

Washington Horse Racing Commission
Meeting Minutes
November 8, 2013

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; Doug Moore, Executive Secretary; and Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of October 11, 2013.

Commissioner George moved to approve the minutes with changes on page 2 second paragraph; page 4 last paragraph; and a change on page 5 paragraph two.

Commissioner Macomber seconded the motion. Unanimously approved.

Item #2. Commissioners' reports.

Commissioner Macomber said he'd had a quiet month; he had met with Mr. Moore regarding proposed medication rule issues at the Olympia office.

Commissioner George said he attended the Breeders Cup races at the Caribbean Casino in Yakima on November 2nd. He noted that they'd done very well on Friday the first day of the races and was very well attended on Saturday. Commissioner George said he attended a fund raiser for Governor Inslee in Yakima. Commissioner George spoke with Governor Inslee and thanked him for appointing him to the Commission; and reiterated that the Commission continues to be determined in the support of live racing in Eastern Washington. Commissioner George also mentioned the funding legislation that did not pass last session; if it was to come up again, any assistance he could give in support of its passage would greatly assist with the Commission's support of live racing in Eastern Washington.

Chairman Colliton agreed in Commissioner George's comments in talking with Governor Inslee that if something comes up, it may trigger the conversation with Commissioner George to help the industry in the future.

Item #3. Industry reports.

a. Emerald Downs report.

Mr. Ron Crockett, President, Emerald Downs presented the report. Mr. Crockett reported the advance deposit wagering (ADWs) to be up more than expected. He reported last year the ADWs were \$167,898 a day and this year so far at \$169,056; up 7 tenths of a percent. On internet wagering \$43 million was bet last year and this year it is at \$49 million. Internet wagering is up significantly and the ontrack wagering was flat. Mr. Crockett spoke about his concern regarding the amount of people sitting in the stands and wagering via the internet and not through the mutuels at the track. It's a matter of convenience he said why waste time going to the windows when it can be done with their I-phone or I-pad at their seat.

Chairman Colliton asked Mr. Crockett if there was any legislation in mind at this time and Mr. Crockett said he'd let the Commission know.

Commissioner George asked about Hollywood Park and Mr. Crockett said this is their last meet and it will close for good. Mr. Crockett said Santa Anita opens next.

- b. WHBPA report. Nothing to report.
- c. WTBOA report. Anne Sweet, Editor, WTBOA reported that they are working on their yearend and gearing up to work on the stallion register. She said there were 19 stallions standing last year and there is only 16 this year, it appears to be dropping like everything else. Nothing more to report.
- d. TriCity Horse Racing. Shorty Martin said that they are planning on conducting a meet in 2014; they've applied for the Challenge Races and said they are setting aside the same three weekends as last year. He said it will be a struggle. Chairman Colliton said the Commission received a letter from TriCity thanking the Commission for all their assistance. Commissioner George asked whether a horseman's group would be taking over the track. Mr. Martin said he didn't have information at this time if they were going to reapply for the management of the track. Commissioner Macomber asked about the economy in the area. Mr. Martin said he thought it was pretty good there seems to be a lot of building going on at present; things have really grown around the area.

Item #4. Owners/Breeders Awards update.

Mr. Moore said regarding the mailing of the checks to the owners; the checks were received on November 7th and will be stuffed and mailed on November 8th; the breeders awards will go out on Wednesday, November 13. Mr. Moore said the handle wasn't down much, but there were more WA Bred races run and more people were included in the distribution. Mr. Crockett calculated that the Owner's bonus is comprised from about 49 percent of the purses .

Item #5. Discussion – RMTC/ARCI vs. WHRC approved therapeutics.

Mr. Moore touched on a few items: the comparison of the RMTC rule recommendations, 24 that are recommended the WHRC currently has, of which seven are identical. There were four recommended that we don't currently have; 13 with different threshold levels; and 6 that the RMTC is not recommending. Mr. Moore said there are 6 that we have and not being recommended; due to no scientific data behind them. Commissioner Macomber has looked through the levels; looked through the information; and has some recommendations. Mr. Moore said Dr. Dionne Benson from the RMTC will attend the January 10, 2014 meeting and there will be questions for her.

