



# WHRC Special Commission Meeting

- Location:** Emerald Downs, 2300 Ron Crockett Drive, Auburn WA 98001, 5<sup>th</sup> Floor Tribal Council Room and Zoom Video Conference
- Date:** May 24, 2023
- Call to Order:** 9:30 am (PT)
- Adjourned:** 9:44 am (PT)
- Attendees:** Robert Lopez – Chair, Douglas Moore – Commissioner, Dr. Claude Ragle – Commissioner, Amanda Benton – Executive Secretary, Representative Joe Schmick

## Agenda items

### 1. HISA/HIWU Update:

HIWU's Medication and anti-doping program took effect on May 2, 2023. All equine testing will be performed under the direction of HIWU. Emerald Downs signed a contract with HIWU to staff the test barn. The vet assistants will be transitioned from WHRC employees to Emerald Downs employees. Dr. Collette Bergam is the association vet and will oversee test barn operations. Per the WHRC's contract with HISA, Dr. Bergam will also assist with pre-race, and claimed horse inspections. Dr. Friedman will be the regulatory vet on the track during races. The WHRC also received proposed changes to the safety rules from the ARCI with a request for comments. The proposed implementation date for these rules is unknown. The proposed changes will add additional burdens to both the commission and the association. Some of the changes included the addition of a horseshoe inspector, whose duties include a requirement to inspect all potential starters on race days. The horseshoe inspector would be an employee of the association. Other changes include a new report called a Pre-Entry Assessment: the trainer and attending vet of each horse entered would be required to submit a report to HISA after entry, attesting the horse's soundness to run and participate in a race. Another big addition would be that pony horses would now be required to have health certificates and vaccination records. Additionally, any pony horse that dies or is euthanized, would be required to have a necropsy report.

Commissioner Doug Moore had additional information on the pony horses and the necropsy reports. He contacted several veterinarians and directors of HISA asking them what knowledge they expect from getting necropsy reports on pony horses. HISA will direct Commissioner Moore's concerns to the board. Commissioner Moore hopes that HISA will not require full necropsy reports on pony horses, since it is expensive and does not convey new knowledge about pre-existing injuries in racehorses. Furthermore, pony horses are non-covered horses.

Commissioner Moore also voiced concern about any back-up vets, in case Dr. Bergam or Dr. Friedman are being prevented from performing their duties. Executive Secretary Amanda Benton reported that all the back-up vets that the WHRC has used in the past expressed interest in being able to backup.

Commissioner Dr. Ragle also voiced his concerns about the possible changes regarding the pony horses. He views the full necropsy reports on pony horses as excessive.

## **2. WHRC Budget Information:**

Executive Secretary Amanda Benton presented the WHRC 2023-2025 biennium budget, using the different parimutuel tax options. The first has a tax remaining at 1.3%, the second draft copy has a tax increase of 1.803% in January of 2024, if the instate wagering does not reach the \$50,000,000 threshold. Furthermore, the section of the operating budget for the state is presented. That includes a \$1.15 million appropriation to the WHRC operating account. Governor Inslee signed the operating budget, hence that money will be distributed to our operating account, after the start of the biennium. The rough estimate for the money to be landed is September. Included in this budget are the grants that the WHRC can give for the remainder of this year; it also includes \$300,000 for next year's grants. This is a very rough draft of the budget by Seth Flory, the WHRC's financial analyst. Mr. Flory has no sense of the benefit ratio of the employees, nor what our central service cost increases will be. Those will be released close to the start of the biennium. Moreover, there is a retention bonus for employees added to the budget, as well as a rough salary increase. The union positions will have a 4% increase this July and 3% July of 2024. There is also a \$1000 bonus for employees who were employed by the WHRC July 1, 2022, and remain employed July 1, 2023. Moreover, there is a \$1000 bonus for employees that are up to date on their COVID vaccines.

## **3. Adoption Hearing:**

### **a) WAC 260-49-070 Distribution of Source Market Fees**

Language proposed for an amendment to WAC 260-49-070 Distribution of Source Market Fees. The amendment in this section will change the source market fee percent deposited into the WHRC's operating account from 10% to 0%. This change reflects that the WHRC did not sign a voluntary agreement with HIWU and the resulting change in duties that will no longer be performed by WHRC employees. This change also takes into consideration the one-time appropriation of \$1.15 million into the WHRC operating account, that was passed into the Washington State 2023-2025 operating budget by the legislature on April 23, 2023, and signed by Governor Inslee on May 16, 2023. Comments were received by the industry in favor of the change. Commissioner Robert Lopez inquired if the WHRC received any adverse comments regarding the change. Executive Secretary Amanda Benton denied that. Commissioner Moore sees this as a way to give money back to the industry, especially in the face of HISA changes and fees. Commissioner Moore sees it as an obligation to give as much money back as we can and to offset the association's cost. Commissioner Lopez entertained a motion to approve the amendments of WAC 260-49-070

transferring the 10% of the WHRC to the association. Commissioner moved a motion, Commissioner Moore seconded. Motion carries. This change will take affect July 1, 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