



## **NORTH DAKOTA RACING COMMISSION**

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**Gunner laCour**

Director

### **NORTH DAKOTA RACING COMMISSION**

#### **NDRC Meeting**

**Peace Garden Room, 600 E. Boulevard Avenue, State Capitol, Bismarck, ND**

**Thursday, November 13, 2014 – 10:30 a.m. (Central Time)**

#### **Minutes**

**Present:** Chairman Jim Ozburn, Commissioner Steve Hartman, Commissioner Ray Trottier, Commissioner Tom Senftner, Commissioner Mary Ann Durick, Director Gunner laCour, Legal Counsel Edward Erickson and Administrative Assistant Gail Allensworth

**Others Present:** John Bubel, Wayne Slater, Lisa Vig, Avery Erfle, Mike Schmitz, Wes Heinert, Leon Glasser, L.J. Harsche, Ron Klein, and Doug Plummer

**Call to Order:** Chairman Jim Ozburn called the meeting to order at 10:30 a.m.

Chairman Ozburn asked if there were any additions or corrections to the agenda. As there were no additions or corrections, Chairman Ozburn asked for a motion to accept the agenda as presented.

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

#### **AGENDA**

1. **Approval of Minutes – September 16, 2014 Meeting**

2. **License Renewals for 2015**

a. **Service Providers**

1. 123Gaming, Inc.
2. eBet Technologies, Inc.
3. The Elite Turf Club, N.V.
4. Horse Races Now, LLC
5. I.B.N., LLC
6. Lien Games Racing, LLC
7. MegaTote, LLC
8. PariBet, LLC
9. Racing 2 Day, LLC
10. SocialGaming Technologies, Inc.
11. WatchandWager.com, LLC

- b. **Totalizator Providers**
  1. AmTote International, Inc.
  2. Las Vegas Dissemination, Inc.
  3. Sportech Racing, LLC
  4. United Tote Company
- c. **Site Operators**
  1. American Gold Gymnastics
  2. Development Homes, Inc.
  3. Horse Race North Dakota
  4. ND Quarter Horse Racing Association
  5. ND Thoroughbred Association
  6. Turtle Mountain Band of Chippewa
3. **Live Race Date Requests for 2015**
  - a. **Outdoor Recreation Development Association**
    - Chippewa Downs – Belcourt
  - b. **Horse Race North Dakota**
    - North Dakota Horse Park – Fargo
4. **Results of Consultant Financial Review**
5. **Promotion Fund Applications for 2015**
  - a. Horsemen’s Award Banquet
  - b. All Other Requests to be Considered at Subsequent Meetings
6. **Lutheran Social Services**
7. **Audit Hearing Report**
8. **2015 Session Legislation**
9. **Breed Fund for 2015**
  - a. 2013 Points Redistribution
  - b. Out of State Breed Fund Points
  - c. Vet Certificates/Breed Fund Investigator
10. **Scheduling 2015 Commission Meetings**
11. **Any other business which may properly come before the Commission**
12. **Adjournment**

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1. **Approval of Minutes – September 16, 2014 Meeting**

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

Chairman Ozburn stated that one correction was needed as Gail did not record the votes made by the Commissioners that made the motions and that seconded the motions. The only votes recorded were from the other Commissioners. The minutes need to be changed to correctly reflect the votes for all of the motions.

**A motion was made** by Commissioner Senftner and seconded by Commissioner Hartman to accept the minutes of September 16, 2014, as corrected. All Commissioners voted aye and hearing no negative vote the motion passed.

