

North Dakota Racing Commission Meeting
Masonic Lodge, 1009 Basin Avenue, Bismarck, ND
Thursday, February 16, 2023 – 10:30 am, Central Time

Minutes

Call to Order: Chairman John Hanson called the meeting to order at 10:30 a.m.

Present: Chairman John Hanson, Commissioner Jessica Benson, Commissioner Tracy Hanson, Commissioner Richard LaFromboise, Administrative Officer Gail Allensworth, Legal Counsel Josh Amundson, and HRMS Rep. Lynn Burgard

Not Present: Commissioner Michael Nason

Others Present: Scott Horst, Robert Wilson, Leigh Backhaus, James Pettie, Hugh Drexler, Jamie Herman, John Bubel, Leon Glasser, Pete Davis, Wendy Reuer, and Shadd Piehl

Chairman Hanson asked for a motion to move item #7 to item #1.

A motion was made by Commissioner Hanson and seconded by Commissioner LaFromboise to move agenda item #7 to item #1. T. Hanson – Y, LaFromboise – Y, J. Hanson – Y, and Benson – Y. Motion passed.

AGENDA

1. **Approval of Minutes** - November 17, December 1, 9, & 19, 2022
2. **Legislative Update** - 2023 Legislative Session Updates
3. **Financial Updates**
 - a. Promotion Fund
 - b. Purse Fund
 - c. Breeders Fund
 - d. General Fund
 - e. Grant Reports

4. **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
 - f. Jockey Incentives
 - g. Horsemen's Banquet

5. **Breeders Fund Report**
 - a. In-State Awards
 - b. Out-of-State Awards
 - c. Software Update
 - d. Embryo Transfer Requests

6. **2023 Occupational for Employee License Approval and Denials**
 - a. Reduced Licensing Fees
 - b. Authority for Occupational License Approvals/Denials
 - c. Suspended and Do Not License Lists Approval

7. **Executive Director Position Update**

8. **KK Bold Contract**

9. **Next Meeting Dates and Locations**
 - a. May 16, 2023, meeting in Belcourt?
 - b. September 14, 2023, meeting in Fargo?
 - c. November 16, 2023, meeting in Bismarck

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

11. **Adjournment**

7. **Executive Director Position Update**

Chairman Hanson provided an update on the hiring for a new Executive Director. An offer was made to Simon Tonge, but he did not accept the position.

A motion was made by Commissioner LaFromboise to appoint Shadd Piehl to the Executive Director position. There was no second. The motion failed.

Commissioner Hanson suggested following the rankings from the ratings of the candidates at the meeting held on February 11.

The Commissioners discussed the options moving forward. Chairman Hanson asked for guidance from HR Rep. Lynn Burgard.

HR Rep. Lynn Burgard explained the process moving forward. Her recommendation for the next step would be to use the scoring that shows the ranking of the candidates from the February 11 meeting. The reference checks for the second applicant, Bruce Johnson, would need to be completed next.

A motion was made by Commissioner Hanson and seconded by Commissioner Benson to do the reference checks on the second candidate, Bruce Johnson. T. Hanson – Y, Benson – Y, J. Hanson – Y, and LaFromboise – Y. Motion passed.

If the second choice does not materialize, Chairman Hanson asked what the next step would be for the Commission. Discussion amongst the Commissioners stated that the Commission would then move on to the third candidate.

Once the reference checks are completed on Bruce Johnson by Administrative Officer Gail Allensworth, they will be turned into Lynn Burgard at HRMS. If the references are positive, a verbal job offer will be made to Mr. Johnson.

No motions needed.

1. **Approval of Minutes** - November 17, December 1, 9, & 19, 2022

A motion was made by Commissioner Hanson and seconded by Commissioner Benson to accept the minutes of November 17, December 1, 9 & 19, 2022, as presented. All Commissioners voted aye and hearing no negative vote, the motion passed.

2. **Legislative Update** - 2023 Legislative Session Updates

Legal Counsel Josh Amundson provided an update on the two bills before the Legislature. HB 1331 was recommended as a do pass with no amendments in Committee and was then passed on the House Floor. HB 1331 will now go to the Senate and will be heard by the Judiciary Committee. HB 1023, the Commission's budget bill, passed in Committee with some slight increases and passed on the House Floor. The bill crossed to the Senate and will be heard by the Appropriations Committee.

No motions needed.

3. **Financial Updates**

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

Administrative Officer Gail Allensworth provided balances on the four funds to the Commissioners.

No motions needed.

- e. Grant Reports

Chairman Hanson read the results/recommendations provided in the briefing from former Executive Director Jack Schulz for both racetracks.

