

NEBRASKA RACING & GAMING COMMISSION
MINUTES OF MEETING

DATE: NOVEMBER 9, 2022
TIME: 1:30 pm
LOCATION: Horsemen's Park
6303 Q Street
Omaha, NE 68117

PRESENT COMMISSIONERS:

Dennis Lee Chairman
Janell Beveridge Vice Chair
Jeffrey Galyen** Commissioner
Shane Greckel Commissioner
Tony Fulton Commissioner
Trent Loos Commissioner

ABSENT COMMISSIONERS:

Shelby Bakenhus* Commissioner

*Bakenhus appeared by telephone

**Galyen left the meeting early

Chm. Lee convened the meeting at 1:47pm in compliance with the provision of Neb. Re. Stat. 84-1411. Notice of the meeting was published in the Lincoln Journal Star on October 27, 2022. In addition, copies of such notice were sent to those on the Racing and Gaming Commission agenda mailing list. Notification was given to the public of the open meetings law and notification to its location for public view.

Lee then described that Bakenhus was attending by phone. While she was able to listen to the meeting, Nebraska Law prohibited her from voting. Lee introduced Ken Yoho from the Nebraska Attorney General's office who is now assigned to the Nebraska Racing and Gaming Commission.

APPROVAL OF MEETING MINUTES AND FINANCIAL REPORTS

Fulton wanted clarification under public comments for the October 21, 2022, meeting minutes to say "hesitation" instead of "weariness". Beveridge moved and Greckel seconded to approve the meeting minutes with Fulton's change. Voting Aye: Lee, Beveridge, Galyen, Greckel, Fulton, Loos. Motion carried.

Greckel moved and Fulton seconded to approve the October 2022 Financial Reports. Voting Aye: Lee, Beveridge, Galyen, Greckel, Fulton, Loos. Motion carried.

APPROVAL OF SIMULCAST APPLICATIONS RECEIVED SINCE OCTOBER 21, 2022

No applications were received. No action was necessary.

CONSTRUCTION COMMITTEE UPDATES AND RECOMMENDATIONS

There were no updates or recommendations. No action was necessary.

STRATEGIC PLANNING COMMITTEE UPDATES AND RECOMMENDATIONS

Lee mentioned that the week prior the Strategic Planning Committee held a Zoom Meeting with Brian Becker and his counsel Brain Jorde about the potential to do an Intra or Inter-County

transfer of a racing license and other issues with Hastings considering a location change. No action happened during their meeting and no action was necessary.

APPROVAL AUTHORIZED GAMING OPERATOR–WARHORSE GAMING OMAHA, LLC

Lynne McNally of the Nebraska HBPA asked the commission to approve their permanent authorized gaming operator’s license for Warhorse Gaming Omaha, LLC so they can secure financing to update and renovate the existing building at Horsemen’s Park. Omaha City Council Members Danny Begley and Vinny Palermo appeared and informed the commission that they are in full support of approval and that labor will not be a problem with this project.

Galyen objected to approving the conditional license stating their lease is a problem, they lack proper financing, and their application does not comply with the statutes and rules with live racing and simulcasting. Chm. Lee motioned, “That the Commission approve the casino operator license for Warhorse Omaha, subject to the conditions that staff set forth in its report of October 25, 2022, which were 14. That a license for an offer of games of chance will not be issued until those items and others that may develop in the process be approved by the Commission. That the license be awarded for the casino operator license to Warhorse Omaha.” Loos seconded. Voting Aye: Lee, Beveridge, Fulton, Loos. Voting Nay: Galyen. Abstaining: Greckel. Motion carried.

Galyen left the meeting at this time 3:29 pm

NEBRASKA THOROUGHBRED BREEDERS’ ASSOCIATION (NTBA)

Julie Larmon who is the secretary and treasurer for the NTBA appeared and gave an update on the horse population in Nebraska:

- 356 Registered mares past 3 years
- 19 Registered stallions in 2022
- 177 Eligible Foals last 3 years

She also noted that many of these horses will be eligible to race next year and there are new people becoming breeders in Nebraska who will be welcomed at their annual meeting in February. Larmon said they are currently working with the Nebraska HBPA to transfer funds to the NTBA. Current contracts in progress are creating a casino revenue sharing agreement with tracks for the support of equine agriculture. Then the other contracts they discussed in their last meeting are with tracks pertaining to Breeder Awards, Stallion Awards and Purse Supplements for the support and promotion of the Nebraska thoroughbred industry.

HARRAH’S NEBRASKA, LLC AND COLUMBUS EXPOSITION AND RACING (CER)

Chm. Lee explained that a letter was received from the Attorney General’s office that an opinion regarding an Intra-County Transfer of a Gaming License Associated with an Intra-Country Transfer of a Racing License would not be ready for this meeting as it takes four to six weeks to create. Director Sage said that he does have the authority to issue a provisional license, he does not feel comfortable issuing one to Harrah’s Nebraska until the Attorney General gives their response and recommends the commission table this until the next meeting. Joe Morris stated that 12 to 14 weeks will be their construction timeline once approved. The commission stated that a groundbreaking ceremony does not need commission permission. Tom Jackson gave an update that a hotel is being built near the future track, while owned by the same land developer it is a separate legal entity and is not operated by Harrah’s or CER.

DISCUSSION – MARKET STUDY STATE STATUTE §9-1106 (24) (25) (26)

A discussion was held about the market analysis study that needs to be completed by January 1, 2025. Director Sage suggested doing an RFP. Greckel brought up using a matrix system like the Department of Agriculture matrix. Trent Loos reminded the commission those compiling databases are subject to public record. John Hassett from Aksarben Equine asked if he should share some of the market studies from other states, he has access to. No action necessary.

RECESS

A break was held from 4:40pm to 4:47pm.

EMBRYO TRANSFER – NEBRASKA QUARTER HORSE RACING ASSOCIATION

Brian Becker and Ed Zimba of the Nebraska Quarter Horse Breeders Association were seeking to create a directive that would then be adapted into current Commission Chapter 24 – Nebraska-Bred Rules about embryo transfer. Ed explained that this is huge in the quarter horse racing world, but current state regulations do not describe this process. Lee motioned that this item be tabled until next meeting so a directive can be created, and applications can be amended to reflect their proposed changes.

DIRECTOR’S UPDATE

Executive Director Tom Sage said the IT Manager starts next Monday. Over 50 people applied for the Investigator position. Other positions for Compliance Specialists have been posted to apply for in Lincoln and Grand Island. A Financial Manager position is coming, and Clerical staff are eight weeks out. The staff will move into the new office around February which will include a meeting space, a PA system, and space for offices.

MEETINGS WITH ASSOCIATIONS

Nebraska Thoroughbred Breeders’ Association – None
Nebraska Horsemen’s Benevolent and Protective Association – None
Nebraska Quarter Horse Racing Association – None
Nebraska Quarter Horse Breeders Association – None

PUBLIC COMMENTS

There were no public comments.

ADJOURNMENT

Chm. Lee adjourned the meeting at 5:15pm.