

BEFORE THE  
TEXAS RACING COMMISSION  
AUSTIN, TEXAS

COMMISSION MEETING  
AUGUST 8, 2017

BE IT REMEMBERED that the above entitled matter came on for hearing on the 8th day of August, 2017, 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: JOHN T. STEEN, III  
RONALD F. EDERER  
MARGARET MARTIN  
GLORIA HICKS  
VICTORIA NORTH  
MANNY FLORES

1 CHAIRMAN STEEN: Good morning. The time  
2 is 10:30. At this time I'd to call today's meeting of  
3 the Texas Racing Commission to order.

4 Jean, could you please call the roll?

5 MS. COOK: Yes, sir.

6 Commissioner Gloria Hicks?

7 COMMISSIONER HICKS: Present.

8 MS. COOK: Commissioner Manny Flores?

9 MR. FLORES: Here.

10 MS. COOK: Commissioner Margaret Martin?  
11 Commissioner Victoria North?

12 MS. NORTH: Present.

13 MS. COOK: Commissioner Robert Schmidt?  
14 Vice-Chairman Ron Ederer?

15 VICE-CHAIRMAN EDERER: Here.

16 MS. COOK: Chairman John Steen?

17 CHAIRMAN STEEN: Present.

18 Do we have a quorum?

19 MS. COOK: Yes, sir.

20 CHAIRMAN STEEN: Thank you.

21 Moving on to Item II, public comment,  
22 Devon, has anyone signed up for public comment?

23 MS. BIJANSKY: No, sir.

24 CHAIRMAN STEEN: Okay. Moving on to Item  
25 III, general business, the next item is Agenda Item

1 III-A, budget and finance update.

2           Adrienne Courtney, would you give us the  
3 update?

4           MS. COURTNEY: Good morning,  
5 Commissioners.

6           On pages five through 10 of your agenda  
7 packet is the agency's fiscal year operating budget  
8 showing revenue collected and expenditures through June  
9 30th.

10           With 83 percent of the year completed,  
11 the agency collected almost seven million or 87 percent  
12 of projected revenue and spent 6.4 million or 75  
13 percent of budgeted expenditures. As of the end of  
14 June, the agency had a cash balance of \$582,750. A  
15 cash deficit of 65,000 to 70,000 dollars is projected  
16 by the end of 2017 fiscal year.

17           The Class 1 racetracks are currently  
18 developing an accelerated license fee payment plan for  
19 the first quarter of fiscal year 2018. Each Class 1  
20 racetrack would pay an accelerated fee in addition to  
21 the monthly installment of its annual fee in September,  
22 October, and November. This payment plan would enable  
23 the Commission to maintain a positive cash flow and  
24 continue operations through November. Hopefully there  
25 will be a final plan in place by December 1st to allow

1 the Commission to continue operations beyond that  
2 point.

3 I'd be happy to answer any questions you  
4 may have.

5 CHAIRMAN STEEN: Commissioners, do you  
6 have any questions?

7 Thank you, Adrienne.

8 The next item is Agenda Item III-B,  
9 report on wagering statistics.

10 Curley Trahan?

11 MR. TRAHAN: Thank you, Mr. Chairman.  
12 Good morning, Commissioners.

13 On pages 11 through 13 of your meeting  
14 materials is the comparison report on wagering  
15 statistics for the period of January 1 through July  
16 23rd for calendar years 2016 and 2017. For the  
17 reporting period, total wagering activities at the  
18 horse racetracks showed a decrease from 2016 of 3.13  
19 percent. For that same period, total wagering  
20 activities at the greyhound racetracks showed a  
21 decrease of 8.52 percent. Overall total wagers placed  
22 in Texas decreased by 5.49 percent while total wagers  
23 placed on Texas races decreased by 0.81 percent.

24 I'd be happy to answer any questions.

25 CHAIRMAN STEEN: Commissioners, do you

1 have any questions?

2 Thank you, Curley.

3 MR. TRAHAN: Thank you, sir.

4 CHAIRMAN STEEN: Just for the record,  
5 Commissioner Martin joined the meeting.

6 COMMISSIONER MARTIN: Thank you.

7 CHAIRMAN STEEN: The next item is Agenda  
8 Item III-C, inspection and enforcement reports.

9 Jim Blodgett?

10 MR. BLODGETT: Mr. Chairman,  
11 Commissioners, good morning.

12 Commissioners, from a period of June 1st,  
13 2017, until July the 31st, 2017, staff conducted a  
14 total of 13 facility inspections. From these  
15 inspections, staff discovered two unsatisfactory items  
16 at the Race Barn in Fredericksburg that were quickly  
17 resolved and conducted follow-up inspections that  
18 additionally cleared six additional unsatisfactory  
19 items. There are currently no unresolved inspection  
20 issues.

21 Commissioners, Retama Park and Gillespie  
22 County Fair racetrack are the only racetracks  
23 conducting live meets at this time. Retama Park will  
24 conclude August 12th, 2017. Sam Houston Race Park,  
25 Lone Star Park, Valley Race Park, Gulf Greyhound Park,

1 Gulf Coast Racing, and the Race Barn in Fredericksburg  
2 are currently conducting simulcast operations.

3           Commissioners, the stewards' ruling  
4 report from the concluded race meet at Lone Star Park  
5 is included in your materials on page 15. The highest  
6 numbers of completed rulings by enforcement category  
7 from this report for the period were human drug  
8 positives, jockey riding infractions, licensing  
9 violations, and contraband cases.

