

North Dakota Racing Commission Meeting
State Capitol Building, Peace Garden Room
600 East Boulevard Avenue, Bismarck, ND
Thursday, February 15, 2024 – 10:30 a.m., Central Time
(701) 328-7850 Meeting ID: 16114575#

Minutes

Call to Order: Chairman Tracy Hanson called the meeting to order at 10:32 a.m.

Present: Chairman Tracy Hanson, Commissioner Richard LaFromboise, Commissioner Mike Schmitz, Executive Director Bruce Johnson, and Administrative Officer Gail Allensworth

On the Phone: Commissioner Michael Nason and Commissioner Jessica Benson

Others Present: Nelson Clemmens, Scott Horst, Robert Wilson, Leigh Backhaus, James Pettie, Hugh Drexler, Jay Alsop, John Bubel, Leon Glasser, and Trentten Keplin

Others on the Phone: Wendy Reuer

AGENDA

1. **Approval of Minutes** - November 16, and December 1, 2023
2. **New Service Provider/ADW – License Application** - AmWest Entertainment, LLC
3. **Financial Updates**
 - a. Promotion Fund
 - b. Purse Fund
 - c. Breeders Fund
 - d. General Fund

4. **2023 Grant Reports**

- a. ORDA
- b. HRND
- c. NDTA
- d. NDQHRA

5. **2024 Promotion & Purse Fund Requests**

- a. Conditions for Promotion & Purse Funding Requests
- b. ORDA (Chippewa Downs)
- c. HRND (ND Horse Park)
- d. North Dakota Thoroughbred Association
- e. North Dakota Quarter Horse Racing Association

6. **Breeders Fund Report**

- a. In-State Awards
- b. Out-of-State Awards
- c. Software Update

7. **Marketing & Advertising Update**

8. **Next Meeting Dates and Locations**

- a. May 16, 2024, meeting in Belcourt?
- b. September 19, 2024, meeting in Bismarck
- c. November 14, 2024, meeting in Bismarck

9. **Any other business which may properly come before the Commission**

10. **Adjournment**

1. **Approval of Minutes** - November 16, and December 1, 2023

A motion was made by Commissioner Schmitz and seconded by Commissioner LaFromboise to accept the minutes of November 16 and December 1, 2023, as presented. All Commissioners voted aye and hearing no negative vote, the motion passed.

2. **New Service Provider/ADW – License Application** – AmWest Entertainment, LLC

Executive Director Johnson introduced Nelson Clemmens, CEO, of AmWest Entertainment. Mr. Clemmens provided a brief history of the company. Executive Director Johnson recommended licensing AmWest Entertainment.

A motion was made by Commissioner Schmitz and seconded by Commissioner Benson to approve the Service Provider/ADW license of AmWest Entertainment, LLC. Schmitz – Y, Benson – Y, Hanson – Y, La Fromboise – Y, and Nason – Y. Motion passed.

3. Financial Updates

- a. Promotion Fund
- b. Purse Fund
- c. Breeders Fund
- d. General Fund

Executive Director Johnson provided the balance of all the funds.
No motions needed.

4. 2023 Grant Reports

- a. ORDA
- b. HRND
- c. NDTA
- d. NDQHRA

Executive Director Johnson stated that all the associations have turned in their reports and there are not any issues.
No motions needed.

5. 2024 Promotion & Purse Fund Requests

- a. Conditions for Promotion & Purse Funding Requests
- b. ORDA (Chippewa Downs)
- c. HRND (ND Horse Park)
- d. North Dakota Thoroughbred Association
- e. North Dakota Quarter Horse Racing Association

Executive Director Johnson explained that there is a grant conditions form that will need to be signed as in previous years.

Executive Director Johnson stated that ORDA requested \$250,000 from the Promotion Fund. His recommendation for the Promotion Fund grant for ORDA is:
 $\$22,500 \text{ per day (8 days)} = \$180,000 \text{ minus the 10\% holdback} = \$162,000. \text{ Defer } \$30,000 \text{ to May.}$

A motion was made by Commissioner Schmitz and seconded by Commissioner Benson to award \$180,000 from the Promotion Fund to ORDA with the grant conditions. Schmitz – Y, Benson – Y, Hanson – Y, LaFromboise – Y, and Nason – Y. Motion passed.

Executive Director Johnson stated that ORDA requested \$25,000 from the Promotion Fund for a Horsemen’s Incentive. His recommendation was to approve the request but left the amount up to the Commissioners.

A motion was made by Commissioner LaFromboise to approve the Promotion Fund Grant to ORDA in the amount of \$25,000 for the Horsemen’s Incentive. No second. Motion failed.

Executive Director Johnson stated the HRND requested \$266,000 from the Promotion Fund. His recommendation for the Promotion Fund grant for HRND is:
 $\$22,500 \text{ per day (8 days)} = \$180,000 \text{ minus the 10\% holdback} = \$162,000. \text{ Defer } \$30,000 \text{ to May.}$

Commissioner Nason and Commissioner Benson off the call.

