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VIRGINIA RACING COMMISSION

May 24, 2011

10700 Horseman's Road

New Kent, VA 23124

Commencing at 9:40 a.m.

COMMISSION MEMBERS:

Clinton Miller, Chairman
Stuart Siegel
David Reynolds
J. Sargeant Reynolds, Jr.

COMMISSION STAFF:

Bernard J. Hettel, Executive Secretary
David S. Lermond, Jr., Deputy Executive Secretary
Kimberly M. Carter, Office Administrator
C. Richard Harden, DVM, Equine Medical Director
Joseph M. Roney, Director of Security & Enforcement
Dennis E. West, Director of Operations
Peggy E. Mason, Permitting Manager

ATTORNEY GENERAL'S OFFICE

Amy K. Dilworth, Esquire

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Non-action Item:

Handle Analysis

1 MR. MILLER: I'll go ahead and get started. I
2 understand Jim's in the parking lot and on his way
3 and Amy is on her way, I'm sure. Commissioner
4 Siegel won't be with us today because of a conflict.

5 We'll begin the meeting with a motion regarding
6 the minutes of the regular meeting of April 26,
7 2011. I'll make the motion that we approve the
8 minutes.

9 MR. S. REYNOLDS: I'll second.

10 MR. BROWN: I've got to recuse myself from that
11 one. I was not here.

12 MR. MILLER: I should recuse myself because I
13 did not have a chance to particularly peruse them,
14 but I checked with my compatriots to my left and the
15 executive secretary and the assistant secretary and
16 they assured me that they are completely accurate.

17 MR. BROWN: Spot on.

18 MR. MILLER: So the motion's been made and
19 seconded. All in favor, say aye.

20 NOTE: The Commissioners vote aye.

21 MR. MILLER: Mr. Brown abstains. The reason
22 for that is he wasn't here at the last meeting, so
23 he doesn't know whether they conflict or not.

24 Second item on the agenda, of course, is the
25 commissioners' comments. Any of the -- Commissioner

1 Reynolds? Either Commissioner Reynolds have any
2 comments to make at this time?

3 MR. S. REYNOLDS: Not at this time.

4 MR. MILLER: Commissioner Brown?

5 MR. BROWN: No, sir.

6 MR. MILLER: I included on the agenda under
7 Commissioners' comments discussion of standing and
8 special committees and study groups of the
9 Commission.

10 I took a quick look at the committees as
11 presently constituted, committees of the Racing
12 Commission, and we have several standing committees
13 that are there by previous action of the Commission.

14 The standing committees are the standing
15 Breeders' Fund Advisory Panel and the Virginia
16 Breeders' Fund Advisory Committee; Budget Committee;
17 Code Revision and Rules Committee; Racing Safety
18 Medication Advisory Committee; Security Enforcement
19 Committee; Marketing and Promotion Committee;
20 Wagering and Technology Committee and National
21 Racing Compact, and then I notice that we have a
22 couple of committees that didn't show on that
23 schedule. I had them written down and now I can't
24 find them.

25 In any event, the reason I raised it, those of

1 you who are attending here today, I guess you
2 realize -- I hope you realize you can serve on
3 certain committees.

4 The standing Breeders' Fund Advisory Panel,
5 Commissioner Brown is on that committee. I just
6 want to check. Are all the people, are these folks,
7 are they still active on the committee? (Indicating)

8 MR. BROWN: Yes, sir.

9 MR. MILLER: Okay. All right. And the
10 Virginia Breeders' Fund Advisory Committee. Who --
11 Glenn, you serve on that committee? Glenn Petty?

12 MR. PETTY: Yes, sir.

13 MR. MILLER: Are all the people, to your
14 knowledge, still volunteering and still active?

15 MR. PETTY: The majority, yes; some marginally,
16 no. I think we would be wise to review it and
17 reconsider some new --

18 MR. MILLER: Could you take responsibility and
19 letting the Commission --

20 MR. PETTY: Sure. I was just writing that
21 down.

22 MR. MILLER: Pardon?

23 MR. PETTY: I was just writing that down. Yes,
24 sir. Happy to.

25 MR. MILLER: And there's a Standardbred

1 subcommittee under there also.

2 MR. BROWN: We want to review that. There are
3 some names.

4 MR. MILLER: Could you do that?

5 MR. BROWN: Yeah.

6 MR. MILLER: The Budget Committee, there's just
7 two people. I assume you would be willing to adopt
8 to serve as the chairman, Mr. David Reynolds?

9 MR. D. REYNOLDS: Sure.

10 MR. MILLER: And the other member of that
11 committee is Dave Lermond.

12 Okay. The Code Revision and Rules Committee,
13 that's -- I was the chairman of that; I guess I can
14 continue to be. I was co-chairman with Commissioner
15 Burnett of that, but now I guess I'm left. I'll be
16 the sole chairman of that and Jerry Canaan and
17 Dr. Dunavant, you will continue serving on that.

18 MR. BROWN: Jerry's not with us anymore.

19 MR. MILLER: He's not?

20 MR. BROWN: No.

21 MR. MILLER: Okay. We'll mark him off.

22 MR. PETRAMALO: Who else is on that committee?

23 MR. MILLER: Amy, of course; Alan Diamonstein;
24 Dr. Dunavant; Donna Dennehy; Nellie Mae Cox; Tommie
25 Lee Jones; Steve McKay; O.J. Peterson; Tyler

1 Picklesimer --

2 DR. DUNAVANT: I don't think Steve McKay is
3 going to be active.

4 MR. MILLER: We'll mark him off. John B.
5 Russell, Jr.; Ian Stewart and you, Frank Petramalo.

6 MR. PETRAMALO: Right.

7 MR. MILLER: Okay. That takes care of that
8 one. Racing Safety and Medication Committee,
9 Dr. Harden and Walter Hyde.

10 DR. HARDEN: Dr. Hyde is retired.

11 MR. MILLER: Okay. Do you need someone to
12 serve on there with you?

13 DR. HARDEN: Yes.

14 MR. MILLER: Have you got a name today or do
15 you want to --

16 DR. HARDEN: Well, Dr. Hyde was the director of
17 our racing chemistry laboratory and he's been
18 replaced by Dr. Al Kind. K-I-N-D.

19 MR. MILLER: K-I-N-D.

20 DR. HARDEN: Yes. Although his participation
21 in there will be ex officio. He and I will mainly
22 communicate by mail and telephone.

23 MR. MILLER: All right. Can you review that
24 group and let me know people that should be -- How
25 do you call it? What do you call it when you do

1 away with voters on the voting list?

2 MR. PETRAMALO: Purged.

3 DR. HARDEN: Retired.

4 MR. MILLER: Purged. And anyone else that you
5 may like to have on there to serve with you.

6 The Security and Enforcement Committee. That's
7 also your bailiwick, Dr. Harden.

8 DR. HARDEN: I think our Director of Security
9 would probably be the appropriate one on that
10 committee. Joe Roney.

11 MR. MILLER: Okay. Well, we will -- Let's see.
12 He's probably on the committee. No. That's odd.

13 DR. HARDEN: I deferred all the decisions to
14 him, even if my name is on there.

15 MR. MILLER: Well, how about if I mark you off
16 of there --

17 MR. LERMOND: Purge him.

18 MR. MILLER: Purge him. I'll purge you.

19 DR. HARDEN: Well, I'm happy to assist with
20 him, but I think he should be the one.

21 MR. MILLER: Okay, and Joe will be -- and that
22 includes Amy Dilworth and we'll take Jerry Canaan
23 off of that I guess also -- Dr. Dunavant; Pat
24 Kelleher; John B. Russell, Jr.; Diana McClure and
25 James Weinberg. Okay.

1 Marketing and Promotion Committee. That's --
2 Can you take a look at that and see what you suggest
3 that you might have?

4 MR. D. REYNOLDS: Okay.

5 MR. MILLER: Wager and Technology. That's Greg
6 and Jeanna and yourself.

7 MR. LERMOND: (Nodding head.)

8 MR. MILLER: National Racing Compact Committee
9 is one we have with no one on it --

10 MR. PETRAMALO: I volunteer for that.

11 MR. MILLER: -- according to this list.

12 MR. PETRAMALO: That's becoming an issue.

13 MR. MILLER: Okay.

14 MR. PETRAMALO: I believe --

15 MR. MILLER: Would you be willing to chair that
16 committee?

17 MR. PETRAMALO: Yes.

18 MR. MILLER: Okay. Will you let the chair or
19 let the Commission know of some folks who you might
20 deem appropriate to serve on there with you?

21 MR. PETRAMALO: Yes.

22 MR. MILLER: If you'll do that, I'd appreciate
23 it.

24 That takes care of the committees that were
25 listed. I had a couple more. I wrote it down so I

1 could keep it in my book so I don't lose it and lo
2 and behold, I have lost it.

