



MONTANA BOARD OF HORSE RACING

Minutes of Board Meeting: July 29, 2017 - 10 a.m.

Holiday Inn

1100 5th Street South - Great Falls, MT 59405

MEMBERS IN ATTENDANCE:

Chairman: John Hayes, Great Falls
Vice Chairman: Dale Mahlum, Missoula
Member: Sue Austin, Kalispell
Member: Susan Egbert, Helena
Member: Ralph Young, Columbus
Executive Secretary: Tom Tucker, Corvallis

MEMBERS ABSENT:

Shawn Real Bird, Hardin

PUBLIC ON PHONE:

Jill Ouren, Melissa Fraze, Dan Fuchs, Patrick Neely, Diane Kottke, Ronda Wiggers

CALLED TO ORDER:

Chairman John Hayes called the meeting to order at 9:59 a.m. He welcomed those in attendance and asked for each one to introduced themselves. Chairman Hayes then asked for a roll call. All board members where present except for Shawn Real Bird, Hardin. Chairman Hayes asked for any corrections or additions to the February 15, 2017. Hearing none, Member Austin moved to accept the minutes and Vice-Chairman Mahlum seconded the motion. Motion passed.

Executive Secretary Tom Tucker went over the financials. Current cash position was \$340,000, roughly \$20,000 more than last year's balance at the July meeting. Tucker then reviewed the individual categories, pointing out the \$25,000 distribution to the simulcast network. This amount was set aside to help keep the network operational during a drop in simulcast handles. Tucker then went into the individual parts of the income stream starting with simulcasting, which has shown a drop in the first quarter of 11% and a drop in the second quarter of 6.7%. The network currently only has 5 locations. Advance Deposit Wagering has picked up the lost revenues from simulcasting as the handles for ADW continue to increase. Part of the reason for the decrease in the simulcast handle is just that, an increase in ADW. Fantasy Sports showed a slight drop in revenues from the previous year, dropping less than \$700. Member Sue Austin moved to accepted the financial report, seconded by Member Sue Egbert. Motion passed.

Item 4 on the agenda was a review of the costs in regards to conducting the race meet in Miles City. The overall costs dropped a little from 2016 as Miles City only had 3 days of racing on 2 weekends. This cut down on travel as well as payroll. Net results to the board for the Miles City race meet was a loss of \$10,414.35.

Chairman Hayes then asked for any public comment. Member Ralph Young mentioned that the Miles City race meet with only 2 weekends is hard on horses and the efforts to get horsemen to come to Miles City. Jill Ouren asked about rumors that Miles City might have changes in management.

Agenda item number 6 was a quick review of the rule changes put into place this spring. Tucker felt there were no problems with the changes and in regards to the lowering of the allowable bute dosage, Miles City didn't have a bad test, so the horsemen were well aware of the change from 5 mgs to 2 mgs.

In regards to the legislative update, the board had legislation passed that allows them to negotiate takeout rates and distribution rates in regards to Fantasy Sports. The board discussed the current agreement with the Montana Lottery and instructed Tucker to work on some takeout rates that are agreeable with the Montana Lottery but will serve everyone's needs better. Vice-Chairman Mahlum moved to have Tom Tucker & Chairman Hayes work with the Montana Lottery in regards to the contract and percentages. Member Austin seconded the motion. Motion passed.

During public comment, Dan Fuchs mentioned how it was good for the board to work with the Lottery in this manner to keep good will between the agencies. Jill Ouren asked why the board meeting was not held at the fairgrounds so more horsemen could attend. Tucker answered that he would look into scheduling the July board meeting in 2018 at the Great Falls fairgrounds.

Agenda item number 10 was "Historical Racing". Dan Fuchs gave a quick history of how "Historical Racing" came to being and how well it is doing to help keep racing alive in the jurisdictions that currently allow "Historical Racing". Mr. Fuchs mentioned that a letter has been sent to the Attorney General's office to get his opinion on whether "Historical Racing" can be implemented in Montana under the current statutes for the Montana Board of Horse Racing. Member Ralph Young asked Mr. Fuchs if the Attorney General was under any time restraints to produce an opinion. Mr. Fuchs was not sure of any time limits.

Also present at the meeting was Patrick Neely from Exacta Systems. Exacta Systems currently operates in Wyoming and Kentucky with "Historical Racing" and are working with other jurisdictions to pass legislation to allow "Historical Racing". Mr. Neely expanded on the discussion of how HR's came about and the excitement this new 'pari-mutuel' game has created.

Both members Ralph Young and Dale Mahlum expressed the need for the Montana Board of Horse Racing and in particular, the horse racing industry, to raise more money for more tracks, race dates and higher purses. Member Young then asked Ronda Wiggers, who works with Montana Coin Machine Operators Association, what their take on HR's might be. Ronda stated the association is supportive of the live horse racing and wants to see it continue. However, it's believed that "Historical Racing" would need to be legislated. Also, in Montana, the gaming industry is very competitive because of the many gaming opportunities for the average customer.

Dan Fuchs then suggested getting a meeting together with all the parties fairly soon to discuss "Historical Racing". Chairman Hayes noted that a tavern owners event will be in September in Billings and might give everyone the opportunity to sit down and discuss this issue. Vice-Chairman Mahlum asked Ronda Wiggers about distribution of funds and takeout rates. Ronda explained there are many different ways to look at the rates and distribution of funds. Member Sue Egbert moved to have Tom Tucker and John Hayes represent the board in a meeting with other interested parties in regards to "Historical Racing". Member Austin seconded the motion. Motion passed.

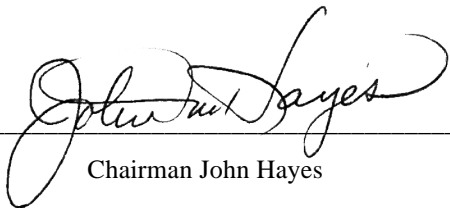
Under Old Business - none.

Under New Business - Member Young mentioned the AQHA medication rule changes and how the ARCI (Association of Racing Commissioners International) is now changing medication rules to be 'breed specific'. These rules are being worked on by people in the industry.

Agenda item number 13 was public comment - none.

The board then set the next meeting to be held on Wednesday, November 8, 2017 in Helena at the Department of Commerce building located at 301 South Park Avenue. The room number will be #226. The time of the meeting will be 10:00 a.m. The primary item on the agenda for this meeting is setting race dates for 2018.

It was moved and seconded to adjourn the meeting. Meeting adjourned at 11:23 a.m.


Chairman John Hayes

November 8, 2017

Date

