

BEFORE THE
TEXAS RACING COMMISSION
AUSTIN, TEXAS

COMMISSION MEETING
FEBRUARY 9, 2016

BE IT REMEMBERED that the above entitled matter came on for hearing on the 9th day of February, 2016, beginning at 10:30 A.M. at 105 West 15th Street, Room 120, Austin, Travis County, Texas, and the following proceedings were reported by SHERRI SANTMAN FISHER, Certified Shorthand Reporter for the State of Texas.

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APPEARANCES

Commissioners: ROLANDO PABLOS
 RONALD F. EDERER
 MARGARET MARTIN
 GLORIA HICKS
 GARY P. ABER
 ROBERT SCHMIDT
 JOHN T. STEEN, III
 VICTORIA NORTH
 A. CYNTHIA LEON

1 CHAIRMAN PABLOS: Well, good morning,
2 everyone. The time is 10:30, Tuesday, February 9th.
3 At this time I'd like to call this meeting of the Texas
4 Racing Commission to order.

5 Mary, will you please call roll?

6 MS. WELCH: Commissioner Gary Aber?

7 COMMISSIONER ABER: Here.

8 MS. WELCH: Commissioner Gloria Hicks?

9 COMMISSIONER HICKS: Here.

10 MS. WELCH: Commissioner Cynthia Leon?

11 MS. LEON: Here.

12 MS. WELCH: Commissioner Margaret
13 Martin?

14 COMMISSIONER MARTIN: Present.

15 MS. WELCH: Commissioner Victoria North?

16 MS. NORTH: Here.

17 MS. WELCH: Commissioner Robert Schmidt?

18 COMMISSIONER SCHMIDT: Here.

19 MS. WELCH: Commissioner John Steen?

20 COMMISSIONER STEEN: Here.

21 MS. WELCH: Vice-Chairman Ron Ederer?

22 VICE-CHAIRMAN EDERER: Present.

23 MS. WELCH: Chairman Rolando Pablos?

24 CHAIRMAN PABLOS: Here.

25 MS. WELCH: We have a quorum.

1 CHAIRMAN PABLOS: Thank you.

2 Commissioners, good morning.

3 At this time I'd like to take public
4 comment. Is there anyone signed up for public
5 comment?

6 MS. BIJANSKY: No, sir.

7 CHAIRMAN PABLOS: Thank you.

8 Item No. III, general business, election
9 of vice-chair. At this time I'd like to have Mark
10 Fenner offer any guidance regarding this item, please.

11 MR. FENNER: Commissioners, every two
12 years you have to elect a vice-chair. It's a very
13 simple process. It's not one that requires a second.
14 And any of you are eligible to serve. Hopefully, if
15 you've expressed an interest in it or have an interest,
16 you've visited with the chairman.

17 I think we discussed this briefly at the
18 last Commission meeting, so that's about all I have on
19 that.

20 CHAIRMAN PABLOS: So in order to have an
21 election, we need a nomination. And I would like -- if
22 I may, I would like to ask Commissioner Ederer to
23 consider staying on board as vice-chairman and
24 nominating him, subject to anybody's objection.

25 I think you've done a fabulous job.

1 Everything that you've done for this Commission for the
2 many, many years you've served has been done in an
3 excellent and a very transparent and fair manner. And
4 so, Commissioner, I wonder if you would accept the
5 nomination for vice-chair.

6 VICE-CHAIRMAN EDERER: Yes, I will.
7 Thank you very much.

8 CHAIRMAN PABLOS: Is there anyone else --

9 COMMISSIONER SCHMIDT: I'd like to second
10 that motion.

11 CHAIRMAN PABLOS: Okay. So there's a
12 motion to have Commissioner Ederer. There's a second
13 by Schmidt.

14 At this time is there any discussion on
15 this item?

16 Then I'd like to take this up for a
17 vote. All those in favor of having Commissioner Ederer
18 serve as our vice-chair please signify by saying aye.

19 COMMISSIONERS: Aye.

20 CHAIRMAN PABLOS: Any opposed?

21 That motion carries.

22 VICE-CHAIRMAN EDERER: A pay raise goes
23 along with that, right?

24 CHAIRMAN PABLOS: Yes, a great promotion
25 you just got.

1 VICE-CHAIRMAN EDERER: Okay. Good.

2 CHAIRMAN PABLOS: Thank you,
3 Commissioners.

4 At this time I'll take Item III-B,
5 discussion and consideration of reports by the
6 executive director and staff regarding administrative
7 matters. Item No. 1, Adrienne, budget and finance
8 update, please.

9 MS. COURTNEY: Good morning,
10 Commissioners.

11 On pages four through nine of your agenda
12 packet you will find the agency's fiscal year 2016
13 operating budget reflecting the revenue collection and
14 expenditures through December 31st.

15 With a third of the year completed, the
16 agency has collected 3.4 million or 37 percent of
17 projected revenue and has spent 2.6 million or 30
18 percent of our budgeted expenditures. Approximately
19 2.2 million of those expenditures are appropriated.
20 Approximately .4 million of those expenditures are
21 unappropriated.

22 I'd be happy to answer any questions that
23 you may have.

24 CHAIRMAN PABLOS: Thank you.

25 Commissioners, any technical or

1 clarifying questions?

2 Hearing none, thank you very much.

3 Item B-2, report on wagering statistics.

4 Curley, please.

5 MR. TRAHAN: Good morning,

6 Commissioners.

7 On pages 10 through 12 of your meeting
8 materials is the comparison report on wagering
9 statistics for the period of January 1 through January
10 31 for calendar years 2015 and 2016.

