

Washington Horse Racing Commission  
Meeting Minutes  
September 13, 2019  
9:30 A.M.

Present were: Dr. Everett Macomber, DVM, Chairman; Robert Lopez, Commissioner; Dr. Claude Ragle, DVM, Commissioner; Doug Moore, Executive Secretary; Patty Brown, Confidential Secretary.

Item #1. Approval of the meeting minutes of July 26, 2019.

Commissioner Lopez moved to approve the minutes of July 26, 2019 as submitted. Commissioner Ragle seconded the motion. Unanimously approved.

Item #2. Commissioners' reports.

Commissioner Lopez reported that he had attended the Association of Racing Commissioners International (ARCI) Model Rules and Board of Directors meetings in Saratoga, New York. He reported the Board of Directors had met with Jockey Club Chairman Stuart Janney and President & Chief Operating Officer, James Gagliano; hoping to work together on some joint compromised Federal legislation; it was a positive meeting and productive. He reported the Model Rules meeting dealt mostly with standard bred rules. The next meeting is in December in Tucson, Arizona. Commissioner Ragle had nothing at this time to report. Chairman Macomber said he's been reviewing medication rules and it seems to be a constant turnover with new information, looks like this will go on for several years.

Item #3. Industry report.

- a. Emerald Downs, Phil Ziegler, President, reported that due to weather, last weekend's lightning storm, they were able to complete four races on Friday but had to cancel the remaining three. Emerald Downs lighting suffered the loss of a bank of lights. Mr. Ziegler said they were able to move post time for Saturday to ensure the lights wouldn't be needed to 4:25 P.M. and although the lights were fixed it was a good move for them and, they wouldn't have gotten the last race in due to another storm. The handle was definitely affected; Sunday was the first sloppy track for them this year. He reported the horse population down and there is a struggle to fill races; they're seeing a lot of run backs. He said they will be evaluating this for next year dates request; another factor is that football season begins. Mr. Ziegler said the Hall of Fame ceremony would be next Sunday; honors go to horses, trainers, breeders and a lifetime achievement award will be given. They will soon be able to start a full comparison of the year with last year and get an idea of how to handle dates for the 2020 season. Mr. Ziegler said starting after the race season, for simulcast only there will be no admission charged to attend the simulcast. Mr. Moore asked regarding the last weekend, would there be fuller fields. Mr. Ziegler said it should pick up a little bit. He said Grants Pass meet starts on Emerald Downs' last weekend which he said made no

sense, he would like to talk with them next year to work out not overlapping with them. Chairman Macomber asked where their betting population comes from and Mr. Moore said he thought they rely on their simulcasting.

- b. HBPA. Lanna Allen reported that they are preparing for the mass exit from Emerald Downs to begin.
- c. WTOBA. Anne Sweet, Editor, reported on their recent sale and was happy to report it was up and they were feeling good with the results. They'd had good attendance both locally and from California. Overall very pleased with the results. They will begin work on the stallion season auction; funded sales incentive programs; and bonuses for sales incentives. She reported to be about on par to pay out the same amount as last year. Chairman Macomber asked if there were many pinhook buyers. She said not to her knowledge. Many were sold to Washington addresses, and some sold to people who they knew race in Washington; she believed that most of them will end up racing here. The top sale price was \$120,000. Mr. Moore asked if the Jockey Club's proposal regarding the number of mares a stallion can cover, which he thought to be 140, would affect our breeders. Ms. Sweet said she thought there'd be no impact to us.
- d. Sun Downs report. Mr. Moore reported that following the Sun Downs meeting this year, there was some speculation on whether they would be running in 2020; he said there was some talk in putting another group together to take over; there's nothing firm, it was his feeling that the current group will be running in 2020 even though they know that the commission cannot help them financially next year at all. The thought is they are still committed to run in 2020, the biggest issue is Grants Pass, next Spring, they will start their meet after the Kentucky Derby weekend. In 2021 calendar year the proposal is to run April, May and June, that will take horses from Kennewick and they more than likely will not be able to run due to horse population. Commissioner Lopez asked how much does it cost to regulate Kennewick; and have they considered reducing their dates. Mr. Moore said their meet is centered around the AQHA Challenge races and the Pot of Gold Futurity and running less than three weeks with trials needed and time off before the finals would be highly unlikely.

