

RECORD OF PROCEEDINGS

The regularly scheduled meeting of the Colorado Racing Commission was held on Tuesday, April 9, 2019 in the Red Rocks Conference Room Suite 300 at 1707 Cole Blvd Lakewood, Colorado 80401. Chairwoman Inmann called the meeting to order at 9:30 AM.

Members Present

Pam Inmann, Chairwoman
Tina Estes, Vice-Chairwoman (by phone)
Sandra Bowen, Member
David Lynn Hoffman, Member
Lori Scott DVM, Member (by phone)

Staff Present

Cory Amend, Senior Director of Enforcement Division
Dan Hartman, Director of the Division of Racing Events
Ed Kulp, Agent in Charge
Zach Ceriani, Legal Assistant
Bradford Jones, Assistant Attorney General representing the Division of Racing Events
Gregory Lamb, Racing Division Auditor
Suzanne Karrer, Communications Manager for Enforcement Division
Breanne Rodlin, Assistant to Division Director

Also Present

Bruce Seymore, Executive Director of Colorado Operations for Mile Hi Racing and Entertainment
Shannon Rushton, Representative of the CHA

Approval of Minutes of March 12, 2019

After establishing that a quorum of Commission members was present, a motion was made by Commissioner Bowen, Seconded by Commissioner Hoffman and unanimously carried to approve the minutes of March 12, 2019.

Consideration of Request for Early Distribution of Portion of Owners/Breeders Awards Funds and Supplemental Purse Monies—Greg Lamb/Colorado Thoroughbred Breeders' Association

Mr. Dan Hartman, Director of the Division of Racing Events, referred the consideration of request of funds for early release to Gregory Lamb, Auditor for the Division of Racing Events.

Mr. Lamb informed the Commission that in accordance with and as permitted by statute, the Colorado Thoroughbred Breeders' Association (CTBBA) had submitted a formal written request for early release of \$135,000, a portion of their Owners/Breeders Awards and Supplemental Purse Fund accrual for the purpose of supplementing their Colorado

Bred Stakes Schedule at Arapahoe Park in 2019. He explained that, by rule, no breed organization may request more than 80% (eighty percent) of its total accrual.

Mr. Lamb recommended the Commission approve the early release of the CTBBA funds prior to the Division's July audit, which would mark the beginning of a new fiscal year, in order to ensure that the funds would be available for usage.

There being no comments made by the Commission, or the public, a motion was thereupon made by Commissioner Hoffman, Seconded by Commissioner Scott, and unanimously carried to approve the early distribution of the \$135,000 portion of the Owners/Breeders Awards Funds and Supplemental Purse Monies.

Consideration of application for release of monies from the Greyhound Adoption Fund— Greg Lamb

Mr. Greg Lamb, reported to the Commission, that the Division received four applications for the release of money from the Greyhound Welfare and Adoption Fund. He observed that the requesting organizations were: 1) Greyhound Connection, Inc; 2) Colorado Greyhound Adoption; 3) Rocky Mountain Greyhound Adoption, Inc; and 4) Friends of Retired Greyhounds. Mr. Lamb stated that he, along with Director to the Division of Racing Events—Dan Hartman—had reviewed each of the subject applications. He also informed the Commission that, currently, \$40,000.00 resides in the Fund account and of those monies, \$30,000.00 would be distributed.

Mr. Lamb explained that, based upon the distribution methodology discussed and adopted by the Commission in May 2013, each organization is reimbursed based upon the number of greyhounds that it has placed during the six-month application period divided in to the available amount of fund money. Mr. Lamb stated that, during the subject six-month period, a total of 267 greyhounds were placed by the applicants. This would mean that the organizations would receive \$112.36 per placed greyhound ($\$30,000/267 = \112.36).

Mr. Lamb advised that, before distribution of funds would be made, the Division would again review the paperwork from the requesting organizations to ensure that accurate numbers had been reported and used in all calculations. Further, he stated that, since the Division is no longer requiring the requesting organizations to submit receipts as part of their application documentation, Division investigators have been granted authorization to conduct on-site inspections and verifications of each organization's adoption reports and records.

The Commission took notice of Mr. Lamb's confirmation that all of the subject applications met the criteria set forth in the Commission's rules. In the applications, Rocky Mountain Greyhound Adoption, Inc. had requested \$6,000.00. It was noted that none of the other three organizations requested specific amounts within their applications. Notice was also taken that, all of the requesting organizations had previously received fund money. Further, the Commission observed that each of the organizations is currently licensed by the Division of Racing Events.

Mr. Lamb stated that the Division of Racing Events would recommend that the Commission approve the following disbursements, totaling \$30,000.00, from the Greyhound Welfare and Adoption Fund:

• To Greyhound Connection:	\$ 15,280.00
• To Colorado Greyhound Adoption:	\$ 7,416.00
• To Rocky Mountain Greyhound Adoption, Inc:	\$ 2,230.00
• To Friends of Retired Greyhounds:	\$ 6,691.00
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TOTAL	\$ 30,000.00

In accordance with existing protocols, the Commission emphasized that all fund recipients would be required to submit the following information/documentation to the offices of the Division of Racing Events for subsequent Commission review: 1) a preliminary report specifying how the organization intends to utilize the subject funds; and 2) subsequent to expending the funds, a follow-up accounting that reflects how the money allotted to the organization was used.

