

UNAPPROVED

VIRGINIA RACING COMMISSION

MINUTES

OF

COMMISSION MEETING

JULY 15, 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  
David C. Reynolds  
Dr. George W. Rimler

Commission Staff:

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

Attorney General's Office:

Teresa Griggs

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At 1:45 p.m., Chairman Poulson called the meeting to order.

The minutes of the May 25, 2005 meeting were approved.

The minutes of the June 15, 2005 were approved as amended.

In her Chairman's Report, Chairman Poulson acknowledged the Racing Commission staff; John Mooney, Colonial Downs Management and the Marketing Committee for their efforts during the 2005 Thoroughbred meet thus far.

In response to the recommendations of the Marketing and Economic Development Report, Chairman Poulson said she would like Commission approval to appoint a committee, to be chaired by Commissioner Reynolds, that will develop a strategic plan for a public-private partnership to establish a statewide marketing initiative to maximize the full marketing and economic development potential of Virginia's horse racing industry. In conjunction with that effort, she also would like approval to appoint Commissioner Rimler to chair a subcommittee to explore the role of the Racing Commission and Colonial Downs in the 2007 Jamestown Celebration. It was moved, seconded and approved to accept the recommendations.

The Standardbred Blue Ribbon Committee has been unable to meet and is trying to schedule a meeting for early August.

Commissioner Reynolds reported that he had met with Mr. Bowker and Mr. Sniegon on June 30 to discuss the budgeting process and begin work on the budget for the next biennium. He said he should have a report for the just concluded fiscal year by the next Commission meeting.

Acting on the recommendation from Mr. Bowker, the Commission approved Colonial Downs' August simulcasting schedules for both Colonial Downs and the satellite wagering facilities.

Mr. Bowker provided an updated report on advance deposit wagering by the three licensed providers. In June, \$331,024 was generated by Colonial PhoneBet, \$443,048 by TVG and \$477,767 by XpressBet, a total of \$1,251,838.

The Commission's fiscal year ended June 30, 2005. After paying all required funds to the Commonwealth, Mr. Bowker reported it appears there will be \$182,322 carried over for marketing in the new budget.

Reporting on the regulatory aspects of the current thoroughbred meet, Mr. Bowker stated there have not been any violations of the Commission's new medication regulations, that super tests as required by TOBA for all graded stakes were also implemented for the \$500,000 Colonial Cup and that overall competitiveness of racing has been better than the past several years. He also reported that during this afternoon's races, there would be "walkover" in the second race as only one horse in a field of five remains in the race.

Reporting for John Mooney and Colonial Downs, Mr. Weinberg said everything is ready for tomorrow's Virginia Derby Day. All three stakes races should be very good and the new seating and other changes to the facility should be helpful in accommodating the crowd.

Mr. Weinberg called on Bob Leffler of the Leffler Agency who reviewed the marketing efforts in place for this year's thoroughbred meet. He added much of the creative will be revised for the harness meet. He also said work is underway on campaigns for the satellite wagering facilities.

Mr. Weinberg also stated that the satellite wagering facilities are on track. Henry County will open in August, Chesapeake will in late September/early October and Scott County by the end of the year. In Scott County, Mr. Weinberg reported, there are several traffic issues still being worked out with VDOT. He said Colonial Downs also is trying to work out agreements with the state on highway traffic signs.

Mr. Weinberg also stated that expected mediation with AmericaTab is scheduled for September 14. He added Colonial Downs and YouBet still have not agreed on a mediator.

Responding to a question from Commissioner Burnett, Mr. Weinberg said the ball is in his court to finish drafting legislation on workers comp for jockeys. He said he should have a draft ready in the next 10 days.

In the matter of the contract between Colonial Downs and VaHBPA, Chairman Poulson asked if there were any discussion.

It was moved, seconded and unanimously voted that the contract between Colonial Downs and VaHBPA be approved.

Mr. Weinberg stated that work was nearing completion on the Jacobs trusts to acquire certain interests in Colonial Downs L.P. and Stansley Racing Corp. and that he thought they would be ready for Commission approval in August.

It was determined that there probably would not be a regular monthly meeting in August and the Commissioners agreed that if the trust was ready for consideration, an effort would be made to gather a quorum to consider that one item prior to the next monthly meeting.

The next Commission meeting was then scheduled for September 7, 2005 at 9:30 a.m. at the State Corporation Commission, Tyler Building, 1300 East Main Street, Richmond.

There being no further business before the Commission, the meeting adjourned at 3:22 p.m.