

OKLAHOMA HORSE RACING COMMISSION

**REGULARLY SCHEDULED MEETING
JUNE 16, 2016**

MINUTES

CALL TO ORDER/ROLL CALL

Chairman Leonard called the Regularly Scheduled Meeting of the Commission to order at 9:45 a.m. in Track North at Remington Park Racetrack and Casino, Oklahoma City, Oklahoma.

Commission members answering roll call were Commissioners Bollenbach, Goumaz, Kirk, Lucas, Marcum, Money, Sanders and Chairman Leonard. Commissioner Harrell was unable to attend the meeting. Ms. Sandra Balzer, Assistant Attorney General and Commission Counsel, was present as well as the following Commission staff members: Mr. Kelly Cathey, Ms. Robin Helt, Ms. Mandy Hadley, Ms. Lisa Hanson, Ms. Lisa Johnson and Ms. Bonnie Morris. Approximately twenty people attended and signed the registry which is part of the record.

MINUTES

Commissioner Bollenbach made a motion to approve the drafted Minutes of the May 19, 2016 Regularly Scheduled Meeting as presented. Commissioner Sanders seconded the motion. The vote was recorded as follows:

Aye: Mr. Bollenbach, Mr. Sanders, Mr. Kirk, Mr. Lucas,
Ms. Money, Mr. Leonard

Abstain: Ms. Goumaz, Mr. Marcum

Absent: Mr. Harrell

The motion passed on a 6-0-2 vote.

**PRESENTATION ON MONITORING PROJECT OF COMPULSIVE
GAMING ASSISTANCE PLANS BY RACETRACK GAMING OPERATOR
LICENSEES**

Background

Since FY-2008, Dr. Curtis Barrett has monitored the respective Compulsive Gambling Assistance Plans of the Racetrack Gaming Operators.

Historically, the budget has been calculated on the number of gaming devices at each racetrack so that Remington Park pays half and Will Rogers Downs pays one-fourth [with the other one-fourth paid by Blue Ribbon Downs]. From FY-2008 to FY-2014, the second year of the monitoring project, Remington Park has paid \$11,000 with Will Rogers Downs paying \$5,500 for a total of \$16,500. Due to the increases in travel expenses over time, the FY-2015 budget increased by 10% to cover these expenses with Remington Park paying \$12,100 and Will Rogers Downs paying \$6,050 for a total of \$18,150.

Current Consideration

Dr. Barrett made a presentation regarding his scheduled and unscheduled visits to Remington Park and Will Rogers Downs to monitor their FY-2016 activities of the Compulsive Gambling Assistance Plans in relation to compliance with requirements established in the *Rules for Racetrack Gaming*. He advised the Commission that both racetracks remain in compliance.

Commissioner Goumaz made a motion to approve Dr. Barrett's request to continue the monitoring program another year for the Compulsive Gambling Assistance Plan activities with the budget of \$12,100 to be paid by Remington Park and \$6,050 to be paid by Will Rogers. Commissioner Bollenbach seconded the motion. The vote was recorded as follows:

Aye: Ms. Goumaz, Mr. Bollenbach, Mr. Kirk, Mr. Lucas, Mr. Marcum,
Ms. Money, Mr. Sanders, Mr. Leonard

Commissioner Harrell was unable to attend the meeting.

The motion passed on an 8-0 vote.

GLOBAL GAMING RP, LLC'S REQUEST FOR APPROVAL OF PROPOSED WORKING CAPITAL LOAN

Background

Global Gaming RP, LLC requested Commission approval for a proposed working capital loan of \$10,056,897.64 from Landmark Bank. Global Gaming RP, LLC previously had a \$25,000,000 loan from Bank of Oklahoma for the purpose of ongoing working capital which was paid off. The proceeds of the proposed working capital loan would be used to replenish a portion of the funds that were used to pay off the Bank of Oklahoma loan and would also be used for ongoing working capital.

Current Consideration

Mr. Randy Calvert, as Counsel for Global Gaming RP, LLC, presented the proposal at the meeting. Commissioner Goumaz noted that Remington Park's current CY-2016 racing line established a financial covenant that no distribution of funds or return of capital would be made unless after the Distribution, Remington Park would have more than the minimum Member's Equity of \$40 million.

