



Montana Board of Horse Racing

November 7, 2013 – 10:00 a.m.

Department of Commerce Building: Room 504A
301 South Park Avenue, Helena, MT 59601

Remote Board Members & Participants Viewing & Listening:

Webinar Registration Link: <https://www1.gotomeeting.com/register/366342904>

Audio Conference Call Number: **(877) 273-4202** & Audio Conference Room Pin Number: **4474728**

ATTENDANCE:

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

ABSENT

Member: Alan Fisher, Ashland

PUBLIC IN ATTENDANCE:

Kelly Manzer, Don Richard, Scott Lindell, Jill Lindell, Sparky Kottke, Diane Kottke, Mike Smith, Mike Taylor, Chet Monson, Ronja Abel, Larry Jordan, Craig Woods, Sherry Meador, Sue Leferink.

PUBLIC REMOTE CALL IN:

Lou Wojciechowski, Ben Carlson, Ron Reed, Ron Thibert.

CALLED TO ORDER: Chairman Dale Mahlum called the meeting to order at 10:00 a.m. and welcomed the general public as well as attending board members. Roll call was conducted with 5 board members present, 1 board member on the call in line and 1 absent. Chairman Mahlum asked everyone attending to introduce themselves before proceeding. Second item on the agenda was a review of the July 27, 2013 minutes. Chairman Mahlum pointed out that he had received correspondence from Andy Poole of the Department of Commerce confirming that each board member was covered by a statewide policy while fulfilling their job as a member of the Montana Board of Horse Racing. Member Egbert asked Tucker if the IRS payment from 2012 was made. Tucker confirmed that. Member Hayes moved to accept the minutes and Member Egbert seconded the motion. Motion carried.

Agenda item number 3 was a review of the board's financial picture. Tucker presented a cash flow report breaking down income and expenses. The cash flow report form was designed to give the members a detailed review of all operations including simulcasting, adw and fantasy sports. After discussing member Egbert moved to accept the financial reported, seconded by member Hayes. Motion carried.

Item 4 on the agenda was public comment. Dr. Manzer asked if the board was looking into the failure to file the correct forms for the simulcasting operation which resulted in the IRS fine. Bottom line, it was the responsibility of the office of the board of horse racing to monitor this action.

Agenda item 5 was a review of the Great Falls race meet. Tucker went over the costs to the board for providing officials including payroll and travel as well as the costs for the board of horse racing meeting in Great Falls in July 2013. Many people commented on the success of the race meet and the amount of hard work put in by the Great Falls Turf Club. A lot of companies donated time and materials and the facility, for laying dormant for many years, was clean and in good shape. One problem was with communications but work is underway to correct that for 2014.

Next was a discussion on a jockey incentive program. Tucker addressed the fact that any money that came from the board would also reduce the amount of money available to the tracks. He felt that the tracks could entice jockeys to their race meet more effectively than the board of horse racing. A general discussion then occurred with many people agreeing the need for more riders was critical. Raising the jock mount fee seemed to be a well accepted idea and the tracks would look into that. Local communities need to look at paying for rooms or travel costs to get more riders to their meets. Trailer parking for free was also discussed. During this discussion, the idea of changing rules to allow more than two entries (uncoupled) was discussed along with developing a stakes program to attract stables that carry their own riders.

Agenda item 7 was the purchase of walkie-talkies for the boards use at the race meeting. Ron Reed stated he might be able to provide some so the board will hold off purchasing any for 2014 until funds are available. Also, technology continues to advance creating a cheaper solution in the future.

Item number 8 was review of "outs" tickets and the race meets needs for capital improvements. Miles City has \$3,068.30 and Great Falls \$3,869.30. Three main areas discussed for Miles City was (1) more material on race track, especially the straight-away, (2) fixing the inside rail and (3) different equipment to work the track to prevent ridges. Minor items were jockey cap covers, steward's stand window, lead for jockeys room. Some discussion was also made on fire extinguishers in the barn area. For Great Falls (1) working sand into track surface along with picking of rocks, (2) review track equipment and fix the harrows and (3) make sure communicates race ready to go from steward's stand. Stewards will make sure these items are addressed at the 2014 meets.

Item number 9 was a quick review of the rule book. Tucker explained there were rules that have not been published along with some rules that needed to be changed (ie: licensing fee for video and program companies.) He will work on that this winter and prepare some changes for the next meeting.