2. **License Renewals for 2015**

- a. **Service Providers**
  1. 123Gaming, Inc.
  2. eBet Technologies, Inc.
  3. The Elite Turf Club, N.V.
  4. Horse Races Now, LLC
  5. I.B.N., LLC
  6. Lien Games Racing, LLC
  7. MegaTote, LLC
  8. PariBet, LLC
  9. Racing 2 Day, LLC
  10. SocialGaming Technologies, Inc.
  11. WatchandWager.com, LLC
  
- b. **Totalizator Providers**
  1. AmTote International, Inc.
  2. Las Vegas Dissemination, Inc.
  3. Sportech Racing, LLC
  4. United Tote Company
  
- c. **Site Operators**
  1. American Gold Gymnastics
  2. Development Homes, Inc.
  3. Horse Race North Dakota
  4. ND Quarter Horse Racing Association
  5. ND Thoroughbred Association
  6. Turtle Mountain Band of Chippewa

a. Service Providers

Director laCour provided all Commissioners a brief summary on all of the applicants and a recommendation for renewal of the service provider licenses with the exception of MegaTote, LLC. MegaTote will be sending in their application in a few weeks as they are in the process of making some changes before submitting their application for next year.

**A motion was made** by Commissioner Senftner and seconded by Commissioner Hartman to approve the renewal of the licenses of the Service Providers except for MegaTote, LLC, for 2015. Senftner -Y, Hartman -Y, Ozbun -Y, Trottier -Y, Durick -Y. Motion passed.

b. Totalizator Providers

Director laCour provided all Commissioners a brief summary on all of the applicants and a recommendation for renewal of the Totalizator Provider licenses.

**A motion was made** by Commissioner Trottier and seconded by Commissioner Durick to approve the renewal of the licenses of the Totalizator Providers for 2015. Trottier -Y, Durick -Y, Ozbun -Y, Hartman -Y, Senftner -Y. Motion passed.

c. Site Operators

Director laCour provided all Commissioners a brief summary on all of the applicants and a recommendation for renewal of the Site Operator licenses.

**A motion was made** by Commissioner Hartman and seconded by Commissioner Senftner to approve the renewal of the licenses of the Site Operators for 2015. Hartman -Y, Senftner -Y, Ozbun -Y, Trottier -Y, Durick -Y. Motion passed.

3. **Live Race Date Requests for 2015**

a. **Outdoor Recreation Development Association**

- Chippewa Downs – Belcourt

Director laCour stated that Chippewa Downs has requested eight days (4 weekends) with the following dates: June 6/7, 13/14, 20/21, and 27/28. He recommended awarding the eight days as requested.

**A motion was made** by Commissioner Trottier and seconded by Commissioner Senftner to approve the race dates for Chippewa Downs. Trottier –Y, Senftner –Y, Ozbun –Y, Hartman –Y, Durick –Y. Motion passed.

b. **Horse Race North Dakota**

- North Dakota Horse Park – Fargo

Director laCour stated that Horse Race North Dakota has requested six days (3 weekends) with the following dates: July 18/19, 25/26, and August 1/2. There was discussion with Wes Heinert and Mike Schmitz of Horse Race North Dakota regarding negotiations with the City of Fargo on the TIF debt repayment. Questions were asked by the Commissioners and answered by Horse Race North Dakota.

**A motion was made** by Chairman Ozbun and seconded by Commissioner Senftner to approve Horse Race North Dakota's request for race dates subject to changing the specific dates at the next Commission meeting. Ozbun –Y, Senftner –Y, Trottier –Y, Hartman –Y, Durick –Y. Motion passed.

4. **Results of Consultant Financial Review**

Director laCour stated the final report has not been received from Jim McKinney due to outstanding financial documentation needed to complete the report. These will be provided by HRND shortly. However a preliminary cash flow analysis was provided to the Commissioners.

5. **Promotion Fund Applications for 2015**

- a. Horsemen's Award Banquet
- b. All Other Requests to be Considered at Subsequent Meetings

Director laCour stated that the North Dakota Quarter Horse Racing Association has requested a \$3,500 Grant from the Promotion Fund for the Horsemen's Award Banquet for 2015. He recommends awarding that amount. Other requests from the Promotion Fund and Purse Fund will be considered at subsequent meetings.

Leon Glasser of the North Dakota Quarter Horse Racing Association was present to answer questions from the Commissioners. No date or location has been set at this time for the banquet.

**A motion was made** by Commissioner Hartman and seconded by Commissioner Senftner to award a \$3,500 Grant from the Promotion Fund to the North Dakota Quarter Horse Racing Association for the Horsemen's Award Banquet for 2015. Hartman –Y, Senftner –Y, Ozbun –Y, Trottier –Y, Durick –Y. Motion passed.