10           I'd be happy to try to answer any  
11 questions that you might have on these reports.

12           CHAIRMAN STEEN: Commissioners, do you  
13 have any questions?

14           VICE-CHAIRMAN EDERER: Yes, I do. There  
15 are violations in the past and they've been referred to  
16 the stewards on various trainers as I understand it.  
17 Could you tell us the status of those? You know what  
18 I'm talking about.

19           MR. FENNER: Commissioner, since that's a  
20 matter that will be coming before the Commission, I'd  
21 prefer not to discuss a pending case.

22           VICE-CHAIRMAN EDERER: Okay. It is  
23 pending.

24           MR. BLODGETT: Yes, sir.

25           VICE-CHAIRMAN EDERER: Okay. That was

1 really what I wanted to know.

2 MR. FENNER: Yes, sir.

3 VICE-CHAIRMAN EDERER: Okay. Thank you.

4 CHAIRMAN STEEN: Thank you, Jim.

5 MR. BLODGETT: Yes, sir.

6 CHAIRMAN STEEN: We're now going to take  
7 Item VI, executive session, out of order on the  
8 agenda.

9 The Commission will now enter into  
10 executive session under Government Code Section  
11 551.071(1) and (2) to seek advice of its attorney  
12 regarding pending or contemplated litigation, to  
13 consider a settlement offer, and to seek the advice of  
14 its attorney as privileged communications under  
15 disciplinary rules of professional conduct.

16 In this case, the litigation is the suit  
17 filed against the Commission by Laredo Downs, Valle de  
18 los Tesoros, Gulf Coast Racing, and Gulf Greyhound  
19 Park.

20 The time is now 10:36.

21 (Recess for executive session from 10:36  
22 a.m. to 11:06 a.m.)

23 CHAIRMAN STEEN: The Commission is now  
24 reconvening after concluding executive session under  
25 Government Code Section 551.071(1) and (2). The time

1 is now 11:06. We have made no decisions while in  
2 executive session and take no action at this time.

3 Okay. Let's move on to Item IV,  
4 proceedings on matters related to the agency funding.

5 I'm going to recognize Mark Fenner to lay  
6 out Item A.

7 MR. FENNER: Commissioners, as you may  
8 recall, at the last Commission meeting you took action  
9 to approve a recommended supplemental fee that was  
10 submitted by the executive director and that was to get  
11 us through the remaining of -- remainder of this fiscal  
12 year.

13 Since that time we have been challenged  
14 on that in court; and after discussions with the  
15 Attorney General's office, staff is recommending that  
16 you pull that supplemental fee down.

17 CHAIRMAN STEEN: Commissioners, do you  
18 have any questions?

19 VICE-CHAIRMAN EDERER: Do we need a  
20 motion?

21 CHAIRMAN STEEN: We've got some comments,  
22 comment cards.

23 Marsha Rountree representing the Texas  
24 Horsemen's Partnership, do you wish to --

25 MS. ROUNTREE: Mr. Chairman, that's on

1 the No. IV in general, but not A. It's more based --  
2 it's more on the rules for the --

3 CHAIRMAN STEEN: Okay. So we'll hold  
4 that until B.

5 MS. ROUNTREE: Thank you.

6 CHAIRMAN STEEN: Mary, is that the same  
7 for you?

8 MS. RUYLE: Yes, it is. Thank you.

9 CHAIRMAN STEEN: William Moltz, is that  
10 regarding A or B?

11 MR. MOLTZ: A. I won't take up much of  
12 your time at all. I'm here on behalf of Laredo Downs,  
13 Valle de los Tesoros, Gulf Coast Racing, and Gulf  
14 Greyhound to support the general counsel's  
15 recommendation or the staff's recommendation.

16 You all have all, I assume, seen the  
17 motion and analyzed it and so I won't take your time up  
18 to go over it and make all the arguments. I think it's  
19 appropriate to pull that down as the general counsel  
20 has recommended.

21 And if you have any questions, I'd be  
22 happy to answer them on this issue at this time.

23 CHAIRMAN STEEN: Any questions?

24 Thank you, Mr. Moltz.

25 Is there any more discussion?

1           If not, I'll entertain a motion to grant  
2 the motion for reconsideration and rescind the approval  
3 of the supplemental fee considered at our last  
4 Commission meeting without necessarily agreeing to any  
5 of the arguments of the plaintiffs in their motion.

6           VICE-CHAIRMAN EDERER: So moved.

7           CHAIRMAN STEEN: A motion made by  
8 Ederer.

9           COMMISSIONER HICKS: Second.

10          CHAIRMAN STEEN: Seconded by Hicks.

11          Okay. Let's take this up for a vote.

12 All in favor signify by saying aye.

13          COMMISSIONERS: Aye.

14          CHAIRMAN STEEN: Any opposed?

15          The motion carries.

16          Okay. Moving on to Agenda Items IV-B  
17 through D, Mark, where are we on these items?

18          MR. FENNER: Commissioners, we have been  
19 working on these proposals and working with the  
20 industry. We have also -- this was discussed at the  
21 finance committee meeting. Unfortunately, because of  
22 the litigation that is going on, which is not only the  
23 supplemental fee but also about the annual fees, it's  
24 really difficult at this point in time to write a  
25 proposed rule on annual fees to raise money in an

1 accurate way.

