

Arizona Racing Commission

635th Regular Meeting

Thursday, April 16, 2015

MINUTES OF REGULAR MEETING

A public meeting of the Arizona Racing Commission was convened on Thursday, April 16, 2015 beginning at 10:00 a.m. in the Building Conference Room, Suite 250, at 1110 West Washington Street, Phoenix, Arizona 85007.

PRESENT:	Chair	Jay McClintock
	Vice Chair	Rory S. Goreé
	Commissioner	Bill Feldmeier
	Commissioner	Tom Lawless
	Commissioner	David Heiple

Also Present: Assistant Director, Nolan Thompson and Assistant Attorney General, Michael Raine

A. Call to Order

Chair McClintock called the 635th Regular Meeting of the Arizona Racing Commission to order at 10:00 a.m. The following matters were discussed, considered and decided at the meeting:

Approval of the Minutes:

Minutes of the 634th Regular Meeting held on Thursday, March 12, 2015 – **Chair McClintock** asked if there were any additions or corrections to the minutes of the meeting. **Chair McClintock** made a request to approve the minutes **Commissioner Goreé** moved the motion to approve. **Commissioner Lawless** seconded the motion. Motion carried.

Minutes of the Special Meeting held on Wednesday, March 25, 2015 – **Chair McClintock** asked if there were any additions or corrections to the minutes of the meeting. **Commissioner Feldmeier** had a comment about his being marked as absent. He stated his concern over a miscommunication concerning his attending the meeting telephonically. He stated he wished to have the minutes reflect that he was available but due to a miscommunication between he and the moderator of the meeting he was not connected via the telephone and therefore he missed out on the meeting and was not absent, but due to an unfortunate circumstance was not included. **Chair McClintock** agreed to have the minutes of the 365th Regular Meeting reflect Commissioner Feldmeier's statement. **Commissioner Feldmeier** asked if the Special Meeting had included a discussion on the increase of the Regulatory Wagering Fees. **Chair McClintock** answered that was correct. **Commissioner Feldmeier** asked what had happened with the fees and how could they be increased to help supplement the now defunct breeders awards and why the Director had not come to the Commission with some projected ideas on how that fee could be increased to help the breeders awards. **Chair McClintock** explained that the fees were to operate the Department going forward until the end of October and will be reviewed again on November 1st to reduce the fees back to where they had been. He thought that the horsemen were also working on something to get the breeders awards back. **Assistant Attorney General Michael Raine** stated that the subject was whether or not the minutes were accurate or not and the question would be if those topics were included and if it occurred or not. **Chair McClintock** was uncertain as to whether there had been a discussion on the breeders awards during the Regulatory Wage Assessment discussion.

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Vice Chair Goreé thought the subject had been discussed in a roundabout way during the RWA discussion and it had been brought up that it would be really crippling to the tracks. **Assistant Attorney General Michael Raine** stated in regard to dealing with the minutes if there were to be a motion then it would be to potentially include the subject of discussion and the only way to tell that, would be if you reviewed the audio. **Commissioner Feldmeier** stated he was at a disadvantage other than to ask questions. **Assistant Attorney General Michael Raine** stated it was an open meeting issue and that the substance of the issue could not be discussed other than whether or not it should be included in the minutes. He suggested that people who had attended the meeting or had heard the audio would be the ones with better personal knowledge to include that sort of language.

Chair McClintock stated that after hearing the discussion he would entertain the motion to approve the minutes as they were. He believed they were accurate as to what had been said and done at the meeting. **Commissioner Lawless** moved the motion. **Vice Chair Goreé** seconded the motion. Motion carried.

B. New Business

1. Santa Cruz County Fair and Rodeo Association Request to Amend 2015 Race Dates

Chair McClintock stated that the Santa Cruz County Fair would like to amend their race schedule and be allowed to drop the first weekend of racing and only run on Derby weekend.

