

NORTH DAKOTA RACING COMMISSION

Live and Telephone Meeting
500 North 9th Street, Bismarck, ND
Thursday, January 26, 2006
10:00 a.m. (central time)

AGENDA

1. **Live Race Track Reports for 2005**
 - ORDA - Belcourt
 - Horse Race North Dakota – Fargo
2. **Accountant’s report on ORDA and ND Horse Park 2005 Race Meets**
3. **Breeders Fund Distribution for 2005**
 - a. Approval of payment of the 2005 Breeders Fund Awards
 - b. Replenishment of the Breeders Administrative Fund
 - c. Advice of counsel regarding point system
Consideration of Double and Triple Point Awards - 2005 Breeders’ Fund Awards
4. **Purse/Breeders’ Fund Requests** - **Total Requests = \$ 810,500**
 - a. ORDA - \$ 128,000 – Purse
20,000 – Breeders
\$ 148,000
 - b. Horse Race North Dakota
\$ 450,000 – Purse
150,000 – Breeders
\$ 600,000
 - c. Horse Race North Dakota (Harness Meet)
\$ 35,000 – Purse
7,500 – Breeders
\$ 42,500
 - d. Grass Roots Stallion Stakes (ORDA)
\$ 5,000 – Futurity
5,000 – Derby
\$ 10,000
 - e. ND Quarter Horse Racing Association
\$ 5,000 – 2008 Stallion Stakes
5,000 – 2009 Derby
\$ 10,000

5. Promotion Fund Requests - Total Requests = \$ 838,900
- | | | |
|---|-----------------------------------|------------|
| a. ORDA | \$ 140,000 – Operating | |
| | <u>30,000</u> – Track Improvement | |
| | | \$ 170,000 |
| b. Horse Race ND | \$ 578,300 – Operating | |
| | <u>51,600</u> – Harness Meet | |
| | | \$ 629,900 |
| c. ND Quarter Horse Racing Association | | |
| | Stallion Season Service Auction | \$ 5,000 |
| d. ND Thoroughbred Association | | |
| | Stallion Service Auction | \$ 5,000 |
| e. Development Homes, Inc. | | \$ 5,000 |
| f. Fair Circuit Horse Racing Association | | \$ 20,000 |
| g. Williston Convention & Visitors Bureau | | \$ 4,000 |
6. Conferences
- a. Report on 2005 Symposium on Racing and Gaming
 - b. Spring Conference – March 28 – April 1st
7. Purchase of Trophies & Engraving for 2005
8. 2006 Race Season
- a. Authority for Director to appoint veterinarian and steward
 - b. Licensing staff for 2006 meets
9. Any other business which may PROPERLY come before the commission
10. Adjournment

If you plan to attend the meeting and will need special facilities or assistance relating to a disability, please contact the Racing Commission at 701-328-4633.

NORTH DAKOTA RACING COMMISSION

Live Meeting
500 North 9th Street, Bismarck, ND
Thursday, January 26, 2006
10:00 a.m. (central time)

PRESENT:

Chairman Jim Arthaud, Commissioners Jim Clement, Clarence Frederick, DeAnn Pladson, Tom Secrest, Legal Counsel Bill Peterson, Racing Director Randy Blaseg and Administrative Officer Helen Tessmann.

OTHERS PRESENT:

Doug DeMontigny, Rob Lynch, Mike Cichy, Kenneth Lien, Kevin Hall, Scott Horst, Les Schmidt, Kelly Peach, Debbie Longie, Duane Longie, Jeff Charbonneau, Blaine DeCoteau, Randall Schwartz, Janell Cole, Leon Glasser, Roger Thompson, Lloyd Counts, and Rocky Demery.

Chairman Arthaud called the meeting to order at 10:00 a.m. central time and asked Director Blaseg to call the roll:

Commissioner Frederick	-	Here
Commissioner Clement	-	Here
Commissioner Pladson	-	Here
Commissioner Secrest	-	Here
Chairman Arthaud	-	Here

1. Live Race Track Reports for 2005

- ORDA – Belcourt

Doug DeMontigny reported on the June 2005 live race meet in Belcourt.

