

UNAPPROVED

**VIRGINIA RACING COMMISSION**

MINUTES

OF THE

COMMISSION MEETING

May 17, 2006

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

In Attendance

Commission Members

Mark T. Brown, Chairman:  
Peter C. Burnett, Vice Chairman  
Clinton Miller  
David C. Reynolds

Commission Staff:

Stanley K. Bowker, Executive Secretary  
Kimberly M. Carter, Office Administrator  
Dr. C. Richard Harden, Commission Veterinarian  
David S. Lermond, Jr., Director of Pari-mutuels  
Joseph M. Roney, Director of Operations and Enforcement  
Marvin A. Sniegon, Director of Finance & Planning

Attorney General's Office:

Teresa Griggs

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At 9:37 a.m., Chairman Brown called the meeting to order.

Chairman Brown welcomed new Commissioner Miller to his first meeting of the Commission.

Chairman Brown said the floor is open for nominations for Commission Vice Chairman. Chairman Brown nominated Commissioner Burnett. Commissioner Burnett was unanimously elected Vice Chairman.

The minutes of the April 19, 2006 meeting were approved.

During the Chairman's Report, Chairman Brown congratulated Barbaro on winning the Kentucky Derby.

Commissioner Reynolds, Chairman of the Racing Industry Partnership Task Force, said he, Chairman Brown and Commission staff met with Secretary of Commerce and Trade Patrick Gottschalk and representatives of the Administration to review the Commission's plans for distributing marketing funds to the horse industry. He added that as a result of the meeting, a number of changes are being made in the program. First, the Task Force will be reconstituted and will consist of representatives independent of industry stakeholders. In addition funding for requests from for-profit organizations will be made on a matching basis and funding for non-profit organization may be allocated up to 100% of the request.

As a result of the changes in the plan, the Task Force's Strategic Plan is being modified. After considerable discussion, the changes and typo corrections were approved.

Commissioner Reynolds reported that the independent members of the Task Force had met to review two requests. The first is a request from the Virginia Horsemen's Benevolent and Protective Association for \$10,068 for Owners' Day to be held at Colonial Downs on June 24, 2006. The second was from the Virginia Thoroughbred Association for \$6,500 for Virginia Breeders Day also to be held on June 24, 2006.

Mr. Bowker stated the two requests qualify as sole source procurement, both are not-for-profit organizations and meet the criteria established by the Commission for receiving the Commission's marketing money.

After considerable discussion, both requests were approved on 3-1 votes with Commissioner Burnett dissenting.

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

Acting on the recommendation from Mr. Bowker, the Commission approved the export simulcast locations giving Mr. Bowker permission to approve additional locations.

Acting on the recommendation of Mr. Bowker, the Commission approved the list of racing officials for Colonial Downs.

Acting on the recommendation of Mr. Bowker, the Commission approved Mr. Bowker, William Passmore and Jean Chalk as the Thoroughbred Stewards for 2006. In addition, Richard Kinsey and Phillip Grove were approved as Alternate Stewards.

Acting on the recommendation of Mr. Bowker, the Commission appointed Thomas F. Lomangino, Jr., as the Chief Racing Chemist and designated the Maryland Racing Commission Laboratory as the official testing laboratory for the 2006 live race meets.

Acting on the recommendation of Mr. Bowker, the Commission approved Cornell University, Iowa State University and Dalare Laboratory as the reference laboratories for 2006.

Mr. Bowker reported he and Marvin Sniegon had met with Colonial Downs President Ian Stewart and Vice President and General Manager Iain Woolnough to review the funding for the purse account. In addition to providing the necessary GAP funding, Colonial Downs will provide a \$700,000 line of credit.

Mr. Bowker said last week he and Commission staff members had visited the new satellite facility in Scott County, the new Martinsville facility and Vinton. He said he was very impressed with the new Scott County facility and its employees.

The Commission approved the Exempt Regulations 11 VAC Chapter 10-70 and Exempt Stewards Regulations 11 VAC 10-90 Appeals to Commission. The permanent regulations are at the Governor's Office for final approval.

Mr. Woolnough provided an update on plans for the 2006 Thoroughbred meet. He introduced new Racing Secretary Randy Wehrman who said there is a waiting list for stalls. He added 107 nominations have been received for the Colonial Cup/Virginia Derby and 68 for the All Along.

Colonial Downs' Jeanna Bouzak provided an update on the activities at the satellite wagering facilities and Darrel Woods reviewed some of the marketing plans for the live meet.

James Weinberg, counsel for Colonial Downs, reported AmericaTab has revised one of the conditions in the account wagering agreement and sent it back. He said he expects the agreement will be signed as revised shortly.

Mr. Weinberg said Colonial Downs has reviewed the advisory opinion from the Attorney General regarding smoking in the VIP rooms at the satellite wagering facilities. He said that the Richmond Broad Street facility is the only one affected by the opinion and Colonial Downs has designated a number of tables in that VIP Room as non-smoking.

Since all of documentation for the Jacobs Entertainment refinancing has not been received by the Commission counsel and staff, Mr. Weinberg asked that discussion be deferred. He asked if a special meeting could be scheduled within the next two weeks. The Commissioners set Friday, June 2 for the special meeting. Mr. Bowker will find a location.

Chairman Brown stated, “In accordance with the provisions of Section 2.2-3711 (A)(7) of the Code of Virginia, I move that the Commission go into closed meeting for the purpose of consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Commission; and consultation with legal counsel employed or retained by the Commission regarding specific legal matters requiring the provision of legal advice by such counsel regarding a contract with an outside vendor.”

The motion was approved.

Returning from closed meeting, Chairman Brown 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 Vice Chairman Burnett, Mr. Reynolds, Mr. Miller and Chairman Brown voting in favor of the motion.

There being no further business before the Commission, the meeting adjourned at 11:42 a.m.