Assistant Director Thompson reported that Director Casillas had another pressing engagement and was unavailable to be in attendance. He then stated that the Santa Cruz County Fair would like to drop the first weekend from their live race schedule.

Chair McClintock asked for a motion to approve Santa Cruz County Fair's request to amend their schedule and allow them to drop their first weekend of racing. **Commissioner Lawless** moved to approve the request. **Vice Chair Goreé** seconded the motion. Motion carried

2. Award of Annual Adoption Grants

Chair McClintock asked Dr. Scot Waterman to bring everyone up to date on the annual adoption grants.

Dr. Scot Waterman stated that the Department receives monies through a couple of different mechanisms and that money is set aside for greyhound and post-race horse adoption efforts. There were some rules and criteria laid out to receive this grant money. Eligible organizations must have submitted applications for approval in order to become recipients. Dr. Waterman stated he had only received two applications and each of the applicants were known entities that had submitted applications in the past. Dr. Waterman reviewed the applications and stated they were complete. The Commissioners were to vote on each order separately. Dr. Waterman recommended the award of \$600.00, which was the entire amount of distribution for a greyhound organization, to be awarded to Greyhound Pets of Arizona.

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Chair McClintock asked if there were any questions or discussion for Dr. Waterman. He made a motion to approve. **Vice Chair Goreé** moved the motion to grant \$600 to Greyhound Pets of Arizona. **Commissioner Lawless** seconded the motion. Motion carried.

Dr. Waterman recommended the award of \$1,659.31 for post-race horse adoption efforts to be awarded to the Equine Encore Foundation.

Chair McClintock asked if there were any questions or discussion. **Commissioner Lawless** moved to approve the \$1,659.31 grant money to go to the Equine Encore Foundation. **Vice Chair Goreé** seconded the motion. Motion carried.

3. Request to Amend Rillito park Live Race Schedule for March 27, 2015

Chair McClintock asked Assistant Director Thompson to give an update on the change in the live racing schedule for Rillito Park.

Assistant Director Thompson stated that Rillito Park requested to amend the live race date schedule to remove March 27, 2015 as a live race date. He asked Mr. Jaye Wells to provide an explanation.

Jaye Wells, President of Rillito Racing and Rillito Park Foundation explained the reason for amending the live race date schedule and removing March 27, 2015 was because he and Mr. Simms, Turf Paradise, had come to a compromise. Mr. Wells further explained the reason for the delay in acquiring approval for this schedule change had been due to the change in Directorship within the Department of Racing. The former Director had been involved with the request and then was relieved of his duties. That was also the week in which the oversight occurred. Mr. Wells stated he would take responsibility for the delay in the request and any confusion involved with the oversight. The compromise between the two tracks resulted in keeping the simulcast signal broadcasting to Pima County. **Chair McClintock** clarified the only reason for the Commission to be involved was to approve the day that had been removed. **Assistant Director Thompson** stated that the requirements had been met and they needed the Commission to vote on removing March 27, 2015, as a live race day.

Chair McClintock called for a motion to approve the decision to amend the Rillito live race date schedule and remove March 27, 2015. **Commissioner Lawless** moved the motion. **Vice Chair Goreé** seconded the motion. Motion carried.

4. Request by Turf Paradise for Approval of the Following Off Track Betting Facility, The Reef, 393 W. Warner Road, Chandler Arizona 85225

Chair McClintock asked if anyone from Turf Paradise was present to speak about the request.

Dave Johnson, Managing Director of Turf Paradise stated they had reviewed the facility for an OTB and they recommend The Reef to be an Off Track Betting location.

Chair McClintock asked if there were any questions or discussion. He moved to approve The Reef as an Off Track Betting facility. **Commissioner Lawless** moved the motion. **Vice Chair Goreé** seconded the motion. Motion carried.

