

TEXAS RACING COMMISSION
MEETING

10:33 a.m.
Tuesday,
April 10, 2018

Room JHR140
John H. Reagan Building
105 West 15th Street
Austin, Texas

COMMISSIONERS PRESENT:

JOHN T. STEEN III, Chair
GLORIA HICKS
MARGARET L. MARTIN
STEVEN P. MACH
SID MILLER

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
I. CALL TO ORDER	3
Roll Call	
II. PUBLIC COMMENT	none
III. GENERAL BUSINESS	
A. Discussion and consideration of reports by the Executive Director and staff regarding administrative matters:	
1. Budget and finance	4
2. Wagering statistics	none
3. Enforcement	6
B. Approval of memorandum of understanding with Texas Veterinary Medical Diagnostic Laboratory for fiscal year 2018	8
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IV. PROCEEDINGS ON RACETRACKS	
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V. EXECUTIVE SESSION	none
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P R O C E E D I N G S

1
2 CHAIRMAN STEEN: Good morning. The time is
3 10:33 a.m. At this time I'd like to call today's meeting
4 of the Texas Racing Commission to order.

5 Jean, could you please call the roll?

6 MS. COOK: Commissioner Hicks?

7 COMMISSIONER HICKS: Here.

8 MS. COOK: Commissioner Mach?

9 COMMISSIONER MACH: Here.

10 MS. COOK: Commissioner Martin?

11 COMMISSIONER MARTIN: Present.

12 MS. COOK: Commissioner Miller?

13 COMMISSIONER MILLER: Here.

14 MS. COOK: Commissioner Schmidt?

15 COMMISSIONER SCHMIDT: (No response.)

16 MS. COOK: Commissioner Ederer?

17 COMMISSIONER EDERER: (No response.)

18 MS. COOK: Commissioner Steen?

19 CHAIRMAN STEEN: Here.

20 Do we have a quorum?

21 MS. COOK: Yes.

22 CHAIRMAN STEEN: Thank you.

23 Up first is Item II, Public comment.

24 Jean, has anyone signed up for public comment?

25 MS. COOK: No, sir.

1 CHAIRMAN STEEN: Up next is Item III, general
2 business, Item III.A.1. Budget and finance update.

3 Gerry Dube, would you please give us the
4 update?

5 MR. DUBE: Good morning, Commissioner Steen,
6 commissioners.

7 On pages 4 through 8 of your agenda packet --
8 if you need time to get them out, I can give you a little
9 time -- the agency's fiscal year 2018 operating budget,
10 with revenue collection and expenditures, through the end
11 of February 2018. With 50 percent of the year completed,
12 the agency collected approximately \$3.48 million, or 46.4
13 percent of projected revenue, and expended \$3.42 million,
14 or 45.9 percent of budgeted expenditures.

15 Of the \$3.42 million in expenditures,
16 approximately \$2.9 million are appropriated expenditures,
17 and \$514,728 are unappropriated expenses, such as the
18 agency's share of retirement costs, insurance costs and
19 FICA costs. We also have --

20 Do you have any questions about this particular
21 piece?

22 (No response.)

23 MR. DUBE: Also, for today we want to give you
24 a little update on the audit, the independent internal
25 audit for economy, effectiveness and efficiency, request

1 for proposal.

2 The agency received the State Auditor's letter
3 of approval to conduct the audit on February 12; that's
4 when we received the letter. This is a delegated audit.
5 An RFP was drafted and edited by the agency, with guidance
6 from the Comptroller's State Purchasing Division.

7 The draft RFP was submitted to the
8 Comptroller's Contract Advisory Team for review and
9 delegation on March 23. They generally say that they have
10 reviews that last up to 30 days; therefore, we expect that
11 the RFP will be completed for review by the so-called
12 CATRAD Committee on May 7. These dates assume the
13 Comptroller takes the full 30 business days, and if we
14 receive the RFP sooner, then the posting date would also
15 be sooner.

