

UNAPPROVED

VIRGINIA RACING COMMISSION

MINUTES

OF THE

COMMISSION MEETING

DECEMBER 19, 2005

STATE CORPORATION COMMISSION
TYLER BUILDING, COURTROOM B
1300 EAST MAIN STREET
RICHMOND, VIRGINIA

In Attendance

Commission Members:

Anne D. W. Poulson, Chairman
Peter C. Burnett, Vice Chairman
Mark T. Brown
David C. Reynolds
Dr. George W. Rimler

Commission Staff:

Stanley K. Bowker, Executive Secretary
Kimberly M. Carter, Office Administrator
Dr. C. Richard Harden, Commission Veterinarian
Joseph M. Roney, Director of Operations and Enforcement

Attorney General's Office:

Theresa Griggs

At 9:30 a.m., Chairman Poulson called the meeting to order.

The minutes of the November 16, 2005 meeting were deferred until the January meeting.

In her Chairman's Report, Chairman Poulson thanked the State Fair of Virginia for hosting the Commission's November meeting at the Meadow Manor House in Doswell and congratulated Colonial Downs on the upgrade of the Virginia Derby to a Grade 2 race for 2006.

Chairman Poulson also reviewed several of the important issues discussed at the University of Arizona Symposium on Racing earlier in December. Two of the major announcements from the Symposium involved the reunification of the Association of Racing Commissioners International (RCI) and North American Pari-mutuel Regulators Association (NAPRA) into one organization of regulators and RCI's formation of a new security company to insure system and player integrity in pari-mutuel wagering.

Commissioner Brown reported that a final report of the Standardbred Blue Ribbon Committee has been completed and should be printed and ready for distribution in January. He thanked everyone involved in the process and added he believes there are a number of very good ideas in the report.

Acting on the recommendation from Mr. Bowker, the Commission approved Colonial Downs' January simulcasting schedule.

Glenn Petty reported that the request from the Virginia Thoroughbred Association to increase registration fees for non-members of VTA is still being discussed with Ms. Griggs to work out any legal issues.

Mr. Bowker reported that the Department of Planning and Budget had notified him late last week that the Commission's funding requests for the next biennium have been approved. He added the money for upgrading the Commission's computer system had been approved in the form of a three-year loan.

James Weinberg, counsel for Colonial Downs, reported that he is still working on legislative language to provide workers compensation for jockeys and driver. He said renewal of the \$1,000,000 insurance policy also may be possible.

Mr. Petty stated that legislation is being considered to reduce the state's portion of the pari-mutuel takeout to provide additional funding to the Virginia Thoroughbred Association, Virginia Horsemen's Benevolent and Protective Association and Virginia Harness Horse Association to help grow the racing industry in Virginia. The matter was to be discussed further before the end of the year.

Colonial Downs President, Ian Stewart reported plans are underway for the 2006 Thoroughbred meet. He said Randy Wehrman has been hired as Racing Secretary and that Joe King and John Passero have been working on the racetrack surface.

Mr. Weinberg said construction of the new Scott County satellite wagering facility was moving swiftly and still is expected to be completed by the end of December. The facility should be ready to open sometime in January.

He updated the Commission on discussions with YouBet and AmericaTab and advised that there might be further progress after the licenses for the three current licensees are renewed.

After considerable discussion, Mr. Bowker was advised to contact The McCammon Group and ask that a mediator be assigned, then contact YouBet and AmericaTab with the name and advise them if they do not have an agreement by the January meeting, they should schedule mediation in time for the February meeting. Colonial Downs also was advised of the same.

Chairman Poulson reported that the renewal of Advance Deposit Account Wagering Licenses would be deferred until the January meeting because several of the Commissioners had not received their overnight packages which contained the renewal information.

John Hindman, Vice President and General Counsel of TVG, provided an overview of TVG's renewal application and was advised that, unless notified to the contrary, it was not necessary for him to come back to Virginia for the January meeting.

Under public participation, Martha Moore of the Virginia Farm Bureau said an effort should be made to restore the full statutory funding from pari-mutuel revenues for the Virginia-Maryland Veterinary School, the Equine Center and the Horse Industry Board.

Chairman Poulson stated, "In accordance with the provisions of Section 2.2-3711 (A)(1) of the Code of Virginia, I move that the Commission go into closed meeting for the purpose of discussion or consideration of the assignment, appointment, performance or salary of a specific public officer, appointee or employee of the Commission."

The motion was approved.

Returning from closed meeting, Chairman Poulson stated, "I move the adoption of the following resolution:

"Whereas, the Virginia Racing Commission has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of The Virginia Freedom of Information Act; and

"Whereas, Section 2.2-3712 of the Code of Virginia requires a certification by this Commission that such closed meeting was conducted in conformity with Virginia law;

"Now, therefore, be it resolved, that the Virginia Racing Commission certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed

meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Commission in the closed meeting.”

The motion was approved with Mr. Brown, Dr. Rimler, Mr. Reynolds and Chairman Poulson voting in favor of the motion. Mr. Burnett was absent.

There being no further business before the Commission, the meeting adjourned at 1:21 p.m.