



NORTH DAKOTA RACING COMMISSION

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Gunner laCour

Director

NORTH DAKOTA RACING COMMISSION

NDRC Meeting

State Capitol Building, Peace Garden Room

600 East Boulevard Avenue, Bismarck, ND

Thursday, August 20, 2015 – 12:00 p.m. (Central Time)

Minutes

Call to Order: Chairman Jim Ozbun called the meeting to order at 12:00 p.m.

Present: Chairman Jim Ozbun, Commissioner Ray Trottier, Commissioner Mary Ann Durick, Commissioner David Piepkorn, Legal Counsel Edward Erickson, Director Gunner laCour, and Administrative Assistant Gail Allensworth

Not Present: Commissioner Tom Senftner

Others Present: Leon Glasser, Jonathan Owen, Mark Benrus, Jennifer Malaterre, Scott Horst, Wayne Slater, Debbie Eisenhauer, Avery Erfle, Leigh Backhaus, John Bubel, L.J. Harsche

AGENDA - Modified

1. **Approval of Minutes – June 16 and June 22 Meetings**
2. **New Service Provider & Account Deposit Wagering – License Application** - CW Technologies, LLC
3. **Fiscal Year/Race Season End Financial Review**
4. **2014 Breed Fund Audit**
 - a. Double Breed Fund Points
5. **Horse Race North Dakota Update**
6. **2015 Chippewa Downs Meet Report**
7. **Chippewa Downs Rail**
8. **Drug Overage Potential Violation**
9. **Any other business which may properly come before the Commission**
10. **Adjournment**

1. **Approval of Minutes – June 16 and June 22 Meetings**

Previously, all Commissioners had received a copy of the minutes to review.

A motion was made by Commissioner Trottier and seconded by Commissioner Durick to accept the minutes of June 16 and June 22, 2015, as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

Chairman Ozbun asked if there were any additions or corrections to the agenda. Director laCour asked to add Double Breed Fund Points as 4a after the 2014 Breed Fund Audit. Chairman Ozbun asked for a motion to accept the agenda as amended.

A motion was made by Commissioner Durick and seconded by Commissioner Piepkorn to accept the agenda with the change requested by Director laCour. All Commissioners voted aye and hearing no negative vote the motion passed.

2. **New Service Provider & Account Deposit Wagering – License Application** – CW Technologies, LLC

Director laCour introduced Mark Benrus and Jonathan Owen of CW Technologies, LLC. Mr. Benrus and Mr. Owen gave a brief history of CW Technologies. Director laCour and the Commissioners asked questions which Mr. Benrus and Mr. Owen answered.

A Motion was made by Chairman Ozbun and seconded by Commissioner Durick to approve licensing CW Technologies, as a Service Provider & Account Deposit Wagering, with it being contingent on their completing a full TRPB review within one year and that they will be using AmTote as their Tote and CHRIMS for settlements. Ozbun -Y, Durick -Y, Piepkorn -Y, and Trottier -Y. Motion passed.

3. **Fiscal Year/Race Season End Financial Review**

Director laCour provided a fiscal year/race season end financial review report. The Commissioners asked some questions and Director laCour answered. The report handout is included with these minutes.

A motion was made by Commissioner Durick and seconded by Commissioner Trottier to accept the report as presented. All Commissioners voted aye and hearing no negative vote the motion passed.

4. **2014 Breed Fund Audit**

Debbie Eisenhauer presented the findings from the 2014 Breeders Fund Audit. She found that all calculations, allocations and disbursements for the 2014 race season were calculated correctly with the exceptions of:

- 1) Berdette Reiswig was overpaid \$903.62 for a win by Miss Sunny Merree. Blaine Malaterre had purchased this horse but the Commission was not notified of this in a timely manner. Berdette reimbursed Blaine for the correct amount.
- 2) Kevin Gefroh was overpaid \$271.09 while Randal Schwartz was underpaid the same amount. The sire of Dontthrotlemystyle was listed as not being in the Breed Fund. The wrong sire was listed and the correct stallion, Donttouchthethrottle, is in the Breed Fund and is owned by Randal Schwartz.

A motion was made by Chairman Ozbun and seconded by Commissioner Durick to enforce the Commission directive from the November 13, 2014 meeting regarding overpayments: errors in calculations will be adjusted to any future payments from the Breeders Fund. Ozbun -Y, Durick -Y, Trottier -Y, and Piepkorn -Y. Motion passed.

