

Washington Horse Racing Commission  
Meeting Minutes  
September 13, 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; Sharon James, Assistant Attorney General; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of August 9, 2013.

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

Item #2. Commissioners' reports.

Chairman Colliton said that the Association of Racing Commissioners International (ARCI) had sent a video that was taken in part from the Jockey Club's annual meeting. He said that it was pretty revealing about the necessity to do something in the industry regarding the use or misuse of drugs in racing. Chairman Colliton said he wanted the stakeholders to be made aware of this video and encouraged them to review it. He said it is pretty obvious that the Feds are going to do something if the individual states don't first.

Commissioner Macomber said he had watched it and had to watch it twice. There is some meat in there and are serious about doing something to the industry. He said it is edited doesn't know what may have been cut from it.

Commissioner George said he also watched it twice. He thought it was meaningful but raised many questions. He felt this put some pressure to react on the racing commissions. He said it was edited, but very informative. It poses a problem for racing commissions particularly on the issue of out of competition testing which is really significant. Commissioner George also recommend that it be looked at twice.

Mr. Moore said there's a hard push on for uniformity by the ARCI. The problem is that toward the end a graph shown and it said that Washington isn't even in discussion. Mr. Moore called Mr. Martin said a that a lot of states were misrepresented. Mr. Moore reiterated to Mr. Martin that Washington does have Washington Administrative Code (Washington Rules of Racing) open and that he was working with Commissioner, Dr. Macomber on them. He said there is some merit to move towards middle ground and that through the winter, these issues are going to be dealt with.

Ms. Maryann O'Connell, Executive Director, WA HBPA said that you must understand that this is a political video and it is very effective. The Jockey Club doesn't really care about Washington; we have adopted about 98% of the model rules. They don't bring that out; what has already been accomplished. This is a small portion of the big picture. They need to concentrate on what has been done and not what hasn't been done.

Chairman Colliton said the model rules are fine; but, we are not going to rubber stamp them. Washington deals with different situations than those that occur in other jurisdictions. Washington will continue to do adopt rules but there may be amendments to go along with Washington situations. Chairman Colliton said Dr. Macomber was asked to do an analysis on the medication rules and he has started but has not completed his review yet. There are 57 different chemicals that have a meaningful impact on a horse. Parts of what has already come from recommendations by the RMTC and ARCI, have already been amended since receiving them. Washington will be making comments. Before the October meeting, Mr. Moore and Commissioner Macomber will meet and any changes that will be suggested will go out to the stakeholders for comment also.

Commissioner Macomber said that with the season winding down, he had gotten in touch with some of the people at the Training Centers; he talked to the folks at Scatter Creek Training Center and they are very optimistic. He said the recent sale was very supportive of the industry. Things appear to be looking better. The Scatter Creek center was looking forward to layoffs coming back and breaking some yearlings. Commissioner Macomber said he'd been working mostly on medication list.

Commissioner George said he attended the Longacres Mile from the new Caribbean Casino satellite in Yakima. He was impressed with the facility, he said there was big action going on; betting Emerald Downs and DelMar, and Golden Gate. He said the signal from Mountaineer in West Virginia came on the screens also. He said the food was great, service really good and that he had enjoyed the day. Commissioner George said he talked to Shorty Martin about Sun Downs. Shorty said he just completed the Oregon circuit, and was heading to Wyoming Downs. When he gets through, he plans on attending the October meeting and talk a bit about the efforts in Kennewick to race in 2014.

Chairman Colliton congratulated Bob Fraser, VP Operations, Emerald Downs on his hooffest. He said he visited the Caribbean Casino satellite in Kirkland. Bob Fraser said that is a significant satellite site and on some weeks it's the third largest in the state. Bob said this give Emerald Downs a great opportunity to grow. The site sits comfortably about 30 people. Emerald Downs has invested quite a bit into both facilities, he said these are two huge markets for Emerald Downs, good partnership to have.

### Item #3. Industry reports:

#### a. Emerald Downs.

Sophia McKee, Director of Marketing, Emerald Downs gave the report for Emerald Downs. Emerald Downs is up 4.7 percent overall. Ms. McKee handed out a comparison of the Longacres Mile day and Washington Cup day. Emerald Downs had over one thousand people buy beer tickets. The Prodigious Fund, Thoroughbred Showcase had 36 horses for sale and sold fifty percent of them; there was over 100 prospective buyers. Four were pre-sold before the showcase and on the actual day 7 sold. The week after the Showcase there were a few more sales. Chairman Colliton asked about promotions going on for closing. Ms. McKee said the fan appreciation day will have everything a dollar. Comcast sports net will host closing day.

Commissioner George asked Ms. McKee if she had seen a large article in the Yakima paper about a show horse. Ms. McKee said there is a lot of play in the local community.