Commissioner Goumaz made a motion to approve the proposed working capital loan with Landmark Bank. Commissioner Lucas seconded the motion. The vote was recorded as follows:

Aye: Ms. Goumaz, Mr. Lucas, Mr. Bollenbach, Mr. Kirk, Mr. Marcum,
Ms. Money, Mr. Sanders, Mr. Leonard
Commissioner Harrell was unable to attend the meeting.
The motion passed on an 8-0 vote.

**GLOBAL GAMING RP, LLC'S REQUEST FOR APPROVAL OF A
PLAYER STATION AGREEMENT**

Background

Global Gaming RP, LLC requested Commission approval of an agreement with GCG OKC Co-Investor, LLC to lease 30 Player Stations for use in the casino at Remington Park.

Current Consideration

Mr. Randy Calvert, as Counsel for Global Gaming RP, LLC, presented the proposed agreement at the meeting. He advised the Commission that Remington Park would reconfigure part of the gaming floor to set these 30 Player Stations apart from the rest of the gaming machines. It was noted that GCG OKC Co-Investor, LLC holds a current gaming Vendor License with the Commission.

Commissioner Lucas made a motion to approve the proposed agreement for Remington Park to lease 30 Player Stations from GCG OKC Co-Investor, LLC. Commissioner Goumaz seconded the motion. The vote was recorded as follows:

Aye: Mr. Lucas, Ms. Goumaz, Mr. Bollenbach, Mr. Kirk, Mr. Marcum,
Ms. Money, Mr. Sanders, Mr. Leonard
Commissioner Harrell was unable to attend the meeting.
The motion passed on an 8-0 vote.

RECOMMENDATION FROM AD HOC COMMITTEE ON BUDGET AND FINANCE, TECHNOLOGY AND FACILITIES FOR FY-2017 GAMING REGULATORY ASSESSMENT PER GAMING MACHINE

Background

Under the provisions of Title 3A, Section 282(B), the Commission is “authorized to assess a fee upon each Organization Licensee authorized by the State-Tribal Gaming Act to conduct gaming authorized by the State-Tribal Gaming Act **to provide adequate funding to the Oklahoma Horse Racing Commission for the regulation of such gaming in this state.**” Under Subsection C of Section 282, the assessment is required to “be proportional to the number of player terminals an Organization Licensee is licensed to operate pursuant to the State-Tribal Gaming Act.”

The Commission set the FY-2016 gaming assessment fee at \$589.00 per gaming machine with quarterly payments of \$147.25. Remington Park paid \$110,437.50 for its 750 gaming machines whereas Will Rogers Downs paid \$36,812.50 for its 250 machines.

Current Consideration

The Ad Hoc Committee on Budget and Finance, Technology and Facilities proposed there be no change in the FY-2017 gaming assessment fee and for the quarterly payments to be continued.

Commissioner Lucas made a motion not to increase the gaming assessment fee for FY-2017 and for the quarterly payments to be continued. Commissioner Money seconded the motion. The vote was recorded as follows:

Aye: Mr. Lucas, Ms. Money, Mr. Bollenbach, Ms. Goumaz, Mr. Kirk,
Mr. Marcum, Mr. Sanders, Mr. Leonard

Commissioner Harrell was unable to attend the meeting.

The motion passed on an 8-0 vote.

PROPOSED FY-2017 PARI-MUTUEL AND GAMING AUDITING CONTRACTS BETWEEN THE COMMISSION AND THE OFFICE OF STATE AUDITOR AND INSPECTOR (SA&I)

Background

The Office of State Auditor and Inspector [SA&I] proposed racing and gaming auditing contracts with the Commission for FY-2017 [July 1, 2016 through June 30, 2017]. The

pari-mutuel contract proposed a \$38,153.28 annual budget. The gaming contract proposed a \$172,606.56 annual budget. It was noted that these proposed figures were the same as the current FY-2016 auditing contracts.

At the May 19, 2016 meeting, the Commission continued consideration of the FY-2017 audit contracts to allow a review of different measures to amend the pari-mutuel contract and after the Commission was advised of its FY-2017 appropriation level.

Current Consideration

Since the last Commission meeting, Chairman Leonard reported that Mr. Cathey, Commission Executive Director, and the Executive Directors of the two horsemen's representative organizations met with SA&I officials about streamlining the audit reports and, in turn, helping to give valuable information to the industry stakeholders.

