



## MONTANA BOARD OF HORSE RACING

Minutes of Board Meeting: November 7, 2018 - 10 a.m.

Montana Department of Commerce - Room 226

301 South Park Avenue, Helena, MT 59601

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### MEMBERS IN ATTENDANCE:

Chairman: John Hayes, Great Falls

Vice Chairman: Dale Mahlum, Missoula

District 1: Jody Smith, Miles City

District 2: Shawn Real Bird, Hardin

District 4: Barry Stang, Helena

District 5: Gary Koepplin, Florence

Racing Industry: Ralph Young, Columbus

Executive Secretary: Tom Tucker, Corvallis

### PUBLIC ON PHONE:

John Iverson, Neil Peterson, Don L. Richard, and 1 other person that did not announce their name.

### PUBLIC SIGNED-IN ATTENDANCE:

Diane Kottke, Sparky Kottke, Chet Monson, Raleigh Swensrud, Ron Reed, Denise Linford, Jack Linford, Wendy Linford, Angela Nunn, Mike Fanning, Melissa Frazee, Kelly Manzer, Katie Manzer, Scott Manzer, David Greene, Nikki Short, Dan Fuchs, Brenda Wahler, Scott Boulanger

### CALLED TO ORDER:

Chairman John Hayes called the meeting to order at 10:01 a.m. He welcomed those in attendance as well as those on the phone. The Chairman then asked for a roll call. All board members were present. Chairman Hayes asked for any corrections or additions to the July 28, 2018 meeting. Hearing none, Member Young moved to accept the minutes with a second from Member Koepplin. Motion passed.

Executive Secretary Tom Tucker went over the financials. Current cash position was \$350,000, roughly \$50,000 more than last year's balance at the November meeting. Tucker then reviewed the individual budget categories. Tucker went into the individual parts of the income stream starting with simulcasting, which shows a 23% increase over the first 3 quarters of 2017 compared to 2018. The network currently only has 5 locations, but they continue to look for new sites. They plan to start wagering on Fantasy Sports sometime in 2019 and hopefully that will also add to the simulcast network's bottom line. Advance Deposit Wagering for the first 9 months of 2018 handled \$2,872,184 compared to \$2,954,305 in 2017, a decrease of 3%. Fantasy Sports by the Montana Lottery continues at the same levels of revenue production. In 2017-2018 period, Fantasy Sports contributed \$55,094 to the MBOHR, which is about the same from the previous 3-year periods. Member Young moved to accept the financials, Member Koepplin seconded the motion. Motion passed.

Agenda item number 4 was a discussion on equipment purchasing for the Assistant Starters safety helmets and vests. After some discussion, Member Mahlum moved to purchase the equipment for approximately \$2,700, Member Koepplin seconded the motion. Motion passed.

Item 5 was a discussion on board members compensation for travel. Vice-Chairman Mahlum gave a brief history for the reason of cutting this compensation; mainly due to the lack of funds. Member Koepplin responded to a question by Chairman Hayes in regards to the method of submitting claims. After more discussion, Member Koepplin moved to reinstate the compensation for board member travel according to state rates. Member Young seconded the motion. Motion passed.

Tucker then explain the Symposium on Racing in Tucson in Arizona and asked the board for \$1,000 to attend the meetings. Sports wagering was the main topic of discussion. After discussion, Member Mahlum moved to compensate Tucker's travel up to \$1,000, which would include registration, air travel, car rental and hotel. Any amount above the \$1,000 would be paid by Tucker. Member Koepplin seconded the motion. Motion passed.

Item 7 was "Outs tickets" and the requirement for both meets to use them on capital expenditures. Agenda item 8 was open to public comment. Sparky Kottke commented on the need for safety with the Assistant Starters as well as a positive comment on the board member's getting compensated for their travel. Agenda items 9 & 10 were "Old" and "New" business, nothing was presented.

Item 11 was setting of the next board meeting, which is a conference call for February 12, 2019 at 10:00 AM. Member Koepplin moved that the next meeting be February 12<sup>th</sup>, Member Young seconded the motion. Motion passed.