3 MR. PETRAMALO: We used to have a Benevolence
4 Committee that John Hannah, our treasurer, was the
5 chairman of.

6 MR. MILLER: Sounds familiar. I made a note on
7 the back of one of these sheets. You all will have
8 to abide with me while I find out on that
9 information. Well, suffice to say, maybe I'll just
10 leave that up to our executive secretary.

11 There are a couple of other committees that are
12 not listed as attached to our rules of governance.
13 That's where I found the other committees, standing
14 committees. If you will find those and will you and
15 the staff take a look at those and contact the
16 people involved?

17 MR. HETTEL: Yes, sir.

18 MR. MILLER: And see if they are willing to
19 continue to serve, or whether there's anyone else
20 that would like to serve on those committees. I
21 don't know why I just don't have it. I don't know
22 what happened. I plead incompetence.

23 MR. HETTEL: Mr. Chairman, I'd also like to
24 mention I'm available for inclusion on any of those
25 committees in terms of sitting in on them or helping

1 them or putting together the availability and so
2 forth.

3 MR. MILLER: Well, actually, our governance
4 policy provides that you are an ex officio of every
5 committee or study group that we might have, so I
6 know that's comforting to you.

7 MR. HETTEL: Certainly.

8 I turned this off. I'm turning it back on.
9 What I said off the record is our executive
10 secretary is an ex officio member, really, according
11 to our governance policy of every committee or
12 study.

13 He can sit in, and really, it's up to the staff
14 to monitor all the activities of all these
15 committees and subcommittees and keep an accurate
16 record of what transpired at their meetings; not
17 verbatim transcript or minutes, but at least a
18 record of all the substantive actions that are taken
19 so that they'll show up on the record of the Racing
20 Commission and be there when these committees or
21 subcommittees or subgroups make a recommendation,
22 we'll have the substantive information from the
23 meetings' activities to be supportive or
24 non-supportive of whatever recommendation they may
25 make or have made. All right.

1 MR. HETTEL: Very good.

2 MR. MILLER: I guess I'll wait. There's -- I'm
3 going to mention later on in the meeting. We'll
4 wait till we get down to Item 5D, but we're going to
5 propose or I'm gonna propose three particular study
6 groups for the Commission to do some work for the
7 balance of the spring and summer and early fall and
8 hopefully by September or October on a timely
9 fashion, at least come back to the Commission with
10 some recommendations.

11 These'll be in the area of harness racing and
12 the operation of the Thoroughbred racing --
13 Thoroughbred racing operation and the gaming,
14 attending to both, but we'll discuss that further
15 later on in the meeting.

16 Okay. Now, after all that, Item Three,
17 committee reports. Are there any committee reports?

18 NOTE: This is no response.

19 MR. MILLER: Okay. No reports from committee.
20 Item Four, the executive secretary's report. And
21 this will be the first actual report from our new
22 executive secretary, Mr. Hettel.

23 MR. HETTEL: Well, to continue on with your
24 train of thought, Mr. Chairman, I'd like to make
25 everybody aware of a couple things that have come

1 up.

2 I faxed around an article written by Andy Beyer
3 in mid May about the possibility of the mid-Atlantic
4 racing states coming to some agreement on the racing
5 circuit.

6 I think that blends in well with maybe what
7 we're gonna talk about later on in this meeting with
8 the committee formation of what probably needs to
9 happen in Thoroughbred racing. I had a conversation
10 with Ian Stewart about it.

11 It's also very similar to a document that Glenn
12 Petty passed out in January, oddly enough, that's
13 very closely aligned to what Mr. Andy Beyer
14 considers to be a good idea for the mid-Atlantic
15 race tracks.

16 In that same thought, there's a very important
17 meeting coming up in mid June in New York two days
18 after the Belmont.

19 As we all know, racing has been inundated with
20 the idea of the possibility of the elimination of
21 race day medication.

22 I spoke with Alex Waltrip at the Preakness over
23 the weekend and he's put together a brief with the
24 NTRA he represents, along with the AAEP, which is
25 the veterinarians and the consortium for race day

1 medication and testing, and they are inviting an
2 international group to come on the 13th and 14th at
3 Belmont Park to discuss the possibility of getting
4 United States racing, not just Virginia but
5 everywhere, on that idea of the elimination most
6 particularly of bleeder medication or anti-bleeder
7 medication, more properly as it's called. That'd be
8 Salix and Lasix and those adjunct bleeder
9 medications.

10 I hope to attend that meeting and at the next
11 Racing Commission meeting, I'll come back with a
12 more detailed report as I get paperwork about some
13 of the conclusions that they draw and I'll certainly
14 send it to everybody within this room so we can
15 probably get pretty close aligned with what the rest
16 of the world is gonna do, and in particular what the
17 rest of the United States is gonna do.

18 Given the support so far from this idea, the
19 Jockey Club's come on full board with it, as RCI, as
20 the NTRA has. There's been some disapproval,
21 however, from the national HBPA, and I think in
22 terms of a viable discussion, that needs to be a
23 part of any consideration of a major change which is
24 to be.

25 The statistics show that about 99 percent of

1 the race horses in the United States run on
2 something every race day, and about 75 percent of
3 the harness horses run on something every day.

4 That, in my lifetime, has changed a great deal.
5 Back in the old days Phenylbutazone, Bute, the 1968
6 Kentucky Derby, the horse that won that proved
7 positive for Bute. That was an illegal medication
8 in 1968. Now every race state allows it.

9 Lasix came on board in the early '80s, I think,
10 and that became now the provided medication for
11 every horse. Even one that never started needed
12 non-steroidal anti-inflammation medication or
13 exercise-induced pulmonary hemorrhage medication.
14 The idea of that is unacceptable now to a lot of
15 people in the world of racing, not just in the
16 United States.

17 So like I said, we'll know more about that in
18 mid June and I'm certain they'll publish some
19 document to show us all what was said in that
20 meeting and the conclusion that was drawn at that
21 meeting.

22 The other thing we've got, there was an
23 editorial written again in mid May in the Richmond
24 Times-Dispatch about racing, and I have a copy, if
25 anybody needs it.

1 Also, in conversation and e-mail with the
2 management from Colonial, and Ian, if you'd like to
3 tell us what that response is, or would you care to
4 wait until later in the meeting to do that?

5 MR. STEWART: Well, I think it was the
6 editorial basically tried to tie our EZ Horseplay
7 kiosk and EZ Legal Sweepstakes together and made
8 very broad generalizations that are inaccurate.

9 I think the underlying -- I think what it truly
10 missed is the fact that pari-mutuel wagering is
11 highly regulated in the state, whereas the
12 sweepstakes games are similarly operating kind of in
13 the Wild West. I think it's important for people to
14 understand the difference.

15 So that's my suggestion, would be that, you
16 know, the response, you know, that outlines those
17 differences and clarifies them would be appropriate.
18 I think, frankly, it does kind of a disservice to
19 the Racing Commission if it doesn't.

20 MR. MILLER: I read the editorial after it was
21 brought to my attention by Mr. Stewart and
22 Mr. Weinberg, and of course the editorial was 20
23 years too late if it's meant to instill a high moral
24 fiber in the citizens of Virginia so that you didn't
25 have any kind of gambling in Virginia. They're just

1 a little bit late. Thirty years late. With church
2 Bingo, they're 100 years late.

3 In any event, I think it is important that we
4 frame a response to the editorial, because it gives
5 us an opportunity, really, if the paper will print
6 it. They may not print a response. Who knows?

7 I'm not familiar with the present management of
8 the Richmond Times-Dispatch, but back in my
9 political days, they were so biased 20 years ago,
10 that unless your opinion dovetailed with theirs, it
11 didn't see the light of day. Perhaps they have
12 changed. Hopefully, they have.

13 I would suggest that following the meeting
14 here, if Mr. Stewart and Mr. Weinberg and
15 Mr. Petramalo and Mr. Petty and Dr. Dunavant, in
16 particular, if you all could stick around after the
17 meeting and let's look over this.

18 A suggested response that was put together by
19 the licensee, Colonial Downs, and let's put our
20 heads together and look it over and if anyone has
21 any suggestions to add or subtract or multiply, and
22 let's frame a letter and we can either present it to
23 the Richmond Times-Dispatch from all of us or any of
24 us, one of us, but in some way, get this to the
25 Richmond Times-Dispatch to present an accurate

1 portrait of the situation and not one that's biased
2 by moralistic or political agendas.

3 MR. PETRAMALO: A couple comments. I think the
4 editorial board is sympathetic to our position in
5 the horse racing industry. Glenn and I met with the
6 head of the editorial board. Was it three or four
7 months ago?