Commissioner Goumaz made a motion to approve the FY-2017 pari-mutuel auditing contract with SA&I. Commissioner Money seconded the motion. The vote was recorded as follows:

Aye: Ms. Goumaz, Ms. Money, Mr. Bollenbach, Mr. Kirk, Mr. Lucas,
Mr. Marcum, Mr. Sanders, Mr. Leonard
Commissioner Harrell was unable to attend the meeting.
The motion passed on an 8-0 vote.

Commissioner Kirk made a motion to approve the FY-2017 gaming auditing contract with SA&I. Commissioner Marcum seconded the motion. The vote was recorded as follows:

Aye: Mr. Kirk, Mr. Marcum, Mr. Bollenbach, Ms. Goumaz, Mr. Lucas,
Ms. Money, Mr. Sanders, Mr. Leonard
Commissioner Harrell was unable to attend the meeting.
The motion passed on an 8-0 vote.

PROPOSED CHANGE IN THE PAYMENT SCHEDULE FOR THE OKLAHOMA-BRED AWARDS

Background

The Ad Hoc Committee on Oklahoma-Bred/Oklahoma Thoroughbred Retirement Program proposed that the Oklahoma-Bred payment frequency of broodmare, stallion and added awards be changed from weekly to quarterly effective July 1, 2016. The recommendation was made in response to the ongoing budgetary constraints for the

Commission. If adopted, checks for all awards earned in a quarter and not subject to a hold would be mailed 10 business days after the end of each quarter.

Current Consideration

Commissioner Lucas suggested that there was not enough information about the actual savings that could be realized if the payment frequency was changed to quarterly. He also stated that the change would impact the cash flow for smaller farms. Mr. Lucas added that the frequency decision should be left to the Commission Executive Director.

Commissioner Lucas made a motion to take no action on the proposed change in the payment frequency for Oklahoma-Bred awards. Commissioner Goumaz seconded the motion. The vote was recorded as follows:

Aye: Mr. Lucas, Ms. Goumaz, Mr. Bollenbach, Mr. Kirk, Mr. Marcum,
Ms. Money, Mr. Sanders, Mr. Leonard
Commissioner Harrell was unable to attend the meeting.
The motion passed on an 8-0 vote.

PROPOSED CHANGE IN TIMING OF COMMISSION'S EMPLOYEE PAYROLL

Background

In response to the ongoing budgetary constraints, the Commission will have "shared services" with the Department of Agriculture, Food and Forestry [ODAFF]. As of July 1, 2016, ODAFF will be handling the Commission's employee payroll. ODAFF will be changing the timing of its payroll from monthly to bi-weekly effective January 1, 2017. To help both agencies be consistent, Mr. Kelly Cathey, Commission Executive Director, requested approval to move forward with changing the timing of the Commission's payroll from monthly to bi-weekly.

Current Consideration

Commissioner Money made a motion to approve the proposed change in payroll frequency from monthly to bi-weekly for Commission employees. Commissioner Kirk seconded the motion. The vote was recorded as follows:

Aye: Ms. Money, Mr. Kirk, Mr. Bollenbach, Ms. Goumaz, Mr. Lucas,
Mr. Marcum, Mr. Sanders, Mr. Leonard
Commissioner Harrell was unable to attend the meeting.
The motion passed on an 8-0 vote.

**PROPOSED SLATE OF COMMISSION OFFICERS PRESENTED BY THE
NOMINATING COMMITTEE AND ELECTION OF OFFICERS FOR FY-
2017**

Commissioner Lucas, as Chair of the Nominating Committee [comprised of Commissioners Harrell, Lucas and Marcum], presented a proposed slate of Commission Officers [Chair, Vice-Chair and Secretary] to consider for election for FY-2017 (July 1, 2016 through June 30, 2017):

Chair	Commissioner Leonard
Vice-Chair	Commissioner Sanders
Secretary	Commissioner Bollenbach

Commissioner Lucas made a motion to accept the slate of FY-2017 officers. Commissioner Kirk seconded the motion. The vote was recorded as follows:

Aye: Mr. Lucas, Mr. Kirk, Mr. Bollenbach, Ms. Goumaz, Mr. Lucas,
Mr. Marcum, Mr. Sanders, Mr. Leonard
Commissioner Harrell was unable to attend the meeting.
The motion passed on an 8-0 vote.