A motion was made by Commissioner Trottier and seconded by Commissioner Piepkorn to accept the report from Debbie Eisenhauer as presented. Trottier -Y, Piepkorn -Y, Ozbun -Y, and Durick -Y. Motion passed.

4a. **Double Breed Fund Points**

Director laCour asked for authorization to allow double breed fund points for any race that has a purse that meets or exceeds \$10,000 in value.

A motion was made by Commissioner Piepkorn and seconded by Commissioner Trottier to authorize for double breed fund points for any race that has a purse that meets or exceeds \$10,000 in value. Piepkorn -Y, Trottier -Y, Ozbun -Y, and Durick -Y. Motion passed.

5. **Horse Race North Dakota Update**

Director laCour presented a report compiled by Mike Schmitz of Horse Race North Dakota. An agreement has been reached between HRND and the ND Horse Park Foundation. Also, they have met with the City of Fargo to address the debt problems.

No motions needed.

6. **2015 Chippewa Downs Meet Report**

Director laCour stated that there were many positive improvements that were implemented which produced a much smoother running meet than in years past. While there are certainly some issues to address, the improvement from last year was clear. Hopefully, this will be a trend we can keep going for a third year.

No motions needed.

7. **Chippewa Downs Rail**

Director laCour reported that there were three incidents at Chippewa Downs where a horse impacted the rail and received serious lacerations. In two of these instances, the horse had to be euthanized. Safety of the horses and jockeys must be the primary consideration of the Commission. It is clear that the current rail is not at the top of safety standards.

In consultation with Richard Fontana, the inventor of the Fontana Safety Rail, Director laCour obtained a quote for a new rail from Mr. Fontana for \$84,000. ORDA would be responsible for the cost of shipping and installation of the rail. In addition, Director laCour stated that the services of a professional, Kate Phariss, to come and supervise the installation of the new rail. Total cost for her services and expenses - \$6,000.

Director laCour asked for authorization to move ahead with this project to give ORDA an \$84,000 Grant for the purchase of the rail and pay Kate Phariss \$6,000 to supervise the installation for a total of \$90,000 from the Promotion Fund. This would be conditional on ORDA paying for the delivery and installation of the rail.

A motion was made by Chairman Ozbun and seconded by Commissioner Durick to authorize Gunner to give ORDA a Promotion Fund Grant for \$84,000 for purchase of a new rail and pay Kate Phariss \$6,000 from the Promotion Fund to supervise the installation of the new rail. Ozbun –Y, Durick –Y, Piepkorn –Y, and Trotter –Y. Motion passed.

8. **Drug Overage Potential Violation**

Director laCour provided the results from Industrial Laboratories regarding the multiple drug overages for a horse trained by Amanda Haar at Chippewa Downs. Testing for the most recent overage was not received until after the meet concluded, therefore the Commission took notice of the violation on its own per Admin. Rule 69.5-01-03-07(2). The horse Mm Mr Doubtfire placed second in the 5th race on July 26, 2015 (the Northern Plains Futurity) and an overage of Methylprednisolone at 253 pg/mL in the corresponding sample E179362 was presented through testing (153 pg/mL over the threshold for this therapeutic medication which is 100 pg/mL). Of note is that Ms. Haar received a ruling previously in the meet for an overage of the same medication, Methylprednisolone at 185 pg/mL, in the same horse, Mm Mr Doubtfire, as well as another ruling on a different horse for a different medication.

Director laCour stated that based on the number of infractions and our rules, the minimum penalty should be no less than a \$2,500 fine and a 30-day suspension. For the owner: Ramon Salvidrez – loss of purse.

A motion was made by Chairman Ozbun and seconded by Commissioner Durick to offer a settlement to trainer, Amanda Haar with the condition that she has the right to present to the Commission. The settlement would be a fine of \$3,000 in addition to her outstanding fine of \$1,500 for her previous infraction, plus a 30-day suspension in North Dakota races. Ozbun –Y, Durick –Y, Trotter –Y, and Piepkorn –Y. Motion passed.

A motion was made by Commissioner Durick and seconded by Commissioner Piepkorn for the owner of the horse, Ramon Salvidrez, to lose the purse and to give him 30-days to respond to the settlement letter. If no response within 30 days then he would be served process. Durick –Y, Piepkorn –Y, Ozbun –Y, and Trotter –Y. Motion passed.