8 MR. PETTY: Yeah.

9 MR. PETRAMALO: Very, very savvy guy who knew
10 horse racing and was sympathetic to what we were
11 trying to do.

12 Secondly, maybe I'm too much of a Pollyanna,
13 but I didn't think the editorial was that bad. Its
14 conclusion, as I recall, was that the legislature
15 get over it. Gambling is here. Why don't you let
16 the people do what they wanna do? To me, that's a
17 hopeful sign.

18 MR. MILLER: Yeah. I didn't think it was that
19 critical.

20 MR. PETRAMALO: Yeah.

21 MR. MILLER: I didn't think it was that
22 critical of certainly the Commission or anything
23 else.

24 MR. PETRAMALO: Right.

25 MR. MILLER: I just feel like even writing of

1 the subject of gambling with the suggestion that
2 gambling has some bad connotations for the State of
3 Virginia, but since it's here, you know, get over it
4 and go forward. I think that was the crux of what
5 the editorial said, bottom line, to me, and the
6 first part is -- that's the one I find amusing.

7 MR. PETRAMALO: Yeah.

8 MR. MILLER: The fact that they write an
9 editorial now about this evil gambling that we have
10 in Virginia, when as I say, they're 100 years late.

11 But I do think it does present an opportunity,
12 if they will print it, so that we can explain in a
13 response the differences in the gambling operations
14 that go on and what we're up against here as we try
15 to run a properly-regulated, above-board operation
16 where you do have what we call gaming, but it's
17 gaming that contributes -- It's the kind of gaming
18 that in its operation contributes to the economy of
19 Virginia in many ways that people don't seem to
20 realize.

21 We're up against 5,000 lottery outlets in
22 Virginia, and true, because of some legislative
23 manipulation, they say that's dedicated to
24 education.

25 Well, you gotta understand that lottery

1 proceeds at first went to the general fund and of
2 course from the general fund, guess what you
3 appropriate a large part of the fund for?
4 Education.

5 So there was no change, no substantive change,
6 realistically, when the legislature came up with
7 this idea that we'll tie lottery funds to the
8 support of funding education.

9 They were there before. They just changed the
10 promotional aspect of it so that people think when
11 they go in to spend their dollars for a lottery
12 ticket now, this is for education, whereas before,
13 what was it for? It was for education.

14 It was for everything, but education was the
15 primary recipient of the funds to begin with. But
16 that was a little political manipulation that went
17 on to make all of our legislators, including myself,
18 I was there at the time. It made us look a little
19 better and we were very proud of ourselves and I was
20 proud of myself for helping fund education with each
21 of those dollars directly.

22 MS. DILWORTH: Mr. Chairman, may I add a couple
23 of remarks regarding the editorial?

24 MR. MILLER: Yes. Ms. Dilworth has joined us.

25 MS. DILWORTH: I just think it's worth noting

1 for the record that Mike Ryan, who is the individual
2 that was quoted in the opening of the article, is
3 well known to legalized gaming agencies in Virginia.

4 He is a self-described recovered gambling
5 addict. He's been very vocal in the legislative
6 process. He's very familiar with the legislative
7 process. He's familiar with how state government
8 agencies operate.

9 Of course he's had every opportunity to attend
10 the Racing Commission meetings; I am not aware that
11 he has attended any. I know that he has attended
12 lottery board meetings.

13 I also am aware that he requested -- in March,
14 he held a problem gambling conference and requested
15 a monetary donation from the Racing Commission to
16 act as a partial sponsor for that problem gambling
17 conference and the Racing Commission did in fact
18 serve in that capacity and with its logo represented
19 on the brochure that advertised the conference.

20 He is aware of the distinction between
21 legalized pari-mutuel wagering on horse racing in
22 Virginia and these internet sweepstakes cafés.

23 I would just note that he's used the Racing
24 Commission to support his conference and has now
25 come back and tried to link the Racing Commission

1 and pari-mutuel gambling activities with illegal
2 gambling activities in Virginia.

3 At the time that he accepted the money from the
4 Racing Commission, it was suggested that perhaps he
5 should use photographs on the brochure that were
6 more accurately depictive of gambling -- of gaming
7 activity in Virginia, but in its final form, the
8 brochure came out with pictures of slot machines,
9 which is not the kind of gaming that obviously
10 occurs in Virginia.

11 So I would just make those points so that
12 everyone is aware of some of the behind-the-scenes
13 facts when you are formulating your response to the
14 editorial.

15 MR. MILLER: Thank you, Ms. Dilworth.

16 Well, the important thing is to separate
17 ourselves and the kind of gaming activities from
18 what I previously referred to as the mindless,
19 mindless gambling that takes place by mindlessly
20 pulling slot machine levers or pushing the slot
21 machine buttons or throwing a marble on a roulette
22 wheel.

23 Okay. Having gotten that out of my system.
24 Oh, we're still in the middle of the executive
25 secretary's report.

1 MR. HETTEL: My comments are concluded. We can
2 move on to the next agenda item.

3 MR. MILLER: Well, okay. Thank you very much,
4 Mr. Hettel.

5 Anyone have any questions for Mr. Hettel?
6 Observations for Mr. Hettel?

7 NOTE: There is no response.

8 MR. HETTEL: I must be doing all right.

9 MR. MILLER: Mr. Lermond, do you have anything
10 to add under the executive secretary's report?

11 MR. LERMOND: Mr. Chairman, I would just like
12 to briefly say that the Strawberry Hill races that
13 were conducted here last Saturday, I thought from a
14 regulatory standpoint went very well.

15 We didn't have many issues. Everybody got
16 licensed. Volunteers did a great job.

17 I think, unfortunately, the attendance was not
18 as good as had been hoped for, but VCU graduated
19 that same day and some of the colleges had already
20 graduated.

21 So I think they may take a look at the date
22 itself, but I think Frank and Ian Woolnough were
23 both patrol judges and it was just a very good day
24 and I wish they would have bet a little bit more,
25 but they did bet some and I think it was a start and

1 I think if they continue on in future years, that
2 will grow as they move along.

3 So I just wanted to thank everybody involved
4 and just to say it went very well. I'm glad that
5 they went ahead and tried this little experiment
6 this year.

7 MR. MILLER: Well, thank you. I'm glad to hear
8 that. Of course, I'm biased toward Strawberry Hill
9 now because a very good friend of mine, Curry
10 Roberts, a very good friend of mine, I knew he would
11 do a good job.

12 MR. BROWN: Can I ask what was the final
13 attendance?

14 MR. LERMOND: I'd have to refer to Colonial on
15 the attendance. I can tell you the handle on the
16 four races was \$33,194.

17 MR. BROWN: Do you know what the attendance
18 was?

19 MR. STEWART: We don't. We don't count.
20 That's Strawberry Hill's department.

21 MR. BROWN: Right. I was just curious.

22 MR. STEWART: It might be difficult to get an
23 accurate count, by the way they sell the tickets on
24 a car load basis.

25 MR. MILLER: All right. That concludes the

1 report from the staff.

2 Stakeholders. Colonial Downs' report on the
3 opening of the 2011 Thoroughbred meet. Mr. Stewart.

4 MR. STEWART: On June the 8th, we'll open for
5 33 days. I was gonna ask Darryl Wood to take a
6 minute and kind of go through some of the things
7 that we've got planned for this year.

8 MR. MILLER: Mr. Wood.

9 MR. WOOD: I think the biggest change we've got
10 this year is the later post time on Saturdays at
11 five o'clock for the first time ever. I think that
12 opens the door for trying to get a younger crowd in
13 here, kind of like what Kentucky Derby or Churchill
14 Downs and the fairgrounds have experienced.

15 We've got several events geared for that.
16 We're gonna do the largest outdoor dodge ball
17 tournament. We'll take our big, corporate picnic
18 tent, put in six dodge ball courts in there, try to
19 get up to 64 teams on Turf Cup day to come out and
20 play dodge ball.

21 Every team member can bring a vehicle trackside
22 and have their own kind of tailgate party when
23 they're not playing and betting, so that's one
24 initiative.

25 We're doing a trackside corn hole tournament a

1 couple weeks later. We've had some success with
2 that at a couple of our off-track betting centers.

3 We're doing a big poker tournament on a
4 Saturday night this year for the first time during
5 Thoroughbreds.

6 We're doing a college night on Thursdays with
7 free admission for college students and having
8 reduced-priced beer on that night as well.

9 One of the biggest initiatives is on Virginia
10 Derby day. We're going to really look at the live
11 music element in the two parties we do and the music
12 is really geared toward attracting a younger person.

13 So the Hoot on the Hill, which is a BYOB event,
14 in the first turn, it's the Party Zone, which is an
15 all-inclusive party on the trackside corporate tent
16 area. We're kind of excited about those
17 initiatives.

