

Fair Horse Racing Commission Meeting 9-19-18

Commission Members Present

Chairman Ramirez- District 5
Commissioner Kelly- District 3
Commissioner Reyna- District 2

Others Present

Diane Frisch- Pima County
Jaye Wells – Rillito Foundation
Joanne DiFillipo- Horseman
Ramon Basurto- Horseman

1. Call to order- Chairman Ramirez called the meeting to order at 5:30 PM.

2. Approval of the April 17 Minutes

Chairman Ramirez moves to approve the minutes of the April 17 meeting, Commissioner Kelly second the motion. Minutes approved.

3. Renewal of Liquor License prior to 9/30/2018.

Commissioner Kelly reported the application is in process. Spoke to AZ Liquor Board today, was informed it was being processed and should be completed by tomorrow. Commissioner Kelly will get a copy emailed to him when it is done.

Chairman Ramirez asked what was going to be done about the surrogate this year. Does Paul Bear have to sign anything?

Commissioner Kelly stated no, same deal as last year.

4. Application for 2019 Pima County Race Dates

Commissioner Kelly stated Jaye Wells sent a printout requesting the fair dates of Feb. 9, 10, 23 and 24 subject to Commission approval, for submission to ADOR.

Jaye Wells- it was amended to make a fair race date two weeks before trials. Did not know the status. Maricopa are getting on board with the racing part of it and are going to approve the meeting on Oct. 11.

Joanne: So those are the dates of the fair, the 9, 10, 23, and 24.

Chairman Ramirez- For now

Jaye Wells: I had to submit something for the Department of Racing. It can easily be revised. I have to notify them of our dates.

5. Discussion of Corporation Commission Licensing.

Commissioner Kelly- Distributed a packet on what he has been working on. Attached are all the reports required for the Corporation Commission report for the fiscal year ending June 30, 2018. He submitted and paid it on 08-14-18 so that's filed ahead of time (on the third page).

Chairman Ramirez- So the Corporation Licensing is taken care of.

6. Report Financial- Commissioner Kelly

Commissioner Kelly- Items that were involved , the donations that were received for the El Moro purse paid out, some pony fees, some other purses that were paid (during the El Moro weekend). Licenses, which include the IRS fee, that the Arizona Corporation Commission comprised licenses. Resulted in \$547 loss for 9 months.

Chairman Ramirez- Weren't those fees covered?

Commissioner Kelly- It was covered by the liquor license lease that we got. We have \$452 dollar cash and all our bills are payed.

Commissioner Kelly motioned to accept the financial report; Commissioner Reyna seconded the motion, motion carried Financial Report approved.

7. Election of New Officers:

Chairman Ramirez-Formally resigned as Chair; due to medical duties and obligations doubling, and nominated Commissioner Reyna. Commissioner Reyna accepted the nomination. Commissioner Kelly seconded the motion; motion carried. Commissioner Reyna elected Chairman.

8. Call to the Public

Joanne DiFillipo thanked Dr. Ramirez for his service.

9. Jaye Wells- Jelks Stud Farm construction completed the Jelks Family has donated all of the artifacts. They have retained the services of the executive director American Quarter Horse Association. Tex Wheeler who sculpted the life size sculpture of Sea Biscuit at Santa Anita also sculpted all the Jelks horses. They have the largest of Pick N Stream, which is probably the most noted of the Jelks horses and Queenie is in the Hall of Fame. The Museum they have built is pretty good. There is a great collection depicting the History of the Track. If you haven't seen it, come down and see it. Maybe you can have a Commission Meeting at the Museum some time.

Rillito has secured the Churchill Downs contract, but the Churchill/Turf Paradise contract has not adjudicated. The final settlement was Turf Paradise would give 25% of its' Source Marketing Fees which averages to about \$12,000 a month. Rillito's operations would use about 25% of that. But 100% of the purse money was put into the Escrow account; \$30,000 in horseman account that can go to purses in addition to the regular wagering money.

Most important part of that is not just the money but we are now players, we are now invited to attend all the HBPA meetings, ADOR and we are now recognized a one of the three tracks in the state.

Track Update- Been discussing with Arizona Downs Prescott) about opening up parlors in Pima County. Jerry Sims is threatening to stop payments after the end of December. There is a 50-50 chance of improving ROTB revenue or we cannot get any money at all. We urged the City Council and the BOS to take the position that no parlor can be approved in Pima County without a share to the track.

One of the "covers" we were trying to give to the City of Tucson and Pima County government was that the federal statues states that any operating race track has an agreement that no outside track can open up a parlor without the local racetracks permission (within a 60 mile radius).