16 This audit would be a \$200,000 capped audit for
17 up to 90 days. If no additional changes are required by
18 the CATRAD Committee, the RFP will be posted and put out
19 to bid on the State's Electronic State Business Daily
20 website on May 8. The RFP posting must be posted for at
21 least 30 days from the date of posting. Assuming the bid
22 is posted on May 8, the deadlines -- the deadline for bids
23 would be June 14.

24 We also have information for anyone who is
25 interested in the purchasing and vendor process from the

1 Comptroller's website. We have handouts that will be
2 placed at the back. Anybody can apply to be a vendor with
3 the State of Texas, and anybody in the general public can
4 actually view the bid once it's posted on the
5 Comptroller's website.

6 If there are any other questions, I'll be happy
7 to answer them.

8 CHAIRMAN STEEN: Commissioners, do you have any
9 other questions?

10 (No response.)

11 CHAIRMAN STEEN: Thank you, Gerry.

12 MR. DUBE: Thank you.

13 CHAIRMAN STEEN: The next item is Agenda Item
14 III.A.2., Wagering statistics update. Curley Trahan is
15 not here today, so there will be no oral report on that.

16 The next item is Agenda Item III.A.3.
17 Enforcement update.

18 Jim Blodgett, will you please present this
19 report?

20 MR. BLODGETT: Mr. Chairman, commissioners,
21 good morning.

22 Commissioners, your enforcement report this
23 morning can be viewed on pages 12 and 13 in your materials
24 packet, but before I begin describing the content, I would
25 like to bring your attention to a correction on page 12.

1 A descriptive category evidently didn't make it into the
2 final print, it would be the third from the top. It
3 should read "Failure to Disclose" and be consistent with
4 the 2 on the right column.

5 Commissioners, this report highlights the
6 violations handled by our personnel during the Gulf
7 Greyhound Meet and the Sam Houston Race Park Thoroughbred
8 Meet. Please keep in mind when reviewing these
9 enforcement stats that these numbers represent only the
10 violations that were adjudicated by our judges during this
11 time frame and that there are violations not included that
12 remain in process.

13 Commissioners, within this material you will
14 notice a rather large number of contraband cases which
15 involved investigations conducted from the discovery of
16 needles, injectable medications, unlabeled medications,
17 and weapons.

18 In addition, a total of nine animal medication
19 violations were handled, five equine and four greyhound.
20 A breakdown of the specific drugs and drug types can be
21 found on page 13 for your review.

22 Commissioners, I would be happy to answer any
23 questions that you might have.

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

1 (No response.)

2 CHAIRMAN STEEN: Thank you, Jim.

3 Next is Agenda Item III.B., Approval of
4 memorandum of understanding with the Texas Veterinary
5 Medical Diagnostic Lab for fiscal year 2018.

6 Devon, will you please present this item?

7 MS. BIJANSKY: Yes, Mr. Chairman.

8 Every year the Commission approves a memorandum
9 of understanding with the Texas Medical Veterinary
10 Diagnostic Lab, which performs the drug testing on animal
11 samples. The charges for the testing are paid by the
12 racetracks, and the Commission reviews charges to make
13 sure that they are appropriate.

14 The proposed MOU that's in your materials,
15 starting on page 15, makes two main changes to last year's
16 MOU. First is an increase in the cost of greyhound
17 testing from \$42 to \$45 per sample; however, note that the
18 greyhound meet for this year is already completed, so
19 those changes will not apply to that meet because the
20 previous MOU was still in effect.

21 Second, there's a \$5 increase in the cost of
22 vet works, from \$60 to \$65. There is no increase in the
23 cost of normal post-race horse testing, which remains at
24 \$215 per sample.

25 I can answer any questions you may have, and

1 Dr. Akey is here from TVMDL to answer any questions that
2 may come up.

3 CHAIRMAN STEEN: Thank you, Devon.

4 Commissioners, do you have any questions?

5 (No response.)