18 That opens the door for some family activities
19 on Sundays. I think we offer the best value of any
20 attraction in this area. For \$16 on Sundays, you
21 can bring a family of four out here for \$16. It
22 gets you admission, hot dogs, soft drinks and
23 programs.

24 We've gathered some different added-value
25 entertainment on Sundays, too. On three of the

1 Sundays, we're bringing in a group called the Super
2 Stars that plays baseball stadiums and basketball
3 games.

4 We're bringing in some animal mascots from
5 different sports teams here to run out of the
6 starting gate.

7 On Father's Day, we're doing a junior derby.
8 We're gonna have 14 kids ages six to nine, getting
9 them in full jockeys' uniforms, bring in a starting
10 gate 100 yards from the finish line and let them
11 race to the finish line.

12 Fireworks, too, coming up on July 2nd and 3rd,
13 so we're aggressively going after the family market
14 on Sundays.

15 Some of the other stuff, a couple quickies.
16 We're opening up with 25 cent night on Saturday,
17 June 11th. That was done in case there isn't a
18 Triple Crown hopeful, and of course there's not a
19 Triple Crown hopeful, so we've got at least a decent
20 event to kick off the weekend.

21 We're doing a Ladies Night. We had a real
22 successful one last year. We're coming back with
23 that. The local Thoroughbred Retirement Foundation
24 is getting involved.

25 They're having a Ms. TRF contest. They've got

1 eight mares on the property and they're developing a
2 website now where people can go and vote for what
3 they think is gonna be Ms. Thoroughbred Retirement
4 Foundation 2011, and Stephanie Nixon is gonna have
5 the three finalists in her barn and we're gonna
6 bring them out on Ladies Night and the public here
7 is gonna vote on the winner and pick a star.

8 Tyler did a great job getting a third major
9 event together this year. Besides the Turf Cup and
10 the Virginia Derby on July 30th, we've got the five
11 Virginia-bred stakes races together and we're
12 calling it the Commonwealth Turf Festival and we've
13 got a number of events going on that day that
14 hopefully can get us a third high-impact day here
15 this summer.

16 I don't know if you watch The Deadliest Catch
17 TV show. We're bringing in the crew of the Cornelia
18 Marie next month.

19 Social networking. We've got a group of
20 younger people over at the track now and we're doing
21 a number of Facebook initiatives.

22 We do a lot of social couponing through sites
23 like Groupon, and if you follow Groupon, our offer
24 debuted today and we had sold 40 by the time that I
25 came over here this morning, so that's a good sign.

1 We deal with sites like Living Social. We've
2 got our own Groupon that we kind of do in-house here
3 called Live At Five, and every Wednesday, people go
4 online and get a 50 percent off item that we're
5 offering this summer at Colonial Downs.

6 We're making five different videos that you can
7 see on YouTube, each dealing with a specific aspect.
8 One is geared toward families. One is geared toward
9 what \$2 can get you here and so on and so forth and
10 that'll be up on our site in a couple of weeks.

11 Couple other initiatives. We're doing another
12 one with Virginia State Lottery. It's -- We did one
13 last year. It's called the Winner's Circle Double
14 Your Lottery Ticket. Last year, it was a \$2 ticket
15 and it appeared on the self-serve kiosks on the very
16 bottom. This year, it's a \$5 ticket. So right now,
17 if you go to any retail lottery outlet across the
18 state, it's at eye level.

19 You'll see Colonial Downs and horse racing
20 right there. They've got some great PR materials
21 right there at the lottery kiosks as well and it's
22 in 4,000 different outlets around the state, so
23 hopefully, this'll get us extra exposure this year.

24 I guess the other major thing we're doing is
25 offering customers some experience-type activities

1 when they come out here for the races this year.

2 We're gonna do a behind-the-scenes tour. Get
3 them back to the barn area, get them out to the
4 starting gate for the start of a race, get them into
5 the paddock area as well.

6 We're gonna give people a tram ride around the
7 dirt track between races. Gives them a little bit
8 of exposure to the track itself and we try to
9 educate them a little bit more on horse racing.

10 The newest initiative is kind of neat. There's
11 gonna be a staging area inside the turf course and
12 there's gonna be a platform built on top of the tote
13 board and we're calling it the Top of the Tote
14 Experience, and people can come out there and see
15 racing from a different perspective; get a hot dog,
16 drink, be able to bet out there as well.

17 So we're trying, hopefully, a bunch of new
18 things and hopefully, some will stick and make it a
19 success.

20 MR. MILLER: Well, thank you. Thank you very
21 much. That's a very nice presentation.

22 Any questions from the Commission?
23 Observations?

24 MR. BROWN: Observation is I think you're
25 definitely going in the right direction to try

1 things. It sounds great.

2 MR. WOOD: We can at least try to dodge beach
3 traffic on 64 in the heat of the afternoon, so we're
4 excited about the opportunity on Saturday.

5 MR. BROWN: Exactly. Good job.

6 MR. MILLER: Thank you very much.

7 Mr. Stewart, do you have anything else? Jim?

8 MR. STEWART: The only one Darryl missed is
9 we're doing a cell phone Groupon.

10 MR. MILLER: A cell phone coupon?

11 MR. STEWART: I don't even know how it works.
12 You bring your cell phone on the track and you come
13 up with a little offer on it automatically.

14 MR. MILLER: Well, okay. Anything innovative.
15 Anything to stimulate interest --

16 MR. BROWN: Absolutely.

17 MR. MILLER: -- is certainly welcome by the
18 Commission, and I'm sure that Colonial Downs is
19 making every effort to maximize the racing
20 experience for the people that come to the track in
21 Virginia and I commend you for that.

22 Anything else?

23 MR. WEINBERG: Not until Item D.

24 MR. MILLER: Okay. All right. On Tab Two, we
25 have the Commission's pending approval of the

1 Benevolence Fund for 2011. Anyone going to speak on
2 that or?

3 MR. PETRAMALO: Me.

4 MR. MILLER: Frank?

5 MR. PETRAMALO: Yes.

6 MR. MILLER: All right.

7 MR. PETRAMALO: Yes. Let me start by saying
8 this is a joint budget to cover both the harness
9 meet and the Thoroughbred meet.

10 Each year, Ian Woolnough and I get together,
11 put together the budget and present it to the
12 Commission.

13 This year's budget is slightly less than last
14 year. Last year, we budgeted 135,000. This year,
15 we cut it a little bit to 132.

16 Last year, at least from the Thoroughbred side,
17 I can say we were pretty much right on budget, if
18 you look at the bottom line. The line items within
19 the budget were all over the ballpark.

20 For example, we had budgeted \$4,000 for medical
21 and dental care; we wound up spending \$17,000. On
22 the other hand, we budgeted 20,000 for the chaplain
23 and we spent 11 something like that. But we came to
24 the bottom line. We were fairly close.

25 For the benefit of new Commissioner Reynolds,

1 what we do here in terms of benevolent services is
2 perhaps within a week or so, horses will start
3 arriving. There are some here already and of course
4 the grooms and hot walkers and exercisers will come
5 along with the horses.

6 We work out of this building and we provide a
7 wide variety of resources for the individuals. The
8 track kitchen will open up. We subsidize the track
9 kitchen to keep the prices low. In addition, we
10 hand out meal tickets like this that are good for
11 one meal in the track kitchen. (Indicating)

12 Then we also provide referral to medical and
13 dental care. We don't have any physicians here on
14 the back side. Somebody comes in with a problem --
15 Most of these are not work-related -- we refer them
16 to an independent care clinic in Williamsburg.
17 We furnish transportation and of course pay for the
18 bill and we do the same with the dental care.

19 There's a dentist down at Providence Forge that
20 we have a relationship with. We send people down
21 there and wind up paying for that, and of course we
22 make available to everybody on the back side our
23 facility here, which has got computers, fax machine,
24 printer, et cetera, and this is a WiFi hot spot, so
25 24 hours a day, even if the building is locked -- We

1 usually lock up around ten or midnight -- you can
2 sit outside on the patio with your laptop and still
3 have access to the Internet.

4 Then we do more mundane things, like we have
5 120 dorm rooms; they have air conditioners. The air
6 conditioners die because they go 24 hours a day. We
7 replace the air conditioners. We replace
8 mattresses, et cetera.

9 We also furnish a 12-person van. We have a
10 driver who speaks Spanish and the van transports
11 anybody on the back side who wants to go grocery
12 shopping, to the beach on a day off, et cetera. So
13 we kind of run our own little community here on the
14 back side.

15 Most important one, perhaps most importantly,
16 we also provide the services of a chaplain.
17 Up until this year, we were very fortunate to have
18 Reverend Marjorie Bevins, who probably was here for
19 at least six years that I know of.