6. **Lutheran Social Services**

Lisa Vig with Lutheran Social Services of North Dakota gave a presentation of how they utilized the Promotion Grant from 2013 for their Gamblers Choice program. The Commissioners asked questions and Lisa answered their questions.

**A motion was made** by Commissioner Trottier and seconded by Commissioner Durick to award a \$5,000 Grant from the Promotion Fund to Lutheran Social Services for Lisa to administer at her discretion. Trottier –Y, Durick –Y, Ozbun –Y, Senftner –Y, Hartman –Y. Motion passed.

7. **Audit Hearing Report**

Director laCour reported on the audit hearing he attended. There was only one finding by the State Auditors regarding potential inefficiencies caused by having a third party administrator of the Breed Fund.

8. **2015 Session Legislation**

Director laCour reported on the five bills that he will work to have presented at the 2015 Legislative Session.

**A motion was made** by Commissioner Hartman and seconded by Commissioner Senftner authorize Director laCour to move forward with the bills to present at the Legislative session. Hartman –Y, Senftner –Y, Ozbun –Y, Trottier –Y, Durick –Y. Motion passed.

9. **Breed Fund for 2015**

a. 2013 Points Redistribution

Director laCour reported that following the last Commission meeting discussions were held with both Leon Glasser and Debra Quarne who received approximately \$800 in excess breed fund monies. Ms. Quarne agreed to have her overpayment offset against her 2014 breed fund payment. Mr. Glasser did not agree as he indicated that in the past the overpayment was allowed to be retained in instances with similar dollar amounts. Director laCour did review how this was handled in the past and stated that it was clear that individuals were allowed to keep the overpayment.

There was discussion among the Commissioners and agreement that this must be changed so that if a mistake is made in calculating the award and the breeder is overpaid then an adjustment will be made on future payments to the breeder.

**A motion was made** by Commissioner Senftner and seconded by Chairman Ozburn to allow Ms. Quarne and Mr. Glasser to allow the overpayment this year but in the future any overpayments will be deducted from subsequent payment. Senftner -Y, Ozburn -Y, Trottier -Y, Hartman -Y, Durick -Y. Motion passed.

- b. Out of State Breed Fund Points
- c. Vet Certificates/Breed Fund Investigator

The following issues were brought to Director laCour and he wants to make sure that they are discussed at the next Horsemen's Advisory Committee meeting. They are:

Whether out of state breed points should be awarded for any races, and if so under what conditions.

The general issue of individuals inaccurately representing North Dakota bred horses has been discussed with Director laCour since the end of the race meets. He believes that matter needs to be addressed on how best to go about regulating this issue, whether it be a) a vet certificate obtained by the horse breeder; b) a breed fund investigator which would require an outlay of funds from the Breed Fund to pay for such an individual. The horsemen need to discuss this issue.

10. **Scheduling 2015 Commission Meetings**

Director laCour asked to schedule the dates for the next two Commission meetings.

The dates will be Tuesday, February 24 and Tuesday, April 28.

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

- o Joint Jockey Incentive – There was discussion between the Commissioners and the horsemen regarding having a joint jockey incentive to increase the number of jockeys at the race meets for 2015.
- o Director laCour asked for a fee reduction for early licensure for the race meets to alleviate congestion at the tracks for licensing and increase efficiency of his licensing staff. A \$10 fee reduction across the board should reap benefits and he will come up with a fee schedule.

**A motion was made** by Chairman Ozburn and seconded by Commissioner Durick to authorize Director laCour to move forward with a schedule/fees to allow for early licensure for the race meets. Ozburn -Y, Durick -Y, Hartman -Y, Senftner -Y, Trottier -Y. Motion passed.

- o Director laCour reported that he has been approached about concerns about the North Dakota Thoroughbred Association. The Commissioners expressed that they expect the horsemen to work together to get any differences resolved. December 13 is the next meeting of the ND Thoroughbred Association.

12. **Adjournment**

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

Meeting was adjourned at 1:30 p.m.