



MONTANA BOARD OF HORSE RACING

Minutes of Board Meeting: July 30, 2016 – 10:00 a.m.

Holiday Inn – Trigg Room
1100 5th Street South - Great Falls, MT 59405

MEMBERS IN ATTENDANCE:

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

MEMBERS ABSENT

None

PUBLIC IN ATTENDANCE:

Diane Kottke, Don Richard, Jennifer Austin, Sue Mahlum, Melissa Frazee

CALLED TO ORDER:

Chairman John Hayes called the meeting to order at 10:03 a.m. He welcomed those in attendance and called for roll call. All board members were present. Chairman Hayes asked for any corrections or additions to the February 17, 2016 conference call minutes. Member Young moved to approve the minutes, Member Austin seconded the motion, Motion passed.

Third item on the agenda was election of officers. After a short discussion, Member Austin moved to keep John Hayes as Chairman and Dale Mahlum as Vice-Chairman. Member Ralph Young seconded the motion. Motion passed.

Fourth item on the agenda was the financial review and update. Tucker gave a breakdown of the cash position currently held by the board of horse racing at \$295,000. He then went through the financial comparison report for periods December 1 through July 20. An increase in licensing revenue for Fantasy Sports was explained to the board as the Montana Lottery has changed the way they license and collect fees. Payment to the Department of Administration showed \$0.00 on the report due to the fact that the board had already paid this year's debt payment in advance. Tucker noted that the next payment will most likely occur in November after the board meeting. Purse & track distributions showed an increase for the current year by approximately 25%. All other income and revenues remained relatively for the same. Tucker then reviewed a breakdown of simulcast revenues, Fantasy Sports revenues/expenses and Advance Deposit Wagering revenues. Member Sue Austin moved to accept the financial report and Member Sue Egbert seconded the motion. Motion passed.

Chairman Hayes then opened the meeting for public comment. None received, the next item on the agenda was a quick review of the Miles City meeting in May. Tucker explained the Miles City Race Meet cost the board approximately \$4,000 more than in 2015, due mainly to the extra day of racing. The handle for that day was only \$11,116 or \$111.16 to the board. In regards to the facility, many improvements were noticed, including a complete overhaul of the paddock. Many people complimented on the improvements. Director of Racing Don Richard explained the 4th day as being one to attract and keep horsemen in Miles City. Member Young asked Mr. Richard how the days looked for 2017. The Bucking Horse Sale group is looking at 4 days in 2017 if enough funds can be secured from the board of horse racing. Mr. Richard also expressed concern that he will be losing some help as many of the people working the race meet are reaching retirement age. Richard also stated tracks are getting strapped for money and horsemen need to help in any way they can. Member Dale Mahlum stated he was contacted by long time Montana horsemen Tom Williams who expressed that the industry needs to raise more money to keep horsemen in the industry as costs are getting out of hand for the horsemen. Tucker explained how ADW, Simulcasting and Fantasy Sports work together to raise funds, but more money is definitely needed. Legislation for more gambling would be a very tough sell to the legislature and money coming from other funds are doubtful.

Item number 7 was a discussion of the current agreement with the Montana Lottery and Fantasy Sports. After some discussion, Member Real Bird moved to have Tucker work with the Montana Lottery to develop a new agreement and hopefully extend the current agreement until our November meeting to vote on a new agreement. Member Egbert seconded the motion. Motion passed.

Agenda item number 8 was a clarification by the State Veterinarian in regards to charges by her company. In the past and for the future, work on a horse while races are going on will be charged to the track but once the horse is removed from the track and is back on the backside, this work is to be billed to the owner. Members asked some questions about what type of work is being done. Work outside the area of her duties as a State Veterinarian is what was mentioned.

Item number 9 was a discussion on the RMTC guidelines and bringing the Montana rules into alignment. Current limits on Phenylbutazone (Bute) in Montana are 5 micrograms per milliliter. RMTC guidelines are 2 micrograms. Since Montana only allows Lasix and Bute, our rules are stricter than most jurisdictions. Member Young stated it was important to try and keep with industry standards. The AQHA is also moving towards tougher restrictions on medications. Member Mahlum asked the board their opinions on how the horsemen will accept a lower Bute limit. Members stated that if a rule change is made, horsemen need to be informed. The question of anabolic steroids came up as well and the many different types of steroids used. It was the consensus of the board to have Tucker contact the ARCI and RMTC and discuss bringing the board's rules closer to industry standards. Tucker is also to keep Dr. Manzer, Montana's State Veterinarian informed and work with her on any rule change proposals.

Item 10 was a discussion of funds to help the Montana Simulcast Racing LLC network. Simulcast handles have dropped the past couple of years and paying expenses while at the same time trying to return some money to the simulcast sites has been a challenge to say the least. In the past MBOHR members have expressed the desire to help if needed in regards to the simulcast network. Without the simulcast network, it would be hard to fund racing in the state. After some discussion, Member Mahlum moved to have Tucker meet with MSRLLC owner Nick Alonzo and develop a plan to help compensate the network based on the previous year's activity. Also, this compensation should take place during the November meeting so the tracks applying for dates have a better understanding of funds available for their upcoming racing season. Member Austin seconded the motion. Motion passed.

Agenda item 11 was discussion once more of the industry having their own license plates. Tucker liked the idea and was currently looking for a sponsor of the \$4,500 approximate cost to obtain the plate design. Revenues from the extra \$10-30 per license plate could go directly back into the industry.

Tucker mentioned that the management contract the board has with IMS Consulting Group, Inc is done on July 31. The Department of Commerce must review it and look at extending or making additional changes. The board members were all in favor of keeping IMS Consulting Group, Inc. as the management contractor. Tucker will send out a notice to the board members when the contract has been completed.

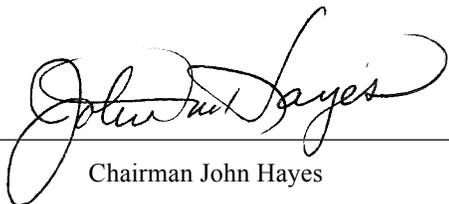
Under Old Business, Chairman John Hayes explained the problems with the insurance and obtaining a carrier for the insurance policy. Montana has some issues with the language and types of policies the racing industry tried to obtain. After talking with people from the State Capitol, they all agree that some changes in the law should be introduced. Chairman Hayes will keep track of this for the board.

No New Business was discussed.

Under public comment, Diane Kottke from the Great Falls Turf Club extended an invitation to the board to attend the races this afternoon as well as thanking the board for their work in keeping racing alive in Montana. Members of the board expressed their appreciation to the Great Falls Turf Club and all their members for the hard work they put in to put on the Great Falls meet. Don Richard then asked the question of the status of Missoula and possible racing in Missoula. It was explained that the Western Montana Turf Club had put together a new group of people and a proposal was sent to the county commissioners. The Missoula County Commissioners voted 2-1 to not enter into an agreement to have horse racing in Missoula this year. No one knows what will become of the Missoula facility.

The next board meeting was set for Wednesday, November 9th in Helena. Allotment of race dates for the 2017 season will be the main order of business. The meeting will start at 10:00 a.m. and will be at the Department of Commerce, 2nd floor.

Chairman Hayes asked for any more business. Vice-Chairman Mahlum moved to adjourn the meeting and the motion was seconded. Motion passed. Meeting adjourned at 11:42 a.m.


Chairman John Hayes

November 9, 2016

Date

