

Washington Horse Racing Commission
Meeting Minutes
January 9, 2015

Chairman Colliton thanked Representative Joe Schmick and Representative Eileen Cody for attending the meeting.

The meeting convened at 9:30 A.M. at the Auburn City Council Chambers, Auburn, Washington. 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 November 7, 2014.

Commissioner George moved for the approval of the minutes as submitted. Commissioner Macomber seconded the motion. Unanimously approved.

Item #2. Commissioners' report.

Commissioner Macomber said he had attended the Emerald Downs annual holiday event. He commented on the huge turnout and gave congratulations to Ron Crockett, President, Emerald Downs on the event.

Commissioner George had nothing to report.

Chairman Colliton said he and Doug Moore had attended the ARCI Board of Directors and the Model Rules meetings in Tucson, Arizona. Mr. Moore also attended the annual Global Symposium on Racing held at the same time. Chairman Colliton said he had made the request to host the 2016 ARCI Summer Meetings in the Seattle area and it was approved.

Mr. Moore reported on his attendance at the Global Symposium and his attendance at the Model Rules meetings. There were panels on how to maximize the horses available; social media and electronic wagering. He said there was one panel that did mention that it was important to ensure the small race meets are successful to support the bigger race meets and the need to keep the smaller jurisdictions alive. Mr. Moore said the Model Rules meeting was mostly housekeeping. There was a discussion on labeling on prescription medication; that all labeled medication by a veterinarian licensed in one state and prescribed in that state would possibly not be allowed when traveling to another state; the trainer would have to throw away medications and get new prescriptions when arriving in another state. Mr. Moore said the Jockeys Guild is trying to compile a jockey injury database, do it state by state but most jurisdictions don't want to make it by rule.

The ARCI is proposing a database for thoroughbred owners, to not only ensure the papers are signed properly, but registered through the ARCI in a separate database. Mr. Moore said that if this comes to pass, it must be done at a cost that everyone could afford. Mr. Moore volunteered to be on the committee to take a look at this but, no information has been received on that yet. Mr. Moore said the next meeting is in April, at Tampa Bay, Florida.

Item #3. Election of Chairperson.

Commissioner George nominated Jeff Colliton to serve for another two years. Commissioner Macomber seconded the motion. Nominations were closed. It was unanimously approved.

Item #4. Industry reports.

a. Emerald Downs.

Mr. Ron Crockett reported for Emerald Downs. Mr. Crockett explained how everything came down to the sale of the Emerald Downs Race Track to the Muckleshoot Tribe. Chairman Colliton said for the record, there's been a lot of ups and downs, even though Mr. Crockett has misgivings, he has to be credited with accolades, if it weren't for him there wouldn't be any of those folks at the race track there today.

b. WA HBPA.

The HBPA had another meeting scheduled simultaneously and was unable to attend.

c. WTBOA.

Dana Halvorson, President, reported on WTBOA activities. He said he was doing a little begging to request items for the silent auction for their annual Washington Champions for 2014 and Silent Auction to be held on February 28th. Mr. Halvorson also said they are in a bit of limbo on where things will be going with the sale to the Muckleshoot Tribe, but are hoping for as good of a working relationship as they've enjoyed with the past ownership.

Item #5. Emerald Downs 2015 race dates request.

Mr. Moore presented the application packet for Emerald Downs requesting 70 live race days beginning on April 18 ending on September 27, 2015. Racing Saturday and Sunday through April and beginning Friday, Saturday and Sunday on May 1st. Opening on February 1st for training.

Bob Fraser, Vice President, Operations, said with this request it cements the certainty that there will be a meet in 2015, with no changes in personnel and operations.

Chairman Colliton asked if a Starter had yet been selected. Mr. Fraser said they are interviewing.

Commissioner Macomber asked about the early post time on July 3rd, at 4:30 P.M. Mr. Fraser said this was due to having the fireworks show presentation on that date.

Mr. Moore said included in the packet for approval, was the request for future book wagers on the Kentucky Derby and also for any that should be requested as long as Mr. Moore was notified ahead of time.

Commissioner Macomber moved to approve the Emerald Downs request as submitted. Commissioner George seconded the motion. Unanimously approved.

Commissioner George asked if it was possible to increase the purse for the Longacres Mile to a million dollar purse. Mr. Fraser said he wasn't working on that, but that Ms. McKee had something in the works about a program to give a bonus to the winner of the Longacres Mile if the horse goes on to win in the Breeder's Cup.

Chairman Colliton asked if the new LLC will keep the satellite sites the same. Mr. Fraser said he foresaw no changes, and mentioned that the Shoreline site is making some changes, but they don't anticipate any closures.

Commissioner Macomber asked about the end of meet balance if it was over/under expectations? Mr. Crockett said he hit it within one percent of his projections. He noted that he's been able to set the projections and it has been right on, as in past years.