- Horse Race North Dakota – Fargo

Les Schmidt, Track Manager gave a report on the Horse Race North Dakota 2005 live race meet in Fargo.

2. Accountant's report on ORDA and ND Horse Park 2005 Race Meets

- Roger Thompson gave the audit report of the 2005 race meets in Belcourt and Fargo.

3. Breeders Fund Distribution for 2005

a. Approval of payment of the 2005 Breeders Fund Awards

b. Replenishment of the Breeders Administrative Fund

Administrative Officer Tessmann reported that the Breeders' Fund balance as of December 31, 2005 was \$1, 676,001.

Commissioner Pladson made the motion to approve the disbursement of one eighth of the December 31, 2005 balance of the Breeders' Fund and to allow five percent transfer of that amount to be disbursed for the purpose of administration costs. Commissioner Clement seconded the motion. Chairman Arthaud asked the Director to call the roll:

Commissioner Clement	-	Yes
Commissioner Pladson	-	Yes
Commissioner Frederick	-	Yes
Commissioner Secrest	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

c. Advice of counsel regarding point system

Consideration of Double and Triple Point Awards - 2005 Breeders' Fund Awards

Director Blaseg explained the double and triple point awards and Legal Counsel Bill Peterson stated the current rules do not allow for extra points for in-state races and would need a variance to allow extra points.

Commissioner Clement made the motion to grant the variance for 2005 for a purse of \$10,000 or more but less than \$25,000 for double points, purses \$25,000 or more but less than \$50,000 for triple points for in state races. Commissioner Frederick seconded the motion. Chairman Arthaud asked the Director to call the roll:

Commissioner Clement	-	Yes
Commissioner Frederick	-	Yes
Commissioner Pladson	-	Yes
Commissioner Secret	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

Legal Counsel suggested a permanent rule be put in place to eliminate the need for a yearly variance. Discussion was held in regards to the process it takes to make a rule change and the time frame for the process is about six months.

4. Purse/Breeders' Fund Requests - Total Requests = \$ 810,500

a. ORDA - \$ 128,000 – Purse
20,000 – Breeders
\$ 148,000

Doug DeMontingy on behalf of ORDA, made the request of \$148,000 for eight days of racing. Chairman Arthaud made the recommendation to grant \$65,000 in Purse dollars and \$35,000 from the Breeders Fund for a total of \$100,000 for ORDA with funding in this amount for the Grass Roots Stallion Stakes out the Breeders Fund. If race days are reduced the commission would expect money to be refunded to the Purse and Breeders Fund appropriately.

Commissioner Frederick made the motion to grant ORDA \$65,000 in Purse dollars and \$35,000 from the Breeders Fund for eight days of race a total of \$100,000 which includes \$5,000 for the Grass Roots Stallion stakes out the Breeders Fund dollars. If any race days would be cut, monies would be returned to the commission prorata per days cut.
Commissioner Clement seconded the motion.

Chairman Arthaud asked the Director to call the roll:

Commissioner Frederick	-	Yes
Commissioner Clement	-	Yes
Commissioner Pladson	-	Yes
Commissioner Secret	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

b. Horse Race North Dakota
\$ 450,000 – Purse
150,000 – Breeders
\$ 600,000

c. Horse Race North Dakota (Harness Meet)
\$ 35,000 – Purse
7,500 – Breeders
\$ 42,500

Rob Lynch, ND Horse Park General Manager stated Horse Race ND was in a position to significantly reduce their October grant request from \$485,000 to \$370,000 from the Purse Fund and from \$157,000 to \$150,000 for the Breeders Fund for 19 days of racing plus the 3 days for the Harness racing.

Chairman Arthaud made the recommendation to grant Horse Race ND \$370,000 from the Purse Fund and \$150,000 from the Breeders' Fund.