20 Anyway, she's an ex-jockey and she just was a
21 delight to work with and everybody here really
22 appreciated her because of her insight into how the
23 racing world worked. Anyway, unfortunately for us,
24 fortunately for her, she secured a new congregation
25 in West Virginia and she moved there.

1 So we have now the services of Pastor Nick
2 Lapsovick [ph], who has the New Kent -- What's it
3 called? The New Kent Christian Center, and they
4 actually holds services over on the front side now,
5 and he will be our chaplain. Basically, the
6 chaplain makes the tour of the back side every day,
7 talking to people, blesses --

8 MR. S. REYNOLDS: Is there any language barrier
9 there? Do you have a translator?

10 MR. PETRAMALO: Interestingly enough, he said
11 he does have someone on one of his committees who is
12 a Spanish-speaker, so that will be very helpful.

13 Marjorie, one year, had an assistant who was a
14 Spanish-speaker, but for the most part, she didn't
15 speak Spanish, so I think that will be very helpful.

16 That kind of is a rough outline of what we do
17 and what we spend money on.

18 MR. S. REYNOLDS: I appreciate that. I was
19 gonna ask about it after the meeting. I appreciate
20 it.

21 MR. PETRAMALO: It's very interesting at times.

22 MR. S. REYNOLDS: It's a great service.

23 MR. PETRAMALO: At times, it can be very
24 humorous. I shouldn't say this. This is gonna get
25 me in trouble.

1 I had a young exercise rider come into my
2 office. She was complaining about back pains, so I
3 said, okay, no problem. We got her a ride to the
4 clinic and I said we'll take care of everything.

5 Next day, she came in just all smiling and she
6 says, oh, it's not my back. She says, I'm pregnant.
7 And I said, well, gee, congratulations. And then
8 she looked at me and she said, and my boyfriend is
9 gonna be so happy. And I said to myself, boy, I
10 don't believe that. Anyway, I know I shouldn't have
11 told that story.

12 MR. S. REYNOLDS: That's all right. Full
13 service.

14 MR. PETRAMALO: Anyway.

15 MR. S. REYNOLDS: Thank you.

16 MR. MILLER: Thank you, Frank.

17 Any questions from any commissioners?

18 NOTE: There is no response.

19 MR. MILLER: Frank, we don't have in our book a
20 comparative sheet to compare your budget for 2011
21 with what you spent in 2010.

22 MR. PETRAMALO: Yes. I can do that.

23 MR. MILLER: You made reference to one item
24 already.

25 MR. PETRAMALO: I have my notes. I did not --

1 MR. MILLER: Don't need to go in to a lot of
2 it. Are there any that are significant changes?

3 MR. PETRAMALO: The chaplain, we cut from
4 15,000 last year to 10,000 this year. We upped air
5 conditioners from 2,000 last year to 4,000 this
6 year. We upped medical and dental care from I think
7 8,000 last year to -- What did I come up with,
8 10,000 this year?

9 MR. MILLER: Yeah.

10 MR. PETRAMALO: Ten thousand this year.

11 MR. BROWN: Didn't you say you ended up
12 spending 17,000 last year?

13 MR. PETRAMALO: Yeah. That was my fault. I
14 got to be too generous when it came to dental
15 benefits.

16 Normally, what we look to do is take care of
17 acute problems; somebody chips a tooth, et cetera.
18 And we had a progression of people come in here and
19 say, well, gee, you know, I'd like to get a crown on
20 this tooth, and before you know it, I was
21 authorizing the dentist to do much more work than he
22 probably should have been doing. So that's what --

23 MR. BROWN: And you're stopping that this year?

24 MR. PETRAMALO: Yes. Well, I'd like to do it,
25 but we don't have the money.

1 MR. BROWN: Exactly.

2 MR. PETRAMALO: The one thing that we did cut
3 out was our Groom Elite training program. We don't
4 run that formal program, which is a six- or
5 eight-week program -- every year. We kind of
6 alternate. This year, we may do something very
7 informal. We call it a Hot Walker training program.

8 Usually, it's two or three days and we try and
9 recruit from local high schools, as well as the
10 employment centers, to get people who have never
11 been on the race track, don't have much experience
12 and might be interested in coming and hot walking.
13 That's the low job on the totem pole.

14 We'll probably run that and we don't really
15 need outside assistance from the Groom Elite program
16 in Kentucky to do that, but that's still in the
17 formulating stage.

18 MR. MILLER: All right. Do I hear a motion?

19 MR. BROWN: I have one other question.

20 MR. MILLER: Oh, sorry.

21 MR. BROWN: Charlie, your group's on board with
22 all that you're sharing with --

23 DR. DUNAVANT: Yeah, Ian and I --

24 MR. WOOLNOUGH: Frank and I work very well on
25 that. Everything in there is basically --

1 DR. DUNAVANT: We don't need near as much for
2 our back stretch.

3 MR. BROWN: I just wanted to make sure.

4 MR. MILLER: All right. Do I hear a motion
5 regarding the 2011 Racing Benevolence Committee
6 budget?

7 MR. BROWN: I make a motion to pass that.

8 MR. D. REYNOLDS: Second.

9 MR. MILLER: Its been moved and seconded by
10 Commissioner Dave Reynolds.

11 All in favor, say aye.

12 NOTE: The Commissioners vote aye.

13 MR. MILLER: All right. Tab Number Three, the
14 approval of the 2011 VHHA Management Contract
15 amount. Tab Number Three.

16 MR. LERMOND: Mr. Chairman?

17 MR. MILLER: Yes.

18 MR. LERMOND: I'll just go ahead and -- The
19 Commission at the last meeting approved the amount
20 for the Thoroughbred portion of the Breeders' Fund.

21 I didn't know Mr. Woolnough was gonna be here
22 at last month's meeting, or I would have had you
23 gone ahead and approve the amount for the
24 Standardbred contract. The amount appears on Page
25 Five as \$50,000 for the year and that's been the

1 same amount, I believe, for at least three years.

2 Ian?

3 MR. WOOLNOUGH: A little longer.

4 DR. DUNAVANT: We reduced it from 80 to 50 five
5 or six years ago.

6 MR. LERMOND: That's correct, and Staff would
7 recommend approval of the amount of 50,000 for 2011.

8 MR. MILLER: All right. Any questions or --
9 Ian, do you or Dr. Dunavant have anything further
10 you need to say about it?

11 MR. WOOLNOUGH: No. It's basically the same
12 for a number of years now.

13 MR. MILLER: All right. Any questions?

14 NOTE: There is no response.

15 MR. MILLER: There being no questions, your
16 motion.

17 MR. S. REYNOLDS: So moved.

18 MR. MILLER: Commissioner Sarge Reynolds moved
19 its approval.

20 MR. BROWN: Second.

21 MR. MILLER: Commissioner Brown has approved
22 it.

23 All in favor, say aye.

24 NOTE: The Commissioners vote aye.

25 MR. MILLER: Now, Item D was put on the agenda.

1 I felt it important to put it on the agenda
2 because we had some discussions with the licensee
3 regarding harness racing and it just seems to me,
4 from my personal viewpoint, that we need to do
5 something to invigorate our product here in
6 Virginia, as it has to be everywhere, but I just
7 thought this would be a good time as we look to 2012
8 to discuss fully and try to get started on trying to
9 reinvigorate harness racing and I think Jim's gonna
10 make some comments.

11 But before he makes his comments, I want to say
12 that I've talked to Commissioner Brown. He's very
13 interested, of course, in particular in harness
14 racing, and he's agreed to chair a special study
15 committee that we're gonna put in -- we're gonna
16 create here today to go forward.

17 So anything that you hear here today are just
18 some observations to be put in the pot and to be put
19 on the agenda of a study panel and I encourage all
20 of you to listen carefully to anything that's said,
21 and if anyone wants to volunteer to serve on this
22 special study group, please let me know during the
23 course of this meeting or whenever, but and with
24 that, Mr. Weinberg, do you want to proceed?

25 MR. WEINBERG: Thank you, Commissioner Miller.

1 Really, this morning, we really wanted to just
2 reiterate and thank you for the formation of the
3 study commission, and I think as Colonial Downs has
4 said in the last couple meetings, we really welcome
5 an opportunity to sit around the table and discuss
6 ideas to help us all, as all stakeholders do, a
7 better job with the resources we have to grow and
8 sustain and promote a native Standardbred industry.

9 Right now, the stakeholders are investing
10 approximately a little over \$3 million in each live
11 meet and we think we can do a better job with that
12 resource in terms of stimulating breeding and growth
13 of Standardbred horses in Virginia and the way that
14 we attract folks to the track and in the way that we
15 ultimately would build a stronger and more vibrant
16 industry in both for the horsemen and for spectators
17 and for wagerers on that product, so we welcome the
18 opportunity to really discuss a number of different
19 areas.

