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VIRGINIA RACING COMMISSION

May 12, 2015

PATRICK HENRY BUILDING
EAST READING ROOM
1111 EAST BROAD STREET
RICHMOND, VA 23219

Commencing at 10:00 a.m.

COMMISSION MEMBERS:

J. Sargeant Reynolds, Jr., Chairman
D.G. Van Clief, Jr., Vice Chairman
Carol G. Dawson
I. Clinton Miller
Charles W. Steger, PhD

COMMISSION STAFF:

Bernard J. Hettel, Executive Secretary
Courtney C. Reid, Program Support Technician
Kimberly C. Mackey, Office Administrator
David S. Lermond, Deputy Executive Secretary/Fiscal Officer
C. Richard Harden, DVM, Equine Medical Director

OFFICE OF AGRICULTURE AND FORESTRY:

Sam Towell, Deputy Secretary of Agriculture and Forestry
Cassidy Rasnick, Asst. Secretary of Agriculture and Forestry

ATTORNEY GENERAL'S OFFICE:

Joshua Laws, Esquire

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1 MR. REYNOLDS: Good morning. I'd like to call
2 this session of the Virginia Racing Commission to
3 order, please. Thank you.

4 First item of business, I would like to read
5 this statement. During the last Virginia Racing
6 Commission meeting, Colonial Downs requested a
7 hearing concerning its EZHorseplay ADW license.
8 Subsequent to then, Colonial Downs withdrew that
9 request for a hearing and surrendered its ADW
10 license to the Virginia Racing Commission; thus,
11 Colonial Downs can no longer conduct any ADW
12 wagering in Virginia, and in fact, Colonial Downs
13 no longer possesses any racing or pari-mutuel
14 licenses in Virginia.

15 We recognize that there is a dispute between
16 Colonial Downs and the Virginia HBPA over fees from
17 the conduct of ADW wagering by EZHorseplay.

18 It is clear that Virginia Code Section
19 59.1-369-5 requires that the source market fees
20 generated by wagering between November 1, 2014 and
21 April 8, 2015, which is \$437,220.57, are due from
22 EZHorseplay to the recognized majority horsemen's
23 group. We desire that this be paid promptly.

24 Further, we understand that the HBPA asserts
25 that it is due the source market fee, while

1 EZHorseplay disagrees. At this point, we further
2 believe that if Colonial Downs and Virginia HBPA
3 cannot resolve their dispute, that the proper forum
4 for such resolution is in the courts.

5 We hope the parties can work together to
6 advance horse racing in the Commonwealth, and they
7 can be part of a business model which will result
8 in a growing industry.

9 Now let's move on to approval of the minutes
10 for the Commission meeting on Wednesday, April 8,
11 2015. Has everybody had a chance to review the
12 minutes? I'll take that as a yes.

13 Thank you, Commissioner Dawson, for catching an
14 error which has been fixed, and the revised minutes
15 have been sent out.

16 Are there any further additions and corrections
17 to the minutes? Hearing none, I'll entertain a
18 motion to approve the minutes for April 8, 2015.

19 MR. LAWS: Mr. Commissioner, before that
20 motion, would you recognize for the record that all
21 the Commission members are currently present?

22 MR. REYNOLDS: Yes. Are all the commissioners
23 present? I see them all. Thank you.

24 I'd like to entertain a motion to approve the
25 minutes for April 8, 2015.

1 MS. DAWSON: I so move.

2 MR. REYNOLDS: Do I hear a second?

3 MR. VAN CLIEF: Second.

4 MR. REYNOLDS: Thank you. All those in favor,
5 say aye.

6 NOTE: The Commission votes aye.

7 MR. REYNOLDS: Opposed? Hearing none, the
8 motion carries.

9 Now we'll move on to new business. The first
10 on the agenda is the budget for the harness racing
11 Breeders' Fund of \$50,000. Mr. Hettel, do you want
12 to explain this a little better?

13 MR. HETTEL: Yes, sir. The 2015 proposed
14 budget as it currently stands is for administrative
15 costs only. The breakouts in the booklet, it goes
16 for legal fees and travel and liability insurance
17 and all the associated business of the eventual
18 distribution of money.

19 We haven't got a racing statement yet for the
20 stakes racing, but we intend to possibly talk about
21 that today. This will keep them afloat with their
22 administrative costs to be paid, so I seek your
23 permission and your approval.

24 MR. REYNOLDS: Any questions from my fellow
25 commissioners?

1 MR. VAN CLIEF: Mr. Hettel, can you remind me
2 is this -- how does this compare to the previous
3 budget?

4 MR. HETTEL: It's identical.

5 MR. VAN CLIEF: Thank you.

6 MR. HETTEL: It's the usual and standard
7 allocation for administrative costs.

8 MR. VAN CLIEF: Thank you.

9 MR. REYNOLDS: Are there any other questions or
10 comments from the commissioners? Hearing none, I
11 would like to entertain a motion to approve the
12 2015 proposed budget for administration of the
13 Virginia Standardbred Breeders' Fund by the
14 Virginia Harness Horse Association. Do I hear a
15 motion?

