

Virginia Racing Commission

MINUTES

OF THE

COMMISSION MEETING

July 18, 2008

2:00 p.m.

**HORSEMEN'S BUILDING
COLONIAL DOWNS
10700 HORSEMEN'S ROAD
NEW KENT, VA**

In Attendance

Commission Members:

Peter C. Burnett, Chairman
Mark Brown, Vice Chairman
William H. (Trip) Ferguson
I. Clinton Miller

Commission Staff:

Stanley K. Bowker, Executive Secretary
Victor I. Harrison, Executive Secretary
Kimberly M. Carter, Office Administrator
C. Richard Harden, DVM, Commission Veterinarian
David Lermond, Jr., Director of Pari-mutuels
Joseph M. Roney, Director of Operations & Enforcement
Dennis E. West, Director of Operations

Attorney General's Office:

Frank Ferguson

At 2:15 p.m., Vice-Chairman Brown called the regular monthly meeting of the Commission to order.

The minutes of the June 18, 2008 meeting were approved.

Natalie Smith from CRT/tanaka gave an update on a number of current marketing initiatives:

- 1) The recent VRC Reception at Colonial Downs brought good responses from the targeted group of opinion leaders.
- 2) Ongoing relationship with Colonial Downs is a productive one.
- 3) The promo booth at the Innsbrook after-hours concerts continues to be worthwhile.
- 4) Their work with radio/media providers is successful.
- 5) The educational booklet should be in schools in the fall. Groups such as the BSA/GSA have already agreed to utilize it.

Acting on the recommendation from Mr. Harrison, the Commission approved Colonial Downs' August simulcast schedule including the additions of: Laurel Park, Remington Park, Timonium, Hoosier Park, Retama Park, Balmoral Park, Freehold Raceway and Maywood Park.

Mr. Bowker advised the Commission on the Commission-approved pre-race drug testing – so far only four such tests have been requested and, of those, only one was above the established thresholds. He added, with respect to our standard race day testing, that there have been no steroid positives for the meet to-date. Also, the TOBA 'Supertest' for graded stakes horses is administered to all horses racing that day so as not to possibly bias the treatment of those samples at the lab.

Chairman Burnett arrived at approximately 2:55 p.m.

Mr. Bowker gave an update on the 100% bonus being paid out to VA-bred purse winners – through July 15th, 2008 such payments have totaled \$674,000 – this dollar amount has exceeded our estimate for the entire meet, which ends August 6th, although the pace of awarding such bonuses appears to be slowing. Chairman Burnett asked for clarification on where we are going with this in the future. Mr. Bowker said that a teleconference was held recently with the Breeders/Owners and it was recommended to continue the program at the 100% level with the remaining funds going to the Breeders' Fund and that next year we are very likely to change the award parameters of the 100% bonus.

Chairman Burnett initiated a discussion of the Virginia Racing Summit. Mr. Bowker added that the Summit, originally scheduled to be held August 21, now may be in jeopardy due to the Governor's recent announcement of a budget crunch and the attendant hiring freeze, travel restrictions and focus on issues and events germane to the Commonwealth of Virginia. Chairman Burnett said that, "when we do it we want to do it well and be able to adequately pay our expenses." Commissioner Ferguson raised the issue of the Commissioners perhaps contributing to the funding of the event. Natalie Smith said that she will have pro-forma budgets in the coming week on a few Summit scenarios. She will explore the possibility of finding sponsorship for the Summit. Commissioner Miller added that, while he would like the Summit to be a first class event, he realizes that in light of the Governor's announcement that it may not now be the right time to move forward with this event.

Colonial Downs' representatives, Counsel Jim Weinberg, President Ian Stewart and Iain Woolnough, General Manager of Colonial Downs, reported on the progress of the Thoroughbred meet so far. Mr. Stewart said the meet was down about 15% versus last year. Some additional challenges:

- 1) One Hundred degree temperatures, rain and power outages
- 2) Shorter Field Size (12.4% have been scratched from the program)
- 3) High Fuel prices (Mr. Bowker commented that, for example, if a MD trainer feels he can't finish in the money, he may scratch his horse rather than incur the cost of shipping to VA.)
- 4) Just this week an Equine Herpes scare at Charlestown caused 16 horses to be scratched. The herpes test, fortunately, turned out to be negative.

Chairman Burnett made the following motion:

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 specific employees of the Commission.

The motion was seconded and was unanimously approved.

Coming out of closed meeting, Chairman Burnett offered the following motion:

"Whereas, the Virginia Racing Commission has convened a closed meeting on this date pursuant to an affirmative recorded vote 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 under the Virginia Freedom of Information Act 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 seconded and the vote was as follows: Brown, aye; Ferguson, aye; Miller, aye; and Chairman Burnett, aye.

The next meeting was set for Wednesday, August 20, 2008.

There being no further business, the monthly meeting was adjourned.