

# OKLAHOMA HORSE RACING COMMISSION

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BRANDON BURTON, ESQ., MEMBER

BECKY GOUMAZ, MEMBER

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## AGENDA

**Rescheduled Regular Meeting  
Thursday, August 12, 2010, 9:30 a.m.**

**Meeting Location:  
Attorney General's Building  
Loving-Cartwright Conference Room  
313 N.E. 21 Street  
Oklahoma City, OK 73105  
[West of the State Capitol Building]**

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Address of the:  
OKLAHOMA HORSE RACING COMMISSION  
2401 NW 23<sup>rd</sup> Street, SUITE 78  
OKLAHOMA CITY, OKLAHOMA 73107  
(Located In SHEPHERD MALL, N.W. 23<sup>rd</sup> Street & Villa Avenue)  
TELEPHONE: (405) 943-6472; FAX: (405) 943-6474  
E-MAIL: [OHRC@SOCKET.NET](mailto:OHRC@SOCKET.NET); WEBSITE: [WWW.OHRC.ORG](http://WWW.OHRC.ORG)

AGENDA POSTED IN ACCORDANCE WITH THE OKLAHOMA OPEN MEETING ACT

All customers who attend public meetings of the Commission who need special accommodations, i.e., Sign Language Interpreter, amplification device, large print materials, Braille materials, audio cassette materials, readers or other special accommodations must notify the Commission by the deadline date and time for acceptance of agenda requests.

**CALL TO ORDER.....Mr. Grimmatt, Chair**

**ROLL CALL .....Mr. Grimmatt, Chair**

**RECOGNITION OF SERVICE & RETIREMENT.....Mr. Grimmatt, Chair**

Mr. Bill McNutt, Chief Steward at Blue Ribbon Downs and Will Rogers Downs, who started working at the Commission on March 13, 1992, is retiring after 18.5 years of service.

Mr. Don Fields, Senior Law Enforcement Agent at Blue Ribbon Downs, Will Rogers Downs and Fair Meadows at Tulsa, who started working at the Commission on August 15, 1991, is retiring after 19 years of service.

The Commission recognizes Mr. McNutt and Mr. Fields for their contributions and years of service to the industry and Commission.

**BUSINESS.....Mr. Grimmatt, Chair**

**A. MINUTES**

The drafted Minutes of the June 17, 2010 Commission Meeting [Item A.1] will be considered for approval.

**THE FOLLOWING MATTERS ARE PRESENTED FOR CONSIDERATION AND ACTION, IF ANY, DEEMED APPROPRIATE BY THE COMMISSION.**

**B. Presentation by Global Gaming RP, LLC on Ongoing Renovations at Remington Park**

Mr. John Elliott, President, Global Gaming Solutions, LLC, will make a presentation on ongoing renovations at Remington Park.

**Item B.1** is a July 29, 2010 newsok.com article, Retail Update: Henry Hudson's Set to Open, regarding the restaurant's planned opening at Remington Park in August, 2010.

**C. Proposed Agency Operational Audit by the Office of State Auditor and Inspector and the Funding for the Audit**

Mr. Steve Burrage, State Auditor and Inspector, has requested to discuss with the Commission the Office of the State Auditor and Inspector conducting an operational audit of the Commission and the funding for that audit.

**Item C.1** is the Commission's May 3, 2010 letter to Mr. Burrage, advising him that, "due to the current economical situation and recent budget cuts, there are no funds available to pay for an agency audit. In the past, under cash flow issues, this agency has had to wait until the end of a fiscal year before paying your office for audit services. As you are well aware, because of the State's financial situation, this office has also received large appropriated reductions and budget cuts. We have also been informed of more budget cuts for FY-2011 over and above the reductions we have already received. Before proceeding with the agency audit, we would like to discuss this issue with your office."

Subsequently, a meeting with Mr. Constantin Rieger, the Commission Executive Director, and two representatives of the Office of the State Auditor and Inspector [SA&I] was held in which Mr. Rieger advised the SA&I employees that there were no agency funds available for such an operational audit although he welcomed an audit.

Following that meeting, Commission Staff was advised that Mr. Burrage wanted to discuss the audit and the funding of the audit with the Commission. To that end, Mr. Burrage was asked to provide documents for inclusion in the agenda packet. **Item C.2** contains a July 27, 2010 proposed contract between SA&I and the Commission for SA&I to conduct an agency audit of the Commission for the period of July 1, 2007 through June 30, 2010 for an estimated fee of \$10,500. The contract does not specify the funding source for that audit.