That concluded the regular meeting of the Montana Board of Horse Racing. The board then moved into the date hearing to assign race dates for the 2019 season. Tucker went through the date hearing applications, along with a breakdown of estimated costs for each meeting and previous year's distribution amount. Miles City Bucking Horse Sale Race Meet applied for their usual 3 days in May. Discussion then

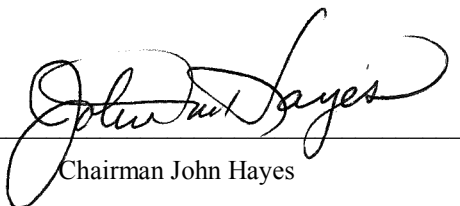
continued on the safety of their track and what needs to be done to make improvements. Director of Racing Don Richard stated they were looking at additional equipment, moving the finish line (as well as the steward's stand), and adding more sand; all in an effort to make things safer for the horses and the jockeys. Steward Raleigh Swensrud asked Member Young if the AQHA had anyone with the expertise to help with re-certifying the track after a finish line move. Miles City will need to look into that. Other concerns at Miles City were staffing problems in 2018. Director of Racing for Great Falls, Sparky Kottke went through his list of items they did well in 2018 which included adding sand to the track, running more days in Great Falls than Miles City and the need for more of the funds available for Great Falls. Tucker asked Sparky about the new grandstand and the concerns the new steward's stand will be inadequate when viewing the 5 furlong shoot. There will be an issue and they are trying to come up with solutions. Also, the new grandstands will not have betting windows the first year. The changes in the facility will be a multi-year process. Chairman Hayes mentioned the Great Falls Turf Club has been meeting with the facility people, stating their concerns. Great Falls Turf Club applied for 5 or 6 days. They are trying to offer a Futurity for Quarter Horses and Thoroughbreds, but need to do some more ground work before committing. More discussion followed on both meets. Distribution of funds was also discussed.

A motion was made to give \$50,000 to Miles City and \$100,000 to Great Falls for their race days in 2019 if Great Falls races 6 days and their stewards stand was acceptable. Miles City requirements were to fix the track and get better equipment along with more material on the track. More discussion followed. Members were concerned about the stipulations and what would happen if the tracks did not meet the requirements; would days be cancelled right before the race meet? Member Real Bird questioned the politics of it and the support that both of these race tracks need from communities as well as the board of horse racing. Member Koeplin amended the original motion, \$50,000 to Miles City and \$100,000 to Great Falls with the hope the tracks would fix their issues and improve on the problems they had in 2018. Member Young seconded the amendment. Tucker added that he would like to send Raleigh Swensrud to both meets a few weeks before they open to evaluate their readiness and note what things need to be completed before their first race day. After some more discussion, question was called for. Motion passed. A 'no' vote was cast by Member Jody Smith.

Date hearing concluded at 12:10. A short break was taken before the board conducted a hearing on the David Greene ruling. The board then heard an appeal by David Greene in regards to a ruling by the stewards of the running of race 8 on July 28, 2018 at Great Falls, MT. Mr. Greene trained the second place finisher, Runnin J, which was owned by Linford Ranch Horses. The horse Runnin J was tested after the race and the test results showed 366.8 pg/ml of Dexamethasone in the blood. The track stewards tried to contact Mr. Greene to setup a hearing. The test results were late coming back from the lab, so all the racing in Montana had completed and Mr. Greene was racing outside of Montana. Upon the recommendation of Executive Secretary Tucker, the board of stewards issued a ruling, placing Runnin J to last place and fining Trainer Greene \$300.00. Trainer Greene's attorney, Denise Linford presented documentation in regards to the case. Board members asked questions of all the parties. Some of the specific items discussed were (1) why was the purse released (2) why wasn't Mr. Greene given the opportunity to appear before the stewards before the ruling (3) the severity of the ruling (4) the effects of the drug with regards to performance. Board members also asked questions of Dr. Kelly Manzer, State Veterinarian, Mr. Greene, and the stewards. Member Koeplin moved to uphold the stewards ruling. Shawn Real Bird seconded the motion. Member Smith and Member Real Bird added more comments. Motion failed. Member Stang then moved that the ruling should be changed to allow for the horse to keep the finish position in the race as well as the distributed purse money along with the black type status. Member Mahlum seconded the motion. The motion was then amended to include a fine for Trainer David Greene of \$300.00 for the infraction. Not allowing Trainer Greene due process within a reasonable amount of time was a major issue in the board's decision and ultimately, changes in the ruling. Motion passed.

Then came a hearing on Historical Horse Racing and proposed legislation. Dan Fuchs presented to the board an outline of industry supported legislation for introducing historical horse racing to Montana. John Iverson from Montana Tavern Association as well as Neil Peterson from Gaming Industry Association stated their organizations negative opinion of this form of gaming and the problems it could bring. The board asked questions of Mr. Fuchs, Scott Boulanger as well as Mr. Iverson and Mr. Peterson. After the discussion, Member Stang moved to support legislation to bring Historical Horse Racing to Montana. Member Mahlum seconded the motion. Motion passed.

Motion to adjourn the meeting at 3:00 p.m. Motion passed.

  
Chairman John Hayes

February 12, 2019

Date

