



Arizona Department of Gaming

TRIBAL GAMING • RACING • BOXING & MIXED MARTIAL ARTS

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AGENDA

Pursuant to A.R.S. § 38-431.03(A)(3), the Commission may vote to go into Executive Session for the purpose of obtaining legal advice from its attorney on any matter listed on the agenda. Any such Executive Session will not be open to the public.

A. Call to Order of the Special Arizona Racing Commission Meeting at 10:00 AM.

Commissioners Present:

Chair Thomas Lawless

Vice Chair Jay McClintock

Commissioner David Heiple

Commissioner Rory Goreé

Also present:

Rudy Casillas, Racing Division Director

Deanie Reh, Assistant Attorney General

Greg Stiles, Division of Racing

Cassie Goodwin, Commission Secretary

Camila Alarcon, Esq. (Items B.1 and B.2 only)

Karen Hartman-Tellez, Assistant Attorney General (Item C.1 only)

B. Executive Session

The following item is for Executive Session purposes only:

Chair Lawless advised the Commission would be going into executive session after all other items are completed.

1. *Simms v. Arizona Racing Commission, et al.*, Case No. LC2016-000505, Ronald A. Simms' Appeal to the Maricopa County Superior Court of the Arizona Racing Commission's Order to Reject the Gaming Director's Ruling to Grant a Racing License to Ronald A. Simms, Case No. 14A-020-RAC. The Commission may vote to go into Executive Session under A.R.S. § 38-431.03(A)(3) in order to discuss or consult for legal advice with its attorneys.

Commissioner Goreé moved to go into executive session for legal advice. Commissioner Heiple second. Motion carried. (Ayes: Goreé, Lawless, Heiple, McClintock.)

Open Session recessed at 10:55 AM.

Open Session reconvened at 10:58 AM.

2. *Notice of Appeal to Arizona Racing Commission of Director's Interpretation and Decision Regarding Conditional Temporary License of Ronald A. Simms, and Supporting Memorandum* filed on June 12, 2017, by TP Racing, L.L.P., Bell Racing, LLC, and Jerry Simms. The Commission may vote to go into Executive Session under A.R.S. § 38-431.03(A)(3) in order to discuss or consult for legal advice with its attorneys.

Commissioner Heiple moved to go into executive session for legal advice. Commissioner Goreé second. Motion carried. (Ayes: Goreé, Lawless, Heiple, McClintock.)

Open Session recessed at 11:00 AM.

Open Session reconvened at 11:25 AM.

C. New Business

The following New Business items are for a status report, presentation, discussion, and possible action for the Commission.

1. Appeal of Director's Order, Appellant Donald Paul Schnell 17A-001-DOR

Donald Paul Schnell, Appellant, was not present

Roland Arroyo, Attorney for Appellant, was present and addressed the Commission.

Assistant Attorney General Deanie Reh represented the State and addressed the Commission.

After hearing the parties, the Commission discussed the issues under appeal. Vice Chair McClintock moved to deny Appellant's request that the Director's decision be reversed and the Commission place "HIDDEN GUN" in 1st place in the 7th race at Turf Paradise Race Course on October 24, 2016. Commissioner Goreé second. Motion carried. (Ayes: Goreé, Heiple, Lawless, McClintock.)

D. Information Reports

1. Turf Safety Report (Greg Stiles) – **Greg Stiles addressed the Commission.**

2. Permittee Reports – **Not to exceed 3 minutes**

a. American Greyhound Racing – **Brad Bryant, General Manager, addressed the Commission.**

b. County Fairs – **No Report.**

c. Rillito – **Jaye Wells addressed the Commission.**

d. Turf Paradise – **Vince Francia, General Manager, addressed the Commission.**

e. Tucson Greyhound Park – **No Report.**

3. Optional Industry Stakeholder Association Updates (limited to officers or officially designated spokesman) – **Not to exceed 3 minutes**
 - a. Arizona Counties Racing Association – **No Report.**
 - b. Arizona Greyhound Association – **No Report.**
 - c. Arizona Quarter Horse Racing Association – **Loretta Brashear, Executive Director, addressed the Commission.**
 - d. Arizona Thoroughbred Breeders Association – **No Report.**
 - e. Horsemen’s Benevolent & Protective Association – **No Report.**
 - f. JACOR Update on Yavapai Downs – **Tom Auther addressed the Commission.**
 - g. Jockey’s Guild – **No Report.**