**REQUEST FOR OKLAHOMA-BRED FUNDING BY THE
THOROUGHBRED RACING ASSOCIATION OF OKLAHOMA FOR
REMINGTON PARK'S STAKES RACES**

In a June 10, 2016 letter and Remington Park Stakes Schedule, Ms. Danielle Barber, Executive Director of the Thoroughbred Racing Association of Oklahoma, requested Oklahoma-Bred funding of \$667,600 for eighteen [18] stakes races to be run during Remington Park's CY 2016 Thoroughbred race meeting with the payout percentages at 60/20/11/6/3 as follows:

	Purse Supplements	Broodmare Awards	Stallion Awards	Total
Red Earth Stakes	\$ 20,000	\$ 13,600	\$ 6,400	\$ 40,000
Remington Park Turf Sprint Stakes	\$ 20,000	\$ 13,600	\$ 6,400	\$ 40,000
Tishomingo Stakes	\$ 20,000	\$ 13,600	\$ 6,400	\$ 40,000
Te Alta Stakes	\$ 20,000	\$ 13,600	\$ 6,400	\$ 40,000
Ladies on the Lawn Stakes	\$ 20,000	\$ 13,600	\$ 6,400	\$ 40,000

	Purse Supplements	Broodmare Awards	Stallion Awards	Total
Oklahoma Classics Sprint Stakes	\$ 15,200	\$ 10,336	\$ 4,864	\$ 30,400
Oklahoma Classics Juvenile Stakes	\$ 12,000	\$ 8,161	\$ 3,839	\$ 24,000
Oklahoma Classics Distaff Sprint Stakes	\$ 15,200	\$ 10,336	\$ 4,864	\$ 30,400
Oklahoma Classics Lassie Stakes	\$ 12,000	\$ 8,161	\$ 3,839	\$ 24,000
Oklahoma Classics Distaff Stakes	\$ 17,000	\$ 11,560	\$ 5,440	\$ 34,000
Oklahoma Classics Cup Stakes	\$ 22,000	\$ 14,961	\$ 7,039	\$ 44,000
Oklahoma Classics Distaff Turf Stakes	\$ 15,200	\$ 10,336	\$ 4,864	\$ 30,400
Oklahoma Classics Turf Stakes	\$ 15,200	\$ 10,336	\$ 4,864	\$ 30,400
Silver Goblin Stakes	\$ 20,000	\$ 13,600	\$ 6,400	\$ 40,000
Jim Thorpe Stakes	\$ 20,000	\$ 13,600	\$ 6,400	\$ 40,000
Useitt Stakes	\$ 20,000	\$ 13,600	\$ 6,400	\$ 40,000
Don C. McNeil Stakes	\$ 25,000	\$ 17,000	\$ 8,000	\$ 50,000
Slide Show Stakes	\$ 25,000	\$ 17,000	\$ 8,000	\$ 50,000
	\$333,800	\$226,984	\$106,816	\$667,600

Commissioner Lucas made a motion to approve the request for \$667,600 in Oklahoma-Bred funding for the eighteen (18) stakes races. Commissioner Bollenbach seconded the motion. The vote was recorded as follows:

Aye: Mr. Lucas, Mr. Bollenbach, Ms. Goumaz, Mr. Kirk, Mr. Lucas,
Mr. Marcum, Mr. Sanders, Mr. Leonard

Commissioner Harrell was unable to attend the meeting.

The motion passed on an 8-0 vote.

APPEAL OF STEWARDS' ORDER 16-WRD-035 BY NATALIE NADINE TURNER, JOCKEY

Background

Ms. Natalie Nadine Turner, Jockey, was involved in an altercation with Jockey Freddy Manrique during the running of the twelfth (12th) race on Saturday, May 21, 2016, at Will Rogers Downs. She was found to be in violation of OAC 325:35-1-16, Conduct Detrimental to Horse Racing; OAC 325:35-1-31, Fighting; OAC 325:60-1-20, Stewards to Determine Fouls and Extent of Disqualification; and OAC 325:60-1-19, Riding Rules. The Board of Stewards imposed a thirty (30) day suspension and required Ms. Turner to complete an Anger Management Class.

On May 27, 2016, Ms. Turner filed an appeal of the Board of Stewards' Order 2016-WRD-035, dated May 26, 2016, and filed an Application for Temporary Stay of the sanctions in the order. On May 31, 2016, the Commission, in its Order 2016-OHRC-002, issued a Temporary Stay. The Temporary Stay will remain in place pending the Commission's final determination of the matter.