16 MR. MILLER: So moved.

17 MR. REYNOLDS: Any second?

18 MS. DAWSON: Second it.

19 MR. REYNOLDS: All those in favor, say aye.

20 NOTE: The Commission votes aye.

21 MR. REYNOLDS: All those opposed? Hearing
22 none, the motion carries. Thank you very much.

23 All right. Now, the next part of the agenda is
24 a little gurgled here, so I want to try to take
25 care of this all in one swoop here.

1 As we all know, in 2014, after a long and
2 arduous negotiation, Colonial Downs and the
3 Virginia HBPA were unable to resolve their contract
4 dispute. On October 31, 2014, Colonial Downs made
5 the decision to surrender its unlimited license.

6 As of today, I don't know whether or not
7 Colonial Downs will seek a license as a significant
8 infrastructure licensee, or will seek a limited
9 license to race at Colonial Downs this year or any
10 time in the future.

11 Regardless of any decision by Colonial Downs to
12 seek a license to race in Virginia, I feel that our
13 industry must forge a new path forward. All of the
14 stakeholders must work together to find its way
15 forward, and the Virginia Racing Commission desires
16 to work closely with our stakeholders to create a
17 solid vision and a structure so that we may indeed
18 move forward.

19 By creating the Virginia Equine Alliance, I
20 believe that the stakeholders have taken that first
21 big step by joining forces to build a new racing
22 model for Virginia.

23 Effective July 1, new laws that were passed in
24 the most recent General Assembly will take effect.
25 The stakeholders and the VRC must plan accordingly

1 in order for all of us to hit the ground running.

2 Therefore, I would like to call for a working
3 session in early June, sooner if possible, so that
4 we can seek input from all of the stakeholders on
5 several issues.

6 One of the issues -- and I would welcome any
7 issue -- when we set this meeting, I would like
8 feedback from all of the stakeholders and my fellow
9 commissioners about what else should be on the
10 agenda for us to talk about besides what I'm going
11 to propose right now.

12 But we want to discuss the possible criteria
13 for the Commission to use in determining what
14 constitutes the majority horsemen's group. While I
15 believe that the Commission has the sole authority
16 to recognize the horsemen's group based on the new
17 legislation, I believe the Commission needs to
18 formulate certain criteria which determine who the
19 majority horsemen's group is.

20 Secondly, we want to determine what
21 documentation is needed to formally recognize our
22 non-profit industry stakeholder organization for
23 the purpose of promoting, sustaining and advancing
24 horse racing Virginia.

25 what I would really like to do there with the

1 VEA is, you know, certainly, this new law takes
2 effect July 1. I would love to have all your
3 documentation in place well before that, so
4 we're -- if we have -- hopefully, we'll have a
5 Racing Commission meeting on July 1, but hopefully,
6 you all will have all of your documentation in
7 place and reviewed for, hopefully for approval on
8 July 1.

9 I note I'll ask Mr. Hettel to get with you to
10 let you know exactly what documentation that would
11 be required for us to consider approving you all as
12 our non-profit group. Some of the things we may
13 ask you for are perhaps bylaws, proof of your
14 non-profit status, perhaps a short- and a
15 long-range plan or some sort of strategic vision
16 statement, a list of your board of directors and
17 any pertinent financial statements.

18 Those are some of the things I'm sure we will
19 be looking for. There may be more, but I will ask
20 Mr. Hettel to follow up with you and get all of
21 those things just as soon as we can.

22 Another thing I would like to discuss at this
23 working session is our committee structure. I went
24 and reviewed all of our standing committees, which
25 I can't find in front of me. I had them.

1 But anyway, we have nine standing committees as
2 we speak. Nine standing committees. We have the
3 standing Breeders' Fund advisory panel, we have the
4 Virginia Breeders' Fund advisory committee, you
5 know, which consists of the Thoroughbred
6 subcommittee and the Standardbred subcommittee.

7 We have a Budget committee. We have Code
8 Revision and Rules committee, a Racing Safety and
9 Medication committee, Security Enforcement
10 committee, a Marketing and Promotion committee, a
11 wagering Technology committee, and a National
12 Racing Compact committee.

13 Some of these committees have been active; many
14 of these committees have not been very active.
15 What I'd like to do at this working session is to
16 have a thorough discussion with stakeholders and my
17 fellow commissioners to discuss, you know, what do
18 we want these committees to do. Are they dormant?
19 Do we need them? Are they required by law? If we
20 do need them, do we have the right people on them?
21 I have some vacancies on here. We may need to make
22 some reappointments, but those things I want to
23 discuss in great detail.

24 As well as that, not that I'm looking to add
25 any more committees, but I think it's important to

1 talk about, you know, in our new era moving
2 forward, three new committees. I call them
3 Virginia Racing Commission committees that I think
4 certainly would be helpful to the Commission as we
5 want to work closely with you all as we all move
6 forward.