11 The report reflects that total wagering
12 activities at the horse racetracks increased for 2016
13 by 4.90 percent and decreased at the greyhound
14 racetracks by 32.51 percent. Overall, the total wagers
15 placed in Texas increased by 4.27 percent while the
16 total wagers placed on Texas races decreased by 14.17
17 percent.

18 I'd be happy to answer any questions you
19 may have.

20 CHAIRMAN PABLOS: Commissioners, any
21 questions?

22 Thank you very much.

23 MR. TRAHAN: Thank you.

24 CHAIRMAN PABLOS: Appreciate it.

25 Item B-3, inspection and enforcement

1 reports. Jim Blodgett, please.

2 Good morning.

3 MR. BLODGETT: Mr. Chairman,
4 Commissioners, good morning.

5 Commissioners, under the general business
6 tab you will find the inspection report as well as the
7 enforcement report.

8 Currently Sam Houston Race Park is the
9 only racetrack conducting a live meet. Gulf Greyhound
10 Park, Lone Star Park, Retama Park, Valley Greyhound --
11 Valley Race Park, Gulf Coast Racing, and Gillespie
12 County are conducting simulcast operations.

13 For the Sam Houston Race Park, they've
14 been running approximately two weeks. The Thoroughbred
15 meet opened on Friday, January 15th, and runs through
16 March the 8th. As of February the 1st, no animal drug
17 positives or unusual enforcement activities have been
18 reported.

19 The inspection activities during the
20 months of December 2015 and January 2016, 10
21 inspections were conducted on race facilities and no
22 unusual issues were detected.

23 I'd be happy to answer any questions.

24 CHAIRMAN PABLOS: Commissioners, any
25 questions?

1 Hearing none, thank you.

2 Item B-4, recognition of the Texas
3 Horsemen's Partnership as the official horsemen's
4 organization. I'd like to recognize Chuck Trout to lay
5 out this item, please.

6 MR. TROUT: Good morning, Commissioners.

7 The act and the rules require that the
8 Commission recognize one organization to represent
9 horse owners and trainers in negotiations with the
10 racetracks related to purses, race dates, and
11 simulcasting. The act also provides that this
12 organization is responsible for advocating for the
13 interests of owners and trainers before all
14 administrative, legislative, and judicial forums.

15 For the past several years the recognized
16 horsemen's organization has been the Texas Horsemen's
17 Partnership. A recognition is only good for two years
18 and the last recognition period expired at the end of
19 January. In anticipation of this, we posted notice in
20 the December 11th, 2015 edition of the Texas Register
21 that we would accept new applications for recognition.
22 In response, we received only one application, which
23 was again from the Texas Horsemen's Partnership.

24 We reviewed the application and found
25 that it was complete and that it met the requirements

1 of the rules. All of the officers and directors are
2 licensed, in good standing, and have appropriate
3 experience and qualifications. The partnership has
4 operated a benevolence program for the industry for
5 many years. It also represents owners and trainers of
6 every breed of horse.

7 After reviewing the application, I issued
8 the partnership a letter as provided by the rules that
9 continues their recognition for two more years or
10 through January 2017.

11 That concludes my report. I'm happy to
12 answer any questions you may have.

13 CHAIRMAN PABLOS: Commissioners, any
14 questions of Chuck?

15 Is there any action required here, Mark?

16 MR. TROUT: No, sir.

17 CHAIRMAN PABLOS: Commissioners, any
18 questions?

19 Thank you, Chuck.

20 What I'd like to announce at this time is
21 that we will not be taking up Item No. IV, proceedings
22 on rulemaking, today.

23 Mark, will you please indicate to us a
24 short reason as to why we're not going to be bringing
25 this item up?

1 MR. FENNER: Yes, sir. We have just been
2 served with a temporary restraining order that prevents
3 the Commission from taking action to repeal the
4 historical racing rules and so you cannot take action
5 at this point.

6 CHAIRMAN PABLOS: Okay. So given that,
7 at this time I'd like to go into executive session to
8 seek advice from our counsel, Item No. V, and we'll be
9 out.

10 MR. FENNER: May I also suggest we cover
11 under V-A and B?

12 CHAIRMAN PABLOS: V-A and B. Thank you.
13 (Recess from 10:39 a.m. to 10:54 a.m.)
14 for executive session)

15 CHAIRMAN PABLOS: Okay. The time is
16 10:54. We're now back from executive session. We have
17 consulted with our attorney regarding legal matters.

18 At this time we have no other business to
19 discuss, so I'd like to adjourn the meeting of the
20 Texas Racing Commission for today, February 9th, 2016.
21 Thank you.

22 (Proceedings concluded at 10:54 a.m.)
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1 STATE OF TEXAS)

2 COUNTY OF TRAVIS)

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4 I, SHERRI SANTMAN FISHER, a Certified Shorthand
5 Reporter in and for the State of Texas, do hereby
6 certify that the above-captioned matter came on for
7 hearing before the TEXAS RACING COMMISSION as
8 hereinbefore set out.

9 I FURTHER CERTIFY that the proceedings of said
10 hearing were reported by me, accurately reduced to
11 typewriting under my supervision and control and, after
12 being so reduced, were filed with the TEXAS RACING
13 COMMISSION.

14 GIVEN UNDER MY OFFICIAL HAND OF OFFICE at Austin,
15 Texas, this 15th day of February, 2016.

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SHERRI SANTMAN FISHER, Texas CSR 2336
21 Expiration Date: 12-31-17
Kennedy Reporting Service, Inc.
22 Firm Registration No. 276
555 Round Rock West Drive
23 Building E, Suite 202
Round Rock, Texas 78681
24 (512) 474-2233

25 Job No. 16047