2           That is, it's difficult for us to tell  
3 you and propose in a rule how much each track should  
4 pay in order for you to publish it and then have  
5 something suitable for adoption at a subsequent  
6 Commission meeting. Changes during the adoption  
7 process, I'm afraid, could get us back into litigation  
8 that it should have been republished.

9           So at this point we're not ready to  
10 recommend that you propose any of these three rules.  
11 Now, I can tell you, though, that the Class 1  
12 racetracks have been negotiating among themselves about  
13 advancing the Commission sufficient funds to allow us  
14 to continue operating through the month of November.

15           What that would allow you to do is to  
16 potentially schedule a meeting in mid September. I've  
17 reached out to you on potential dates. And hopefully,  
18 by that time, we would have a much better idea about  
19 who's still in and who's willing to pay what and then  
20 we can prepare for you a proposed rule that would be  
21 more accurate, we hope, in the long term.

22           So that's why we're not recommending that  
23 you propose these rules at this point. Let's give it  
24 some time, allow the industry an opportunity to try to  
25 work something out. Then we can get a better idea of

1 what the future looks like on this.

2 CHAIRMAN STEEN: Commissioners, do you  
3 have any questions of Mark?

4 Mark, I do have one question for you.  
5 What are our options if the plaintiffs don't pay their  
6 annual fees on September 1st?

7 MR. FENNER: If they don't pay their  
8 annual fees, then you have a few options. First of  
9 all, you don't have to do anything. You could just let  
10 it ride and let them continue to work it out. However,  
11 you do also have the option to refer these licenses to  
12 the State Office of Administrative Hearings for a  
13 recommendation or a proposal for decision as to whether  
14 those licenses should be suspended or even revoked.

15 In addition, two of these licenses, Valle  
16 de los Tesoros and the Laredo Downs, these are inactive  
17 licenses that are up for review and renewal, so at the  
18 next Commission meeting you could take up that agenda  
19 item and make a similar referral to the State Office of  
20 Administrative Hearings for either revocation or  
21 nonrenewal of those licenses.

22 So you have a variety of options for you  
23 to select from.

24 CHAIRMAN STEEN: Thank you.

25 Devon, were there any more sign-ups to

1 speak?

2 MS. BIJANSKY: No, sir.

3 CHAIRMAN STEEN: Okay. At this time  
4 then, Marsha Rountree, I'd ask you to come up,  
5 representing the Texas Horsemen's Partnership.

6 MS. ROUNTREE: Just for the record,  
7 Marsha Rountree, executive director of Texas Horsemen's  
8 Partnership.

9 Mr. Chairman, Commissioners, I wasn't  
10 quite prepared for that, so I'm going to have to revise  
11 some of my testimony.

12 I tried very hard yesterday to sit down  
13 and put my thoughts together on paper and all I ended  
14 up with was a wastebasket full of crumpled-up paper.  
15 I've revised it over and over and over again, trying my  
16 best to be respectful, considerate, and positive moving  
17 forward.

18 And I attended both of the ad hoc finance  
19 committee meetings and heard the agency's plans and the  
20 agency was running out of money and the things that  
21 they've had to eliminate and what the tracks could and  
22 couldn't afford.

23 And so, Mr. Chairman, you presented us  
24 with two packages at that meeting. One was a 12 and a  
25 half percent fee increase across the board, which I'm

1 assuming are the rule proposals that you're referring  
2 to could have been a possibility for that rule  
3 package.

4           The other bookend of that proposal was no  
5 fee increases, at which time you told us that the  
6 Commission could only afford to regulate 20 days of  
7 live racing at each Class 1 racetrack and that would be  
8 20 days of live racing split among four breeds of  
9 horses.

10           So we heard about the racetracks and what  
11 they could afford and we heard about the Commission and  
12 their budget problems. But there was a pretty  
13 important segment that was left out of those  
14 considerations and it's the men and women that I  
15 represent through the Texas Horsemen's Partnership.  
16 And those men and women are actually who put on the  
17 show that is a live race meet. And that show justifies  
18 and requires the existence of this agency.

19           And no one needs to tell you that the  
20 horsemen are in dire straits in this state. We've  
21 beaten that drum to death. We're at rock bottom with  
22 purse money and the number of live race dates. The  
23 horsemen cannot afford for the Commission to raise any  
24 fees and the fallout that that might incur. And what  
25 should be even more apparent to everyone is the

1 horsemen can't afford to lose one single day of live  
2 racing from its already small race calendar.

3           The proposal that you submitted to us,  
4 Mr. Chairman, or the idea, the alternative to raising  
5 fees, 20 days of live racing at a Class 1 track means  
6 that the horsemen will pack up and they will leave for  
7 good or they'll just give up and quit racing  
8 altogether. It makes no sense for a businessman, an  
9 owner or a trainer, to spend the money to ship a horse  
10 to a racetrack for a 20-day meet or less with the hopes  
11 that they might get into one race during a meet if  
12 they're lucky.