7 The first committee that I would like to talk
8 about at the working session is perhaps a
9 legislative review committee. While certain
10 commissioners were involved in seeking legislature
11 to move Virginia racing forward, we were off doing
12 our thing and the stakeholders were off doing their
13 thing, and I understand that, but I would like to
14 have a committee with the stakeholders and a couple
15 of Commission members so that we can all be working
16 in unison, and all at least communicate to each
17 other what we are all doing as far as trying to
18 work on legislative amendments to help our
19 industry.

20 Another committee that I would like to talk
21 about is maybe a stakeholder committee, where a
22 couple members of the Virginia Racing Commission
23 can meet with the stakeholders. I guess it would
24 be the VEA, because all of you all now fall under
25 that umbrella.

1 I think it would be important to have a
2 Commission member or two join you all. I don't
3 know if it's at all of your meetings, but just have
4 a committee meeting that's just with the
5 commissioners and you all.

6 You all have your regular meetings. We're not
7 saying we want to necessarily attend those, but
8 have other meetings from time to time or as
9 necessary to understand what you all are up
10 against, what you all are trying to do, so that we
11 can better help you all in the future.

12 I'd also like to take a look at a facilities
13 committee. Right now, I don't know if that
14 committee will be long-standing or not, but
15 certainly in the short-term, I know that you all
16 have been going around the Commonwealth looking at
17 several different venues to try to figure out where
18 your best opportunities for racing will be, and
19 obviously, the Commission has a stake in that as
20 far as approving any such venues as far as safety
21 is concerned and whether it's, you know, a proper
22 venue that we can utilize moving forward.

23 As I said earlier, there may be other agenda
24 items that we would also like to discuss at the
25 working session, and I'll ask Mr. Hettel to

1 schedule this working session with you all and find
2 a date just as soon as possible.

3 If you'll please start working on that today to
4 find a date that works for everybody.

5 MR. HETTEL: Okay.

6 MR. REYNOLDS: And the place that will be
7 announced.

8 MR. HETTEL: Okay.

9 MR. REYNOLDS: And certainly, we want all of
10 your input and suggestions for any other agenda
11 items that we might like to talk about. I think
12 this could be very productive. I know my first
13 year on the Commission, then Chairman Miller had a
14 working session that I thought was extremely
15 productive.

16 After the conclusion of the working session,
17 the Virginia Racing Commission will determine the
18 specific criteria that may be used as a guideline
19 to determine who that majority horsemen's group is.

20 A little bit redundant, but I'll say it again.
21 I want to further engage this Commission to work
22 closely with the stakeholders to articulate a clear
23 vision and develop a strategic plan as we move into
24 the next phase of horse racing in Virginia.

25 After the working session, I'd like to call for

1 a meeting the first part of July to take formal
2 action on any matters that come before the
3 Commission.

4 Having said that, I understand July 1st is a
5 Wednesday, and if everybody is available, I'd like
6 to go ahead and set the next Racing Commission
7 meeting for July 1st, if that works for everybody.

8 I don't know that everybody has their calendar,
9 but that's the date I'm shooting for, and I'll ask
10 Mr. Hettel to follow up with everybody to make sure
11 that date works. That way, we can get everything
12 accomplished that day as the new laws are in place.

13 With that, I will move on to the -- before I
14 move on to the public comment period, I probably
15 should have put it on the agenda, but I'd like to
16 start with the stakeholders, if they would like to
17 say anything. I'll start with Mr. Petramalo, if
18 you would like to have the floor.

19 MR. PETRAMALO: Unaccustomed as I am to
20 speaking. No. I'd like to commend the Commission
21 for setting forth that plan for going forward. I
22 think it makes a lot of sense.

23 What I'd like you to -- what I'd suggest for
24 your consideration is to give some thought to
25 hiring or getting an economist, perhaps from the

1 Secretary of Agriculture's operation, to look at
2 the economics of racing in Virginia, because often
3 times we argue about whether it makes more sense to
4 have fewer days or less days and how that impacts
5 handle, et cetera.

6 There are a number of private economists. When
7 I say economist, I mean racing industry economists
8 out there, but of course you would have to pay for
9 them. But it may well be that there could be some
10 resources within the secretariat's domain that
11 could give us some help here, just so we get an
12 objective analysis of what makes sense in terms of
13 racing, as opposed to not making sense.

14 what I'm talking about is a narrow focus, not
15 broader studies of the sort that we've seen in the
16 past, looking at the economic impact of horses in
17 the Commonwealth. That's very broad. We're
18 just -- what I'm talking about is just narrowing
19 the focus to racing in Virginia.

20 MR. REYNOLDS: I think that's a great
21 suggestion.

22 MR. PETRAMALO: I'll stop right there.

23 MR. REYNOLDS: That's it?

24 MR. PETRAMALO: That's it.

25 MR. REYNOLDS: We've still got 30 minutes left.

1 okay. well, thank you.