**Possible Action:**

Possible action may include, but is not limited to: approving the State Auditor and Inspector's proposal in whole or in part, rejecting the proposal, or continuing the matter.

**D. Preliminary Consideration of CY 2011 Racing and Gaming Applications**

The Commission received three renewal applications from Remington Park, Will Rogers Downs and Fair Meadows at Tulsa for organization licenses to conduct live racing and simulcasting in CY 2011 as well as gaming applications. **Item D.1** reflects the CY 2011 requested live race dates.

In the past, the Commission has determined that a full formal Public Hearing would be conducted only on original applications for organization and gaming licenses. On renewal applications, the Public Hearing is limited to a presentation by a racetrack representative followed by a question and answer period by Commissioners, Commission Counsel and Commission Staff.

The following is a summary of the race day applications received.

**1. Remington Park**

Remington Park, Inc. has applied to conduct two race meetings:

- a **Quarter Horse, Paint and Appaloosa race meeting**, 50 days in length, from March 4 through May 30, 2011 and
- a **Thoroughbred race meeting**, 67 days in length, from August 17 through December 10, 2011.

**Item D.2** is a letter from Irene Velasquez, an Owner from Kansas, regarding her concerns for Quarter Horse racing in Oklahoma. **Item D.3** is a July 15, 2010 e-mail from Debbie Schauf, Executive Director of the Oklahoma Quarter Horse Racing Association.

**2. Will Rogers Downs, L.L.C.**

Will Rogers Downs, L.L.C. has applied to conduct two race meetings:

- a **Thoroughbred, Quarter Horse, Paint and Appaloosa race meeting**, 32 days in length, from March 12 through May 21, 2011 and

- a **Quarter Horse, Paint and Appaloosa race meeting**, 28 days in length, from September 9 through November 12, 2011.

**3. Tulsa State Fair (Tulsa County Public Facilities Authority)**

The Tulsa State Fair (the Tulsa County Public Facilities Authority) has applied to conduct one fair race meeting:

- a **Thoroughbred, Quarter Horse, Paint and Appaloosa fair race meeting** at Fair Meadows at Tulsa, 34 race days in length, from June 2 through July 24, 2011.

The chart on the next page summarizes the race days requested in the applications.

<b>Applicants for Renewal Racing Licenses</b>	<b>Race Meetings</b>	<b>Number of Live Race Days &amp; Races Per Breed Requested<sup>1</sup></b>	<b>Time Frame (2011)</b>
<b>REMINGTON PARK</b> Global Gaming RP, L.L.C. Oklahoma City	Quarter Horse  Paint and  Appaloosa	50 race days  422 QH races  77 PT & AP races  1 AP race	3/4/11 – 5/30/11
	Thoroughbred	67 race days  600 TB races	8/17/11 – 12/10/11
<b>WILL ROGERS DOWNS</b> Will Rogers Downs, L.L.C. Claremore	Thoroughbred	32 race days  320 TB races	3/12/11 – 5/21/11
	Quarter Horse  Paint and  Appaloosa	28 race days  280 QH races  56 PT & AP races <sup>2</sup>	9/9/11 – 11/12/11
<b>TULSA STATE FAIR</b> (Tulsa County Public Facilities Authority) Fair Meadows at Tulsa	Quarter Horse  Thoroughbred  Paint and  Appaloosa	34 race days  170 TB races  170 QH races  68 PT & AP races	6/2/11 – 7/24/11

<sup>1</sup>Section 264, Race Meetings—Number Required, of Title 3A, Oklahoma Horse Racing Act, requires a certain number of races to be run in order to conduct gaming as follows:

Remington Park: TB race meeting: no fewer than 600 races  
 QH, PT & AP race meeting: no fewer than 500 within a period of 12 consecutive weeks

Will Rogers Downs: TB: no fewer than 270 races  
 QH: no fewer than 270 races  
 PT & AP: no fewer than 60 races

Fair Meadows at Tulsa: No less than 400 total races with no fewer than an average of 4 races per day for TB horses

<sup>2</sup>At this time, Will Rogers Downs has not proposed enough PT and AP races to meet the requirement in Section 264.