13           So the horsemen that have remained in  
14 Texas have cut all they can cut. And if this agency  
15 can only regulate 20 days of live racing at a Class 1  
16 track with the fees they currently receive, then we're  
17 all going to realize very quickly that there's no  
18 longer an industry for you to regulate.

19           I guess that's the ultimate solution to  
20 the budget crisis if the industry just goes away. But  
21 I think I would like to hear from the tracks because  
22 I'd like to know their realistic assessment of how many  
23 days they will commit to run in 2018 and 2019 if the  
24 Commission tells them "We can only afford to allocate  
25 you 20 days. Anything more than that you're going to

1 have to pay these extra daily fees."

2 I know they've been talking about it, and  
3 so I think the horsemen and breeders and the industry  
4 kind of needs to hear what their ideas are.

5 That's all I have. I mean, I'm a pretty  
6 outspoken person and, like I said, I'm trying to be  
7 very respectful of the Commissioners, the agency, the  
8 staff, and everybody. But we feel like we don't have a  
9 voice in this and all I can tell you is that a  
10 reduction -- any reduction in race days in this state  
11 will be devastating to the horsemen.

12 VICE-CHAIRMAN EDERER: Have you had any  
13 communication with the tracks on this issue?

14 MS. ROUNTREE: Yes.

15 VICE-CHAIRMAN EDERER: You have had.

16 MS. ROUNTREE: Yes. Very little. Very  
17 little. Because no one -- I think for the first time  
18 in the industry -- we've always had sort of a direction  
19 that we were going, kind of a guidance, you know, and  
20 we've always had -- I know every time I've stood at  
21 this podium for the last few years, there's always been  
22 some little glimmer of hope somewhere that we could  
23 hang on to, that we could focus on, look for positive  
24 things that we could do, not be negative, not "Woe is  
25 me. Oh, my gosh, the sky is falling," but actually

1 look for things that were positive moving forward.

2 I don't see that glimmer of hope here.  
3 There are so many things happening behind the scenes  
4 that we all know are happening. It's like the big  
5 elephant in the room that nobody wants to acknowledge.  
6 But, yes, I have spoken with the tracks. But what it  
7 seems to me -- and like I said, we've not been involved  
8 in the inside baseball conversations here.

9 But it seems to me that if we have  
10 licenses -- and I know this is in litigation, so I  
11 don't have a lot of information. But if we have  
12 licenses that are not going to pay their fees, then  
13 it's going to take 1.3 million dollars more out of this  
14 already strapped budget. Is there a contingency plan?  
15 Is there a Plan B other than asking the remaining Class  
16 1's to bail them out? I don't know. So for the first  
17 time, I'm at a loss. I don't see a way forward.

18 That's all I've got.

19 CHAIRMAN STEEN: Thank you. And, Marsha,  
20 just for clarification on that proposal which you were  
21 talking about at the finance committee meeting, as Mark  
22 mentioned, given the uncertainty around the litigant  
23 tracks, it's difficult to come up with any proposal to  
24 solve the arithmetic equation that we have before us.

25 The proposal we were discussing had --

1 was just the base number of race days that we could  
2 regulate with our budget, and just to clarify it, but  
3 still an unlimited amount of potential racing but just  
4 paid for with an a la carte daily fee. So it's not any  
5 restriction on the number of days that can be raced,  
6 just for clarification. I understand what you're --  
7 where you're coming from, though, and I appreciate your  
8 comments.

9 MS. ROUNTREE: Two things there,  
10 Mr. Chairman. One, it's an open invitation to Class 1  
11 racetracks that they could only run 20 days if they  
12 chose --

13 CHAIRMAN STEEN: They could do that today  
14 if they would like to.

15 MS. ROUNTREE: -- which is devastating.  
16 Number two is just on  
17 back-of-the-envelope math looking at this, let's just  
18 say a track had a 20-day base and they decided to run  
19 48 days. If you just do the basic math, by the time  
20 they pay their regular fees plus that daily a la carte  
21 fee for that extra 28 days, they're just at under a 20  
22 percent increase in their fees. So it's a no-win for  
23 anybody really. It's a difficult situation and I'm  
24 glad I'm not sitting where you're sitting.

25 CHAIRMAN STEEN: Thank you.

1 MS. ROUNTREE: Thank you.

2 CHAIRMAN STEEN: Mary? Mary Ruyle from  
3 the Texas Thoroughbred Association.

4 MS. RUYLE: Good morning, Commissioners.  
5 I'm Mary Ruyle with the Texas Thoroughbred  
6 Association.

7 As Marsha said, it's really hard to come  
8 up with comments for today's meeting. I also was  
9 surprised by the motion for the removal of the rules,  
10 the proposed rules.

11 Just for the record, our association is  
12 against any fee increase and against any reduction in  
13 race days. It's hard enough for our folks to stay in  
14 business now. And representing the breeders, one thing  
15 that is a little bit different from the owners that  
16 Marsha represents is our folks have to plan three years  
17 in advance for what they're going to do. And that is  
18 some significant money that they have to choose to  
19 spend or not spend.