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C. Informational Reports

1. Track Safety Reports

Assistant Director Thompson reported Gary Baze had moved on to his summer job in Washington State and had left a short report. Prior to his departure, Mr. Baze had been in contact with Mr. Francia and had been informed the lighting poles had arrived for the lighting system and they would begin the installation after the meet.

2. Legislative Update

Chair McClintock asked Greg Stiles if he had a legislative update to report.

Greg Stiles, Legislative Liaison reported that on Tuesday, April 7, 2015, Governor Ducey had signed into law Senate Bill 1041. This was the Advance Deposit Wagering issue in Tucson and it would become law in 90 days from the end of sine die which would place it somewhere around July 3, 2015.

3. Permittee Reports

- a. American Greyhound Racing - no report
- b. County Fairs – no report
- c. Rillito Park – Jaye Wells from Rillito Racing and Rillito Park Foundation expressed his excitement over the success of their first meet. He thanked the Department for their professionalism. He thanked Vice Chair Goreé for coming for a visit. He spoke of the food and beverage vendors. The handles were up and better than expected. He expressed his pleasure to be a part of the University of Arizona's Race Track Management Program and the helpfulness and success of the student participants. He was thankful to all of the community support and the successful number of attendees. He is excited about the business industry approaching them and wanting to open up talks about supporting racing.
- d. Tucson Greyhound Park – Dale Popp reported on areas of the facility that had been attended to and projects completed. He reported the restroom restoration and the area around the break making sure the dogs could not get through the railing had been completed. Surveillance cameras in the kennel holding area were in the process of being updated. There were still projects in progress.
- e. Turf Paradise – Dave Johnson spoke about the successful number of reservations for Kentucky Derby Day. He announced that one of the days their track has the pleasure to promote is Arizona Breeders Day. This year it would be held on April 25th.

3. Optional Industry Stakeholder Association Updates

- a. Arizona Greyhound Association – no report
- b. Arizona Quarter Horse Association – no report
- c. Arizona Thoroughbred Breeders Association – Dove Ward, Executive Director, reiterated the information on Arizona Breed Day, April 25th at Turf Paradise. She mentioned the dinner would be held on Friday, April 24th and hoped the Commissioners would be able to attend the events because they are a nice way to honor their champions.
- d. Horsemen's Benevolent & Protective Association – Lloyd Yother, President of the HBPA reported they had been meeting with Turf Paradise Management. They were able to finalize the dates for

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next year. They discussed the conditions on the backside and some of the items that had been discussed were in the process of being worked on and they were in hopes that the remaining items would be worked on before the horsemen returned for next year's meet.

e. Jockey's Guild – no report

D. Commission Reports

Chair McClintock called upon Assistant Director Thompson to give any updates.

Assistant Director Thompson reported that there were changes taking place with the Department. The Department of Racing and The Department of Gaming will officially merge in July. Prior to July, the Department will be going through some transitions. Turf Paradise has had two officials move on to their summer jobs and with that occurring some adjustments were made. There is nothing to report on Tucson Greyhound Park. Sonoita will run their county fair on Derby weekend, May 2nd and 3rd. This is Sonoita's 100th year and they have been successful in doing this on their own since about 2010 without any funding from the Department.

Chair McClintock stated the next agenda item was the identification of matters to be placed on future agendas. He asked Commissioner Feldmeier about the concerns and issues he wished to be added to the next agenda.

Commissioner Feldmeier expressed his disappointment on not having some items on the current agenda.

Assistant Director Thompson suggested to the Commissioner that he may wish to have a conversation with the Director about having the items placed on an agenda.

Commissioner Feldmeier stated the items he wished to see on the next agenda. His first request was to have a discussion concerning a stewards ruling. The second was to continue the discussion concerning the Breeders Awards, looking for a resolution. The third was to have a report on the Department's budget.

Assistant Director Thompson again suggested beginning the process with having a discussion with the Director concerning the issues.

Commissioner Feldmeier expressed his displeasure on the timing of materials being presented to the commission.