2 would anybody like to speak on behalf of the
3 harness folks? Mr. Dunavant?

4 DR. DUNAVANT: We had a meeting with myself and
5 Mr. Craig Anthony, who has been our racing
6 secretary and director of racing in Colonial since
7 harness racing started there, and the
8 representatives of VEA with Ms. Heather Goodwin up
9 at Oak Ridge this past Friday.

10 I think we had a very positive meeting. We are
11 planning on two weekends of racing; the weekend of
12 the 10th and 17th of October. Mr. Anthony and I
13 presented the VEA with a proposed cost of the
14 racing office, and he and I had discussions on
15 which races to have.

16 we're going to hold our two- and three-year-old
17 stake races on those weekends. We have
18 eliminations on one weekend and finals on the
19 other, and that will take 16 races for those two-
20 and three-year-olds by gate and sex.

21 we're looking at 24 overnight races over the
22 two weekends. We're planning on increasing the
23 purses for those overnight races over what we had
24 as a minimum at Colonial, because we feel like that
25 will be necessary to bring people in for that

1 shorter race meet.

2 Ms. Goodwin is a really good promoter. She
3 seems to think she can get 2,000 to 3,000 people
4 there for the event she's planning around harness
5 racing. It was a very positive meeting, and we're
6 excited about going forward with that.

7 We are also going to finance the purse money
8 for a wine festival day of harness racing in June
9 at the Woodstock races, and of course we always pay
10 the purses at the Woodstock fair that's in August.

11 So we are going -- we know we're going to have
12 eight or nine days of harness racing in 2015, and
13 the races at Oak Ridge will be pari-mutuel, and
14 we're in the planning stage of what facilities
15 we're going to need, how many stalls we're going to
16 have to rent, set up the paddock and a test area.

17 So we're excited about that, and that's kind of
18 what we're doing.

19 MR. REYNOLDS: Great. That's good news. Thank
20 you. The VEA. Debbie or Jeb. I guess Jeb Hannum.

21 MR. HANNUM: Thank you, Mr. Chairman. Just to
22 reiterate Mr. Petramalo's comments, we appreciate
23 the plan moving forward, and I look forward to
24 following up with Mr. Hettel to have everything
25 filed appropriately and timely with the Commission,

1 and appreciate the expedited schedule. So thank
2 you very much.

3 MR. REYNOLDS: Thank you. Debbie. Ms. Easter.

4 MS. EASTER: Obviously, I follow a little bit
5 on what Jeb said. To give you a little idea what
6 everybody has been working on, the Alliance has
7 been going at it hard. We had a very positive
8 weekend at the Gold Cup two weekends ago; good
9 crowd, good racing.

10 I think that one thing that the Alliance has --
11 and with the help of horsemen around Virginia, we
12 know what our niche is, and it's turf racing, and
13 we know we can fill that race, so we've been
14 working hard running around the state to find a
15 place we can provide as much turf racing as we can
16 for the horsemen and get it as close to the
17 scenario we had at Colonial Downs as possible.

18 So we look forward to you alls' participation
19 in all that, and I think that we all just take the
20 positive momentum and let's go forward. Thank you.

21 MR. REYNOLDS: Thank you. Mr. Griffin, do you
22 want to say anything on behalf of Gold Cup?

23 DR. ALLISON: Dr. Allison.

24 MR. REYNOLDS: I'm sorry. I apologize. Dr.
25 Allison.

1 DR. ALLISON: First of all, we were honored to
2 have several members of the Commission join us for
3 our day. We could not have had a better weather
4 day, better turn out, with possibly over 75,000
5 people. Handle was up appreciably, and you're
6 learning how to deal with improving the pari-mutuel
7 wagering.

8 So all in all, it was a great day, and it shows
9 that racing is a compatible event. Thank you.

10 MR. REYNOLDS: Thank you very much.

11 MR. PETRAMALO: Some of us did very well at the
12 pari-mutuel wagering.

13 MR. REYNOLDS: Congratulations.

14 MR. LAWS: Not well enough that you don't have
15 to be here.

16 MR. HETTEL: May I recognize Tom Eshelman from
17 Woodstock?

18 MR. REYNOLDS: Yes, please.

19 MR. HETTEL: Will you tell us about your day,
20 please?

21 MR. ESHELMAN: On June the 6th, we're hosting
22 our third annual wine and Trotter festival at the
23 Shenandoah County fairgrounds in Woodstock. It's
24 98 years of racing there. We have a half-mile
25 track and facilities are already there.

1 Obviously, it is a fairgrounds, covered grand
2 stand for over 1200 in seating, additional seating,
3 bleachers down the sides of the track, and we've
4 got a 24-stall barn that was just built in the past
5 year.

6 Some of you know we had 42 stalls originally.
7 They burned down on Valentine's day two years ago,
8 but we are definitely interested in folks utilizing
9 our facility.

