

Washington Horse Racing Commission
Meeting Minutes
Zoom Meeting
June 12, 2020

Attending for Washington Horse Racing Commission (WHRC) were: Robert Lopez, Chairman; L Everett Macomber, DVM, Commissioner; Claude Ragle, DVM, Commissioner; Jennifer Smolen-Fort for Senator Steve Hobbs, Ex-Officio member; Representative Strom Peterson, Ex-Officio; Representative Joe Schmick, Ex-Officio; Doug Moore, Executive Secretary; Amanda Benton, Deputy Secretary; Patty Brown, Confidential Secretary.

Other Participants: On behalf of Emerald Downs: Phil Ziegler; Jack Hodge; Bret Anderson; On behalf of WHBPA: Pat LePley; MaryAnn O'Connell; Lanna Allen; On behalf of WTOBA: Dana Halvorson; Anne Sweet; Tom Cassidy, TVG; On behalf of WHRC: Kenny Doll; Danny Bryson; Hugh Wales; Shorty Martin; On behalf of the Public: Garrett Cocchiare; Rachel Jochimsen; Mike Wilson.

Item #1. Approval of the special meeting minutes of April 10 and May 8, 2020.

Commissioner Macomber moved to approve the minutes of April 10, 2020 and May 8, 2020 as submitted. Commissioner Ragle seconded the motion. Unanimously approved.

Item #2. Commissioner's report.

Chairman Lopez said he had attended the Association of Racing Commissioners International meetings via teleconference and noted that Tom Sage was the new Chair and that he had been voted Chair Elect. The meetings scheduled for July in Tacoma had been cancelled. Commissioner Macomber had nothing to report. Commissioner Ragle had nothing to report.

Item #3. Emerald Downs revised race dates.

Mr. Moore said that on June 5th Governor Jay Inslee released new protocols for professional sports and horse racing was included in that. Mr. Moore said he had received a memo from Phil Ziegler, President, Emerald Downs revising their date calendar and that beginning on June 24, they were requesting 44 race days racing Wednesday and Thursday to begin and beginning August 14 adding Fridays to their schedule. Mr. Ziegler was also requesting a closing date of October 4 but also may ask for the tentative dates going through and closing on October 18 if all goes well. Mr. Ziegler said the request for Wednesday/Thursday schedule was requested as there were less other tracks running live during those time slots and working with TVG this was better to have the Emerald races televised live on their main channel. He said he's see how it goes; things are changing weekly; he'll be keeping an eye on that. He said they've also projected to possibly skip to weekends in August, but would have to see how things go when it gets closer. He said he's very excited to start and wanted to take a minute to thank all the folks

who worked very hard every day working with the Governor and his office: Doug Moore and Ron Crockett were in daily contact and made hundreds of calls, sent emails, etc. He also thanked the Commission and Ex officio members Senator Steve Hobbs and Representative Joe Schmick so much for the support; and everyone who pulled together on this. It is a very unusual season. Chairman Lopez asked Mr. Ziegler about the Superfecta with the fifteen cent takeout. Mr. Ziegler said a lot of tracks are offering the lower takeout wagers; with the unusual year, see if this will be more popular. Commissioner Macomber had no questions; Commissioner Ragle had no questions. Mr. Moore said this was informational and therefore a motion wasn't necessary.

Item #4. Industry reports:

- a. Emerald Downs. Mr. Ziegler said on June 20 the Muckleshoot Casino and Northern Quest Casino will be able to open for Off Track Betting (OTB) for the Belmont. He was unsure when the rest would open for simulcast wagering; those are the only options at this time. Mr. Ziegler said the only spectators that will be allowed to be onsite are those owners who have horses running in the races that day. He said the Quarterchute Café is now open. Commissioner Macomber asked what the criteria would be to open the OTBs. Mr. Ziegler said right now all are closed; he really didn't have the answer to that and he said he assumed they would be in the Governor's Phase 3 or 4 activity. Mr. Moore said Dave Trujillo, Director of the Gambling Commission hasn't said they are able to open as yet. Mr. Moore said he will keep an eye on that.
- b. WHBPA. Pat LePley, President, said they had productive meetings with Emerald Downs management, in setting the schedules for purse money and stakes; and the protocols required by the Governor's office, input with the WHRC in efforts to continue to have discussions on keeping folks safe. He said he was confident there are enough horses to conduct the meet; there are about 700 horses on ground at this time. He said to get best product out for the bettors; the HBPA is in agreement with the race date request, and are flexible as possible to make changes if necessary. This virus has been a terrible human disaster; it has been difficult on backside personnel, limiting opportunities to interact with others. The HBPA is working with the Chaplaincy to be able to successfully feed a number of backstretch workers. Emerald Downs has been very helpful in that regard also. Commissioner Macomber and Commissioner Ragle had no questions.
- c. WTOBA. Dana Halvorson, President, said the sale is scheduled for the third week in August, Tuesday, August 17, and this is a flexible date in case there is a need to change. Mr. Halvorson reported that there were 118 yearlings up from last year; several brood mares and others, it is a nice sales book; as good as we've had for years. He said he is in constant contact with Anne Sweet, Editor, Washington Thoroughbred magazine and on the sales committee in deciding what to do regarding logistics, different scenarios, with the company called Proxy Bid, they will have the ability to take bids over phone or internet. Mr. Halvorson thanked Ms. Sweet for all her help with everything. He said this will be an interesting sale season; they've got a really good book. Commissioner Macomber asked about virtual viewing of two year olds, Mr. Halvorson said yes that would be available; not only videos of standing, but walking. They will have ability to do that with Proxy and on their website as well. Good chance to see these horses as much as possible. Commissioner Ragle had no questions.