After Mr. Lamb's presentation, Chairwoman Inmann opened the floor for discussion. Commissioner Hoffman asked Mr. Lamb why the whole \$40,000.00 of fund money was not released to the greyhound organizations. Mr. Lamb explained that the it would not be in the Division's, nor the organizations' best interest to release all of the funds, as most of the money generated for the Fund comes from wagering at tracks in Florida. Due to recently passed legislation in Florida, ending greyhound racing within the next few years, it would be safer for the Greyhound Welfare and Adoption Fund to keep the extra \$10,000.00 as "cushion" in the event that the ending of racing in Florida negatively impacts and decreases future funding.

Commissioner Hoffman then asked how the money was generated for the Fund. Mr. Lamb responded that a majority of the money comes from betting in Colorado for out of state racing, thus why the recent legislature in Florida would cause grounds for concern. Chairwoman Inmann inquired a clarification whether the money comes from Off-Track Betting locations, to which Mr. Lamb responded, yes. Mr. Lamb then also explained that the funds would not be released to the organizations until Division of Racing Investigators had visited, audited, and confirmed adoption numbers of the subject applications.

Chairwoman Inmann, seeing as there were no further comments to be made, closed the floor for discussion. A motion was thereupon made by Commissioner Hoffman, seconded by Commissioner Scott, and unanimously carried to release \$15,280.00 to Greyhound Connection; \$7,416.00 to Colorado Greyhound Adoption; \$2,230.00 to Rocky Mountain Greyhound Adoption, Inc.; and \$6,691.00 to Friends of Retired Greyhounds, which totaled approximately \$30,000.00. These funds are to be released with the proviso that each organization is to provide preliminary and follow-up reports relating to the use of the subject funds and, further, that, for the purpose of verifying the accuracy of its reported adoption totals, each organization is required to undergo an inspection of its adoption reports/records by Division investigators prior to the release of funds from the Greyhound Welfare and Adoption Fund.

The Commission and Director Hartman commended the greyhound welfare and adoption organizations and acknowledged that they deserve to receive compensation for their outstanding work and service. No further action was taken at this time.

Consideration of approval of 2019-2020 simulcast schedule for Arapahoe Park—Dan Hartman

Mr. Dan Hartman, Director of the Division of Racing Events, presented his report concerning Arapahoe Park's proposed 2019-2020 simulcast schedule. Mr. Bruce Seymore, Executive Director of Colorado Operations for Mile Hi Racing and Entertainment, appeared on behalf of the racing Association.

Mr. Hartman advised the Commission that, on March 26, 2019, the Colorado Division of Racing Events had received a letter from Mr. Bill Powers, Director of Racing at Arapahoe Park, requesting approval for the sending/receiving of interstate wagers and simulcasts on horses and greyhounds for 2019 and 2020. The letter requested permission to commence simulcast wagering on April 21, 2019 and concluding it on April 20, 2020. Mr. Hartman observed that Arapahoe Park's request for approval of its simulcast schedule included an open letter asking for blanket approval to send and receive interstate wagers and simulcasts from the following sources subject to contract and Division approval, excluding specific listing of racecourses and simulcast dates:

- All racetracks representing the United States and Canada;
- All racetracks in the International Jurisdiction;
- All affiliated off-track wagering venues; and
- Nevada pari-mutuel books

Mr. Hartman assured the Commission that the Division would require Arapahoe Park submit all agreements and contracts with the specific state horsemen's associations and racetracks before being allowed to receive any out-of-state simulcasts. He noted that all agreements and contracts would be subject to review before simulcasting would be approved and that final approval for simulcasting from any racecourse would not be given unless the Division had received both a racing schedule and a simulcast contract.

Additionally, Mr. Hartman stated that on March 1, 2019, the Colorado Division of Racing Events received a renewal application from Racing Associates of Colorado Ltd, doing business as Arapahoe Park to commence live racing on Saturday, May 25, 2019 through Sunday, August, 11 2019 for a total of thirty nine (39) live race days. He observed that Arapahoe Park intends to conduct live racing as well as greyhound and horse simulcasting throughout the entire year; and, in conjunction with its live meet, Arapahoe Park will provide horse simulcasting on its non-live race days. The Commission took notice that unforeseen circumstances might necessitate that modifications be made to prospective simulcast dates and/or racing schedules, and therefore, the Division Director or his designee has been delegated authority to approve such changes.

Chairwoman Inmann, after hearing the details of the simulcast schedule approval, then opened the floor for discussion. Commissioner Hoffman inquired whether this approval was just for simulcasting, or if the approval of race dates for the 2020 racing season was also being considered. Mr. Hartman responded that this motion would be regarding the simulcast schedule only. He stated that he race dates for 2020 were on file but that they would be approved at the May 14, 2019 meeting of the Commission.