Ms. McKee said 22 members had re-signed to Emerald Racing Club and she will be opening up membership offerings on February 1 to the general public.

Commissioner George said he is concerned with continuing racing in Eastern Washington. His hope is that Emerald Downs will still be able to continue to support the live racing conducted at Sun Downs. Mr. Moore said he talked with Shorty Martin he'd said the Benton County Commissioners will control the leasing of the fairgrounds and that horse racing has always had a good relationship with them. Mr. Moore said they are expecting there will be a fair lease made between the parties. Mr. Moore said he anticipates that Sun Downs will apply for their regular dates. He'd been talking with Representative Schmick about his work on a request for funding for the nonprofit meets from Tribal Gaming and had sent information showing the direct correlation between tribal gaming and the horse racing decline. Terry Jacoy from Waitsburg called and wanted to reiterate that they would like to return racing to Waitsburg.

Item #6. Emerald Racing LLC.

Mr. Moore presented a letter from Jerry Levine, attorney representing the Emerald Racing LLC. He said we may not have a complete application on the date they want to sign the purchase agreement and requested the approval to grant a temporary license that would enable them to continue the simulcast and satellite wagering pending completion of the Emerald Racing LLC application. Mr. Moore said the hope is to receive the application by February 5th and present the application on February 27th at a special meeting to consider the approval of the application.

Commissioner Macomber asked what if the application isn't received by that date. Mr. Moore said if the application is not received by February 5th, the circumstances would determine the response, and if it is adequate, some type of extension may be granted.

Commissioner Macomber moved to approve the request made by Emerald Racing LLC for a temporary license to continue to conduct simulcast and satellite wagering; and that a complete application be received by the WHRC by February 5th; when a special hearing will be scheduled on February 27th to consider that application. Commissioner George seconded the motion. Unanimously approved.

Break. 10:39AM Reconvened. 10:54 AM

Item #7. Adoption Hearing: WAC 260-36-250 Industrial Insurance.

Mr. Moore presented the amendments to WAC 260-36-250. The amendments to this section will clarify when an individual is covered and in which license categories. In addition, the amendments will allow a trainer to utilize a temporary groom for less than fifteen days per month, with a prorated premium for one day's work. In the past the cost of hiring a groom has discouraged trainers from using groom's when needed. The HBPA is in support of these amendments. No other comments were received and staff recommends adoption.

Commissioner Macomber asked how this affects the one horse owner. Mr. Moore said this will help them and encourage them to get groom help when needed. Commissioner Macomber asked about paper trainers. Mr. Moore said we don't see that happening much anymore, that seems to have gone away with the per day rate.

Commissioner Macomber moved to adopt the amendments to WAC 260-36-250 Industrial Insurance. Commissioner George seconded the motion. Unanimously approved.

Item #8. Executive Secretary's report.

Mr. Moore said he's in the process to hire for the Equine Medical Director position. It's been a tough job to fill with the length of the meet and days to work; he said he's received only two applications. Mr. Moore said he's hoping to fill the position by February 1. Another issue that came up from Idaho, they have instant racing. It appears that the Coeur D' Alene Tribe has filed a lawsuit to have the instant racing machines removed. He's talked to Frank Lamb in Idaho, who said the Tribe only has Video Lottery Terminals and no card tables; his feeling is the lawsuit has been filed in order to get card tables in their casinos.

a. Wagering Recap (November/December 2014).

Mr. Moore recapped the wagering for November and December 2014. He reported the handle to be down 12.1 percent for November and down 14.1 in December. Mr. Moore attributed this due to lack of signals; less days of racing available. He reported the entire race year down 5.9 percent.

Mr. Moore included a pie chart from the Gambling Commission showing percentages of gaming in Washington State.

b. Monthly financial statements for October and November 2014.

Mr. Moore reported the revenues and expenditures with the ending fund balance at \$745,956.

Mr. Moore also presented the positive results of the State Auditor's Office audit on our operations.

Item #9. Annual ARCI conference travel.

Mr. Moore requested approval for attendance and costs associated with the ARCI meetings to be held on July 16 and 17 at Deadwood, South Dakota; and in addition, the attendance and expenses associated with the annual ARCI meeting to be held in Tampa, Florida on April 21-23.

Commissioner Macomber moved to approve the attendance, travel and registration expenses for the two ARCI meetings. Commissioner George seconded the motion. Unanimously approved.

Item #10. Any other business that may be properly brought before the Commission.

Mr. Moore reminded the Commissioners of the April 15 deadline for submittal of their Public Disclosure personal financial statement reports due date.

Chairman Colliton announced the next regularly scheduled meeting is on March 13, 2015.

With nothing further being presented the meeting was adjourned.

Doug Moore, Executive Secretary

11:20 A.M.