Commissioner Clement made the motion to grant Horse Race ND \$370,000 from the Purse Fund and \$150,000 from the Breeders' Fund. If any race days would be cut, monies would be returned to the commission prorata per days cut. Commissioner Pladson seconded the motion. After no further discussion, the Chairman asked the Director to call the roll:

Commissioner Clement	-	Yes
Commissioner Pladson	-	Yes
Commissioner Frederick	-	Yes
Commissioner Secret	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

d. Grass Roots Stallion Stakes (ORDA)

\$ 5,000 – Futurity
5,000 – Derby
\$ 10,000

(This item was included in the motion under agenda item 4a.)

e. ND Quarter Horse Racing Association

\$ 5,000 – 2008 Stallion Stakes
5,000 – 2009 Derby
\$ 10,000

Leon Glasser explained the request of \$10,000 for the 2008 Stallion Stakes and 2009 Derby. Chairman Arthaud made a final recommendation of \$2,500 per race which was granted in the previous year.

Commissioner Secret made the motion to grant the ND Quarter Horse Racing Association \$2,500 for the 2008 Stallion Stakes and \$2,500 for the 2009 Derby from the Purse Fund. Commissioner Clement seconded the motion. After no further discussion, the Chairman asked the Director to call the roll:

Commissioner Secret	-	Yes
Commissioner Clement	-	Yes
Commissioner Frederick	-	Yes
Commissioner Pladson	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

5. Promotion Fund Requests - Total Requests = \$ 838,900

(The chairman asked that the Horse Race ND's request be acted on as the first item.)

b. Horse Race ND

\$ 578,300 – Operating
51,600 – Harness Meet
\$ 629,900

Rob Lynch, ND Horse Park General Manager, stated the modified 2006 grant request from the Promotion Fund would be \$350,000 instead of the original October 1st request of \$629,900. Chairman Arthaud made the recommendation to grant the \$350,000.

Commissioner Pladson made the motion to grant Horse Race ND \$350,000 from the Promotion Fund. Commissioner Clement seconded the motion. After no further discussion, the Chairman asked the Director to call the roll:

Commissioner Pladson	-	Yes
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Commissioner Clement	-	Yes
Commissioner Frederick	-	Yes
Commissioner Secrest	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

a. ORDA \$ 140,000 – Operating
30,000 – Track Improvement
\$ 170,000

Doug DeMontigny on behalf of ORDA reported on the 2005 expenses and made the grant requested for 2006. Chairman Arthaud recommended granting the same dollars as the previous year with \$50,000 for operating but no grant be given for the track improvement. Commissioner Frederick suggested adding another \$15,000.

Commissioner Frederick made the motion to grant \$65,000 from the Promotion Fund to ORDA. Commissioner Clement seconded the motion. After lengthy discussion on the future of horse racing in North Dakota, the Chairman asked the Director to take the roll:

Commissioner Frederick	-	Yes
Commissioner Clement	-	Yes
Commissioner Pladson	-	Yes
Commissioner Secrest	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

Discussion was held on the use of the Promotion Fund dollars.

c. ND Quarter Horse Racing Association
Stallion Season Service Auction \$ 5,000
(Leon Glasser represented the ND Quarter Horse Racing Association.)

Commissioner Frederick made the motion to deny granting dollars to the ND Quarter Horse Association for the Stallion Season Service Auction. Commissioner Pladson seconded the motion. With no further discussion, the Chairman asked the Director to take the roll:

Commissioner Frederick	-	Yes
Commissioner Pladson	-	Yes
Commissioner Clement	-	Yes
Commissioner Secrest	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

d. ND Thoroughbred Association
Stallion Service Auction \$ 5,000

Scott Horst, representing the ND Thoroughbred Association, reported on the December Stallion Auction. Legal Counsel Bill Peterson read the guidelines for granting dollars from the Promotion Fund.

Commissioner Pladson made the motion to deny granting dollars to the ND Thoroughbred Association for the Stallion Season Auction. Commissioner Clement seconded the motion. With no further discussion, the Chairman asked the Director to take the roll:

Commissioner Frederick	-	Yes
Commissioner Pladson	-	Yes
Commissioner Clement	-	Yes
Commissioner Secrest	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

Chairman Arthaud recommended denying granting funds to Development Homes, Fair Circuit Horse Racing Association and the Williston Convention and Visitors Bureau.

- e. Development Homes, Inc.** **\$ 5,000**
(No representative was in attendance.)