#### Item #4. Executive Secretary's report

Mr. Moore said the October meeting is when we set the meeting dates for 2020. This year due to scheduling, we moved the August meeting to late July. It worked well, having a meeting in late July and the thought is to continue to have a meeting in late July and not have one in August. Mr. Ziegler agreed with Mr. Moore, the late July meeting worked well with his schedule. The Commissioners said they would have no problem with meeting in late July and no meeting in August.

- a. Wagering Recap for July/August 2019.

Mr. Moore recapped the wagering by date range for July 2019 down overall 3.57 percent; for August down .31 percent; by race year down .98 percent. Advanced Deposit Wagering; June is down 4.36 percent and July up 4.16; overall it was a wash.

- b. Monthly Financial Statement July 2019.

Mr. Moore reviewed the revenues and expenditures through September 5. He reported the ending fund balance to be \$631,918. He had anticipated the loss in July; at end of August down about \$5,500 on licensing and fingerprints for this year. The reduction is due to less licensing and by not fingerprinting licensees under 18 or over 70 years of age. Projections are holding true, the fund balance

estimate for 2020 is \$550,000, but for 2021 the fund balance will be under required balance at \$375,000. Keeping in mind this contains all cuts made at this point. Mr. Moore said the WHRC is not doing their normal required regulation and should be doing so. Chairman Macomber asked if the Class C meet still works as a training ground for horses coming to Emerald Downs. Mr. Moore said no, they don't run enough days.

c. Update on 2019 cost cutting plans.

Mr. Moore reviewed the cost cutting plans to date; Return to targeted testing, savings still to be determined, hope is to have a savings of about \$18,000; Reduce test barn staff, due to the spotlight on California, we did not do this. There was a presence of three veterinarians on the track for the Longacres Mile Day and vet assistants were fully staffed. WHRC has not cancelled campus mail; we have cancelled the TRPB contract; saved money by reducing FTEs, but the costs for Central Services went up and took any savings we gained. By reducing staff hours at the start of meet by one hour per day per employee was enacted in February and March, realized a savings of \$76,397; Reduced grants to Non-Profit race meet by \$17,000. We did not implement ceasing the necropsy program, it is still in effect. Commissioner Lopez asked if a license fee increase had been looked at. Mr. Moore said yes, it will make some of loss up but not all. Chairman Macomber asked there were any large L&I claims that caused the increase to the agency. Mr. Moore said not to his knowledge and that all agencies are expected to pay into the pool regardless of claims.

Item #5. Review of agency request legislation and decision packet (Informational item).

Mr. Moore said the WHRC decision packet deadline is September 20<sup>th</sup>. A copy of the most recent decision packet was provided and Mr. Moore said it will change again before final submission to the Governor's office for approval. He has met with the WHRC OFM budget liaison regarding the packet and they seem to understand our issues. Mr. Moore said if we continue to reduce costs, this may hinder our request due to being able to function at bare bones. By making cuts, this created an increase to the fund balance. OFM asked why the need for this amount of money, the Agency seems to be under control. Mr. Moore explained that we are not doing the regulatory job we need to do. We need to be prepared to answer questions on this; that we are a bare bones staff with only one employee to fill in if someone is unable to report to work. Also, we are not testing all of the equine samples and that is not performing our regulatory duties at the level expected of us. We cannot cover the regulatory duties and can't continue in this trend.

Mr. Moore said he will have this in final form on Monday or Tuesday to submit. Commissioner Lopez asked at this level of testing are we meeting the RMTC levels required, or are we doing less. Mr. Moore said by doing targeted testing with less samples, what we should be doing is better testing on the samples, but we are merely testing less samples. We're doing a cost savings measure by less testing and nothing more done.