Jamie Herman from ORDA provided a report on Chippewa Downs. Mr. Herman stated that an audit was complete for Chippewa Downs for 2022. The Commissioners asked questions which Mr. Herman answered.

Hugh Drexler from Horse Race North Dakota provided a report on the North Dakota Horse Park. The Commissioners asked questions which Mr. Drexler answered.

There was discussion among the Commissioners regarding the recommendations from former Exec. Director Schulz.

Chairman Hanson emphasized that the reports from the racetracks and associations that are supposed to be submitted to the Racing Commission need to be submitted on time.

Pete Davis, representing ORDA, expressed his concerns regarding the grant reports requested from ORDA. There were questions asked by the Commissioners which Mr. Davis answered.

No motions needed.

Break at 12:23 pm.

4. Promotion & Purse Fund Requests

a. Conditions for Promotion & Purse Funding Requests

Chairman Hanson stated that the grant conditions form is a document to establish that the tracks/associations requests are in order.

No motions needed.

b. ORDA (Chippewa Downs) – Promotion Fund Request

Chairman Hanson stated that ORDA made a Promotion Fund request of \$250,000 and that the former Director's recommendation is to award \$180,000 (\$30,000 for 6 days).

Chairman Hanson asked for a representative of ORDA to speak about their Promotion Grant request. Pete Davis discussed the ORDA request with the Commissioners. The Commissioners asked questions which Mr. Davis answered.

Commissioner Hanson stated that he would like to see an audit from the 2022 race meets from both racetracks. There was discussion among the other Commissioners and Legal Counsel.

A motion was made by Commissioner LaFromboise and seconded by Chairman Hanson to accept the recommendation of the former Director to award \$180,000 from the Promotion Fund to ORDA with the grant conditions. LaFromboise – Y, J. Hanson – Y, Benson – Y, and T. Hanson – N. Motion passed.

c. HRND (ND Horse Park)

Hugh Drexler, General Manager of the North Dakota Horse Park, stated how they would be using the Promotion Funds.

Chairman Hanson stated that Horse Race North Dakota made a Promotion Fund Request of \$200,000 and the former Director's recommendation is to award \$180,000 (\$30,000 for 6 days).

A motion was made by Commissioner Benson and seconded by Chairman Hanson to accept the recommendation of the former Director to award \$180,000 from the Promotion Fund to HRND with the grant conditions. Benson – Y, J. Hanson – Y, T. Hanson – N, and LaFromboise – N. Motion failed.

There was discussion among the Commissioners regarding why the motion failed.

A motion was made by Commissioner LaFromboise and seconded by Commissioner Benson to accept the recommendation of the former Director to award \$180,000 from the Promotion Fund to HRND with the grant conditions. LaFromboise – Y, Benson – Y, J. Hanson – Y, and T. Hanson – N. Motion passed.

Chairman Hanson stated that HRND requested a Promotion Fund Grant in the amount of \$15,000 as a grant match for track repair and maintenance. They also requested a Promotion Fund Grant in the amount of \$10,000 as a grant match for installing RV hookups in the backside area.

Hugh Drexler, GM of ND Horse Park, stated why they requested the funds and how the funds will be used at the racetrack.

A motion was made by Commissioner Hanson and seconded by Commissioner LaFromboise to accept the recommendation of the former Director to award a Promotion Fund grant for \$15,000 as a grant match for track repair and maintenance and a Promotion Fund grant for \$10,000 as a grant match for installing RV hookups in the backside area to Horse Race North Dakota. T. Hanson – Y, LaFromboise – Y, J. Hanson – Y, and Benson – Y. Motion passed.

e. North Dakota Quarter Horse Racing Association

Chairman Hanson stated that the ND Quarter Horse Racing Association requested a Promotion Fund request in the amount of \$3,000 for their stallion auction. The former Director did not recommend funding.

Leon Glasser, President of the NDQHRA, spoke to the Commissioners regarding the request.

A motion was made by Commissioner LaFromboise and seconded by Chairman Hanson to accept the recommendation of the former Director and not fund the \$3,000 Promotion Fund request from the NDQHRA. LaFromboise – Y, J. Hanson – Y, Benson – Y, and T. Hanson – Y. Motion passed.

- d. North Dakota Thoroughbred Association
- g. Horsemen's Banquet.

Chairman Hanson stated that the ND Thoroughbred Association requested two Promotion Fund requests in the amount of \$3,000 for their stallion auction, and \$3,000 for the Horsemen's Banquet. The former Director did not recommend funding either request.

Scott Horst, President of the NDTA, spoke to the Commissioners regarding the requests.