20 I know that a couple ideas had been voiced in
21 the past about a combined Thoroughbred and
22 Standardbred meet as a opportunity to maybe expose
23 Standardbred racing to the folks who wouldn't
24 ordinarily just appear for that, as well as also a
25 cost savings measure for Colonial Downs.

1 We talked about allowing pari-mutuel wagering
2 on harness racing at county and state fairs, which I
3 think provide another opportunity to take racing to
4 where the wagerers are, where a potential audience
5 is.

6 These are all ideas that I think those are some
7 thorough considerations as well as ideas. Colonial
8 Downs believes it has cornered the market on good
9 ideas and believes that the folks in this room have
10 a lot to contribute.

11 We're all stakeholders in this enterprise and
12 welcome the opportunity to sit down and really think
13 hard about the industry.

14 We have circulated a report that came out, I
15 believe last spring, that was a follow-up to the
16 United States Trotting Association's earlier report
17 that had a couple ideas.

18 Many of them relate nationally and relate to
19 states where there are other forms of gaming that
20 aren't applicable to Virginia, but nonetheless help
21 set the table for a discussion about the
22 Standardbred industry in Virginia and how we can do
23 a better job with the resources we have and
24 hopefully grow those resources.

25 So I thank the Commission for this initiative

1 and look forward to being an active participant.

2 MR. MILLER: Thank you.

3 Mr. Brown, do you have any?

4 MR. BROWN: We'll, I'll probably call, of
5 course, Colonial Downs and Dr. Dunavant and Ian and,
6 you know, anybody else who wants to volunteer. I'd
7 like to probably set something up within two weeks
8 and I'll let everybody know. At least try to get
9 everybody on the same page when we can all get
10 together to get started on it.

11 MR. MILLER: Good. Dr. Dunavant, do you have
12 anything?

13 DR. DUNAVANT: No. I think it's a great idea
14 and something that we need to do and the VHHA will
15 do all we can to contribute and see if we can make
16 things better and more interesting.

17 MR. MILLER: Good. We appreciate it and I know
18 it takes a lot of time for everyone that volunteers
19 for these kind of things, but you're helping your
20 industry and you're helping your folks and you're
21 helping Virginia at the same time, because any
22 improvement or advancement that we might make in any
23 facet of racing, whether it be Standardbred or
24 Thoroughbred, hopefully, it'll directly benefit
25 those who are involved on a day-to-day basis, but it

1 also benefits every citizen of Virginia if we make
2 it work and we're able to sustain a healthy racing
3 product in Virginia and do it without state
4 subsidies, and hopefully, we're gonna continue to do
5 it without the implementation of the kind of
6 gambling that a lot of Virginians frown upon; that
7 being slot machine and casino gambling.

8 Many states have found that to be the so-called
9 savior of racing, but I think we can certainly try
10 in Virginia and I think we could succeed in having a
11 healthy racing product in Virginia without those
12 devices, because actually, in my opinion, racing is
13 healthier, the horse industry is healthier. It is
14 being run on the traditional type of wagering that's
15 tied directly to the racing product, rather than the
16 ancillary gambling, which becomes the primary focus
17 after it's put in place --

18 MR. BROWN: That's basically just a Band-Aid.

19 MR. MILLER: -- in most states.

20 I visit the track that's closest to my home,
21 of course, and I enjoy it. I enjoy Charles Town
22 because I enjoy racing and I must say I'm immoral
23 enough to enjoy gambling now, but it is almost
24 tragic to go there sometimes and to see 200 people
25 watching the race and 5,000 people inside pushing

1 buttons, rolling marbles. So anyway.

2 In addition to -- So Commissioner Brown will
3 chair that group and he will be contacting people to
4 serve, and I urge anyone that has any interest to
5 contact Commissioner Brown directly if you feel that
6 you would like to contribute some time and energy to
7 this effort for the Standardbred industry.

8 And of course our staff --

9 MR. BROWN: Absolutely.

10 MR. MILLER: -- will be participating through
11 the executive secretary and the executive secretary
12 will be there. They will be available for your
13 benefit.

14 In addition to that study, we can never have
15 enough to do. We always have extra time on our
16 hands. Right? Everyone can do things that we like
17 to do to make life more interesting.

18 Okay. So I feel that for the balance of this
19 calendar year, also, it's very important that we
20 take a look at the Thoroughbred racing.

21 There's two aspects, as Frank Petramalo pointed
22 out, I think at our last meeting or one of our
23 meetings.

24 We have to look at the product; the operation
25 of the track and the racing itself, you know, what

1 we do to enhance the product at the track and so
2 forth, and also what we can do to try to expand the
3 gaming opportunities to bring more revenue in to
4 increase purses and to also contribute hopefully
5 more directly to the state coughers, and if we can
6 do both of those, then both of those advancements do
7 benefit in the long run the cultural industry in
8 Virginia, which is one of the primary focuses that
9 this Commission has.

10 With that in mind, I don't know exactly the
11 subject matter delineation that will have to be
12 made. That'll be up to the people that might serve,
13 but I'm going to ask Commissioner Sarge Reynolds to
14 serve on one of these study groups and Commissioner
15 Dave Reynolds to also serve.

16 Commissioner Siegel is not here today, and
17 ordinarily, the one that's absent gets the worst of
18 the deal, but what I'm going to suggest is that on
19 the -- for the Thoroughbred racing aspect, that
20 Commissioner Sarge Reynolds serve as the chairman of
21 the group regarding the track operations, and you
22 know, those kind of things that can be done to
23 enhance the product insofar as the actual
24 Thoroughbred racing is concerned. If you would
25 chair that committee?

1 MR. S. REYNOLDS: I'm here.

2 MR. MILLER: And Commissioner Dave Reynolds --

3 MR. S. REYNOLDS: What would happen if I wasn't
4 here? I'm happy to.

5 MR. MILLER: -- and Commissioner Dave Reynolds
6 to serve as the chairman of the group relating to
7 trying to enhance the revenue that we would derive
8 from gaming.

9 When I say that, I have in mind things such as
10 what can be done to further enhance or be more
11 elaborate with the ADW operations in Virginia, the
12 kiosks.

13 What can be done to try to hopefully expand the
14 off track betting satellite facility into Northern
15 Virginia, and of course anything else that can be
16 done at the track, although from the report given
17 previously, it looks like they're making every
18 effort to draw the gaming fan to the track to
19 enhance the gaming operation of the track, but to
20 look at some of the exotic wagers and measures that
21 have been suggested in many magazine articles and in
22 some of the other states and suggested by our
23 previous executive secretary. Things of that
24 nature.

25 We'll work all that out to more cleanly define

1 what that study group will do to look at the
2 enhancement of the gaming aspects related to both
3 Thoroughbred and Standardbred, of course.

4 Commissioner Siegel will take his pick as to
5 which one he wants to serve on. We can't have more
6 than two commissioners on any study panel because of
7 some meeting requirements and so forth. If we have
8 three commissioners, it's like having a meeting of
9 the Commission and you have to go through that
10 ritual and all the prerequisites for setting up a
11 formal meeting of the Commission, so only two
12 commissioners can serve at any meeting.

13 We'll let Commissioner Siegel decide which
14 Mr. Reynolds he wants to go with and neither will
15 take umbrage if he goes with the other. Or he may
16 even decide he wants to go with Mr. Brown.

17 I'm going to try to work on the periphery of
18 this, I suppose. I'll try to be participatory, but
19 I'm not gonna make myself a formal member of any of
20 these committees, study groups, but I will attend
21 when I can. Just let me know when you meet and
22 where you meet and so forth.

23 First of all, let me know what you suggest for
24 setting up the framework for the parameters of your
25 study. I'm leaving that up to you. You fellows get

1 together with the executive.

2 MR. S. REYNOLDS: Do you all see us making
3 progress reports at each meeting or coming up with a
4 final report at some date?

5 MR. MILLER: Well, I don't wanna put that kind
6 of burden on you right now. I want you first of all
7 to get together with the executive secretary and
8 licensee and the horsemen and try to come up with
9 what are you gonna focus on, what's going to be your
10 focus. I re-delegate that to you.

11 MR. D. REYNOLDS: How about membership?

12 MR. MILLER: And membership. I'll have you all
13 try to formulate in your mind who you think should
14 serve with you and I'm asking the horsemen and
15 licensee and everyone concerned that are here today,
16 at least, if you want to serve in particular on any
17 of these groups, all of them or any of them, let the
18 respective commissioners know.

19 First of all, they will set forth what the
20 parameters of the study are going to be, what they
21 need to look at. So you all work out and set up
22 your membership and then have that outline of what
23 you're gonna cover and your membership and file it
24 with the executive secretary so that we have a
25 record of it here at the Commission who is serving

1 and what we are focusing on, so if somebody later on
2 says you left something important out, we may want
3 to add as we go along, add something more to the
4 study.