Current Consideration

In reviewing the record, it was noted that the Stewards' Hearing for Ms. Turner was not presented by an attorney or a Law Enforcement Agent. The Chief Steward prosecuted the matter and also joined with the other two Stewards in finding Ms. Turner to be in violation of the *Rules of Racing*. Therefore, Ms. Sandra Balzer, Commission Counsel, suggested that the matter be remanded to another Board of Stewards for an attorney or a Law Enforcement Agent to present the case.

Commissioner Lucas made a motion to remand the case for Ms. Natalie Nadine Turner to another Board of Stewards with the Stewards' Hearing to be presented by an attorney or Law Enforcement Agent. Commissioner Kirk seconded the motion. The vote was recorded as follows:

Aye: Mr. Lucas, Mr. Kirk, Mr. Bollenbach, Ms. Goumaz, Mr. Lucas,
Mr. Marcum, Mr. Sanders, Mr. Leonard
Commissioner Harrell was unable to attend the meeting.
The motion passed on an 8-0 vote.

REPORTS

Ad Hoc Committees

The Commission heard reports from the following Ad Hoc Committee Chairs:

- Rules and Medication [Commissioner Goumaz]
- Oklahoma-Bred/Oklahoma Thoroughbred Retirement Program Fund [Chairman Leonard]
- Legislation [Commissioner Lucas]
- Budget and Finance, Technology and Facilities [Commissioner Sanders]

FY-2017 Agency Appropriation Level

The Commission received a FY-2017 appropriation of \$1,743,834 which represented a 5% reduction from the FY-2016 revised level of \$1,835,615 and a 12% reduction from the original FY-2016 appropriation level of \$1,973,779.

Current Status of Proposed Rule Amendments to Twenty (20) Racing Rules

The Legislature adjourned without passing the House Joint Resolution 1072 that would have approved state agencies' proposed new rules or rule amendments. Consequently, the rules could not be promulgated unless the Governor issued a Declaration approving and finally adopting the rules. Governor Fallin signed a Declaration on June 9, 2016, approving the Commission's proposed rule amendments to twenty (20) racing rules. The effective date for the rule changes will be August 25, 2016.

Receipt of Racetracks' CY 2017 Applications for Renewal Racing and Gaming Licenses

The Commission received renewal license applications for racing and gaming from Remington Park, Will Rogers Downs and Fair Meadows at Tulsa. The racetracks asked for the same number of live race days as the current year. The Commission will hold Hearings at the next meeting on August 18, 2016.

ANY MATTER NOT KNOWN ABOUT OR WHICH COULD NOT HAVE BEEN REASONABLY FORESEEN PRIOR TO POSTING THE AGENDA

There was no such matter.

ANNOUNCEMENT

The Commission presented a horse sculpture to Robin Helt who will be retiring from the Commission effective June 30, 2016 after 30+ years of service. Chairman Leonard and Commissioner Sanders thanked Ms. Helt for her work with the Ad Hoc Committees. She received a standing ovation from Commissioners and others in attendance.

ADJOURNMENT

The meeting was adjourned at 10:45 a.m.

Approved this 18th day of August, 2016.

Ran Leonard, Chairman

On Behalf of the Commission:

ATTEST:
Kelly G. Cathey, Executive Director
KGC/bjm/6/22/16, 8/18/16

In conformity with the Oklahoma Open Meeting Act, advance notice of this regular Commission meeting was originally transmitted to the Oklahoma Secretary of State on August 24, 2015; and public notice of this meeting, together with the agenda, was posted in prominent public view in the lobby of Remington Park, One Remington Place, Oklahoma City on February 12, 2016. The announcement of the CY 2016 Commission

meetings was posted on the OHRC website on December 17, 2015. At the February 18, 2016 meeting, the Commission rescheduled the March, 2016 meeting from March 24, 2016 to March 31, 2016. Notice was made of the Secretary of State's website as well as the Commission's website. On March 25, 2016, the agenda for this meeting was posted on the OHRC website, www.ohrc.org, and placed in the Commission's mall display case at the Commission's Shepherd Mall home office, 2401 N.W. 23 Street, Suite 78, Oklahoma City, OK 73107.