Commissioner Lopez suggested that in the decision packet we should talk about the horse deaths at Santa Anita and how we must do proper testing to save horses and humans.

Chairman Macomber said we need to increase the size of the graphs on page 2.

Mr. Moore said he met with Susan Jones Secretary for the Labor and Commerce Committee. Her first question was why not raise the pari-mutuel tax; he told her that cannot be done and strongly voiced that.

Commissioner Ragle suggested that we provided a detailed summary, that most readers are lost if there is too much to read. Mr. Moore said as he meets individually with legislators, he has a bulleted summary report that he will be leaving with them.

Chairman Macomber asked Ms. Sweet if the WTOBA was working on their video. Ms. Sweet said they are hoping to get assistance from Emerald Downs after the season. Mr. Moore said he would send Ms. Sweet the power point done last year to assist her with the overview of the industry. He said it would be useful in a variety of settings. Mr. Moore said that about a minute and a half for a video is plenty; otherwise you lose their attention. Ms. Sweet said she had seen a video done by Iowa, it was about thirty seconds and that was perfect.

Commissioner Lopez said the ARCI is doing a public television video that we could use to email to legislators. It is all about equine testing, telling them why we need this decision package to maintain equine health and safety standards; and the job losses. It is a top priority. Commissioner Lopez said that if this is approved by Governor, we need the stake holders ready to go. Commissioner Lopez asked Mr. Moore if this would start in the House or Senate. Mr. Moore said he thought he would start with Representative Peterson our Ex-Officio Member, who is in the House.

Item #6. Approval of travel – December ARCI model rules and Board of Directors Meeting (Action Item).

Mr. Moore said the ARCI Model Rules and Board of Directors will meet in Tucson Arizona, December 12 and 13, 2019. Mr. Moore asked to have one Commissioner and one other person approved to travel and attend both the Model Rules and the Board of Directors meetings and also one person attend the University of Arizona, Global Symposium on Racing December 9-11, 2019.

Commissioner Lopez moved to approve one Commissioner and the Executive Secretary travel to the ARCI meetings and also have Mr. Moore attend the symposium if applicable to the WHRC. Commissioner Ragle seconded the motion.

Chairman Macomber asked the cost. Mr. Moore said this is not a huge expense, but by cutting costs this may be detrimental to the agency.

Unanimously approved.

Item #7. Discussion items -- Commissioners.

Commissioner Lopez said we should begin thinking about the use of Non Steroidal Anti Inflammatory Drugs (NSAIDs) during training; maybe we should be testing in those areas. Mr. Moore said we only test now when working to get off the Vet List. Commissioner Lopez asked if treatments are being reported. Mr. Moore said yes, by daily vet reports. Mr. Moore said with no testing during training, a trainer could give a horse an excessive amount of Bute, work the horse the next morning, if they are not trying to get off the vet list, we wouldn't know.

Commissioner Ragle had nothing for discussion.

Mr. Moore said for stakeholders information, he attended a protocol meeting and there is going to be a push from the RMTC to go to 48 hours on Bute and on all medications, and also to lower the level significantly. Some jurisdictions are still at 5 micrograms per milliliter and most are at 2 micrograms per milliliter. Currently it is believed that over two interferes with pre-race exams. Mr. Moore said he thinks this will be a hard sell; they will need pretty good scientific evidence to support this.

Chairman Macomber asked about the next Safety and Health meeting. Mr. Ziegler said the next meeting will be just before the end of the meet; 1:00 PM on Thursday, September 19<sup>th</sup> in the Emerald Downs Conference Room.

Mr. Ziegler said he really appreciated having the third vet at the finish line on Longacres Mile Day, and would love to have that happen all the time.

Ms. Sweet said during the sale, eight of the horses with micro chips were not readable; but later with a different reader and fresh batteries they were able to get the readings. Chairman Macomber asked if there was any problem with migration of the chip. Ms. Sweet said not much; they were able to locate the area where chip might be, made it easier.

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

Hearing none, Chairman Macomber adjourned the meeting. (10:42 A.M.)

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Doug Moore, Executive Secretary