5 Now, am I being too ambiguous?

6 MR. S. REYNOLDS: Give me a blank sheet of
7 paper. We'll run with it.

8 MR. MILLER: You all didn't have any
9 suggestions. I'm sort of leaving this -- this is
10 a -- Yes, sir.

11 MR. TOLLAKSEN: Sorry to break the rules here.
12 Can we get a list of the different committees that
13 are out there? Is there a master list of the
14 committees?

15 MR. MILLER: Yeah.

16 MR. TOLLAKSEN: Can we take a look at something
17 like that, or if one is not put together, can we get
18 one?

19 MR. BROWN: It's pretty much online, isn't it?

20 MS. DILWORTH: It's on the website.

21 MR. MILLER: Well, it's on the website, but
22 there's two that are not on the website. No, they
23 are on the website, but -- okay. I think they're
24 all on the website.

25 MR. TOLLAKSEN: Okay. Great. Thank you very

1 much.

2 MR. MILLER: Of course, as I said, when these
3 committees are formed, I want their framework for
4 study and their committee membership will be filed
5 in the office of the executive secretary. That will
6 be put on our website.

7 That brings up another thing. We're going to
8 update our website. If you visited our website
9 recently, you'll see it's like most. Ninety percent
10 of the websites in this country are, you know, at
11 least six months behind.

12 But we are going to bring ours up to date and
13 it's going to be very current and we'll put
14 everything we can on the website so that everyone
15 has an opportunity to examine it.

16 Anyway, after the framework is put together and
17 committee membership is put together, then set up
18 your proposed schedule for meetings and I would
19 think let the full committee and the public know at
20 our next meeting in June the parameters of your
21 study and your membership. Okay.

22 At that time, at our meeting in June, we may
23 set up a tentative schedule for -- you know, get
24 input from everyone about what kind of meeting
25 schedule you may want to try to meet for the balance

1 of the year.

2 Ordinarily, you'd say there's plenty of time,
3 but I'm at the age where a year is a week and it'll
4 be Christmas before we know it, so I think that if
5 we can get this put together and then set up some
6 meetings -- I know after the Thoroughbred meet is
7 over, people should have more time.

8 But I'm hopeful that by at least October of
9 this year, that we could have some information
10 that's gonna be educational about and informative
11 about how Virginia should proceed in the future to
12 conduct Standardbred and Thoroughbred racing in
13 Virginia, what our needs are to meet the ambitious
14 plan that I hope all of your study groups come up
15 with so that we might make that information
16 available.

17 And I know that people get tired of hearing
18 this, but we've got to make that information
19 available to the people in the Executive branch of
20 government and to legislature again, because
21 eventually, we always need some legislative changes
22 and we need executive leadership in the Executive
23 department if racing is going to be successful in
24 Virginia and we're going to be able to present the
25 kind of product that I think that we can present.

1 We can have a good product in Virginia. We can
2 be successful in Virginia and we can do it without
3 the kind of gambling that the majority of the
4 citizens of Virginia find to be unflavorable.
5 That's a Sarah Palin. Anyway, unflavorable. Not
6 favorable, but favorable. Not the flavor of the
7 month.

8 The majority of the citizens of Virginia I'm
9 told don't like some forms of gambling, but we can
10 do it in Virginia if we all pull together and put
11 this --

12 We can get a roadmap from these study groups to
13 give to the General Assembly so that they know.
14 They need to know how we got where we are and they
15 need to know where we need to go to continue to be
16 successful.

17 When you look at the states that are the
18 supposed giants of racing: California, Kentucky,
19 New York, Florida, everyone's having problems.
20 Everyone is having problems.

21 We can address the problems here maybe in a
22 different way that may enlighten some people
23 throughout the country that if Virginia can do it --
24 and we can do it without subsidies.

25 I mean just in Maryland now, one of the big

1 debates is the state subsidy. I couldn't believe
2 it. I mean can you imagine going to the General
3 Assembly of Virginia and suggesting that they
4 subsidize this operation? We'd be laughed out of
5 the state.

6 But that's common practice, not just in
7 Maryland, but in several other jurisdictions. So
8 there you have it.

9 MR. S. REYNOLDS: Quick question, Mr. Chairman.

10 MR. MILLER: Yes.

11 MR. S. REYNOLDS: Earlier, we talked about I
12 think it was Glenn's recommendations from
13 January 26, the Del Mar. Is that gonna be kind of a
14 separate study, or should we kind of take into
15 account some of those issues and possibilities about
16 the mid-Atlantic versus just Virginia?

17 MR. BROWN: Take it all into account.

18 MR. MILLER: No. Let me suggest to you one of
19 the things you'll want to take a look at in your
20 study is this mid-Atlantic Cooperative Racing Pact.

21 MR. S. REYNOLDS: Okay. I would agree. I just
22 wanted to make sure that wasn't a separate deal.

23 MR. MILLER: That's one of the things that
24 needs to be examined.

25 Really, Colonial Downs and the Maryland people

1 have kind of worked together in the past, but all
2 things are subject to change and they're going to
3 have an additional influx of money, apparently, in
4 Maryland, so Maryland may be one of those states
5 where they'll start running 365 days a year. I mean
6 who knows?

7 If that kind of operation comes to pass, then
8 the cooperative efforts that we've had in the past
9 will be out the window.

10 MR. HETTEL: Well, certainly, if this
11 medication consideration gets changed in the very
12 near future and then it's paying on into the Jockey
13 Club recommendation, I don't think it takes a mind
14 reader to figure out without medication, there'll be
15 less race days everywhere.

16 Not necessarily us, because we're running a
17 small racing operation right now, but Maryland,
18 Delaware, that whole east coast is probably gonna
19 have to pare back a little bit and of course the
20 foal crop is shrinking also, thankfully. It's too
21 much. We'll go from there and it's going to be
22 interesting, certainly, to see what kind of
23 conclusion we have by Labor Day, let's say, on where
24 we need to proceed.

25 NOTE: Phone ringing.

1 MR. MILLER: I don't know how you stop it from
2 ringing.

3 MR. HETTEL: Say hello.

4 MR. S. REYNOLDS: You can answer it.

5 MR. MILLER: I don't wanna answer it.

6 MR. S. REYNOLDS: It must be your wife.

7 MR. MILLER: Could be that other woman.

8 MR. S. REYNOLDS: Say hello.

9 MR. MILLER: I'll go outside and answer it.
10 Excuse me. It is home. I don't want you all to
11 hear me talk about all that.

12 NOTE: There is a brief recess;

13 thereafter, the hearing continues as follows:

14 MR. HETTEL: Here's what we'll do with all the
15 committees. Why don't you all go ahead and make
16 whatever separate calls you want to in terms of the
17 initial invitation for membership. We can make it
18 as inclusive as you'd like it to be.

19 If we have them here at this office, we can
20 certainly make them almost like a public procedure,
21 but we'll go ahead and take recommendations. Every
22 idea is a good idea when we first hear it, of
23 course.

24 We'll just take it from there on and pare it
25 down and by the end of the summer, we'll know a

1 whole lot more than we do today. I've got total
2 availability, so you let me know what I can do to
3 help you.

4 MR. S. REYNOLDS: Sure.

5 MR. MILLER: The medication question is
6 something of course you will address in your study?

7 MR. HETTEL: That's really gonna be critical,
8 given there was even a suggestion of federal
9 legislation by Senator Rudolph and a representative
10 of Wakefield from Kentucky and if the federal
11 investigation gets to be a part of it, that's a
12 whole new complication for all of the states.

13 There'll be a necessity for a federal
14 Commission then, of course. Can it get more
15 complicated than a state Commission? Well, yes, it
16 can, when we get to the federal Commission.

17 So I'm really eager to get busy with this.
18 Cooler heads will prevail at the meeting and then
19 they'll certainly have a second and third meeting,
20 too.

21 MR. MILLER: I read with interest online
22 reading the Irish papers about the Queen's visit to
23 Ireland last week and it had an article about her
24 visiting, it was identified as a world-famous
25 stadium. The horse people will be familiar with it,

1 anyway, outside Dublin.

2 They were quoting some racing -- some of the
3 people involved in racing -- in breeding in Ireland
4 and talking about the fact that the horses that they
5 breed there, from and I guess in Ireland -- as well
6 as Ireland, at least in Ireland -- the fact that
7 they don't have these medications. They don't with
8 regularity use medications on these Thoroughbreds in
9 Ireland and they're such healthy stock and such
10 sturdy horses, compared to what they claim are being
11 turned out here in America.

