

MONTANA BOARD OF HORSE RACING

April 2, 2012

Conference Call

301 N Roberts, Helena MT

Draft Minutes

ATTENDANCE:

BOHR In person Dale Mahlum, chairman
By phone Ralph Young, Sue Austin, John Hayes, Sue Egbert

PUBLIC IN ATTENDANCE: Christian Mackay, MDOL (acting horse racing executive secretary, Tom Tucker, Janice Schoepf, Senator Cliff Larson, George Harris, MDOL, Dore Schwinden, DOA, Sherry Rust, MDOL, minute taker, Tom Schneider, Don Bentson

CALLED TO ORDER: Dale Mahlum, chairman, called the meeting to order at 3:00 P.M.

1. Action Item - Approval of Minutes

Sue Egbert moved to approve the March minutes as presented. John Hayes seconded and the motion carried.

2. Horse Racing Business Advisory Council Report, Christian Mackay

• BAC recommendations:

- 1) set an appropriate budget taking the present deficit into consideration
- 2) set parameters to repay the present debt
- 3) maximize revenue sources

3. Budget/Deficit Report, George Harris

Estimated deficit thus far for FY2012 is \$609,638.

On Friday last, Christian Mackay and George Harris finalized general fund loans with the Department of Administration to cover BOHR's unfunded liability. The first payment of \$76,203 is due June 30, 2012 and each June thereafter for 8 years. The BOHR voted at the last board meeting to dedicate Fantasy Sports and Advanced Deposit Wagering income to repayment of these loans.

4. Review of simulcast operation, Tom Tucker

Tom provided a spreadsheet of his review and suggested the board seek a consortium to assume responsibility of activating and running simulcast sites within board set parameters. Mr. Tucker declined board request that he assume that responsibility citing lack of time.

5. Action Item - Simulcast Operation

The board discussed other options and sources to increase income which they could then use toward running live horseracing. George Harris suggested DoA would prefer all income be dedicated to repayment of the loan.

Board members discussed ways to fund live horseracing this year.

Ralph Young moved for BOHR emissary to approach the Department of Administration to request an extension on the repayment plan to June 2013 to allow use of the Advanced Wagering and Fantasy Sports income to reopen simulcast through 2012 Triple Crown and then reevaluate the situation. Sue Egbert seconded.

Roll call vote:

John Hayes - yes

Sue Egbert - yes
Susan Austin - yes
Ralph Young - yes

6. Board and public comments

- cost of activating simulcast sites
- current customers may not be around if not available this summer
- set simulcast up so BOHR sees some income
- some other sites are using Kiosks - look into it
- look at other income sources that will bring in income without large setup costs
- as we meet our financial obligation and have excess we can negotiate for part of that excess to be used for operations
- several simulcast operators volunteered to meet to explore plans to get simulcast up and running in time for the Derby/Triple Crown (Val, Video Feed, Marci, Halftime, Nick and Julie)

Meeting adjourned at 4:55 P.M.

Chairman

Date