10 The wine and Trotter festival is our first
11 outreach. We hope our attendance this year should
12 be around 1,000 people. We partnered with the
13 Virginia wine and the Shenandoah wine Trail. There
14 are other events we would like to have for
15 additional harness racing on our grounds. We even
16 perceive other types of festivals. Our proximity
17 to I-81 is we are next to it. We are less than 70
18 miles from Charles Town, less than 90 miles from
19 Washington, D.C., metropolitan Virginia.

20 So we feel our facility would reach to a lot of
21 folks, you know, a lot people. Coming up on 100
22 years of harness racing at the Shenandoah County
23 fairgrounds.

24 So any entities, we are interested in growing.
25 We are definitely interested in pari-mutuel

1 betting. I don't think our facility could handle
2 it during the fair. We do four harness races
3 during our nine-day fair. All of our facilities
4 and barns are at capacity, but other than fair
5 time, we have a multitude of livestock barns that
6 could easily house quite a few horses.

7 It's a great facility. If you've never visited
8 it, I encourage you to do so. I would like to
9 invite the Commission officially to come down
10 Saturday, June 6th, and check out our races and
11 have a glass of wine while you're there, too.
12 Thank you.

13 MR. REYNOLDS: Thank you. I plan on being
14 there. It depends on who is driving, I may have
15 some wine.

16 I'd like to turn it to public comments now.
17 Yes, sir.

18 MR. HETTEL: Scott Woogen.

19 MR. REYNOLDS: Oh, I'm sorry.

20 MR. WOOGEN: I'm Scott Woogen. I represent --
21 I think we'll see how things go in the process --
22 the majority of the horsemen that race in Virginia
23 in the last five years, but I wanted to let you
24 know we have absolutely no issue with the plan to
25 use Oak Ridge, but having heard from the Shenandoah

1 County fair, they are interested in more racing in
2 the fall, pari-mutuel racing.

3 I think if you consider the economics of
4 bringing horses from out-of-state to race at Oak
5 Ridge, it only makes sense to give them more than
6 two races over a period of time to make that
7 economically feasible.

8 So if our group, if elected to be the
9 legitimate majority harness horsemen's group, we'd
10 like to work with both Oak Ridge and Woodstock to
11 have 14 total days of pari-mutuel harness racing in
12 the state, which should give seven opportunities
13 for each horse to race, making it feasible as in
14 the past when they had six or seven weeks at
15 Colonial Downs to come to Virginia.

16 The circuit that we've had for 20 years is a
17 nomadic circuit. The horsemen travel from state to
18 state to state to sustain themselves. That has to
19 be the economic reality for them. There has to be
20 opportunity, and to continue our circuit with
21 hundreds of horsemen who have been coming to
22 Virginia, we need to envision more than two
23 weekends of racing, and our organization envisions
24 seven weekends of racing, 14 total days of racing.
25 I thank you for your time.

1 MR. REYNOLDS: Thank you. Well, I hope we'll
2 see you all at the working session.

3 Are there other public comments? Yes, ma'am.

4 MS. HESTER: I'm trying to feel excited about
5 eight days of racing; four days of racing here and
6 there. I mean it's great that we're trying, but I
7 am not excited.

8 Two years now, no racing. We need to do
9 something. I just beg the Commission to figure out
10 a way to stop being the mediator and be the
11 manager. Get control wherever you need it so that
12 you can really oversee some of these groups and
13 make sure there's a good cross-section of
14 everybody's desires; not just one group, not just
15 another, but really try to further racing and get
16 our days back.

17 We're looking at exactly what Colonial wanted;
18 short meets, ship-in meets and just bigger purses.
19 We're there. We're doing what they wanted. So
20 please, figure something out.

21 MR. REYNOLDS: Thank you. Other comments?
22 Mr. Hettel, do you have anything before we call on
23 the commissioners?

24 MR. HETTEL: Just for the court reporter, that
25 was Leanne Hester.

1 No, sir. What I'd like to do before we have
2 Commissioner comment, let's figure out for the
3 working session any bad days that are for our
4 Commission members, and I'll have all those dates
5 as I contact all the stakeholders.

6 MR. REYNOLDS: Okay. I know some of us don't
7 have calendars in front of us. Are there any bad
8 dates? I'd like to try do this as soon as we can.

9 MS. DAWSON: We're already gonna have a meeting
10 on July 1st?

11 MR. REYNOLDS: That's correct.

12 MS. DAWSON: So we're gonna have a working
13 meeting during June?

14 MR. REYNOLDS: Yeah. I'd like to have it.

15 MR. HETTEL: That way, we can do the business
16 of anointing the VEA majority horsemen's groups
17 when it becomes effective law on July 1. The ADW
18 distributions start that day also, so we really
19 need to get everything done and be ready on July 1
20 to affirm everything.

21 MR. PETRAMALO: Would sometime the first week
22 in June -- actually, it's not -- the week of June
23 8th?

24 MR. VAN CLIEF: At the risk of putting the
25 pedal to the metal scheduling-wise, is it possible

1 that we could convene this working session before
2 the end of this month?

