



WHRC Commission Meeting

- Location:** Emerald Downs, 2300 Ron Crockett Drive, Auburn WA 98001, 5th Floor Tribal Council Room and Zoom Video Conference
- Date:** April 14, 2023
- Call to Order:** 9:30 am (PT)
- Adjourned:** 10:13 am (PT)
- Attendees:** Robert Lopez – Chair, Douglas Moore – Commissioner, Dr. Claude Ragle – Commissioner, Amanda Benton – Executive Secretary

Agenda items

1. Approval of the meeting minutes of March 14, 2023, and the March 30, 2023 special meeting minutes:

Commissioner Moore moved to approve the meeting minutes from March 14, 2023. Commissioner Dr. Ragle seconded the motion. Motion carried. Commissioner Moore moved to approve the meeting minutes from March 30, 2023. Commissioner Dr. Ragle seconded the motion. Motion carried.

2. Commissioners' Reports:

Nothing to report.

3. ADW License Renewal – NYRABets:

This is a license renewal application for NYRABets LLC. On the Zoom call were Melanie Frank and Matthew Feig and Tony Elevato. NYRABets initial license was issued on July 11, 2016. This was covered under *WA 260-49-090 (Licensing fees to operate advance deposit wagering)*. This application is for an annual license renewal for the term July 15, 2023, through July 14, 2024. The renewal process started February 24, 2023. The wagering for the period of September 1, 2021, through August 31, 2022, was \$2,929,852.90, with a Source Market Fee of \$190,440.48. Both

values were down 22.8 % from the previous year. The Washington Horse Racing Commission conducted ARCI records check of their officers and directors, which was clear, and they are unchanged from last year. The WHRC received NYRABets' license renewal fee on April 5, 2023. The average daily balance in their account was \$91,627.31 for Washington residents. NYRABets has a \$25,000 bond in effect and in full force until cancelled. They have a contract with Emerald Downs that has been extended until December 31, 2023. There are no pending investigations by governmental agencies and no governmental actions have been taken to date. Commissioner Lopez asked a question to all three NYRABets representatives, who were present on the Zoom call. Commissioner Lopez inquired about the reason for the almost 23% drop in wagering activity in the state of Washington. Matthew Feig explained that the drop in wagering activity has to do with a channel switch as we came out of the pandemic. Commissioner Dr. Ragle made a motion to approve the renewal of the ADW license for NYRABets LLC. Commissioner Moore seconded the motion. Motion carried.

4. Industry Reports:

Emerald Downs

There are a little over three weeks to go until the live race meet starts. Emerald Downs' President Phil Ziegler talked about the change with trying to go through the HISA/HIWU process and taking over test barn operations. Emerald Downs' attorney did some revisions to the agreement HIWU sent to Emerald Downs. It has been sent back to HIWU and Emerald Downs is waiting to finalize the agreement. HISA/HIWU assured Emerald Downs to work with them. Jack Hodge talked about taking over test barn operations. WHRC provided a list of test barn staff to Emerald Downs. The association's vet will assist Dr. Ron Friedman in pre-race inspections. Emerald Downs' goal is to get 100% pre-race inspections. Jack Hodge is confident that everything will be ready by Emerald Downs' opening day on May 6, 2023. Fortunately, so Jack Hodge, there will be one day of racing, followed by three weeks of two days of racing. Hodge sees the first three weeks of the live race meet as a "test run" and an adjustment phase under the new rules of HIWU and with the association taking over test barn operations. There are currently 448 horses on the grounds, which is about the same number as last year around the same time. New trainers from Arizona are at Emerald Downs for the new season.

WHBPA

WHBPA Executive Director MaryAnn O'Connell gave the report for the WHBPA. They had a board meeting on April 12, 2023. The main topic of that board meeting was HISA and how that is going to affect the live race meet. None of the WHBPA board members expressed concerns about Emerald Downs taking over test barn operations. They were also talking about general economics of the horse racing industry, i.e., prices of hay. O'Connell sees this year as a true test for the industry. HBPA approved the contract with Emerald Downs. O'Connell also talked to Mary Scollay, HIWU's Chief of Science. Scollay will be coming to Emerald Downs to talk to the horsemen about HIWU on April 21, 2023, at 12:30 pm at the WTBOA's sales pavilion. Commissioner Lopez inquired about the status of the legislation. O'Connell said that Pat LePley is confident that there will be money coming back to the industry. The WHBPA also tries to over the meeting with Mary Scollay as a Zoom option.

Shelley Niklos, owner and works at Candice Cryderman's barn, was inquiring about the funding of test barn operations HIWU. Commissioner Lopez said that HISA has issued an assessment against the industry. Initially, they wanted the commission to pay it, but the WHRC does not have the

authority to collect these types of money. It felt to the racetrack to pay that assessment. The amount of money they charge us for test barn operations is \$270,000. If Emerald Downs is taking over test barn operations, they will save that amount of that assessment, but they still will need to hire the staff. Emerald Downs is paying for it. Commissioner Lopez also said, that from his standpoint, he is willing to give the money – the commission no longer needs funding test barn operations- to Emerald Downs to offset the cost. However, the commission has not voted on that yet. O’Connell added that in most cases, the racetrack and the horsemen have split the costs in some manner. The WHBPA tries to find a way to split the cost so that every horsemen that is at Emerald Downs is treated fairly., similar to L&I operations.

Dr. Gerald Bergsma was inquiring about HISA’s assessment for Washington State. It was \$570,000. They dropped the assessment because of the time frame HISA and HIWU took over. We can expect a higher assessment next year.

WTBOA

Nothing to report.

5. WHRC Officials - Emerald Downs:

WHRC Racing officials for the 2023 live race meet at Emerald Downs. There are a few changes from last year. Jody Parmenter moved into the lead clocker position, following the retirement of Joan Hutchinson last year. Alexis Warner moved into the identifier position. Executive Secretary Amanda Benton will put out the receiving barn positions for recruitment.

6. HISA Update

Since the March 30, 2023, special meeting, Executive Secretary Amanda Benton has been working with the AAG on language for a voluntary agreement to send to HISA. The draft language was emailed to the commissioners yesterday, April 13, 2023. Commissioner Moore said that he thinks that anybody from the commission should have access to the test barn. Moreover, Commissioner Moore would like to consider updating the definitions or making an interpretative statement, that would include the association’s vet as an official vet as well. Thus far, in the WHRC rule book, the vet is hired by the commission.

7. Executive Secretary’s Report

a. Wagering Recap (March 2023) and

b. Monthly Financial Statement (February 2023)

ADW Wagering for February was up .3%, just over \$8,275,985.58. In-state wagering was down .8%, the fiscal year to date was down .7%. The WHRC’s revenue was down from projection about \$26,000, expenses for February were \$23,000 more than budgeted. Overall, there was a recorded operating loss of \$37,000, however, the WHRC did not receive the January SMF in time to record it as February revenue. Currently the fund balance into February was just over \$807,000.

8. Discussion Items – Commissioners

Commissioner Moore entertained a motion to request travelling for Emerald Downs' opening day on May 6, 2023, for the commissioners to attend. Commissioner Dr. Ragle seconded the motion. It was moved and seconded to authorize any commissioner to travel to Emerald Downs for opening day.

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

Jack Hodge requested an agenda point for the next meeting to request a grant for Emerald Downs.

MaryAnn O'Connell talked about the judge hearing in Texas about the constitutionality of HISA on April 26, 2023.

The next meeting of the Washington Horse Racing Commission will be held on June 9, 2023, at 9:30 am at Emerald Downs and via Zoom.



Amanda Benton, Executive Secretary