At Thursdays, Commission meeting the Arizona Department of Racing took the position that the commissioners should disregard it, even though it's against the state statutes. It had an effect on us. The reason why we didn't receive a contract from Arizona Downs was because Jerry Sims put a lot of pressure on them not to allow Arizona Downs to get the Monarch signals. Jaye proposed and has support from the HBPA, they instigated that all tracks need purse money and forced Jerry's hand to allow us to keep 100% of the purse money." Going in the right direction are we there yet? No", but Rillito Foundaton had a meeting with County Administrator Chuck Huckleberry, Jan Leshner, and Diane Frisch about existential threats are by the legislation about the collateral damage by the double ruling. County and City does have the authority to say no you can't open up a parlor in our county until you work out something.

Diane Frisch: They are aware of all the issues and changing conditions.

Barn Update - Possible extension of Race Dates- There is an effort to get the barns built but not enough time. The real issue that needs to be addressed is the raining incident. Martin Foundation gave the money to Pima County and none of it helped the actual horses and racetrack they used the money for the roof at the clubhouse.

Commissioner Kelly - How much money do you need for the barns?

Jaye Wells- \$94,000, that was before the County took over the project. After all the removals, and going through procurement, there was not enough left for the barns. The main issue are the barns. They have to be put up.

Extension of race dates- They have asked for 14 days, the regular 12 days, the exact same 6 weekends' right after the Super Bowl. We asked for an additional weekend the 13th and 14th day to be considered for rain days, approved to be run but not required.

El Charro will be coming back for the food concessions, they talked to the U of A concession department, which consists of students and professors, and there will be a meeting Friday to see if they will sign the contract. They also met with the Dean of the College of Agriculture and are creating a program called *The Rillito Foundation U of A Internship program*. The students could get credit and a salary, ideally.

Trying to see if the Rillito Foundation will take on Patty Shirley's facility. She has over 80 quarter horses that generate a quarter of a million dollars worth of income. She takes in retired horses or horses that are usually headed for the glue factory. She gets about \$600 a month to care for them. She does a great job taking care of them and treats them like her babies. There is also a 5/8 mile training track and a breeding barn out there. She is looking for a way to continue her legacy and we believe the Rillito Park Foundation would be a good fit for that.

Joanne- What's up with the October 1st deadline?

Jaye Wells- We were told that he was going to write up a Memorandum giving us 30 more days , we also asked for credit because the barns weren't built, and we tried putting up temporary ones but it seems like he was trying to find a way around it. What it means to us is we are on a year- to- year lease. The Farmers Market is doing really well.

Commissioner Kelly- What's the next approach after the next Department of Gaming meeting? Let's just say they rule in Jerry Sims favor with the parlors?

Jaye Wells- Jerry Sims is taking the position that he does have the contracts with all the wagering parlors in Pima County as well as the dog track because he has been sending the signal so he is saying that gives him de-facto approval from the County Government and he has not ever had any approval from ADOR. I have seen the contracts, so they do exist he does have civil contracts with these parlors until 2021. He is taking the position he can bring in his own teller and set up the TVs and vending machines inside the existing parlors without any County or City approvals the dog track will not get any benefit from it . It will not benefit any of the tracks so he doubts that they will rule in his favor.

Commissioner Kelly- She indicated the same thing. The option sheet I gave you was presented and reviewed with her. She was not happy with the nonrevenue sharing.

Jaye Wells- Our threshold is very low we don't need a lot of money we just want to keep the track open for racing. With a million dollars, we can keep it going. When Santa Anita closes we need to take advantage of it, because we notice the up-tick in our export when they close. If we can get the OTB money we can make the El Moro Race to qualify as a grade 3.

Jaye Wells- Jim Click and Kevin Dimmina had a PC meeting about the *AZ Horse Racing Industry Alliance*. There is an effort to get all the lobbyists in Arizona to try to sway the AZ Legislature to vote on our side.

Arizona no longer wants the dog tracks. There is nothing in the legislation to have to get permission from dog track or us to bring in the signal to Pima County. We are the only county in the state that restricted to open up a parlor. We have been urging the City and County to since last June please take a stand against any parlors to come in without any benefit to Rillito.

Chairman Reyna- there will be a meeting every third Wednesday of the month. It would be better to have the meetings at the Horse track to make it easier for the horsemen to attend the meetings. All we have to do is tell them there is a meeting at the track and they will all come.

10. Adjournment-Commissioner Ramirez motion to adjourn, Commissioner Kelly seconded, meeting adjourned.

11. Next Scheduled Meeting- October 17 at the Rillito Clubhouse, 5:30 PM