3 MR. HETTEL: I can find a facility for us. Not
4 for you, Frank. You're shaking your head.

5 MR. PETRAMALO: I'll be out of the country from
6 May 22nd through June 8th.

7 MR. HETTEL: Then we'll get a lot done then if
8 you're gone.

9 MR. PETRAMALO: This is true. This is true. I
10 point that out for that reason.

11 MR. MILLER: Mr. Chairman?

12 MR. REYNOLDS: Yes, sir.

13 MR. MILLER: I suggest it will probably take
14 more than one meeting between now and the July 1
15 working session, and probably at least another one
16 or two other meetings for the Commission. We have
17 a lot to do.

18 MR. REYNOLDS: Yes. We do.

19 MR. MILLER: We have a lot to straighten out.
20 So if we have -- it may be that we can have a
21 couple of working sessions, actually. So if Frank
22 misses one of them, he'll be at the next. I would
23 suggest that we do have a working session, if we
24 can possibly do it before the end of this month.

25 MR. REYNOLDS: And I'd like to do it as soon as

1 possible. Is there a public notice period with
2 this working session?

3 MR. MILLER: Well, if there's three or more
4 commissioners, we always have to give notice of
5 whatever kind of meeting we're having.

6 MR. HETTEL: Technically, it's a Racing
7 Commission meeting.

8 MR. REYNOLDS: Right. I understand that.

9 MR. HETTEL: Just so everybody's notation --
10 the 25th is the Memorial Day -- that's a state
11 holiday, so it can't be that day. Anything the
12 last week of May works to start the first one, and
13 then have another one in conjunction with Frank
14 Petramalo's travel plans, maybe on the 8th.

15 If we get most of the work done on the 8th,
16 then we can be ready for the July 1 meeting. If we
17 need to have a third working meeting sometime in
18 June, that gives us the rest of June to do that.

19 MR. REYNOLDS: Okay. Let's try to do that.

20 MR. MILLER: Try to set up a first working
21 session during the week of May 25th.

22 MR. HETTEL: Today is the 12th. That gives
23 everybody a little bit of time to prepare for it.

24 MR. MILLER: That Wednesday or Thursday,
25 perhaps.

1 MR. HETTEL: whatever works. That's why I'm
2 asking. Give me the best day. The Racing
3 Commission staff is always --

4 MR. REYNOLDS: Is that wednesday or Thursday?

5 MR. HETTEL: The 27th or 28th of May. Is that
6 good for everybody on that date?

7 MS. DAWSON: I believe the 28th.

8 MR. HETTEL: Dr. Steger?

9 DR. STEGER: The 28th, but I couldn't do it on
10 the 27th.

11 MR. HETTEL: May 28th.

12 MR. MILLER: Working session number one.

13 MR. REYNOLDS: Is that May 28th?

14 MR. HETTEL: That's May 28th. That's Thursday.

15 MR. REYNOLDS: Frank cannot do that, correct?

16 MR. PETRAMALO: Correct.

17 MR. HETTEL: Stephanie, can you do that?

18 MS. NIXON: Yes. I'll make it.

19 MR. REYNOLDS: All right. Let's make sure the
20 next one Frank can make it.

21 MR. HETTEL: Okay. Frank, you said you'll be
22 back and ready to go on June 8th?

23 MR. PETRAMALO: I'm coming back on the 8th,
24 ready to go on the 9th.

25 MR. HETTEL: Okay. How about June 9th for

1 everybody? June 9th. That's a Tuesday.

