

Washington Horse Racing Commission  
Meeting Minutes  
September 10, 2009

Meeting convened at 9:30 A.M. Present were: Paul George, Chairman; Jeff Colliton, Commissioner; Hartly Kruger, Commissioner; Cindy Evans, Assistant Attorney General; Kate Reynolds, Assistant Attorney General; Robert J. Lopez, Executive Secretary; Patty Sorby, Confidential Secretary. Commissioner Bud Hallowell, DVM, Commissioner excused.

Item #1. Approval of the meeting minutes of August 13, 2009.

Commissioner Kruger moved to approve the minutes as submitted. Commissioner Colliton seconded the motion. Unanimously approved.

Item #2. Commissioners' reports.

Chairman George said that he, Commissioner Colliton and Robert Lopez had attended a meeting in Walla Walla on September 5<sup>th</sup> to discuss the Class C race meets. He said that Sun Downs in Kennewick would be competing in 2010 with overlapping days with Portland Meadows and the track in Boise will be opening at the same time, which would result in fewer jockeys and horses participating at Sun Downs. Chairman George said Sun Downs has agreed to race at least one more year.

Commissioner Colliton said the Walla Walla fall meet had earned more this year than in year's past. Commissioner Colliton expressed concerns that without Sun Downs racing, the other Class C meets would not go on.

Commissioner Kruger complimented Emerald Downs on an ad he had heard while driving into the meeting.

Item #3. Industry reports:

a. Emerald Downs report.

Mr. Jack Hodge Vice-President, NW Racing Associates, Emerald Downs, said entries were to be taken on Friday for the Washington Cup series, the Hall of Fame awards would be presented on Sunday.

Mr. Ron Crockett, President, NW Racing Associates, Emerald Downs reported Emerald Downs revenues comparing the handle with prior year's and stated all aspects are reporting losses and is at his predicted fourteen percent down from last year. Mr. Crockett presented four handouts that will be made a part of the master file.

b. HBPA Report.

MaryAnn O'Connell, Executive Director, WA Horsemen's Benevolent & Protective Association (WA HBPA), said the outstanding groom award nominations were few this year; every trainer had been given a blanket for participation in Emerald Downs racing; she also thanked outgoing President, Frank McDonald for his service as HBPA President and said this is his last meeting as President.

Mr. McDonald thanked everyone and said it had been a great learning experience.

c. WTBA Report.

Dana Halvorsen, President, Washington Thoroughbred Breeders Association (WTBA) gave the report for the WTBA and presented handouts reflecting the summer sale statistics. He said the summer sale is relied upon for most of the WTBA budget, was thirty percent down. He said there were 195 nominations for the sale and only 99 horses sold. This meant there would be dramatic changes in staffing to be made at the WTBA.

Commissioner Colliton asked how many breeders were in Eastern Washington and Mr. Halvorsen said they have severely declined in recent years and was looking at more syndicates as an incentive to promote breeding and ownership.

Item #4. Annual review of license and fingerprint fees (WAC 260-36-085).

Mr. Lopez said as required by law, the WHRC must collect license fees sufficient to cover the costs of licensing. ESHB 1244 gave the authority to raise license fees to meet its budget appropriation. Mr. Lopez said he has filed with the Code Reviser the increase in licensing fees for the WHRC. Mr. Lopez said the fingerprint fees were not included in this authority and therefore the WHRC cannot raise fees for fingerprinting in 2010.

Commissioner Kruger moved to move forward with amending 260-36-085 to raise the license fees. Commissioner Colliton seconded the motion. Unanimously approved.

Item #5. Washington Bred Owners and Breeders awards – 2009.

Mr. Lopez said the money collected from the end of live racing in 2008 to the beginning of the 2009 live racing season at Emerald Downs amounted to \$523,811 for WA-Bred Owner's Bonus Fund; and for Breeder Awards the amount was \$340,712.68, however, this money was retained contrary to law and would have been returned to Emerald Downs. In a letter from Ron Crockett, President, Emerald Downs, Mr. Crockett will donate this money to the owners and breeders of Washington bred horses. The money will be included in the distribution of the awards and bonuses by the WHRC.

Item #6. Final approval of 2010 Agency Request Legislation.

- a. RCW 67.16.104 (Capping Class C Purses at \$15,800 per race day);
- b. RCW 67.16.300 and RCW 51.16.210 (Industrial Insurance Horse Racing Industry).

Mr. Lopez said the agency request legislation had been forwarded to stakeholders and responses of support/oppose had been received by HBPA, supporting industrial insurance changes with condition that WHRC remain the enforcement for compliance. Terry Jacoy, Waitsburg supported both the industrial insurance changes and the change of the purse money cap of \$15,800 per race day; Duane Belvoir supported the industrial insurance change as long as it was a plan that works for everyone.

Commissioner Kruger moved to file the legislation for the Governor's support and approval. Commissioner Colliton seconded the motion. Unanimously approved.

Item #7. WAC 260-14-040 Wagering – Decision to amend.

Commissioner Colliton placed this item on the agenda to discuss amending the language in WAC 260-14-040 to allow Commissioners and spouses the ability to wager on simulcast races not under the jurisdiction of the WHRC at facilities approved by the WHRC.

Chairman George agreed with Commissioner Colliton's proposal.

Cindy Evans, Assistant Attorney General had written an opinion in the past on this topic and urged the Commissioners to be cautious and speak with the Executive Ethics Board to ascertain whether this would be prudent.

Chairman George said he would communicate specifically with Representative Dave Quall, ex-officio and also that Mr. Lopez make contact with Representative Priest and Senator Hewitt. Mr. Lopez was directed to schedule a meeting with Melanie deLeon, Executive Director of the Executive Ethics Board for himself and Mr. Lopez to discuss this topic.

Chairman George moved to amend WAC 260-14-040. Commissioner Kruger seconded the motion. Unanimously approved.

Item #8. Executive Secretary's report.

a. 2010 Commission Meeting Dates – Proposal.

Mr. Lopez offered the following dates for WHRC meetings in 2010: January every other year; and the 2<sup>nd</sup> or 3<sup>rd</sup> Friday of February, March, April, June, August, September, October, November and not hold meetings in May, July and December. After discussions it was decided to hold meetings in January, February, March, April, June, August, September, October and November. Meetings would be held on Thursdays when racing is not conducted and on Fridays when racing is being conducted.

b. Accountant's recap.

Mr. Lopez explained the fund balance, revenues and expenditures.

c. Monthly financial statement.

Mr. Lopez reviewed the monthly budget status for the 2009-2011 biennium.

d. Budget Projections and Support of the Class C's in FY 2010.

Mr. Lopez presented spreadsheets that detailed a sixteen percent downturn projection for the WHRC. The spreadsheets show whether the WHRC will have the ability to assist the Class C race meets with jockey insurance money and jockey incentive funds.

Commissioner Kruger moved to fund the grant of money to the Class C race meets for the jockey insurance and the jockey incentive fund for 2010. Commissioner Colliton seconded the motion. Unanimously approved.

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

Chairman George asked Mr. Lopez to set up a meeting with the Benton County Commissioners and a meeting with the Executive Ethics Board.

Commissioner Colliton asked if any of the WHRC employees had requested approval to work in the horse industry after the season ends at Emerald Downs and Mr. Lopez replied yes, one.

Meeting adjourned. 12 Noon.

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Robert J. Lopez, Executive Secretary