



## MONTANA BOARD OF HORSE RACING

Minutes of Board Meeting: July 25, 2015 – 10:00 a.m.  
Holiday Inn – Trails End Room  
1100 5<sup>th</sup> Street South - Great Falls, MT 59405

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### MEMBERS ATTENDING MEETING:

Chairman: Dale Mahlum, Missoula

Vice Chairman: John Hayes, Great Falls

Member: Ralph Young, Columbus

Member: Sue Austin, Kalispell

Member: Susan Egbert, Helena

Member: Shawn Real Bird, Hardin

### ON PHONE:

Executive Secretary: Tom Tucker, Corvallis

MINUTES TAKEN BY: Bridgit Hopkins, Great Falls

### PUBLIC ON CONFERENCE CALL:

Bridgit Hopkins, K.C. Carden, Diane Kottke, Ron Reed, Melissa Fraze, Cliff Larsen, Greg Egbert, Sue Mahlum

### CALLED TO ORDER:

Chairman Dale Mahlum called the meeting to order at 10:05 a.m. He welcomed those that had taken the time to listen in on the board meeting. Chairman Mahlum then expressed his enjoyment of serving as the Chair these past years. He also thanked Senator Cliff Larsen for his continue work in the legislature in support of horse racing. Senator Larsen stated horse racing is an important part of the Montana landscape, being an agricultural state. Chairman Mahlum also thanked the Department of Commerce and their work to help get the board of horse racing back on its feet. Chairman Mahlum also thanked Executive Secretary Tucker for the cooperation and work that they were able to do together.

Member Austin nominated Vice-Chairman John Hayes as Chairman and Dale Mahlum as Vice-Chairman. Member Egbert seconded the motion. Motion passed. Newly elected Chairman John Hayes then took over the meeting.

Copies of the previous meetings minutes were reviewed. Member Sue Austin moved to approve the minutes. Member Egbert seconded the motion. Motion passed.

Item 4 of the agenda was a financial review. Tucker reviewed the financials. All revenue sources show increases except for simulcasting. Simulcasting was down last year but seems to have leveled off. Debt repayment for the board is ahead of schedule and distributions to tracks and horsemen increased 20% in 2015. Officials travel for the summer as well as payroll remained relatively unchanged. The Montana owner and breeders bonus program showed a major increase, due to the legislative rules that require distribution of 10% of ADW funds for the bonus program.

Tucker then described the need to keep \$20,000 or \$30,000 aside in case we need to help the simulcasting network. The network produces close to \$150,000 a year for racing and the board might need to be prepared to help due to the decrease in handles. Advance Deposit Wagering competes with the simulcasting network and the board makes money off both items. Simulcasting, however, contributes the most to live racing on a yearly basis.

Scientific Gaming Technology Inc. continues to operate in the state, but at a lower level than anticipated. The board receives roughly the same amount from them as the simulcasting network in terms of percentages of their handle. Fantasy Sports has added more locations. The two games offered are still football and auto racing.

Member Young moved to accept the financial report. Member Austin seconded the motion. Motion passed.

Public comment was received – Greg Egbert questioned the fantasy game for rodeo and that Montana participants can't play. Tucker explained the fantasy game is very interesting and similar to the type of game the board would like to see offered. Vice-Chairman Mahlum stated Rick Ask would be a good person to approach in regards to why this fantasy sport isn't eligible in Montana.

Next item on the agenda was a discussion on the Crow Nation race meet and Equibase. Tucker explained Equibase wanted the MBOHR to sanction the race meet, but Tucker explained the MBOHR has no authority over the sovereign nation. Member Real Bird

explained some of the items the Crow Nation is working on in regards to the future of racing at their facility. Jockey insurance is a major hurdle. Member Real Bird also stated part of the problem is educating the different agencies in regards to the Crow Nation and how it works. Member Young asked if there was any consideration being given to the Crow Tribe operating the race track in Billings. Much of it depends on agreements with the Crow Tribe as well as gaming compacts and how it would work away from the Crow Nation's own land. Member Austin moved for Chairman Hayes, Members Young and Real Bird and Executive Secretary Tucker be on a committee to work with the Crow Nation to further the relationship with the board and the Crow Nation. Member Egbert seconded the motion. Motion passed.

Item 7 was a discussion on HB 577. This was discussed earlier by Senator Cliff Larsen. The legislation makes it illegal for companies to take wagers from Montana residents without first being licensed by the Montana Board of Horse Racing. This law falls under Gambling Control and therefore, gives more strength in going after these companies.

Under old business – none.

Under new business – none.

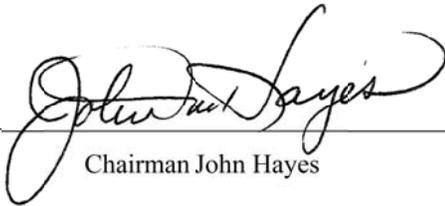
Public comment – Diane Kottke of the Great Falls Turf Club thanked the Montana Board of Horse Racing for helping make the State Fair Race Meet possible and so successful.

Next meeting date was set for Thursday, November 5, 2015 at 10:00 a.m. in Helena. This meeting will be the "Assignment of Race Dates For 2016". Conference calling will be made available.

It was moved and seconded to adjourn. Motion passed. Meeting was adjourned at 11:15 .m.

Minutes taken by Bridgit Hopkins, Great Falls Turf Club.

Minutes prepared by Tom Tucker, Executive Secretary, Montana Board of Horse Racing.

  
Chairman John Hayes

November 5, 2015

Date