20 And with breeding season coming up in the  
21 spring, if there is, you know, the hint of a massive  
22 reduction in race days, the breeding industry is done.  
23 You know, what's the incentive to breed a horse here in  
24 Texas if it's not going to have any place to run? The  
25 incentive for being a Texas foal is incentive funds on

1 top of your purse monies. Otherwise, you're going to  
2 send your mares to another state to foal where it's  
3 more productive to have that foal, to sell it, and to  
4 race it.

5 So, you know, I would encourage everybody  
6 to do everything they can to make it a good business  
7 environment for the racetracks, the breeders, and the  
8 people that race the horses and all the peripheral  
9 industries as well.

10 The other thing that I would have to  
11 comment, I do appreciate that there's ongoing looking  
12 at the budget for the Racing Commission. One thing I  
13 would highly encourage is to have some outside entity  
14 review the budget of the Racing Commission. It's just  
15 naturally less productive to have the employees of a  
16 business look at making those reductions. It's too  
17 hard emotionally in a lot of cases.

18 And in other cases, you're just too close  
19 to it. If you have somebody that's totally outside,  
20 they're going to ask questions, "Have you ever thought  
21 about this? Or I noticed you do this this way. What  
22 if you did this?" So I would encourage pursuit of  
23 that.

24 I'd be happy to answer any questions.  
25 Thank you.

1                   CHAIRMAN STEEN: Thank you, Mary. And  
2 I'll just -- can I just respond to something you said  
3 there? We're -- I agree with having a third-party  
4 assessment can be very useful. If there were a way to  
5 fund that third-party look, if there was something that  
6 you guys could propose regarding a way to fund that, we  
7 would -- I don't know that we can or can't do it, but I  
8 would certainly be open to it.

9                   MR. FENNER: The problem with that is the  
10 Commission cannot accept donations. Per the Government  
11 Code, a State agency can't accept contributions and  
12 donations unless it's statutorily authorized to do so.  
13 And the Racing Commission is not authorized to accept  
14 contributions.

15                   Now, that doesn't mean we haven't  
16 explored other ideas, such as trying to get the State  
17 Auditor's Office in or the LBB or sunset. In fact,  
18 there was a proposal yesterday to amend the sunset  
19 scheduling bill to include the Racing Commission, but  
20 that was -- the Senate did not agree with that proposed  
21 change, so we did not make it into the sunset  
22 scheduling bill yet. I mean, it goes over to the  
23 House. I can't predict the future. But we're open to  
24 having any of those entities come in and take a look at  
25 us.

1 MS. RUYLE: Would it be the same process  
2 for the State Auditor or the LBB? Does it have to go  
3 through legislation?

4 MR. FENNER: No. No, they can do that.

5 MS. RUYLE: Great. Well, again, I would  
6 encourage that. I think it would be helpful for  
7 everyone.

8 Thank you.

9 CHAIRMAN STEEN: Thank you.

10 So I believe at this point we should plan  
11 on a meeting in September so we can take up the  
12 amendments to the new rules in time to adopt the  
13 changes in November and have them take effect by  
14 December 1st. Other than that, we take no action on  
15 these items today.

16 Okay. Let's move on to V-A, ownership  
17 and management review of Retama Park's active racetrack  
18 license.

19 Mark, will you please lay out the item?

20 MR. FENNER: Yes, sir.

21 Section 6.06, Subsection (k), of the  
22 Racing Act requires that the Commission review the  
23 ownership and management of active racetrack licenses  
24 every five years, and so we have conducted that process  
25 and presented a report for you that's in the

1 materials.

2 We looked at the current ownership and  
3 management of the track, and it's not any different  
4 than what you approved five years ago when Pinnacle  
5 came in and bought 75 and a half percent of Retama  
6 Park.

7 We verified that every person who owns at  
8 least five percent of the association and every  
9 officer, director, or management committee member is  
10 currently licensed by the Commission and that there was  
11 a background check within the past three years. Those  
12 background checks did not reveal any problematic  
13 information.

14 We've looked at their current security  
15 plan and found that there were no issues there.

16 We've looked at their tote, management,  
17 and concession contracts. These are all the same  
18 contracts that the Commission reviewed and approved  
19 either during the transfer five years ago or subsequent  
20 to that time.

21 We've provided copies of the financial  
22 documents for the last two years to you under a  
23 separate cover.

24 And then we have also gone back and taken  
25 a look at the inspections and investigations at Retama

1 Park for the last five years. There is a variety of  
2 very minor violations, all of which were promptly  
3 addressed and fixed. And there was, I think, two  
4 simulcasting violations in '14 and one in '16, none of  
5 which incurred an administrative penalty. So there's  
6 been no other investigations or administrative  
7 penalties involving Retama Park over the past five  
8 years.

9 So not having found anything problematic  
10 in our review, the staff would recommend that you  
11 schedule the next ownership and management review for  
12 2022.

13 CHAIRMAN STEEN: Commissioners, do you  
14 have any questions?

15 Devon, has anyone signed up to speak on  
16 this item?

17 MS. BIJANSKY: No, sir.

18 CHAIRMAN STEEN: In that case, I'll  
19 entertain a motion to schedule the next ownership and  
20 management review for Retama Park in 2022.