**Because the issuance of organization licenses includes the allocation of live race dates, and because the Commission, in allocating race dates, attempts to avoid unnecessary overlap and simultaneous competition among racetracks, the Commission has determined that (1) information received regarding any particular application for an organization license is considered as part of the record regarding all of the applications for organization licenses and (2) that deliberations on all organization license applications should take place together.**

**THE FOLLOWING PROCEDURES PERTAIN TO THE PRESENTATIONS REGARDING RACING AND GAMING RENEWAL APPLICATIONS FOR ORGANIZATION LICENSES.**

Each racetrack will be given up to ten (10) minutes to make its presentation on its CY 2011 racing and gaming renewal applications. Following the presentation, Commissioners, Commission Counsel and Commission Staff may ask questions. The period taken with questions and answers will not be charged against the time allotted the Applicant.

**Possible Action:**

No action to grant or deny any of the license applications will be taken by the Commission at this meeting. Rather, the purpose of the proceedings today is to hear the Applicants' presentations, ask questions of both Applicants and industry representatives, and request and solicit additional information from Applicants and industry representatives.

Possible actions may include: requesting additional information for consideration at the October 21, 2010 Commission meeting, requesting Commission Staff to investigate further, and/or preparing additional reports on the applications.

**E. Proposed Opening of the Permanent Rulemaking Process to Consider a Proposed New Racing Rule**

Mr. Constantin A. Rieger, Commission Executive Director, proposes a new racing rule to be added to Chapter 25, Entries and Declarations, to address testing for Equine Infectious Anemia as follows:

**Rule 325:25-1-32. Coggins Test**

No horse shall be allowed to race in Oklahoma unless it has had a Coggins test taken within 12 months of the date of the race in question with a negative result. Record of the negative test shall be attached to registration papers of the horse. The trainer of the horse is responsible for insuring that a negative Coggins test result is in the racing secretary's office as required by this rule.

**Possible Action:**

Possible action may include, but is not limited to: taking no action, approving the proposal as drafted or amended and the beginning of the permanent rulemaking process by authorizing publication in *The Oklahoma Register* and scheduling of a Public Hearing, or continuing the matter.

**F. Recommendations from Oklahoma-Bred Advisory Council**

The Oklahoma-Bred Advisory Council met on July 28, 2010 and forwards the following recommendations for Commission consideration:

**1. Remington Park's Funding Request for Thoroughbred Stakes Races**

**Item F.1** is a July 2, 2010 request from Mr. Fred Hutton, Remington Park's Director of Racing, that Oklahoma-Bred funds be added to the following stakes races to be run during the 2010 Thoroughbred race meeting with a payout percentage breakdown of 60%, 20%, 11%, 6% and 3% to the top five finishers:

	<b>Purse Supplements</b>	<b>Broodmare Awards</b>	<b>Stallion Awards</b>	<b>Total</b>
Red Earth	\$20,000	\$13,600	\$ 6,400	\$ 40,000
Ladies on the Lawn	\$20,000	\$13,600	\$ 6,400	\$ 40,000
Remington Park Turf Sprint	\$20,000	\$13,600	\$ 6,400	\$ 40,000
Silver Goblin	\$20,000	\$13,600	\$ 6,400	\$ 40,000
	<b>\$80,000</b>	<b>\$54,400</b>	<b>\$25,600</b>	<b>\$160,000</b>

The \$160,000 request is the same amount as approved by the Commission in CY 2009.

**The Oklahoma-Bred Advisory Council unanimously recommends funding from the Oklahoma Breeding Development Fund Special Account.**

**Possible Action:**

Possible action may include, but is not limited to: taking no action, approving, in whole or in part, the recommendation, amending the funding amount, denying the funding request, or continuing the matter.

