

UNAPPROVED

VIRGINIA RACING COMMISSION

MINUTES

OF

COMMISSION MEETING

FEBRUARY 16, 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
Dr. George W. Rimler

Commission Staff:

Stanley K. Bowker, Executive Secretary
Kimberly M. Carter, Office Administrator
David S. Lermond, Jr., Director of Pari-Mutuels
Lauren Messmer, Marketing
Joseph M. Roney, Director of Operations and Enforcement
Marvin A. Sniegou, Director of Financial Management and Planning

Attorney General's Office:

Teresa Griggs

At 9:45 a.m., Chairman Poulson called the meeting to order.

The minutes of the January 25, 2005 meeting were approved with corrections.

In her Chairman's Report, Chairman Poulson said that Governor Warner has reappointed Mark Brown for a five (5) year term. She also welcomed Lonny Powell, former President of the Association of Racing Commissioners International, who now represents YouBet and Michael Pearson who is now representing Oak Ridge.

Commissioner Brown, Chairman of the Standardbred Blue Ribbon Committee, reported the committee has developed a number of recommendations that involve improvements to the breeding program and possible alternate racing facilities. He said the committee will be meeting again in March.

Acting on the recommendation of Mr. Bowker, the Commission approved Colonial Downs' March simulcasting schedules for the satellite wagering facilities. Included are the Kentucky Derby/Oaks future wagering, March 10-13, and the Dubai World Cup races on March 26.

Mr. Bowker provided an update on the current legislation. HB 1835 and HB 2593, both intended to increase the time between referenda, are no longer under consideration. Sen. Norment's SB 1270, the Commission's housekeeping bill, has passed the Senate and is being considered in the House. There has been no opposition to date.

Acting on the recommendation of Mr. Bowker, the Commission approved the \$200,000 letter of credit issued on behalf of Colonial Downs, L.P. to the Virginia Racing Commission.

Mr. Bowker reviewed the current procedures in place to deal with customer service complaints at the satellite wagering facilities and the race track. He further reported that management at the facilities seem to be dealing with complaints as they happen as very few come to the attention of the Commission staff.

Commissioner Rimler asked that Commission staff visit several satellite facilities in other states to gather data to determine if the latest technology is being used in Virginia. He asked that staff report back in 90 days.

James Weinberg, counsel for Colonial Downs, stated that they expect to see improvements from the Vinton Satellite Facility since they have obtained their ABC license. He also distributed applications for the Henry County Satellite Facility and asked that a site visit be scheduled for March 15, 2005.

Mr. Weinberg reported that the harness horsemen had not signed off on the agreement between Colonial Downs and TVG. He advised that he expected the applications from TVG and XpressBet should be complete for Commission consideration at the March meeting.

Mr. Bowker reminded everyone that applications needed to be completed early in March because the Commission needed time to provide proper notice of the informal fact-finding conferences to be held in conjunction with the application approval process.

Colonial Downs provided an amended request for 2005 live thoroughbred race dates. The Commission approved the amended request for forty (40) days commencing June 24 and concluding August 16, to be run Friday through Tuesday of every week.

Chairman Poulson said now that the dates for both the thoroughbred and standardbred meets have been approved, staff should begin moving to fill the various Commission officials' positions.

During public participation, Glenn Petty, Executive Director of the Virginia Thoroughbred Association, said he has been working to have a budget amendment withdrawn that was included in the House version. It could have a negative effect on the marketing dollars that may be available for the horse industry. He said supporters did not understand the ramifications and he will continue working to educate those supporters.

Chairman Poulson offered the following motion:

“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 Colonial Downs and Phone Bet's application for renewal of their advance deposit account wagering licenses.”

The motion was unanimously 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.”

The motion was approved with Vice Chairman Burnett, Commissioner Brown, Commissioner Rimler and Chairman Poulson voting in favor of the motion.

After Mr. Weinberg indicated Colonial Downs would have no objections, the Commission moved to extend Colonial Downs' advance deposit account wagering license one (1) day so that its renewal application could be considered at the March 16 meeting.

The next regularly scheduled Commission meeting is scheduled for March 16, 2005 at the Tyler Building.

There being no further business before the Commission, the meeting adjourned at 12:05 p.m.