21 COMMISSIONER HICKS: I'll make the  
22 motion.

23 CHAIRMAN STEEN: A motion made by Hicks.

24 COMMISSIONER MARTIN: Second.

25 CHAIRMAN STEEN: Seconded by Martin.

1 Any discussion?

2 Okay. Let's take this up for a vote.

3 All in favor please signify by saying aye.

4 COMMISSIONERS: Aye.

5 CHAIRMAN STEEN: Any opposed?

6 The motion carries.

7 Moving on to B, the request by Retama  
8 Park for approval of a change in their management  
9 committee, Jim Blodgett, will you please lay out the  
10 request?

11 MR. BLODGETT: Commissioners, on June 9,  
12 2017, the Commission received a request on behalf of  
13 Retama Park for a representative change of the  
14 licensee's management committee. This requested change  
15 substitutes Michael Parenton for current member Keith  
16 Henson.

17 Pursuant to this request, the Texas DPS  
18 provided a review of Mr. Parenton and reported no  
19 disqualifying information.

20 Based upon the procedural and background  
21 requirements of Commission Rule 309.151, staff  
22 recommends approval of this requested change.

23 CHAIRMAN STEEN: Commissioners, do you  
24 have any questions?

25 Thank you, Jim.

1 Devon, has anyone signed up to speak on  
2 this item?

3 MS. BIJANSKY: No, sir.

4 CHAIRMAN STEEN: In that case, I'll  
5 entertain a motion to approve Retama Park's requested  
6 change to its management committee.

7 COMMISSIONER MARTIN: So move.

8 CHAIRMAN STEEN: A motion made by  
9 Martin.

10 VICE-CHAIRMAN EDERER: Second.

11 CHAIRMAN STEEN: Seconded by Ederer.

12 Any discussion?

13 Okay. Let's take this up for a vote.

14 All in favor please signify by saying aye.

15 COMMISSIONERS: Aye.

16 CHAIRMAN STEEN: Any opposed?

17 The motion carries.

18 Moving on to Item C, the next item is  
19 Gulf Greyhound Park's request to amend its previously  
20 granted race dates.

21 Mark, will you lay out this request?

22 MR. FENNER: Yes, sir.

23 Gulf Greyhound Park has previously been  
24 granted by the Commission 36 race dates to begin on  
25 November 24th and run through February 3rd. They

1 recently submitted a request to move those race dates  
2 back about a month and now they would begin on December  
3 27th and complete on February 24th.

4 I don't think the staff has any  
5 objections to this change. I think the Texas Greyhound  
6 Association may have something to say about it. And I  
7 provided a copy of a letter at each of your places from  
8 Mr. Peck of the TGA.

9 I think I would allow Ms. Briggs to  
10 address the reasons for the changes.

11 CHAIRMAN STEEN: Commissioners, do you  
12 have any questions?

13 VICE-CHAIRMAN EDERER: This is '17?

14 MR. FENNER: Yes, sir. It begins in late  
15 2017 and runs through early '18.

16 CHAIRMAN STEEN: Okay. We have a couple  
17 of people signed up to speak on this item.

18 Ken Turner?

19 MR. TURNER: Hello. My name is Ken  
20 Turner. I am a Texas Greyhound Association member.  
21 I've been a breeder and a kennel owner in the past.  
22 I've been a member of the association for approximately  
23 20 years.

24 In our March 2016 Texas Greyhound  
25 Association meeting, it was presented to the membership

1 that Valley would run this past year, Gulf would then  
2 run the following year, Gulf Coast would run the third  
3 year. And after discussion of that, it was put before  
4 a vote of the membership and the majority ruled for  
5 that approval.

6 It's my understanding that Gulf is  
7 wanting to run this year and the Texas Greyhound  
8 Association has submitted a letter contesting, not  
9 wanting that to happen and not wanting Gulf Coast to  
10 run next year, and they are in negotiations with Valley  
11 on them running.

12 I'm here to let the Commission know that  
13 there has been no meeting of the association to where  
14 the members could have input on this. This is a  
15 decision by the board. And I feel that it is because  
16 they want to be kennel owners at the Valley.

17 In the past meeting that they had at the  
18 Valley, six TGA board members were in kennel  
19 ownership. It is my understanding that David Peck  
20 wants to have a sole kennel as he did -- sole  
21 ownership.

22 That's not good for the members. We all  
23 pay the same amount of dues. We all put in the same  
24 amount of money into raising our pups. It has to be  
25 fair. And if that's not fair, then it's not a working

1 situation. I raise a pup; and if I run it in a -- like  
2 the Valley puppy meet, I get 10 races out of that pup.  
3 That's all I get in the State of Texas. It can never  
4 come back and race again. And that's wrong.

5 Gulf wants to have traditional racing.  
6 And I feel that that's the way it should be. I could  
7 bring my pup that I had last meet -- I could bring it  
8 back and race it again and make more money here in the  
9 State of Texas.