**2. Oklahoma Quarter Horse Racing Association’s Funding Request for a New Quarter Horse Futurity and Derby Race Program at Remington Park**

Item F.2 contains a July 13, 2010 e-mail from Ms. Debbie Schauf, Executive Director of the Oklahoma Quarter Horse Racing Association [OQHRA], and a Request for Approval of Oklahoma-Bred Funding regarding a new Quarter Horse race program to be run at Remington Park in CY 2011 during the Quarter Horse, Paint and Appaloosa race meeting. The program would include the:

- Remington Park Oklahoma-Bred Futurity to be open to Oklahoma-Bred accredited 2009 Quarter Horse foals and
- Remington Park Oklahoma-Bred Derby to be open to Oklahoma-Bred accredited 2008 Quarter Horse foals

The OQHRA requests Oklahoma-Bred funding as follows:

	<b>Purse Supplements</b>	<b>Broodmare Awards</b>	<b>Stallion Awards</b>	<b>Total</b>
Remington Park Oklahoma-Bred Quarter Horse Futurity	\$125,000	\$ 85,000	\$40,000	\$250,000
Remington Park Oklahoma-Bred Quarter Horse Derby	\$ 50,000	\$ 34,000	\$16,000	\$100,000
	<b>\$175,000</b>	<b>\$119,000</b>	<b>\$56,000</b>	<b>\$350,000</b>

**The Oklahoma-Bred Advisory Council unanimously recommends funding from the Oklahoma Breeding Development Fund Special Account subject to funds availability.**

**Possible Action:**

Possible action may include, but is not limited to: taking no action, approving, in whole or in part, the recommendation, amending the funding amount, denying the funding request, or continuing the matter.

**3. Oklahoma Quarter Horse Racing Association's Funding Request for a Combined Quarter Horse Futurity and Derby Race Program at Will Rogers Downs**

**Item F.3** contains a July 13, 2010 e-mail from Ms. Debbie Schauf, Executive Director of the Oklahoma Quarter Horse Racing Association [OQHRA], and a Request for Approval of Oklahoma-Bred Funding regarding a combined OQHRA and Oklahoma Horse Association [OHA] Quarter Horse race program to be run at Will Rogers Downs in CY 2011 during the Quarter Horse, Paint and Appaloosa race meeting.

In the past, the OHA Futurity and Derby races have been held at Fair Meadows at Tulsa. By moving the races to Will Rogers Downs and combining sponsorship with the OQHRA, OQHRA advised the Oklahoma-Bred Advisory Council that there would be more opportunities for Oklahoma-Bred funds to be added to open company races at Fair Meadows at Tulsa.

The proposed race program would include the:

- OQHRA-OHA Oklahoma-Bred Futurity to be open to Oklahoma-Bred accredited 2009 Quarter Horse foals and
- OQHRA-OHA Oklahoma-Bred Derby to be open to Oklahoma-Bred accredited 2008 Quarter Horse foals

The OQHRA requests Oklahoma-Bred as follows:

	Purse Supplements	Broodmare Awards	Stallion Awards	Total
OQHRA-OHA Oklahoma-Bred Quarter Horse Futurity	\$25,000	\$17,000	\$ 8,000	\$ 50,000
OQHRA-OHA Oklahoma-Bred Quarter Horse Derby	\$25,000	\$17,000	\$ 8,000	\$ 50,000
	<b>\$50,000</b>	<b>\$34,000</b>	<b>\$16,000</b>	<b>\$100,000</b>

**The Oklahoma-Bred Advisory Council unanimously recommends funding from the Oklahoma Breeding Development Fund Special Account subject to funds availability.**

**Possible Action:**

Possible action may include, but is not limited to: taking no action, approving, in whole or in part, the recommendation, amending the funding amount, denying the funding request, or continuing the matter.

**4. Oklahoma Thoroughbred Association's Request for Approval of Three Nomination Forms**

**Item F.4** contains a July 13, 2010 letter from Mr. R.D. Logan, Executive Director of the Oklahoma Thoroughbred Association (OTA), and proposed nomination forms requesting approval of the following three forms:

- Oklahoma Classics foal nomination form for 2010 foals to race in 2012,
- Oklahoma Stallion Stakes III foal nomination form for 2010 foals to race in 2012 and 2013, and
- Oklahoma Stallion Stakes V foal nomination form for 2011 foals to race in 2014 and 2015

**The Advisory Council unanimously recommends Commission approval of the three nomination forms.**

**Possible Action:**

Possible action may include, but is not limited to: taking no action, approving each of the forms, in whole or in part, denying each of the forms, in whole or in part, approving different language in each of the forms, or continuing the matter.