E. Commission Reports

1. Summary of Current Events Affecting the Arizona Racing Commission. A.R.S. § 38-431.02(K) – Only Commission Members or the Director may report. No discussion or action may be taken on matters reported unless properly noticed for legal action or discussion.

Director Casillas addressed the Commission and stated there is revenue available to begin the next race season, however, the Division’s appropriation has been reduced so even if there is revenue in the accounts, we cannot spend the monies because the legislature reduced the appropriation. The reduction of the RWA, in addition to that, would not sustain the Division’s budget to move forward through the remainder of the racing year. We are not sure how this is going to play out, especially if Yavapai comes on board. We're not going to have staffing to cover; we're not sure if we'll have staffing to cover even county fairs. So we're waiting to hear from OSPB [Office of Strategic Planning and Budgeting], the Governor's office and the Legislature to see if they have any intentions to issue some kind of emergency appropriation or not.

Commissioner Goreé: Is there anything we, as the Commission, can do? Write to the Governor?

Director Casillas: It certainly wouldn't hurt.

Commissioner Goreé: Cause this is definitely going to hurt. We're 60 days out from horses starting to arrive and we don't even know if we're going to be able to run a full season. I think we need to kind of work on anything we can to ensure we don't do like what happened in Texas a couple times.

Director Casillas: Absolutely. The Governor’s office is well aware of what's occurred. As I mentioned in one of the past commission meetings, we received a phone call from them saying, "Oh, by the way, your appropriation and RWA has been changed." so, they're aware of it. If there's contact from the industry, it may be helpful.

Commissioner Goreé: How would we go about, if we wanted to have the Commission write a letter to the Governor? Do we need to write it up and submit it in a meeting?

Assistant Attorney General Reh: You can individually do it but if you did it as a group, you would probably need to have a meeting.

2. Identification of Matters to be placed on future agendas.

Jaye Wells request that the Commission allow an opportunity for the smaller tracks to discuss how the OTB laws affect the smaller venues. Why Pima County is still restricted to not have an outside parlor or run year-round simulcast at its own facility. He would like to make sure they are at the table when these items are discussed. All players in the room, HBPA, etc. have the opportunity to speak about the possibilities and hopefully the Commission will shepherd a meeting where these ideas can be worked out and all positive ideas put on the table.

Stephen Nolan request that the Commission look into the budget. The Department is in crisis. People have lost their jobs there is talk about it being not enough funding past March, which puts racing in a crisis. There are stall applications going out, horses coming in and the real potential, similar to what happened in Texas, for racing to cease because of budget concerns. He's asking that it be put on every agenda. He has asked Commission Goree to assist him to have appropriations in the budget; find out who the legislator was behind this, how this occurred. It blindsided an industry and that's a concern. He thinks it needs to be on every agenda until it's resolved so that the horsemen can take a deep breath and don't have to find a place to go in March.

F. Call to the Public

Those members of the public wishing to address the Commission must sign the signup sheet and be recognized by the Chair. Time permitting; each presentation will be given approximately two minutes. Action taken as a result of public comment will be limited to directing staff to study the matter or re-schedule the matter for further consideration at a later date.

Stephen Nolan addressed the Commission.

Announcements

The next regular Arizona Racing Commission meeting is tentatively scheduled to be held on **Thursday, September 14, 2017, at 10:00 a.m.** in the Building Conference Room 250, 2nd Floor, located at 1110 West Washington St., Phoenix, Arizona. This is subject to change based on a quorum. Please remember to check the Racing Division's website or contact Cassie Goodwin at 602-771-4263 for confirmation.

Adjournment at 11:25 AM.