6 CHAIRMAN STEEN: Do we have any public comment
7 on this item?

8 MS. COOK: No.

9 CHAIRMAN STEEN: Okay. Is there a motion to
10 approve the MOU?

11 COMMISSIONER HICKS: I'll make the motion.

12 COMMISSIONER MACH: I'll second it.

13 CHAIRMAN STEEN: Motion made by Commissioner
14 Hicks, seconded by Commissioner Mach. All in favor
15 signify by saying aye.

16 (A chorus of ayes.)

17 CHAIRMAN STEEN: Any opposed?

18 (No response.)

19 CHAIRMAN STEEN: The motion carries.

20 Next is Agenda Item III.C., Recognition of the
21 Texas Horsemen's Partnership as the official horsemen's
22 representative.

23 Chuck, will you please present this item?

24 MR. TROUT: Yes, sir.

25 Every two years we are supposed to designate a

1 representative organization for the horsemen in the state,
2 and on March 2 -- I'm sorry -- March 8 of this year, the
3 Texas Racing Commission received the application of the
4 Texas Horsemen's Partnership for recognition as the
5 organization to represent the horsemen before the agency.

6 The Commission received no other applications
7 for recognition as the horsemen's representative, and
8 therefore, I approved that organization. This is -- I'm
9 just supposed to report to you that that's what I've done,
10 but I've already done that, and I've already issued the
11 letter.

12 CHAIRMAN STEEN: Thank you, Chuck.

13 Commissioners, are there any other questions on
14 this?

15 COMMISSIONER MACH: Chuck, historically
16 speaking, have there been other organizations fill that
17 role, or is it always the same organization?

18 MR. TROUT: Not that I know of, sir. No, sir.

19 CHAIRMAN STEEN: Any other questions?

20 (No response.)

21 CHAIRMAN STEEN: Thank you.

22 We'll move on to the next item, Agenda Item IV,
23 Discussion, consideration and possible action to
24 designate an application period for live race dates under
25 Commission Rule 303.41.

1 Chuck, will you please present this item?

2 MR. TROUT: Each year we have to designate a
3 period in which the racetracks can apply for race dates,
4 and normally we will have this process done by August, so
5 what we're going to do here is open a period so that the
6 racetracks can make this application, and we'll be
7 bringing to you at a later date the requests from the
8 racetracks, and you'll also get input from the horsemen's
9 organizations.

10 So what you're doing here today is you're
11 simply opening that period, and the period will be -- that
12 they're applying for is from January 1, 2019, to December
13 31, 2019, and January 1, 2020, through August 31, 2020.
14 The staff recommends that the application period for these
15 race dates be open on June 1 and be closed on July 17.

16 CHAIRMAN STEEN: Thank you, Chuck.

17 Commissioners, do you have any questions? Is
18 there any other discussion on this item?

19 (No response.)

20 CHAIRMAN STEEN: Any public comment?

21 MS. COOK: No.

22 CHAIRMAN STEEN: In that case, is there a
23 motion to open an application period for race dates to be
24 conducted from January 1, 2019, through August 31, 2020.

25 COMMISSIONER MARTIN: So moved.

1 COMMISSIONER MACH: Second.

2 CHAIRMAN STEEN: Motion made by Commissioner
3 Martin, seconded by Commissioner Mach. All in favor
4 signify by saying aye.

5 (A chorus of ayes.)

6 CHAIRMAN STEEN: Any opposed?

7 (No response.)

8 CHAIRMAN STEEN: That motion carries.
9 We'll not be entering into executive session
10 today.

11 The next meeting is scheduled for Tuesday, June
12 12.

13 The time is now 10:45. With all business
14 concluded, we are now adjourned. Thank you.

15 (Whereupon, at 10:45 a.m., the meeting was
16 adjourned.)

17 I certify that the foregoing is a correct
18 transcript from the electronic sound recording of the
19 proceedings in the above-entitled matter.
20

21
22 /s/ Nancy H. King
23 Certified Electronic Reporter
24 AAERT No. CER-153
25

04/19/2018
Date