Commissioner Frederick made the motion to deny granting funding to Development Homes, Inc. Commissioner Clement seconded the motion. With no further discussion, the Chairman asked the Director to take the roll:

Commissioner Frederick	-	Yes
Commissioner Clement	-	Yes
Commissioner Pladson	-	Yes
Commissioner Secret	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

- f. Fair Circuit Horse Racing Association** **\$ 20,000**

Kelly Peach, President of Fair Circuit Horse Racing Association explained the grant request for \$20,000.

Commissioner Secret made the motion to deny granting funding to Fair Circuit Horse Racing Association. Commissioner Pladson seconded the motion. With no further discussion, the Chairman asked the Director to take the roll:

Commissioner Secret	-	Yes
Commissioner Pladson	-	Yes
Commissioner Frederick	-	Yes
Commissioner Clement	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

- g. Williston Convention & Visitors Bureau** **\$ 4,000**
(No representative was in attendance.)

Commissioner Clement made the motion to deny granting funding to Williston Convention and Visitors Bureau. Commissioner Secret seconded the motion. With no further discussion, the Chairman asked the Director to take the roll:

Commissioner Clement	-	Yes
Commissioner Secret	-	Yes
Commissioner Frederick	-	Yes
Commissioner Pladson	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

The commission took a five minute break. At 12:10 p.m., Chairman Arthaud called the meeting back to order.

Chairman Arthaud stated for clarification, on the Breeders and Purse Fund grants we allocated that if days of racing would be cut the commission would be reimbursed for equal share of dollars per days cut and that should be the same Promotion Fund.

Commissioner Pladson made the motion that any Promotion Fund monies that are not used due to the trimming of any race days be returned in prorata share to the Racing Commission. Commissioner Clement seconded the motion. The Chairman asked the Director to take the roll:

Commissioner Pladson	-	Yes
Commissioner Clement	-	Yes
Commissioner Frederick	-	Yes
Commissioner Secrest	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

6. Conferences

a. Report on 2005 Symposium on Racing and Gaming

Commissioner Pladson reported on her attendance at the Racing Symposium in Tucson, Arizona, December 5th – 9th.

b. Spring Conference – March 28 – April 1st – RCI Annual Conference

Chairman Arthaud made the recommendation that the Director and Commissioner Pladson attend the spring conference. The Administrative Officer reported the estimated conference expense is \$1,500 per person.

Commissioner Clement made the motion to approve expenditures to send the Director and Commissioner Pladson to the RCI Annual Conference in Albuquerque, New Mexico. Commissioner Secrest seconded the motion. The Chairman asked the Director to take the roll:

Commissioner Clement	-	Yes
Commissioner Secrest	-	Yes
Commissioner Frederick	-	Yes
Commissioner Pladson	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

7. Purchase of Trophies & Engraving for 2005

The Director reported the cost to purchase four additional plaques and engraving of plaques for 2005 is estimated between \$250 and \$300.

Commissioner Frederick made the motion to approve the purchase of four additional plaques and to approve the cost of engraving for the plaques from the Promotion Fund. Commissioner Clement seconded the motion. The Chairman asked the Director to take the roll:

Commissioner Frederick	-	Yes
Commissioner Clement	-	Yes
Commissioner Pladson	-	Yes
Commissioner Secrest	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

8. 2006 Race Season

- a. Authority for Director to appoint veterinarian and steward**
- b. Licensing staff for 2006 meets**

Commissioner Frederick made the motion to authorize the Director to hire the steward, the veterinarian and the licensing staff for the Belcourt and Fargo tracks for the 2006 racing season. Commissioner Pladson seconded the motion. The Chairman asked the Director to take the roll:

Commissioner Frederick	-	Yes
Commissioner Pladson	-	Yes
Commissioner Clement	-	Yes

Commissioner Secrest	-	Yes
Chairman Arthaud	-	Yes

The motion passed.

9. Any other business which may PROPERLY come before the commission

Discussion was held on the ND Certified Thoroughbred Derby and ND Certified Thoroughbred Furity races. It was recommend that ND Thoroughbred Association come back to the commission with a proper request.

Commissioner Clement voiced his concerns regarding past regulating issues and current issues with the current Service Provider. It was recommended that Commissioner Clement present his concerns in a written format with a specific set of questions to the Director to further explore.

10. Adjournment

Commissioner Frederick made the motion to adjourn the meeting. The meeting was adjourned at 12:55 p.m.