10 A lot of the kennels out of the state  
11 don't even want to take our pups because we're not  
12 allowing other dogs from out of state to come in to  
13 race. I just don't feel that that's correct. We have  
14 to have a working relationship with kennels in other  
15 states and I feel that this TGA board is wanting to  
16 have kennel ownership again for themselves and that's  
17 why they're contesting this Gulf and the Gulf Coast  
18 racing next year.

19 Any questions?

20 CHAIRMAN STEEN: So, Mr. Turner, just to  
21 clarify, you're for -- I should have said at the  
22 beginning, you're for the proposal to amend the dates?

23 MR. TURNER: Yes. And I'm also for Gulf  
24 Coast racing their dates next year. The dates was  
25 already awarded last year. All they're wanting to do

1 is modify those dates.

2 CHAIRMAN STEEN: Thank you.

3 MR. TURNER: Thank you.

4 CHAIRMAN STEEN: Okay. Next, Sally  
5 Briggs signed up to speak representing Gulf Greyhound  
6 Park.

7 MS. BRIGGS: Good morning. Sally Briggs,  
8 general manager of Gulf Greyhound Park.

9 You did previously grant us dates  
10 starting in November. And after we went back and  
11 looked at our handle figures for our last few years of  
12 live racing, we discovered that November and December  
13 are traditionally our least revenue-generating months,  
14 which is why we decided that we would like to change  
15 our dates to start the end of December and run the 36  
16 performances, which would take us through the end of  
17 February, or February 24th, the third week in February,  
18 hence the reason we are requesting this change.

19 We have already refurbished our kennel  
20 buildings. I've been working on that for a couple of  
21 months. We hired an outside grounds company two weeks  
22 ago and they're working on the turnout pens, the sprint  
23 paths, and they will start next week working on the  
24 actual track. If you know the Gulf Coast, you know  
25 that the wind blows constantly there, so we did let

1 grass grow up in our track to try to retain some of the  
2 sand.

3 So we are in the process of getting  
4 everything ready to run. We're extremely excited to be  
5 running live again and committed to Texas greyhound  
6 racing. So we would appreciate your approval of  
7 changing these dates.

8 VICE-CHAIRMAN EDERER: This is the  
9 Houston track, right?

10 MS. BRIGGS: Yes, sir. Gulf Greyhound  
11 Park, yes.

12 CHAIRMAN STEEN: I have a question for  
13 you, Ms. Briggs. So given the precarious situation  
14 that we're in with potential tracks not paying fees  
15 potentially come September 1st, there's some  
16 uncertainty around that. I can't tell the future as to  
17 what would happen. But what would you say the industry  
18 should plan for as a contingency if Gulf doesn't pay  
19 its fees come September 1st?

20 MS. BRIGGS: I would -- you know, I've  
21 been told by our corporate office that they want us to  
22 run live racing. So as far as an industry-wide  
23 decision, I think we would have to meet and come up  
24 with a plan, which we would be very willing to do.

25 CHAIRMAN STEEN: I'm just concerned if

1 there is some action -- you know, a nonpayment and then  
2 whatever action the Commission takes or doesn't take at  
3 that point, that there's a possibility for the  
4 industry's sake that we -- you may not be able to run.  
5 And then what's -- you know, what's -- where does that  
6 leave --

7 MS. BRIGGS: I think we would need to  
8 work with the other tracks, the other two greyhound  
9 tracks, to come up with a plan because the bottom line  
10 here is for the dogs in Texas to be able to run in  
11 Texas.

12 CHAIRMAN STEEN: I agree with you on  
13 that.

14 MS. BRIGGS: We would have to come up  
15 with a plan.

16 CHAIRMAN STEEN: Are there any other  
17 questions?

18 VICE-CHAIRMAN EDERER: No, not really,  
19 except if there's no Racing Commission, then what?

20 MS. BRIGGS: Obviously.

21 VICE-CHAIRMAN EDERER: Then there will be  
22 no running.

23 MS. BRIGGS: Right. But we want to have  
24 our plan in place, hopefully, that everything can be  
25 worked out and we will be able to run these dates.

1                   VICE-CHAIRMAN EDERER: We'd like to have  
2 a plan in place, too.

3                   MS. BRIGGS: I realize that.

4                   VICE-CHAIRMAN EDERER: I think we should  
5 table this request at this point in time. We can take  
6 it up again at the next meeting.

7                   CHAIRMAN STEEN: I worry about the timing  
8 for people's planning sake, given where we are right  
9 now. I understand your -- the reason for wanting to  
10 table it, but I also worry about people's planning time  
11 given the close proximity here to the race itself.

12                   VICE-CHAIRMAN EDERER: Does a month  
13 matter?

14                   MS. BRIGGS: Well, we are making plans  
15 and it is going -- we've already looked at some racing  
16 department things that we're going to need to do also  
17 that will take awhile.

18                   VICE-CHAIRMAN EDERER: Then I'll withdraw  
19 my comment.

20                   MS. BRIGGS: So that's why we've already  
21 started trying to get our compound ready and we'll  
22 begin work on the track next week.

23                   COMMISSIONER HICKS: The track is the  
24 most important.

25                   MS. BRIGGS: Right.

1 CHAIRMAN STEEN: Thank you.

2 MS. BRIGGS: Uh-huh.

3 CHAIRMAN STEEN: I'd ask, is there a  
4 representative from Valley Race Park here today? I  
5 know Andrea is on vacation.

