



MONTANA BOARD OF HORSE RACING

Minutes of Board Meeting: **CONFERENCE CALL – February 11, 2020 – 10:00 a.m.**
Conference Call

MEMBERS ON PHONE:

Chairman: John Hayes, Great Falls
Vice Chairman: Dale Mahlum, Missoula
Member: Shawn Real Bird, Hardin
Member: Ralph Young, Columbus
Member: Gary Koeplin, Florence
Member: Barry Stang, Helena
Member: Jody Smith, Miles City
Executive Secretary: Tom Tucker, Corvallis

MEMBERS ABSENT:

None

PUBLIC ON PHONE:

K-Heart Veterinarian Service, Sparky Kottke, Diane Kottke, Angela Nunn, Raleigh Swensrud, Ronda Wiggers

CALLED TO ORDER:

Chairman John Hayes called the meeting to order at 10:00 a.m. He welcomed those that had taken the time to call into the conference meeting. The Chairman then asked for a roll call. All board members were on the call. Vice-Chairman Dale Mahlum moved to accept the minutes from the November 2019 meeting and Member Koeplin seconded the motion. Motion passed.

Executive Secretary Tom Tucker reviewed the financials. The cash position of the board is \$450,000. In a breakdown of the individual revenues, Fantasy Sports income was running a little ahead of previous years, while simulcast revenues in 2019 dropped 24% due to the closure of 3 sites. Only 3 locations remain. Advance Deposit wagering showed an increase of 15%. The financial report showed the board in a better cash position than they have been for the past 10 years. Vice-Chairman Mahlum commented on how the board should be proud of what they have accomplished during these last 10 years, by paying off the debt and still having horse racing. Member Koeplin moved to accept the financial report with Vice-Chairman Mahlum seconding the motion. Motion passed.

Item 4 on the agenda was for public comment. With no public comment, Chairman Hayes moved on to agenda item 5.

Agenda item 5 was discussion on the medication lasix (Furosemide). Around the country, every racing commission is reviewing their rules and how they handle the different medications. Lasix is allowed in every jurisdiction but now some tracks are trying to ban its use. Montana has some of the strictest rules when it comes to medication. Only lasix (Furosemide) and Bute (Phenylbutazone) may be found in a pre-race or post-race testing of a horse. Discussion continued with the need to review Montana's rules in regards to 2-year-olds, horses running back early, and other issues. Member Koeplin stated he would like to see Montana go back to no medication for 2-year-olds and maybe have our state veterinarian, Dr. Manzer take a hard look at it in the fall. Member Young said that lasix is an issue, but there are pros and cons. He stated other items to consider include injections into joints and the length of time before a horse can race. Member Young felt we need to revisit these issues in the fall and see what other jurisdictions are doing at that time.

Item 6 was discussion of two rule changes. 8.22.2705 (1) rule changed to allow the board to distribute simulcast funds to the tracks racing based on their need instead of the previous year handle. Member Young moved to accept this change and Vice-Chairman Mahlum seconded the motion. Motion passed. Rule 8.22.3001 (17) rule changed to allow the board to use micro-chips to identify horses. Member Koeplin moved to accept the change and Vice-Chairman Mahlum seconded the motion. Motion passed.

Item 7 was a review of the historical horse racing gaming presentation that will be given to the EAIC (Economic Affairs Interim Committee) at the end of April. This presentation is to try and receive feedback from the committee in regards to the board drafting legislation to allow historical horse racing parimutuel gaming machines into Montana with a portion of the proceeds to help the racing industry. A discussion followed on what should be in the document and what we hoped to get out of the presentation. Executive Secretary Tucker explained that he was waiting on some 'economic impact' numbers from the Department of Commerce before he can complete the presentation.

Agenda item 8 was an explanation on how the TRPB's (Thoroughbred Racing and Protective Bureau) micro-chipping will work and the equipment Montana will need. Tucker stated that Scott Powell was tentatively scheduled to attend a seminar in Washington to instruct him on the procedures for micro-chip implanting and he would be able to do this in Montana as well as other states.

Tucker then presented the owner & breeder's awards for the 2019 racing season. Montana had only 1 Montana bred horse win a race. Both the owner and breeder of the horse received \$9,748.97. In a normal year, Montana has 7 to 10 Montana winners, but 2019 was different. A short discussion followed and Member Koeplin thought it was a good idea to monitor this program for the next few years. The idea is to try and give Montana people the incentive to breed quarter horses and thoroughbreds. Vice-Chairman Mahlum agreed.

Item 10 was a discussion to give both race tracks \$1,000 to help with the costs of changing post-position colors. Montana changed their rules this spring to match the accepted post-position colors that 99% of the tracks follow in the United States. Member Koeplin moved to provide the funds to the tracks. Member Young seconded the motion. Motion passed.

Item 11 was public comment. Dan Fuchs gave a short update on Exacta Systems (provider of historical horse racing machines - HHRs) and the plan to meet with the coin operators and their organization before the April presentation to the EAIC. This could greatly help the progress of getting these machines into Montana to help the horse racing industry. Angela Nunn, Director of Gambling Control, invited the board to be at the Gaming Advisory Committee meeting on April 24th to present and review the historical horse racing wagering document that the board will present to the EAIC.

Item 12 - No old business.

Item 13 - Executive Secretary Tucker asked for an update from Sparky Kottke in regards to their progress in opening the simulcast network. Mr. Kottke is President of the Great Falls Turf Club. Mr. Sparky stated it would be hard to open the simulcast network when Great Falls and Billings were losing money and Missoula was the only location that was making money. Their club has been reviewing the costs and it didn't look good. Tucker noted that the board might be willing to help in some of those costs; as receiving some money for the industry is better than no money. Member Young asked Mr. Kottke if there was enough man-power in the club to run a simulcast network. Mr. Kottke stated that was one of the items they needed to figure out. Additional questions about opening the simulcast network were asked of Mr. Kottke by Member Koeplin and Member Young. Member Mahlum mentioned that the board should try to help Great Falls and that maybe Executive Secretary Tucker could call or write letters to Roberts Communications and United Tote to see if anything could be done in regards to the costs of the simulcast network.

In scheduling the next meeting, Tucker mentioned to the board that without a simulcast network to contribute to the board's bottom line, this year might be a good year to do a conference call in July instead of paying for all the board members to come to the races in Great Falls. It was agreed upon that the next board meeting should be a conference call.

Vice-Chairman Dale Mahlum moved to adjourn the meeting. Member Koeplin seconded the motion. Motion passed. Meeting was adjourned at 11:28 a.m.

Chairman John Hayes

Date