Mr. Moore said regarding the opening card rooms; there is a plan out there, and he said they may open sooner than later.

Item #5 ADW license renewal – TVG (Action Item).

Mr. Moore presented the renewal application for TVG. Mr. Tom Cassidy, of TVG, was present to answer questions. Mr. Moore said there was nothing detrimental in the renewal application the \$75,000 bond is still in effect and the contract with Emerald Downs was valid through May 31, 2021, staff recommended approval. Commissioner Macomber asked Mr. Moore how long TVG had been in operation in Washington and Mr. Moore said since 2004. Commissioner Ragle had no questions.

Mr. Cassidy noted the company's appreciation with the partnership with Emerald Downs and looked forward to a good relationship. Chairman Lopez asked Mr. Cassidy about being the only game in town so to speak and that the handle reports showed that TVG is up 72 percent in April. He asked if TVG had considered giving more back to the smaller tracks, especially during these times. Mr. Cassidy said can't speak on that, but TVG is focusing on programming to new viewers, trying to express how great horse racing is to new viewers to keep viewers for years to come. He said they are trying consistently within the agreements and amendments to mutually benefit each. He has been in talks with Mr. Ziegler about benefits. Chairman Lopez said it is important to the survival of horse racing in Washington. Commissioner Macomber expressed his thanks for the cooperation saying everyone has to benefit in the current conditions. Commissioner Ragle had no questions.

Commissioner Macomber moved to approve the renewal application license for TVG. Commissioner Ragle seconded the motion. Unanimously approved.

Item #6. Policy Statement for 2020-01 - Equine testing.

Mr. Moore said due to the current COVID-19 health crisis and in order to minimize exposure to all licensees, the WHRC has adopted this policy statement to reduce the number of licensees in the test barn at any one time. Mr. Moore said the selection for testing will be all horses finishing first in a race; all horses finishing first and second in any stake race; and any horses at the discretion of the stewards or the official veterinarian. Mr. Moore said that this policy will be a temporary policy and only in place for this year due to the virus and the policy would revert back to the original policy WHRC 2006-04 in 2021. Mr. Moore said that once the horse gets to test barn, if there is no urine within one hour they will take a blood sample to be submitted for testing. There will be no more than four horses in test barn at one time. If the owner of a newly claimed horse requests a sample, it will be taken and at their cost; blood only no urine. Any positives will be looked at by Equine Medical Director and any penalties will go to the Stewards. Commissioner Ragle had no questions at this time. Commissioner Macomber asked what constitutes a long shot. Mr. Moore said twenty or longer lengths.

Ms. O'Connell, HBPA, said she was still worried about rushing to take blood too early, studies say the sample will test higher if taken within an hour and half hour, the horse is not rehydrated, and may quantify higher and said this must be also taken into consideration. She hoped to have at least an hour to 45 minutes at the least for a test.

Mr. Moore said if they don't give urine after an hour, they won't draw blood before that time and this will be reviewed and any circumstances will be taken into account with regard to any penalty. Mr. Moore said it is preferable to get urine. If we get backed up in the test barn by taking only winners and a special here and there, we hopefully won't get too far backed up and have to send horses home early. Mr. Moore said times would be noted on the sample card. Ms. O'Connell said the trainers should all be notified of this change.

Chairman Lopez asked if this policy was submitted to the Governor's office with the other protocols. Mr. Moore said no, but he did offer it and the Governor's staff said the original protocols were fine.

Commissioner Macomber moved to approve Policy 2020-01 – Equine Testing. Commissioner Ragle asked if Dr. Friedman had approved this policy change. Mr. Moore said yes. Commissioner Ragle seconded the motion. Chairman Lopez asked about public comment. Mr. Moore said he hadn't received any public comments but had worked with the HBPA on the revisions.

Unanimously approved.

Item #7. Executive Secretary's report.

- a. Wagering recap (April/May 2020).

Mr. Moore recapped the April and May wagering. Mr. Moore said with no live racing the ADW handle for April was up 63.54 percent and for May 65.97 percent.

- b. Monthly Financial report (March/April 2020).

Mr. Moore reviewed the revenues and expenditures and reported the ending fund balance at the end of April 2020 to be \$550,932. Commissioner Ragle had no questions and appreciated all the work done. Mr. Moore said with staff returning, expenses will be going up. Chairman Lopez asked if this loss continues, things look dire. Mr. Moore said the whole industry looks bad. The only alternative for additional revenue might be to take a look at the Source Market Fee distribution. We might have to up the percentage we receive, if the Commission goes broke, no one runs. This is the only control we have and only solution.

Mr. Moore indicated that using the new testing policy the WHRC may not be submitting as many post race samples to the official laboratory. We will attempt to keep the reduction at a minimum, but it will be based on when simulcasting and live racing handle is allowed and watching the revenue stream.

Item #8. Any other business that may be properly brought before the Commission.

Jack Hodge, Vice President, Emerald Downs asked if there was any chance in reinstating the necropsy program. Mr. Moore said can't do it at this time, the cost is prohibitive. He said if the revenue from the OTBs is good, we may be able to do it. Mr. Hodge said he'd lost six horses and he's had to have them hauled away. If Emerald Downs goes to live racing would it be a consideration to begin sending horses to WSU and Mr. Moore said yes if the revenue goes up.

Chairman Lopez adjourned the Zoom meeting at 10:17 A.M.

Mr. Moore reminded everyone the next meeting is July 24, 2020.

Doug Moore, Executive Secretary