**G. Consideration of the Fiscal Year 2012 Agency Budget Request Proposal**

**Item G.1** contains the FY-2012 [July 1, 2011 through June 30, 2012] Agency Budget Request Proposal for Commissioners' consideration for approval. State agency budget requests for FY-2012 must be filed with the Office of State Finance, Legislative Staff and Cabinet Secretary by October 1, 2010.

**Possible Action:**

Possible action may include, but is not limited to: approving the drafted Agency Budget Request Proposal or approving an amended Agency Budget Request Proposal.

**H. CY 2011 Commission Meeting Dates**

Commission Staff recommends that the Commission consider scheduling eight monthly meetings in CY 2011 for the months of January, February, March, May, June, August, October and November. The proposed CY 2011 meeting dates would be: January 20, February 17, March 24, May 19, June 16, August 11, October 20 and November 17. **Item H.1** is a CY 2011 calendar.

**Possible Action:**

Possible action may include, but is not limited to: scheduling eight meetings on the suggested dates, scheduling meetings on different dates, or continuing the matter to the October 21, 2010 Commission meeting.

**I. REPORTS**

1. The Task Force on Criteria for Non-Profit Entities' Receipt of Oklahoma-Bred Funding met on July 27, 2010. Commissioner Smicklas, as Chair, will report on its activities.
  
2. **Item I.1** reflects the 4 Legislative Interim Studies being tracked. None are related to the horse racing industry or gaming. Two review consolidation of functions; 1, that combined two separate requests for Interim Studies, considers agency consolidations; and 1 reviews the administrative rules process.

**J. Any Matter Not Known About or Which Could Not Have Been Reasonably Foreseen Prior to Posting the Agenda**

**K. ANNOUNCEMENTS**

1. The Oklahoma Thoroughbred Association's annual awards program is scheduled for Saturday, August 14, 2010, at Remington Park. The Commission will present the 2009 Thoroughbred Oklahoma-Bred awards during the program.
2. The Oklahoma Classics, held in late September in prior years, is scheduled this year for October 22, 2010. It will be held at Remington Park.
3. The October 21, 2010 Commission meeting will be held at the Attorney General's Building, Loving-Cartwright Conference Room, 313 NE 21 Street, Oklahoma City, OK.
4. The November 19, 2010 Commission meeting will be held at Remington Park in Track North, 1 Remington Place, Oklahoma City, OK.

**ADJOURNMENT.....Mr. Grimmatt, Chair**

**PLEASE SEE CALENDAR ON NEXT PAGE**

**MID-AUGUST THROUGH NOVEMBER, 2010 CALENDAR**

**8/14/10** – Oklahoma Thoroughbred Association's Annual Awards Banquet, Eclipse Room at Remington Park, Oklahoma City, OK

**8/19/10** – Remington Park's Thoroughbred race meeting begins

**9/4/10** – Will Rogers Downs's Quarter Horse, Paint and Appaloosa race meeting begins with a non-pari-mutuel race day for trials; the first pari-mutuel race day is scheduled for 9/16/10

**9/6/10** – HOLIDAY [Labor Day]

**9/13/10** – Public Hearing on Proposed Rule Amendments to Rule 325:30-1-17, Entry of Claimed Horse, 9:00 a.m. to 12:00 Noon and 1:00 p.m. to 4:30 p.m., Commission Office, 2401 NW 23, Suite 78, Oklahoma City, OK

**There is no September, 2010 Regular Commission Meeting**

**10/7/10** – Deadline for submitting agenda topics for 10/21/10 Commission meeting

**10/21/10** – Commission Rescheduled Regular Meeting, 9:30 a.m., Attorney General's Building, Loving-Cartwright Conference Room, 313 NE 21, Oklahoma City, OK

**10/22/10** – Oklahoma Classics: the entire card will be for accredited Oklahoma-Bred Thoroughbreds, Remington Park

**11/3/10** – Oklahoma-Bred Advisory Council Meeting, 1:00 p.m., Commission Conference Room, 2401 NW 23, Suite 78, Oklahoma City, OK

**11/4/10** – Deadline for submitting agenda topics for 11/18/10 Commission meeting

**11/11/10** – HOLIDAY [Veteran's Day]

**11/18/10** – Commission Rescheduled Regular Meeting, 9:30 a.m., Remington Park, Track North, One Remington Place, Oklahoma City, OK

**11/25-26/10** – HOLIDAY [Thanksgiving]