12 MR. BROWN: Makes sense.

13 MR. HETTEL: Of course racing is not as
14 pervasive. They don't have nearly as many days.

15 MR. MILLER: It was subject to debate. The
16 breakdown of so many horses here in this country,
17 compared to the lines of stock that they have in the
18 Irish --

19 MR. HETTEL: Well, I mean some people will do
20 those comparisons. That's why this international
21 group's coming together at Belmont.

22 It's a different type of racing, obviously,
23 first and foremost, and it's not nearly as
24 year-round. They run a racing season and they're
25 finished and that lets those horses revitalize and

1 train them maybe for one or two events.

2 In the United States, we keep our horses in
3 training 52 year weeks a year. That's hard on any
4 athlete to stay in training 52 weeks a year. That
5 was an argument for necessity of medication.

6 MR. MILLER: All right. Is there any member of
7 the public here today that would like to comment on
8 anything or everything?

9 NOTE: There is a positive response.

10 MR. MILLER: Yes, sir.

11 MR. STAPLES: One thing is did you respond to
12 the gentleman's article from the Richmond -- is it
13 Times-Dispatch, right?

14 MR. MILLER: Yes.

15 MR. STAPLES: You also, I know, the Daily Press
16 in Newport News and the Virginia Pilot will print it
17 for you, believe me. They started printing horse
18 racing information in the paper, for a change.

19 MR. MILLER: Well, we might formulate such a
20 letter that it could be a response to the editorial
21 in the Richmond Times-Dispatch, but also could be a
22 general piece that could be sent to those papers
23 that hopefully they might print it.

24 So thank you very much.

25 MR. STAPLES: Yes, sir. One other thing.

1 I really believe if that Strawberry Hill race had
2 been promoted more with just some posters, anything,
3 you know, in the OTBs or whatever down in Hampton
4 Roads, you'd have got more people from down there
5 come from Old Dominion and places like that. The
6 young crowd I know likes those steeple chases. I'm
7 just making a suggestion, that's all.

8 MR. MILLER: Yes, sir. Well, you get in touch
9 with those Strawberry Hill people and let them know
10 and --

11 MR. STAPLES: Mr. Roberts, we're in
12 communication with him.

13 MR. MILLER: Yeah. Get in touch with him and
14 let him know your feelings and certainly next year,
15 if it's something they can do, they'll certainly do
16 it.

17 MR. STAPLES: We also want to tell you we
18 really appreciate it. It's a whole different tone
19 in here now than it was. Thank you so much.

20 MR. MILLER: Thank you.

21 All right. Our next meeting is set for June
22 the 28th. Did anyone have any problems with the
23 June 28th date?

24 MR. PETRAMALO: What day is it?

25 MR. MILLER: I understand that last year around

1 about this time, there didn't appear to be much for
2 the agenda, so we didn't have a June 28th meeting.
3 We are going to go ahead and schedule the June 28th
4 meeting, especially in light of the fact that on
5 that date, we'll need those reports from the various
6 chairmen regarding these special study groups, and
7 also, it's a good opportunity for us to hear about
8 the progress of the Thoroughbred meet, how things
9 are going.

10 MR. PETRAMALO: Is that a Tuesday?

11 MR. MILLER: It's on a Tuesday. Yes, sir.

12 MR. PETRAMALO: You want to do it on a race
13 day? Tuesday is a dark day. I was thinking maybe
14 it might be --

15 MR. HETTEL: Wednesday is a race day. We can
16 stay till the races.

17 MR. MILLER: Yeah. Let's do it on a race day.

18 MR. LERMOND: We got to stay till five o'clock.

19 MR. HETTEL: You could have a later meeting.

20 MR. BROWN: You could have a later meeting and
21 start it later in the afternoon.

22 MR. S. REYNOLDS: When do they start selling
23 beer?

24 MR. HETTEL: When you get here.

25 MR. MILLER: What's the feeling of the

1 Commission on having an evening meeting?

2 MR. PETRAMALO: Five p.m. to post.

3 MR. MILLER: Five to when?

4 MR. PETRAMALO: The post starts at five and the
5 racing goes to 8:30, probably.

6 MR. MILLER: How about if we were to meet at
7 three o'clock?

8 MR. S. REYNOLDS: Works for me.

9 MR. MILLER: Is that all right?

10 MR. BROWN: Yeah.

11 MR. MILLER: That's all right with you all,
12 Ian?

13 MR. STEWART: Sure.

14 MR. BROWN: What date would you put that on?

15 MR. HETTEL: The 29th at 3:00 p.m. Is that
16 good with everybody?

17 MR. PETRAMALO: That's a Wednesday.

18 MR. MILLER: Three p.m. on June the 29th and
19 then we'll go to the races. How about that?

20 MR. BROWN: Excellent.

21 MR. MILLER: Hopefully, everything will be
22 going well with the meet, but we will have those --
23 that should be of some interest, the study group
24 agendas and the study group membership. We should
25 have all of that by the end of June and set up the

1 schedule for the meetings of the balance of the
2 year.

3 We are gonna have a closed meeting to discuss
4 two items in particular and it won't take long.

5 One is a legal question and the other is a --
6 Well, I'll just read it. I'll read the whole thing
7 and that way, it'll cover whatever we discuss.

8 In accordance with provisions of Sections
9 2.2-3711(A)(1) of the Code of Virginia, I move that
10 the Commission go into closed meeting for the
11 purpose of discussion or consideration -- No, that
12 one doesn't fit.

13 In accordance with the provisions of Section
14 2.2-3711(A)(7) of the Code of Virginia, I move that
15 the Commission go into closed meeting for the
16 purpose of consultation with legal counsel employed
17 or retained by the Commission regarding specific
18 legal matters requiring the provision of legal
19 advice by such counsel and -- I'll have to put this
20 in my own words -- consideration of certain expenses
21 of the Virginia Racing Commission.

22 Is that all right, Amy? Does that pass muster?

23 MR. BROWN: It's expenses --

24 MR. HETTEL: It's a personnel matter.

25 MR. MILLER: Yeah. Expenses regarding a

1 personnel matter. Okay. Sorry about that. I'll
2 get used to this. I got five -- I'll get it by the
3 end. Thank you very much.

4 Oh, I move that we go into these closed
5 sessions.

6 Commissioner Dave Reynolds.

7 MR. D. REYNOLDS: Aye.

8 MR. MILLER: Commissioner Sarge Reynolds.

9 MR. S. REYNOLDS: Aye.

10 MR. MILLER: Commissioner Mark Brown.

11 MR. BROWN: Aye.

12 MR. MILLER: And the Chairman votes aye.

13 Now we won't be long, if anyone has anything
14 else. That's right. We won't be long.

15 Note: The hearing observes a recess at
16 11:08 a.m. and thereafter reconvenes at
17 11:25 a.m. as follows:

18 MR. MILLER: I move the adoption of the
19 following resolution:

20 WHEREAS, the Virginia Racing Commission has
21 convened a closed meeting on this date, pursuant to
22 an affirmative recorded vote and in accordance with
23 the provisions of The Virginia Freedom of
24 Information Act; and

25 WHEREAS, Section 2.2-3712 of the Code of

1 Virginia requires a certification by this Commission
2 that such closed meeting was conducted in conformity
3 with Virginia law;

4 NOW, THEREFORE, BE IT RESOLVED, that the
5 Virginia Racing Commission certifies that, to the
6 best of each member's knowledge, (i) only public
7 business matters lawfully exempted from open meeting
8 requirements under the Virginia Freedom of
9 Information Act and (ii) only such public business
10 matters as were identified in the motion convening
11 the closed meeting were heard, discussed or
12 considered by the Commission in the closed meeting.

13 The following members vote on this matter:
14 Commissioner Dave Reynolds.

15 MR. D. REYNOLDS: Aye.

16 MR. MILLER: Commissioner Sarge Reynolds.

17 MR. S. REYNOLDS: Aye.

18 MR. MILLER: Commissioner Mark Brown.

19 MR. BROWN: Aye.

20 MR. MILLER: The chairman votes aye.

21 Do I hear a motion for adjournment?

22 MR. BROWN: Motion to adjourn.

23 MR. D. REYNOLDS: Second.

24 MR. MILLER: All in favor, vote aye.

25 NOTE: All Commissioners vote aye.

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MR. MILLER: The meeting is adjourned.

NOTE: The hearing is then adjourned at
12:19 p.m.

1 CERTIFICATE OF COURT REPORTER

2
3 I, Sandra G. Spinner, hereby certify that having
4 first been duly sworn, I was the Court Reporter at the
5 meeting of the Virginia Racing Commission at the time of
6 the hearing herein.

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

10 Given under my hand this 6th day of June, 2011.

11
12
13 _____
14 **SANDRA G. SPINNER**

15 **COURT REPORTER**
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