2 MR. HANNUM: Just FYI, that's primary day. I
3 don't know if that matters to anybody.

4 MR. HETTEL: Okay. Okay.

5 MR. HANNUM: I just mention that.

6 MR. HETTEL: June 9th. Do we hear an amen for
7 June 9th or 10th or 11th? What's your business
8 schedule?

9 MR. REYNOLDS: I'll move it. It's my
10 anniversary, so I might get in trouble.

11 MR. HETTEL: Oh, you'll definitely want to have
12 a meeting then.

13 MR. REYNOLDS: Absolutely.

14 MR. MILLER: The 9th is your anniversary?

15 MR. REYNOLDS: Yes. The 9th is fine.

16 MR. MILLER: Is it all right to tell your wife
17 that you said that?

18 MR. REYNOLDS: Never. She's gonna go read the
19 transcript. I'll keep the 8th.

20 MR. HETTEL: June 9th, Tuesday, will be the
21 second, and after that session, we'll determine if
22 we need a third.

23 MR. REYNOLDS: Correct.

24 MR. HETTEL: Is that okay with everybody? Ten
25 a.m. and site to be determined. Frank Petramalo.

1 MR. PETRAMALO: Yes, sir.

2 MR. HETTEL: Your building at the racetrack,
3 could we use that?

4 MR. PETRAMALO: If you can get in there. I
5 assume the gates are locked, if security --

6 MR. HETTEL: J.D. Thomas I think is now the
7 superintendent of the grounds.

8 MR. PETRAMALO: Oh, all right. Sure. That's
9 fine.

10 MR. HETTEL: If that's okay, we'll set that
11 building up.

12 MR. REYNOLDS: we'll find a place.

13 MR. PETRAMALO: Yeah. That's fine.

14 MR. REYNOLDS: Okay. We'll find a place. All
15 right. Thank you.

16 MR. HETTEL: If that location changes, I'll let
17 everybody know.

18 MR. REYNOLDS: Okay. Absolutely.

19 MEMBER OF THE PUBLIC: So let's start -- can
20 you recap the days you ended up with?

21 MR. HETTEL: May 28th, which is a Thursday.
22 That'll be a working session. Tuesday, June 9th
23 will be the second working session. We'll send out
24 proper notice to everybody. If you're on our
25 mailing list, you'll be advised several days in

1 advance of those meetings and the proper location.
2 Right now, tentative location is the HBPA building
3 located on the grounds of Colonial Downs. For
4 anybody who doesn't know, it's on the back side
5 near the barn area.

6 MR. MILLER: You'll let us know if a more
7 attractive location becomes available?

8 MR. HETTEL: Those all cost money. We're
9 broke, so.

10 MR. MILLER: Bring your fly repellent.

11 MR. REYNOLDS: I can do it in my office,
12 probably, but I know it needs to be a public
13 forum --

14 MR. HETTEL: It does.

15 MR. REYNOLDS: -- and people can walk right in.
16 We'll figure it out.

17 MR. HETTEL: Yeah.

18 MR. REYNOLDS: We'll figure it out.

19 MR. HETTEL: The second floor of Colonial
20 Downs, maybe.

21 MR. REYNOLDS: As I said earlier, besides what
22 I talked about what the agenda would be, if you all
23 have any ideas for discussion, you know, please get
24 with Mr. Hettel.

25 MR. HETTEL: Send them to me, e-mail or

1 telephone call, and I'd like to make the first one
2 orderly, and then we'll eliminate some of the
3 problems on the first one, and on the second one,
4 we'll torque it down.

5 MR. REYNOLDS: Depending on what it is. We may
6 not discuss it all.

7 MR. HETTEL: We'll get to it.

8 MR. REYNOLDS: We will.

9 MR. HETTEL: We have a lot of time.

10 MR. REYNOLDS: You know, the purpose of a good
11 working session is to have a good back and forth.

12 MR. HETTEL: There is an urgency with that
13 July 1st date to have everything completed.

14 MR. REYNOLDS: Absolutely. Commissioner
15 comments. Commissioner Miller.

16 MR. MILLER: I don't have any comments,
17 surprisingly.

18 MR. REYNOLDS: Something's going on. Frank
19 Petramalo and now -- I've already been a little
20 long-winded, so I'm gonna pass.

21 MR. MILLER: On second thought. No, I want to
22 make a commendation.

23 I went to the Gold Cup, and I was very
24 impressed. It was -- Dr. Allison, that was one of
25 most well-behaved 70- to 75,000 people I have ever

1 seen assembled in one place in my life.

2 I used to go to Redskin games, and you know,
3 and other sporting events, and many of them got so
4 bad with big crowds, you know with the profanity
5 and ill manners, and when you want to take a
6 family, you can't take kids to a lot of sporting
7 events now because of the way people act.

8 But that crowd was unbelievably well mannered
9 and a nice-looking crowd. The security was
10 unbelievable. It was just a great day, and I just
11 want to commend Dr. Allison and the Gold Cup for a
12 wonderful experience, and that was a great event.

13 DR. ALLISON: Thank you. Thank you, sir.

14 MR. REYNOLDS: Mr. Vice Chairman.

15 MR. VAN CLIEF: I am going to follow my fellow
16 commissioner with a thanks to Dr. Allison as well.
17 I was fortunate enough to be there with
18 Commissioner Miller, and it was truly a lovely day
19 and a fantastic event. What a great crowd. What a
20 well-executed event.

21 I was like a lot of other people there I know,
22 excited. It was terrific to see the combination of
23 jump races and flat races. I'm very curious to
24 know how your turf course looked that evening and
25 whether or not -- I see a thumbs up from Dr.

1 Griffin. I thought it was a terrific event.

2 I have one burning desire to take a beautiful
3 demographic of those 70,000 people you have and
4 turn them into horse players. I think that is one
5 of our great challenges going forward, as this
6 emerges as a very important part of Virginia's new
7 racing model.

8 It was a great event. I was delighted to be
9 there, and I thank you so much for taking such good
10 care of all of us, all 70,000 of us. A great
11 event.

12 I did want to make a couple of comments today.
13 I read an article recently, and it characterized
14 where we stand is at a crossroads. I always seem
15 to be standing at crossroads all my life.