Public comment was next. Dr. Manzer stated that fees for licensing the program company and video company need to be reviewed as they are extremely high. Tucker agreed and that will be addressed next spring. Don Richard thought the fantasy sports would be improved if they cut the pools down and made things simpler. Scott & Jill Lindell addressed the board in regards to simulcasting and the operations of the new network. Their facility, Won \$800 Casino in Billings handles over 1 million. They like supporting the industry but would hope that something can be done to help the simulcasting network. Member Egbert asked some questions of the current simulcasting network. A profit and loss statement is to be compiled the first of February reviewing the 2013 simulcasting season to see if the simulcast sites will receive any money. When Montana Simulcast Partners operated the network, sites received 4% of their handle for operations. The network was shut down from January 1, 2012 through May 15, 2012 until a new simulcast operator could be found... that is Montana Simulcast Racing LLC, owner Nick Alonzo from Missoula. Member Young made the comment on how nice the Won \$800 Casino is for the simulcasting community.

A short break was taken before discussing on allocation of race dates for the 2014 season.

Agenda item 11 was discussion and assignment of 2014 race dates. Don Richard of Miles City addressed the board first. He explained the makeup of the Bucking Horse Sale organization and how the racing complimented the sale. Expenses continue to rise and he would like to see the maximum amount the board could give to the race meet. 2013 was more expensive due to the rain out day, but they did it to help the horsemen. Questions were asked of Mr. Richard. Member Young moved to grant the 3 days of racing Miles City applied for: May 11, 17, and 18 for 2014. Member Egbert seconded the motion. Motion carried.

Dr. Manzer talked about the Great Falls date application. Discussion also covered maybe skipping a week to better prepare the horses. However, this could cause problems with competition from other facilities. Questions were asked regarding stall rent, jockey insurance and when Great Falls Turf Club would take over the facility. Tucker mention that with Dr. Manzer serving as Director of Racing for 2014, the board would need to find a replacement for her position as State Veterinarian. Dr. Manzer is willing to help train a new veterinarian to serve as State Veterinarian. After further discussion, it was moved by Member Austin to grant the 4 days of racing Great Falls Turf Club applied for: July 19 & 20, July 26 & 27, 2014. Member Hayes seconded the motion. Motion carried.

Yellowstone Horse Racing Alliance was next. On the phone, Lou Wojciechowski and Ben Carlson represented the association. Wojciechowski explained their problems with the date application and their need for more money from the board of horse racing to help with the race meet. (The date application was incomplete and did not have the \$350 fee included). Member Austin explained the board only had so much money and Chairman Mahlum added that there was no way the board would borrow money to give to the tracks to operate. The board is still paying on the \$600,000+ debt from 2012. The question was asked of YHRA if they had to have 8 days of racing. The answer was 'yes'. After more discussion, Wojciechowski withdrew the application for dates but expressed a desire for the board of horse racing to not forget Billings and hopefully in 2015, financial resources will improve. Chairman Mahlum told Wojciechowski that Billings will never be forgotten.

It was then brought up by Member Young that another group might be interested. Some discussion followed, but in listening to the objections by the Miles City and Great Falls race tracks, the board decided that the date application process had come and gone. If there is a group in Billings interested, they need to follow the board rules and prepare an application with corresponding fees and general information for the board to review in November 2014.

Under old business.. no discussion.

Under new business, a short discussion of the model medication guidelines was reviewed. With Dr. Manzer's input, a motion was presented to accept the medication guidelines. Motion was seconded. Motion carried. Tucker then reviewed some of the items that the Department of Commerce is doing for the board. The Department of Commerce is setting Tucker up so he can review transactions on the accounting system as well as make minor changes to the board's website. Tucker then introduced Computer Support Specialist Sue Leferink and gave the board a quick rundown on all the things that she has helped the board of horse racing with since the move

to the Department of Commerce in July 2013. Ms. Leferink has been instrumental in getting the website as well as other information streamlined for the board of horse racing. Tucker then gave a short review of "Instant Racing". This legislation passed in Idaho and Wyoming and Tucker would like to see how it works and maybe introduce it into Montana. A more detailed report will be given at the next board meeting.

Chairman Mahlum opened it up for public comment one last time. No comments.

The board then discussed the next meeting. It will be a conference call sometime in March or possibly April.

Member Real Bird moved to adjourn the meeting. Member Young seconded the motion. Motion carried. Meeting adjourned at 2:05 pm.



April 17, 2014

A handwritten signature in cursive script, appearing to read "Dale Mahlum".

Chairman Dale Mahlum

Date