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

- Commissioner Piepkorn asked regarding the procedure for race dates for 2016. Director laCour explained the process.
- Leigh Backhaus stated that he had a petition to have the out-of-state Breeders Fund reversed and to rein in how the ADW's spend their money.

The Commissioners explained that the out-of-state Breeders Fund money was a test run for 2015 as discussed at the previous meetings and would come up for reconsideration for 2016. The Commission had already made the program known and it would be unfair to pull it from the horsemen at this point. Director laCour also stated that the former legal counsel for the NDRC stated that we cannot dictate the terms of what is in the ADW/Charities contracts.

10. Adjournment

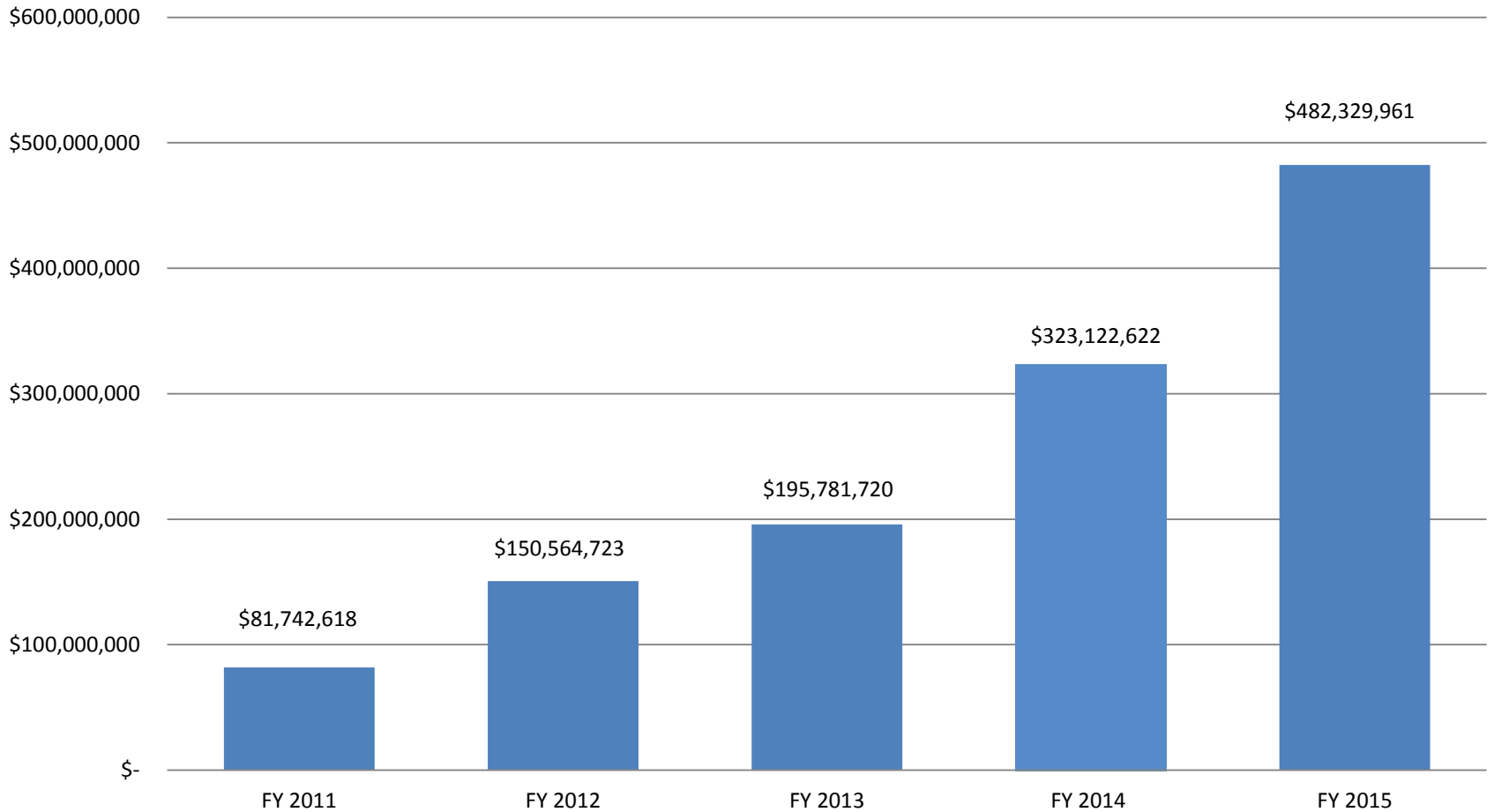
Chairman Ozbun requested the meeting be adjourned.