A motion was made by Commissioner LaFromboise and seconded by Commissioner Hanson to award a \$3,000 Promotion Fund grant to the NDTA for the horsemen's banquet. LaFromboise – Y, T. Hanson – Y, J. Hanson – Y, and Benson – Y. Motion passed.

5. Breeders Fund Report

- a. In-State Awards - \$225,000 available for 2023
- b. Out-of-State Awards - \$25,000 available for 2023
- c. Software Update

Administrative Officer Gail Allensworth provided an update on the Breed Fund IT database project that began in January 2023.

- d. Embryo Transfer Requests

Administrative Officer Gail Allensworth stated that there is a new state form that needs to be used by the horsemen/horsewomen for embryo transfers.

Leon Glasser, President of the NDQHRA, explained to the Commissioners what the process is for an embryo transfer. This process is only with Quarter Horses, Paints, and Arabians. Thoroughbreds must be bred using a live cover.

No motions needed.

4. b. ORDA (Chippewa Downs) & HRND (ND Horse Park) – Purse Fund Request

Commissioner LaFromboise listed the organizations and amounts requested for Purse Fund requests.

ORDA requested \$240,000 and the former Director recommended \$168,000.

HRND requested \$200,000 and the former Director recommended \$168,000.

NDTA requested \$50,000 and the former Director recommended not approving the request.

NDQHRA requested \$50,000 and the former Director recommended not approving the request.

There was discussion between the Commissioners and the racetrack representatives and the association representatives.

A motion was made by Commissioner Hanson and Commissioner LaFromboise to accept the recommendation of the former Director to award \$168,000 in Purse Funds to ORDA and HRND and not award Purse Fund dollars to the NDTA and NDQHRA. T. Hanson – Y, LaFromboise – Y, J. Hanson – Y, and Benson – Y. Motion passed.

4. f. Jockey Incentives

Chairman Hanson stated that the Racing Commission issued \$12,000 from the Promotion Fund for jockey incentives for ORDA and \$12,000 from the Promotion Fund for jockey incentives for Horse Race North Dakota in 2022.

A motion was made by Commissioner Hanson and seconded by Commissioner LaFromboise to continue the jockey incentives as it was in 2022: \$12,000 in Promotion Funds to ORDA, and \$12,000 in Promotion Funds to the Horse Race North Dakota. T. Hanson – Y, LaFromboise – Y, J. Hanson – Y, and Benson – Y. Motion passed.

6. 2023 Occupational for Employee License Approval and Denials

- a. Reduced Licensing Fees

Legal Counsel Josh Amundson stated that he has reviewed the rules and said that he could not advise but stated that the Commission can continue operations as normal.

b. Authority for Occupational License Approvals/Denials

Chairman Hanson recommended that we defer this until Legal Counsel Josh Amundson has a chance to review.

c. Suspended and Do Not License Lists Approval

Chairman Hanson recommended that we defer this until Legal Counsel Josh Amundson has a chance to review.

No motions needed.

8. KK Bold Contract

Chairman Hanson and Legal Counsel Josh Amundson provided an update on the KK Bold contract.

Recommendations were to have more specific terms regarding planning and a follow-up on the survey that was done in 2022.

No motions needed.

9. Next Meeting Dates and Locations

- a. Thursday, May 18, 2023, meeting in Belcourt
- b. Friday, July 28, 2023, meeting in Fargo
- c. Thursday, September 14, 2023, meeting in Bismarck
- d. Thursday, November 16, 2023, meeting in Bismarck

Administrative Officer Gail Allensworth will coordinate with Hugh Drexler for a location for the Fargo meeting.

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

- Legal Counsel Josh Amundson stated that the interviews for the Safety Steward/Investigator position are done. His recommendation to the Commission is to give Gail the authority to offer the position to the top applicant.

A motion was made by Commissioner Benson and seconded by Commissioner Hanson to give Administrative Officer Gail Allensworth the authority to offer the position to the top applicant. Benson – Y, T. Hanson – Y, J. Hanson – Y, and LaFromboise – Y. Motion passed.

- Chairman Hanson showed the Commissioners the gift that he bought for former Director Jack Schulz and asked Commissioner Benson to get a certificate and have it framed to give to Jack in addition to the gift.
- Commissioner Hanson asked what the procedure is to have an audit of both racetracks. Legal Counsel Josh Amundson stated that he would check with the Auditor's office.

- NDHP GM, Hugh Drexler stated that he was going to recommend to his board that they not request any additional funding or grants from the Racing Commission for his employment.

11. Adjournment

Meeting was adjourned at 2:42 pm.