16 Truly, we are here. Ms. Hester, I didn't think
17 I'd ever say that I wanted to see state government
18 or any other government agency to have dictatorial
19 powers, but I wished we had last year.

20 Things might be a little different, and we will
21 be a proactive part of finding solutions and moving
22 this industry forward to the best of our ability.

23 I do want to touch base on one thing that I
24 think gives us a rather unique advantage, and we
25 have what I think is an outstanding working

1 relationship with the Secretary of Agriculture, and
2 thank you very much, Deputy Secretary, for the work
3 you've been doing. Sam Towell has been a great
4 member of the team, and his assistance has been
5 terrific these recent months since his appointment.

6 I think it gives us an opportunity as an
7 industry that doesn't necessarily exist in a lot of
8 other states. We've got a great relationship with
9 the administration, in this case through the
10 agriculture secretary.

11 They have made it absolutely clear from the
12 Governor's office right now that it is important to
13 the Commonwealth of Virginia and to the Governor's
14 office that this industry succeed, and that we do
15 bring it back and make it a vibrant component of
16 our agribusiness going forward. So I think that
17 gives us a leg up that a lot of other states do not
18 have.

19 So looking forward to the process that our
20 chairman has just described in terms of creating a
21 working group, moving ahead with strategy, whether
22 it's in the areas of operations, legislative
23 action, revenue, funding, all those things are
24 gonna be critical.

25 I think we have a unique opportunity to create

1 a very tight team between the stakeholders, you,
2 this Commission and the secretariat, and I think
3 it's gonna reap very, very tangible benefit for us.

4 As we recreate the committee structure, I look
5 forward to making sure that the representation from
6 all three entities is properly represented, and
7 that the communications are wide open, because I
8 think that'll serve us very, very well in the
9 months and the years ahead.

10 Thank you, Mr. Chairman.

11 MR. REYNOLDS: Thank you. Well stated.
12 Commissioner Dawson.

13 MS. DAWSON: Yes. Thank you, Mr. Chairman.

14 Mr. Vice Chairman has said a lot that I agree
15 with, so I'll be brief, but I wanted to underscore
16 one thing in our chairman's opening statement.

17 He did make it clear that this Commission feels
18 that the EZHorseplay matter is a matter of
19 fairness, that that debt should be paid, and I just
20 want to underscore that that's what we feel,
21 although it will be decided outside the Commission,
22 as I understand it. But anyway, just wanted to
23 underscore that one point.

24 Sorry I missed the Gold Cup this year. I hate
25 to miss it, but I couldn't make it. But I'm

1 awfully glad to hear that it was a great success.

2 Also want to recognize that I'm so glad Ms.
3 Hester is here today, that I know she speaks for a
4 lot of other people, too, and we all feel the way
5 she does.

6 It will happen, I think, if we work hard
7 enough, and I've seen so much effort going on
8 already, and I'm really encouraged by Chairman
9 Reynolds' proposal that we have working meetings,
10 and I think that's gonna take us a lot farther a
11 lot quicker.

12 So that's my statement, and I want to thank you
13 for the work you've done so far.

14 MR. REYNOLDS: Thank you very much,
15 Commissioner. The next meeting, I'll start at this
16 end and work our way back so you can steal somebody
17 else's thunder.

18 Commissioner Steger.

19 DR. STEGER: I will just say one thing to
20 express my support of the suggestion to hire an
21 economist to look at the racing industry so we can
22 get some hard facts to make business decisions and
23 investment in the future.

24 Since I'm still on the learning curve, I will
25 end with that remark. Thank you, sir.

1 MR. REYNOLDS: Thank you very much. Let's see.
2 All right. Is there any need for us to go into
3 closed session?

4 MR. HETTEL: No pending litigation or personnel
5 matters.

6 MR. REYNOLDS: I didn't think so. Okay. I'd
7 like to set the next Commission meeting. I believe
8 I've already done it, but just to make it official,
9 I'd like to set the next Racing Commission meeting
10 for July 1st at ten o'clock. I'm sure it'll be in
11 this building, but we'll let you know.

12 Is there any more business to come before the
13 Commission? Seeing none, I'll entertain a motion
14 to adjourn.

15 MR. MILLER: So moved.

16 MR. REYNOLDS: Do I hear a second?

17 MS. DAWSON: Second.

18 MR. REYNOLDS: All those in favor, say aye.

19 NOTE: The Commission votes aye.

20 MR. REYNOLDS: Any opposed? Great. This
21 meeting is adjourned. Thank you all for coming
22 today.

23

24 NOTE: The meeting is adjourned at 10:44
25 a.m.

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CERTIFICATE OF COURT REPORTER

I, Sandra G. Spinner, hereby certify that having first been duly sworn, I was the Court Reporter at the meeting of the Virginia Racing Commission at the time of the hearing herein.

Further, that to the best of my ability, the foregoing transcript is a true and accurate record of the proceedings herein.

Given under my hand this 22nd day of May, 2015.

SANDRA G. SPINNER
COURT REPORTER