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

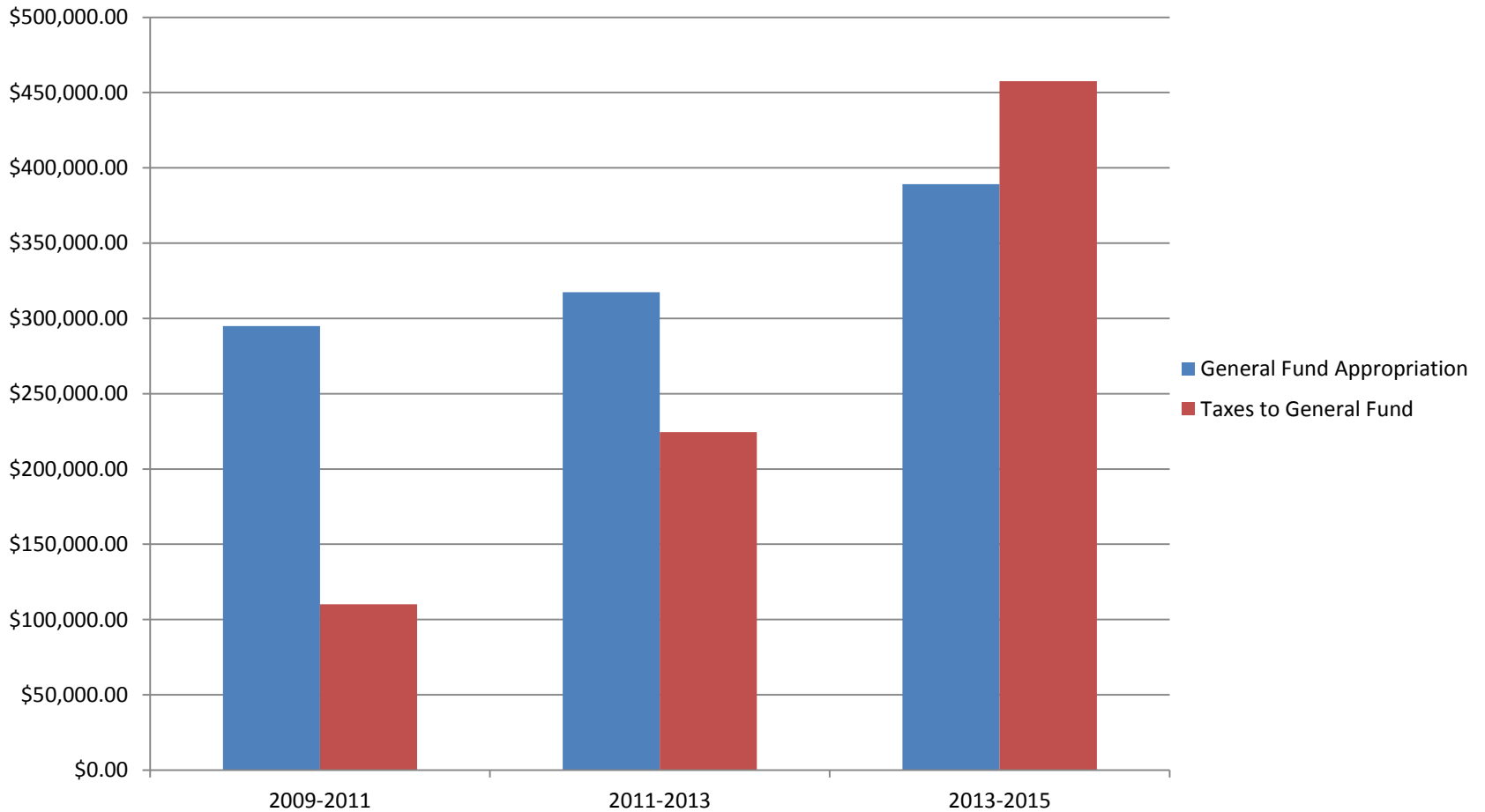
The meeting was adjourned at 3:20 p.m.

Recent Trends in Racing Commission Revenue Generation

ADW Handle by Fiscal Year



General Fund Appropriation and Revenue



Revenue Generation to Horsemen's Funds

