing, LLC, request for approval of Superfecta minimum wager (10 cents).

Mr. Moore presented the request and said this request would reduce the superfecta wager from \$1.00 to ten cents. This change as presented needs to be formally approved by the Commission. Mr. Fraser, VP Operations, said this change would be consistent with industry practice.

Commissioner Macomber moved to approve the request as presented. Commissioner George seconded the motion. Unanimously approved.

Item #7. HBPA request for funding for "safety helmet" buyback program.

Mr. Moore said he had been approached by the HBPA to assist with horsemen in buying the new required helmets, due to the cost. Mr. Moore said they're trying to educate the pony and exercise riders and intend a drop dead date of June 1 to have the required helmets. The HBPA and Emerald Downs are donating \$1000 each and have asked the WHRC to donate \$1000 to help horsemen buy the new helmets. Commissioner George asked if it was legal to do this. Isaac Williamson, Assistant Attorney General said he had researched this and said the WHRC can spend money for safety and equine health research, but this can only be done if there is enough money remaining in the Commission operating account to cover the operational expenses of the Commission. Mr. Williamson said this does not fall under the constitutional authority of being a gift of public funds, there must be a public purpose behind funding, such as lowering Labor & Industry costs and claims, or safety benefits. He said there is no clear authority, and there is some risk involved. This could be challenged, as such, through the Auditor's office. Commissioner George said this appears to be a safety feature. Chairman Colliton said we may be setting a precedence with this regarding public funds. Ms. Allen said the safety issue is huge in our industry. She said that safety must come first to protect the workers and this new helmet is very important. Mr. Jack Hodge said he's guessing the demand for this is high and Emerald Downs is in the position that it could step up to give more; and this may be revisited. Commissioner Macomber asked how many horsemen have this new helmet. Mr. Moore said about half of them has the safety helmets.

Commissioner Macomber moved to approve request for \$1000 to help support the helmet buyback program. Commissioner George seconded the motion. Unanimously approved.

Ms. McKee said she is hoping to collect the old helmets to send to Mongolia to give to the children horsemen there who have no safety helmets at all.

Item #8. Executive Secretary's report.

- a. Wagering recap.

Mr. Moore presented the wagering recap for March 2015.

- b. Monthly financial report.

Mr. Moore explained the revenues and expenditures, and reported the fund balance of \$915,906.

Commissioner George asked about Sun Downs horse population. Mr. Moore said there were twice as many horses on backside as last year. He said some were waiting for news of whether Boise was going to race on whether or not the Governor was going to veto the instant racing machines, and that was done.

Mr. Moore asked about tentative approval for Sun Downs to change the post for the Kentucky Derby, they have been rushed last couple of years and just in case, would like to change post on May 2, to earlier in the day.

Commissioner Macomber moved to approve Sun Downs' request to change the post time on May 2. Commissioner George seconded the motion. Unanimously approved.

Mr. Moore noted the only problem for Sun Downs this year was they were experiencing not a lack of horses, but a lack of jockeys this year.

Item #9. Any other business that may be properly brought before the Commission.

Chairman Colliton wished good luck to both Emerald Downs and Sun Downs for tomorrow season openings.

Chairman Colliton said the next meeting is scheduled for June 12, 2015.

Meeting adjourned.

Doug Moore, Executive Secretary