



MONTANA BOARD OF HORSE RACING

Minutes of Board Meeting: July 28, 2018 - 9:30 a.m.

Gold Buckle Room - Montana State Fairgrounds

400 3rd Street NW - Great Falls, MT 59404

MEMBERS IN ATTENDANCE:

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

MEMBERS ABSENT:

Vice Chairman: Dale Mahlum, Missoula

PUBLIC IN ATTENDANCE:

Ron Reed, Gary Koepplin, Dan Fuchs, Melissa Frazee, Sparky Kottke, Diane Kottke, Brenda Wahler, Lana Matt, Toni Hinton, Jim Johnson, Taylor Alonzo, Tyler Smith, Joe Briggs.

CALLED TO ORDER:

Chairman John Hayes called the meeting to order at 9:32 a.m. He welcomed those in attendance and asked for roll call. All board members were present except for Vice Chairman Dale Mahlum, Missoula. Hearing no corrections or additions to the February 21, 2018 conference call minutes Member Young moved to approve the minutes and Member Austin seconded the motion. Motion passed. After a slight discussion, Member Austin moved to continue with John Hayes as Chairman and Dale Mahlum as Vice-Chairman. Member Young seconded the motion. Motion passed.

Item 4 on the agenda was the financial report presented by Executive Secretary Tucker. Cash position for the board is currently at \$398,000. Three (3) payments are still due on the debt service owed to the Department of Administration. The financials showed an increase in simulcasting revenues as well as advance deposit wagering. A breakdown of Fantasy Sports revenues showed an increase of about \$1,500 over last year. Member Egbert moved to accept the financial report and Member Austin seconded the motion. Motion passed.

Chairman Hayes asked for public comment and hearing none, agenda item 6 was discussed. Dr. Kelly Manzer filed a report with the board in regards to her attending two conferences in Kentucky in June 2018. The conferences covered "Welfare and Safety of Racehorses". Dr. Manzer was very impressed with the conference and felt the board should continue this education process in the future. Board members suggested sending other officials to conferences around the country if financially possible.

A \$1.00 per race contribution to RMTCC (Racing Medication & Testing Consortium) was discussed. Member Egbert moved that the board pay this for the tracks. Member Young seconded the motion. Motion passed.

Item number 8 was a list of the proposed rule changes for 2019. The rule changes include: (1) Hair testing rules (2) Matched bronc riding adjustments (3) simulcast network & site fees and (4) additional licensing categories. After some discussion, the board members agreed to move forward and have these rules noticed for public comment. Member Real Bird commented on the possibility of a 'Gold Card' license for those people that have contributed to the industry for many years and are no longer participating. Tucker will try and come up with a license category and qualifications.

Agenda item number 9 was a multi-year contract with Montana Simulcast Racing LLC to provide Fantasy Sports wagering with the tote machines currently used for simulcasting. Member Young commented that sports wagering was being opened all around the country and how that plays into the fantasy sports. Member Egbert observed that more wagering possibilities for the simulcast network could help expand the network. Chairman Hayes added that sports wagering is coming and the board needs to be aware as well as willing to look at the alternatives. Members asked Tucker how this wagering fits into the current contract with the Montana Lottery. Tucker explained the products are different. Only simulcast locations will be able to offer this, compared to 300+ locations for the Lottery. Tucker hopes that MSRLLC will be able to offer more sports than are currently offered by Lottery. Member Young moved to approve the contract with MSRLLC for Fantasy Sports, Member Egbert seconded the motion. Member Real Bird noted that the board needs to be aware of new legislation and if there is new legislation, how it can fit into the overall strategic plan for racing in Montana. Motion passed.

Tucker then reviewed the "Historical Racing" discussions from previous board meetings. Dan Fuchs, representing Exakta Systems - a provider of 'Historical Racing' explained the process the board could take if so desired to getting new legislation proposed. After

discussion, Member Young moved to have a public hearing on this matter and pursue the opportunity of getting 'Historical Racing' in Montana. Member Austin seconded the motion. Motion carried. A public hearing to get input in regards to 'Historical Racing' will be schedule to take place during the next board meeting, November 7, 2018 in Helena.