Bob Fraser said he received the fax from Commissioner George about the Caribbean Casino satellite opening that the Yakima Herald printed. He thanked Commissioner George for all his assistance with that.

b. WAHBPA.

MaryAnn O'Connell said on August 31st the annual general meeting was conducted, they were fortunate to have Mick Peterson, renown for his expertise regarding race track surfaces attended. Really interesting talk about catastrophic injuries, Mr. Peterson said pre-race vet exams is why Emerald Downs has reduced injuries, more than anything being wrong with the surface. He was so well received, very, very good. Perception of the public is a huge issue, she was delighted that over a hundred people attended. Ms. O'Connell agreed with Ms. McKee and she was still receiving calls on the horses that didn't sell at the Thoroughbred Showcase, the sale has had a long lasting effect.

c. WTBOA.

Karla Laird, reported for Dana Halvorson who was unable to attend that the annual yearling sale occurred, it had been moved to start after the Mile weekend celebrations and the response was great. There were 101 yearlings, average sale of \$15,546, one million plus was collected for the day; and \$70,000 was the sale topper. It's been since 2006, that there's been such a great sale. There seems to be a bit of a turnaround going on.

Commissioner Macomber asked Ms. Laird about the new owner's booth. She said the first one went well. They've had trouble getting people to man the booth and mostly people aren't interested. Maybe if they move the booth to a more central location it might be better but they're going to abandoned the idea for the rest of this year and may try something else next year. There's not much interest at present.

Item #4. Hearings:

a. Levi Knapp WHRC 2013-06.

Chairman Colliton opened the hearing at 11:00 A.M. Mr. Knapp did not appear. Doug Moore represented staff. Mr. Moore said that Mr. Knapp did not appear and is in default. Mr. Moore requested that an Order be prepared with conditions that would exclude Mr. Knapp from the ability to obtain a WHRC license until 2015 and prior to application, he must prove compliance with a drug and alcohol program graduation certificate. Chairman Colliton requested Assistant Attorney General Sharon James to prepare the order as requested.

b. Jamaica Pulver WHRC 2013-09.

Chairman Colliton opened the hearing at 10:12 A.M. Jamaica Pulver was present and was not represented by counsel. Doug Moore represented staff. Testimony was taken and exhibits admitted. Chairman Colliton said the evidence was considered and the permanent revocation order is rescinded with conditions, if Ms. Pulver was to apply for a license, conditions would include: random testing, full restitution must be made to Emerald Downs, and that no felonies, gross misdemeanors or serious racing infractions has occurred. Hearing concluded 11:00 A.M.

FIVE Minute break. 11:05 A.M. – 11:10 A.M. Meeting reconvened.

Item #5. License fee review.

Mr. Moore said there is no recommendation for any license fee increase at this time. Mr. Ken Mitchell WHRC Accountant projections had shown the WHRC is at a level that is appropriate at this time.

Item #6. Executive Secretary's report.

Mr. Moore said a meeting has been scheduled for Thursday, September 19, 2013, with Emerald Downs; WHRC Assistant Attorney General; Gambling Commission Assistant Attorney General; John Lane, Governor's Policy Office; and Sport Tec to meet and discuss Emerald Downs' Smart Phone application. Mr. Moore explained that this is an application that can only be used while at Emerald Downs to place bets on a smart phone. Mr. Moore will update the Commission on the outcome of this meeting at the October meeting.

Commissioner George asked Ms. O'Connell if the short-term L&I licensing that the WHRC instituted this year was helping bring trainers to Washington. Ms. O'Connell said this was great help especially with the Quarter Horse people giving them the ability to come for one race and not have to pay an entire year's premium for L&I.

Mr. Moore said the Stewards Continuing Education class has been scheduled will be held September 23 and 24 hosted in Oregon.

a. Wagering Recap (August 2013).

Mr. Moore went over the wagering for August 2013. He said wagering is up 1.1 percent, the first positive month in some time; but still down overall 6.8 percent for the year; race year wagering is down 5.9 percent. He said last weekend was really good, in state handle was up over 11 percent.

b. Monthly Financial Statement.

Mr. Moore went over the revenues to actuals and said the fund balance is \$711,868. There is an impact of \$21,000 that hasn't been received yet for payment of this year's risk management assessment. Mr. Moore gave out a recap sheet showing the fund balance beginning July 2011 to date; to show the trend.

Item #7. Other business.

Chairman Colliton said the ARCI Model Rules Committee and ARCI Board of Directors will be meeting in Tucson, December 8th and continue through December 9th and recommended the Chairman and the Executive Secretary attend them; Commissioner George would be attending the Race Track Symposium December 9 through 13, 2013.

Chairman Colliton so moved. Commissioner Macomber seconded. Unanimously approved.

Chairman Colliton said he would also like to have Commissioner Macomber become a participant in the RMTC meetings.

Meeting adjourned 11:30 A.M.

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Douglas L. Moore, Executive Secretary