Following its review and after acknowledging that the Division of Racing Events recommended acceptance of Arapahoe Park's 2019-2020 proposed simulcast wagering schedule, a motion was made by Commissioner Bowen, Seconded by Commissioner Estes, and unanimously carried to approve Arapahoe Park's request to commence simulcast wagering on April 21, 2019 ad to continue simulcast wagering through April 20, 2020 subject to the following terms and conditions:

- 1) That Arapahoe Park will submit its proposed Simulcast Calendar reflecting the simulcast race days, including the live racing days, to the Division of Racing Events as soon as possible;
- 2) That Arapahoe Park will inform the Division at least ten (10) days prior to adding a anew track to its schedule. This will be followed by all required contracts;
- 3) That fully executed signed contracts and agreements for each racetrack from which broadcasts are to be received are provided to the Division no later than forty-eight (48) hours prior to the commencement of simulcasting from that site;
- 4) That adequate advanced notice of the actual dates and simulcasting schedules for any and all venues be made part of Arapahoe Park's 2019-2020 roster be provided to the division of racing Events prior to the start of racing from that site;
- 5) That the Division of Racing Events may, in its discretion, 1) require any totalisator link that has not been tested to be tested prior to the date of operation; and 2) approve the telephone lines to be used;
- 6) That Arapahoe Park comply with all terms and conditions contained in the Interstate Horse Racing Act with regard to receipt of simulcast signals, presentation of approved simulcasts, and broadcasting of its races to out-of-state venues; and
- 7) That the Commission delegate authority to the Director or his designee to approve schedules for pre-approved tracks when a specified envelope is determined and to approve any adjustments or amendments to the simulcast schedules as needed.

The Commission directed that the Division monitor compliance with these requirements and ensure receipt of all necessary contracts prior to commencement of simulcasting from any racetrack. (Subsequently, an Order with Conditions signed by Director Hartman was issued to Arapahoe Park reflecting the Commission's action).

ARCI Conference Discussion—Chairwoman Inmann, Commissioner Bowen, Commissioner Scott, and Dan Hartman

Following all discussions of business matters, Chairwoman Inmann requested that the attendees of the annual ARCI conference, held on April 2-6 in Arcadia, California, discuss their experiences and give examples of some things they learned while there.

Before discussion began, it was noted that Director Hartman received an award for his tremendous work on an updated penalty schedule to be used by the RCI.

Commissioner Scott began commenting on the conference as she discussed the breadth of information provided by the scientific research and presentations done on the increase of breakdowns, skeletal and muscular maturity of horses, pathology of diseases and breakdowns, and management of new drugs. She stated that the ARCI has a great model for rules and drug protocol as well as reliable experts.

Commissioner Bowen stated that she learned a lot from the conference as a new Commissioner, and that all of the information was helpful to her learning of the interworking of racing Commissions.

Commissioner Hoffman asked Commissioner Scott which new drugs were impacting the racing industry and inquired about the many breakdowns during the spring racing meets. Commissioner Scott responded that the largest problem facing the industry pertained to mismanagement of off-label drug usage in young horses before they are even raced or trained to race. She discussed that limitations on these drugs, among others, was the reasoning behind Director Hartman's restructured penalty schedule presentation he made at the conference. Mr. Hartman then added that the ARCI maintained that as an organization, it desired to limit bisphosphonates (a class of drugs that prevent the loss of bone density; used to treat diseases like osteoporosis) in horses under the age of 4. He stated that as an industry, regulation of these horses and the drugs they are given do not begin until the horses are trained and raced on the track; therefore, there will have to be a shift in the breeding and sales of these horses to uphold the new drug policies. He mentioned that if a horse under the age of four (4) tests positive for bisphosphonates, said horse would instantly be prohibited from competing within any race in North America.

After discussing new drug regulations, Mr. Hartman stated that there was great representation from the Colorado racing industry, as Shannon Rushton and Bruce Seymore were both in attendance at the ARCI conference. He declared that a presence from so many different members of Colorado racing from Commissioners to Directors, as well as Horsemen to Racetrack Executives, showed a cohesiveness and cognizance within the State's Industry.

Adjournment

There being no further business to consider, a motion was made by Commissioner Bowen, seconded by Commissioner Hoffman, and unanimously carried to adjourn the regularly scheduled meeting of the Colorado Racing Commission at 9:51 AM.

Next Regularly Scheduled Meeting

The next regularly meeting for the Colorado Racing Commission will be held on **Tuesday, May 14, 2019**, at 9:00 AM in the Red Rocks Conference Room, Suite 300 located at 1707 Cole Blvd, Lakewood, CO 80401.

PAM INMANN, CHAIRWOMAN

TINA ESTES, VICE-CHAIRWOMAN

D. LYNN HOFFMAN, MEMBER

LORI SCOTT, DVM, MEMBER

SANDRA BOWEN, MEMBER