Chairman Hayes moved to item number 11 and asked for public comment. Hearing none, agenda item 12 was discussed. Tucker explained the need for the board to review equipment used by race tracks along with track surfaces and the facilities themselves. Also, assistant starters should be wearing helmets and protective vests as they do in other racing jurisdictions. Tucker told the board he would put together some options to better review track conditions and equipment in advance of a race meet instead of the day before. Each track needs to work harder at presenting safer facilities and kinder surfaces. Member Young told the board that he has stopped bringing horses to Miles City due to the track conditions. Member Young said 'combined with the Bucking Horse Sale rodeo, I'm not certain how you can make these problems disappear'. Part of the problem at Miles City is the dual use of the race track for horse racing and rodeo. The track becomes hard in some locations and soft in others. Member Real Bird suggested looking into a portable bridge. Tucker added that the board needs to take a hard look at Miles City and make suggestions for changes to the facility to allow both events, if possible. Rule changes for a requirement for assistant starters wearing helmets and vest will be added to the next meeting's agenda in November.

In further discussion in regards to track maintenance and safety, Member Young mentioned that if the board had funds available, maybe we should send someone to a track maintenance conference to gather more information - an 'educating process'. Learn more about dirt and what we should or shouldn't be doing.

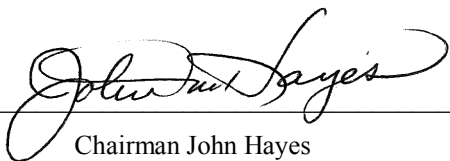
Agenda item 13 included old business. Tucker asked the board to allow Chairman Hayes to finalize an extension to the IMS Consulting Group, Inc. management contract with the board. Tucker has asked for a \$300 per month raise with the board paying for office expenses such as phone and internet. IMS Consulting Group, Inc. will continue to pay all benefits along with providing an office space, heating and insurance. Member Real Bird moved that Chairman Hayes finalize the contract extension with IMS Consulting Group, Inc. Member Young seconded the motion. Motion passed.

Chairman Hayes then announced two new appointments to the Montana Board of Horse Racing. Gary Koepplin of Florence is replacing Sue Austin - District 5 and Barry Stang of Helena is replacing Susie Egbert - District 4. Chairman Hayes praised the contributions of both Sue Austin (22 years on the board) and Susie Egbert (10 years on the board). "Thanks to both of you for all your hard work and time helping horse racing in Montana" - stated Chairman Hayes. Executive Secretary Tucker also expressed his gratitude for their commitment to the industry and guidance to the board. Chairman Hayes then welcomed Gary Koepplin to the board.

Chairman Hayes talked about the Big Sky Select Breeders Sale and the two stakes races that the Great Falls Turf Club supported. The turf club needs to review all of the numbers, taking into consideration financial obligations of such an event. Because of concerns by turf club members as well as participants in the races, Chairman Hayes asked that Tucker write a letter to the Big Sky Select Breeders organization and get a full accounting of all funds from the sale and leading up to the actual races so an accurate evaluation of the event can be performed before the State Fair Race Meet is allow to sponsor such an event. All board members agreed to have Tucker pen such a request. Member Young thanked the Great Falls Turf Club for stepping up and helping with this inaugural event.

Chairman Hayes pointed out Cascade County Commissioner Joe Briggs sitting in the audience. Commissioner Briggs has been very supportive of horse racing in Great Falls. Member Real Bird asked the other board members if they had heard anything about the Billings race track. Member Young felt it was finished, as they have constructed a building on the racing surface.

Chairman Hayes asked if there was any more business. It was moved to adjourn the meeting. The motion was seconded. Motion passed. Meeting adjourned at 11:13 a.m.


Chairman John Hayes

November 7, 2018

Date