Assistant Director Thompson explained that many times unforeseen items are brought forth at a late hour which can make it difficult to assemble the packets. He explained that there were also legal guidelines we need to follow, however if the commission wished to receive materials as we receive them we could do that.

Chair McClintock agreed with Commissioner Feldmeier on the Department budget update. He spoke about the horsemen and breeders and how they were working on restoring some of the breeders awards and suggested hearing a report from them.

Commissioner Feldmeier advised the Chair that he may not be available for the May meeting. He was uncertain as to the possibility of phone service where he would be.

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Assistant Director Thompson stated that if we were unable to connect by cellular service and have the Commissioner join the meeting telephonically, we would be certain to provide him with all of the informational materials he would need.

Chair McClintock made the suggestion that occasionally a commissioner requests to move a meeting so if Commissioner Feldmeier would like to make that request he would have the commission secretary check on the availability of the conference room.

Commissioner Feldmeier stated that would be conceivable and he would speak with the commission secretary about his availability.

Assistant Director Thompson stated whatever the commission decides upon about moving the date just to let the commission secretary know so she may try to coordinate dates, times and availability.

Chair McClintock stated it would basically depend on the availability of the conference room and if everyone's schedule would allow it.

Commissioner Feldmeier stated that the other Commissioners would come first because the meeting had already been set up that way, so if it would work out that would be fine, but it was on him not the others.

Chair McClintock suggested Commissioner Feldmeier speak with the commission secretary.

Commissioner Feldmeier agreed.

E. Call to the Public

Chair McClintock called upon Andrea Padinha

Ms. Padinha responded she was new to the area and just observing.

Chair McClintock called upon Steve Nolan.

Steve Nolan stated he had not planned on speaking but felt he had to follow up on comments made by Commissioner Feldmeier. Mr. Nolan stated he had delivered a packet to the Commissioners and had requested the matters within the packet be placed on the agenda for discussion. The packet had been made a matter of public record and Mr. Mel McDonald had been before the Commission to discuss its contents. Mr. Nolan would still like the packet to become an agenda item.

Chair McClintock thanked Mr. Nolan and stated he would speak to the Director about it.

Lloyd Yother asked to make a comment. He stated the industry was in need of help and they needed to receive the help from the state. He said the industry was trying to help itself but it still would be dependent on the Commission and the Director to work with them because these things are important. He agreed with Commissioner Feldmeier's comments and issues he had brought forward. He stated the medical testing gave a bad perception on the horse industry. If the money for the breeders does not come back it will jeopardize the whole industry which is not in a good spot as it is.

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Chair McClintock thanked Mr. Yother and called upon Kevin Owens.

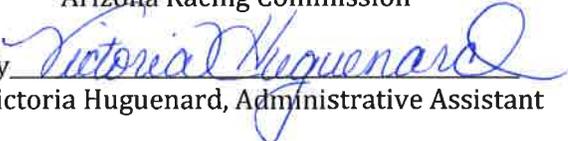
Kevin Owens, President of the Arizona Thoroughbred Breeders Association. He stated that the breeding industry continues to be underfunded as it has been for the last 20 plus years. Mr. Owens provided some numbers for Colorado and California but not New Mexico because they have casino gambling. **Chair McClintock** asked where the money came from in other states. **Mr. Owens** stated he would be able to produce documentation from other states for the Commission. **Commissioner Feldmeier** asked if this would be an appropriate discussion to be placed on an agenda. **Assistant Attorney General Michael Raine** stated he believed it would be.

Chair McClintock thanked Mr. Owens. He asked if there were anything else to discuss.

Chair McClintock made a motion to adjourn. **Commissioner Lawless** moved to adjourn. **Vice Chair Goreé** seconded the motion. Motion carried.

This public meeting adjourned 10:49 a.m.
Dated this 10th day of September, 2015

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By 
Victoria Huguenard, Administrative Assistant