A motion was made by Commissioner Schmitz and seconded by Commissioner LaFromboise to award \$180,000 from the Promotion Fund to HRND with the grant conditions. Schmitz – Y, LaFromboise – Y, Hanson – Y. Motion passed.

Executive Director Johnson stated that there was a second request from HRND from the Promotion Fund for \$48,000 for a two-year commitment on the part of the Racing Commission to pay 30% of the GM's salary.

A motion was made by Commissioner Schmitz and seconded by Chairman Hanson to approve the Promotion Fund request from HRND of \$48,000 for a two-year commitment to pay 30% of the GM's salary. Schmitz – Y, Hanson – Y, and LaFromboise – N. Motion failed.

Executive Director Johnson stated that the NDQHRA requested \$5,000 from the Promotion Fund for their Stallion Auction. The recommendation is none.

A motion was made by Commissioner LaFromboise and seconded by Chairman Hanson to not approve the \$5,000 request from the Promotion Fund from the NDQHRA. LaFromboise – Y, Hanson – Y, and Schmitz – abstain. Motion failed.

Executive Director Johnson stated the NDTA requested \$1,000 from the Promotion Fund for a Horsemen's banquet in Belcourt. Scott Horst stated that their organization would match that amount.

A motion was made by Commissioner LaFromboise and seconded by Commissioner Schmitz to approve the \$1,000 Promotion Fund request from the NDTA for a Horsemen's banquet in Belcourt. LaFromboise – Y, Schmitz – Y, and Hanson – Y. Motion passed.

Scott Horst of the NDTA asked to speak before the Executive Director spoke about the Purse Fund requests. He asked for \$32,000 from the Purse Fund and stated that the NDTA will match that amount.

Executive Director Johnson recommended none.
Commissioner Benson back on the call.

A motion was made by Commissioner LaFromboise and seconded by Chairman Hanson to approve the request of \$32,000 from the Purse Fund to the NDTA. LaFromboise – Y, Hanson – Y, Schmitz – N, Benson – Y. Motion passed.

Executive Director Johnson stated that the NDQHRA requested \$25,000 from the Purse Fund. The recommendation is none.

A motion was made by Commissioner LaFromboise and seconded by Chairman Hanson to approve the request of \$25,000 from the Purse Fund to the NDQHRA. LaFromboise – Y, Hanson – Y, Schmitz – Y, and Benson – Y. Motion passed.

Executive Director Johnson stated that ORDA requested \$200,000 from the Purse Fund and his recommendation is \$168,000.

A motion was made by Commissioner Schmitz and seconded by Commissioner Benson to approve the request from ORDA from the Purse Fund for \$168,000. Schmitz – Y, Benson – Y, Hanson – Y, and LaFromboise – Y. Motion passed.

Executive Director Johnson stated that HRND requested \$220,000 from the Purse Fund and his recommendation is \$168,000.

A motion was made by Commissioner Schmitz and seconded by Commissioner LaFromboise to approve the request from HRND from the Purse Fund for \$168,000. Schmitz – Y, LaFromboise – Y, Hanson – Y, and Benson – Y. Motion passed.

Executive Director Johnson stated that both racetracks were eligible to receive their 10% holdbacks from 2023.

A motion was made by Commissioner LaFromboise and seconded by Commissioner Schmitz to approve paying ORDA and HRND their 10% holdbacks from 2023. LaFromboise – Y, Schmitz – Y, Hanson – Y, and Benson – Y. Motion passed.

6. Breeders Fund Report

- a. In-State Awards
- b. Out-of-State Awards
- c. Software Update

Executive Director Johnson provided an update on the Breed Fund awards as well as the new breed fund database. No motions needed.

A motion was made by Commissioner Schmitz and seconded by Commissioner LaFromboise that the Commission will follow the Administrative Rules in case something on the Commission website varies from the Rules. Schmitz – Y, LaFromboise – Y, Hanson – Y, and Benson – Y. Motion passed.

7. Marketing & Advertising Update

Executive Director Johnson provided an update on the marketing and advertising, and he asked for approval to follow up with WDAY.

A representative from WDAY was at the meeting and stated that they were still very interested in helping advertise horse racing in North Dakota.

A motion was made by Commissioner LaFromboise and seconded by Commissioner Benson to approve the Executive Director to follow up with WDAY. LaFromboise – Y, Benson – Y, Hanson – Y, and Schmitz – Y. Motion passed.

Commissioner Nason back on the call.

8. Next Meeting Dates and Locations

- a. May 31, 2024, meeting in Belcourt
- b. September 19, 2024, meeting in Bismarck
- c. November 14, 2024, meeting in Bismarck

9. Any other business which may properly come before the Commission

- Chairman Hanson to follow up with the AG within 2 weeks on the Horsemen's Incentive & the GM funding and then have a special meeting
- Leigh Backhaus expressed concern about ND-bred races at the tracks

10. Adjournment

A motion was made by Commissioner Schmitz and seconded by Commissioner Nason to adjourn the meeting. All voted aye and hearing no negative vote the motion passed.

Meeting was adjourned at 12:22 pm.