Commissioner Macomber said it was his feeling that if you're looking to have a national base standard there needs to be criteria for using that standard and that information needs to be gathered to address why the criteria is supporting those standards. Some questions Commissioner Macomber had were: Is test used protocol documented; and is it used on a national basis so that labs can repeat that information from lab to lab? If not, he's not sure he would want to go with a national basis. Another

question was is the threshold above/below, physically altering? What he's looking for: are the medications that do alter performance...is the testing protocol peer reviewed. He would ask Dr. Benson where is the data that supports allegations and if there is no data, why are we going through this at this point in time. There must be data to support and it must be scientifically reviewed and released...publication pending ...data has been recorded and the publication is pending. Commissioner Macomber said he had seen publications pending for several years and they don't ever get published, they're put on hold for approval.

Chairman Colliton asked if Dr. Benson is aware of the concerns we have. Commissioner Macomber said she will be ready to answer to these concerns in January.

Mr. Moore said he would be sending Commissioner Macomber's concerns in advance so she can be prepared. The HBPA will also have some concerns to bring up to Dr. Benson. Chairman Colliton said the WHRC does want to move closer to the national recommendations as much as possible, but do it the right way.

Chairman Colliton said there would be no limited time frame and it would be opened up for questions and answers.

Mr. Moore said this will be an important meeting. Chairman Colliton said there will be a push on to adopt these rules at the meetings in December. Commissioner Macomber said there's not very good documentation on some of these issues.

Sophia McKee, Director of Marketing, Emerald Downs said she commended the Commission for taking time and approaching this issue methodically.

Item #6. Executive Secretary report.

Mr. Moore said the meeting with the parties on the SmartPhone application was a success and resulted in receiving verbal approval for the application. Mr. Moore said he'd be meeting next week with Sharon James, WHRC Assistant Attorney General to draft rules and he's already informed Emerald Downs to begin preparation for installation of the application which he said would take some time.

Commissioner Macomber asked if the SmartPhone application technology would assist with Mr. Crockett's concern about patrons in the stands internet wagering. Ms. McKee said yes to some extent it would link them with the players reward program. Ms. Sweet asked if this was an ontrack wager only and the answer is yes, an onsite wager capability only.

Mr. Moore said there is one housekeeping piece of legislation for the 2014 legislative session and it has moved out of OFM budget and went to the Governor's budget advisor and is waiting for approval from them.

Mr. Moore said the proposed L&I rates for 2014 are out, they are increasing slightly, even though we're doing a better job of managing claims; the rates are based on the prior five years and it takes time to change those rates even though there've been no significant injuries.

- a. Wagering recap (October 2013).

Mr. Moore reported the commission to be down 2 tenths of percent in comparison of 2012 to 2013; and for the race year down 6.6 percent; In comparison with the last live day in 2012 and the last live race day in 2013: down 17.8 percent on total wagers, but there were six more days of satellite wagering compared to this year and last.

b. Monthly Financial Statement (September 2013).

Mr. Moore compared the estimates to actual revenue showing WHRC overspent by \$20,545. Mr. Moore said that several of the employees cashed out leave at the end of the race meet. Mr. Moore said the Fund Balance is \$673,733 up \$87,000 from 2012.

Item #7. Any other business that may be properly brought before the Commission.

Chairman Colliton said at the last meeting that Ms. O'Connell of the HBPA asked about someone from the Commission attending their spring convention and he said that the WHRC would not be able to send anyone at this time but revisit this request again in January to see financially if it would be possible. He felt it was more important to support WA racing if we can rather than travel.

Meeting adjourned at 10:36 A.M.

Douglas L. Moore, Executive Secretary