6 MS. COLEMAN: Mr. Chairman, Katie Coleman  
7 for Valley Race Park. And Andrea is unfortunately --  
8 well, fortunately for her, in Alaska, and not available  
9 except by satellite phone. So I can answer any  
10 questions that you all have on this matter.

11 CHAIRMAN STEEN: I just had a question.  
12 You know, if we're planning for a September meeting  
13 date and we come to that date and there's payments or  
14 no payments by certain tracks and it puts this into  
15 jeopardy, the plan in place, is there -- is that enough  
16 time and is Valley potentially willing to take on those  
17 dates if it comes to that?

18 MS. COLEMAN: I have not been given  
19 specific guidance on the timing aspect of that, but I  
20 do understand that Valley is willing to run the dates.  
21 I don't think that a month makes a difference, but  
22 that's something that you could confirm with Andrea.  
23 But I do know that they are willing to run the dates.

24 CHAIRMAN STEEN: Okay. Any questions?  
25 Thank you. Appreciate it.

1           Okay.  If there's no further comments,  
2  I'll entertain a motion to approve Gulf Greyhound  
3  Park's request to amend its previously granted race  
4  dates.

5           COMMISSIONER HICKS:  I'll make the  
6  motion.

7           CHAIRMAN STEEN:  A motion made by Hicks.

8           VICE-CHAIRMAN EDERER:  I'll second.

9           CHAIRMAN STEEN:  Seconded by Ederer.  
10          Any discussion?

11          Okay.  Let's take this up for a vote.  
12  All in favor please signify by saying aye.

13          COMMISSIONERS:  Aye.

14          CHAIRMAN STEEN:  Any opposed?  
15          The motion carries.

16          VICE-CHAIRMAN EDERER:  At this point in  
17  time, Mr. Chairman, could -- I'd like to have some  
18  clarification, if I could ask Mark some questions.

19          MR. FENNER:  Yes, sir.

20          VICE-CHAIRMAN EDERER:  Mark, there's a  
21  proposal that we will have a meeting in September.

22          MR. FENNER:  Yes, sir.

23          VICE-CHAIRMAN EDERER:  Could you  
24  outline -- if, in fact, the tracks do not pay --

25          MR. FENNER:  Okay.

1 VICE-CHAIRMAN EDERER: All right? And we  
2 take up the funding issue again. What are our options  
3 at that time?

4 MR. FENNER: Are you asking regarding the  
5 tracks that don't pay or your funding options?

6 VICE-CHAIRMAN EDERER: First off, the  
7 tracks that don't pay. That's what I'm most interested  
8 in.

9 MR. FENNER: Well, the options regarding  
10 them are to -- you're not required to do anything about  
11 them. However, you could take them up and refer them  
12 to the State Office of Administrative Hearings for a  
13 proposal for decision as to how to respond to that.  
14 And that includes potential suspension or revocation of  
15 those licenses and, in the case of the two Class 2  
16 inactive licenses, either a suspension, revocation, or  
17 nonrenewal of those two licenses.

18 As to funding options, I think that's  
19 going to require a lot of discussion with the industry  
20 and seeing what they're willing to do, how much racing  
21 they're willing to -- wanting to conduct, and how much  
22 racing we can manage at those funding levels. There's  
23 costs with regulation.

24 VICE-CHAIRMAN EDERER: Back to the Class  
25 2, the Class 2 license holders, if they did not pay the

1 fee, then they would not be in compliance. Is that  
2 correct?

3 MR. FENNER: Yes. That's a ground for  
4 revocation.

5 VICE-CHAIRMAN EDERER: And their not  
6 being in compliance is grounds for revocation.

7 MR. FENNER: Yes.

8 VICE-CHAIRMAN EDERER: So they would be  
9 jeopardizing their license.

10 MR. FENNER: Yes, sir.

11 VICE-CHAIRMAN EDERER: And that matter  
12 can be taken up at the next meeting.

13 MR. FENNER: Yes, sir.

14 VICE-CHAIRMAN EDERER: Thank you.

15 CHAIRMAN STEEN: Okay. We've already  
16 completed Item VI, today's executive session.

17 Item VII, our next meeting, as discussed,  
18 is going to be moved to the week of September 11th.  
19 This will allow us to take up amendments to a few rules  
20 in time to adopt changes in November and make them  
21 effective by December 1st.

22 I would encourage the industry -- we've  
23 got another month here -- to come to some sort of  
24 agreement. I would prefer that that agreement is made  
25 by the industry and not by the Commission. And so we

1 encourage you all to work together during this month to  
2 come up with something that's sustainable come our  
3 September meeting.

4 We are available -- staff is available to  
5 help out in any regard on that, but please make your  
6 best efforts to work together to come up with something  
7 that's satisfactory for everyone.

8 Okay. The time is now 11:44. With all  
9 business concluded, we are now adjourned. Thank you.

10 (Proceedings concluded at 11:44 a.m.)  
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1 STATE OF TEXAS )

2 COUNTY OF TRAVIS )

3

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 18th day of August, 2017.

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