

MINUTES
WV RACING COMMISSION
Tuesday, February 18, 2014
WV Lottery Conference Room

The WV Racing Commission met on February 18, 2014 to conduct business and consider administrative matters. Roll call was taken and present was Chairman Jack Rossi. Commissioner Bill Phillips and Commissioner Greg McDermott were present via conference call. Counsel was represented by Kelli Talbott.

Approval of January 21st minutes

The Commissioners and legal counsel received the minutes from the January 21st meeting prior to this meeting. Mr. Phillips asked for an amendment to be made to the minutes in reference to the Greyhound Training tracks discussion and adding a second to a motion by him to the motion made by Mr. McDermott. Mr. Amores stated the change would be made. Mr. McDermott moved to accept the minutes, seconded by Mr. Phillips, with the amendment made. The Commission approved the January 21st minutes.

Approval of February 6th minutes

The Commissioners and legal counsel received the minutes from the February 6th meeting prior to this meeting. Mr. Phillips moved to accept the minutes, seconded by Mr. McDermott. The Commission approved the February 6th minutes.

Executive Director's Report
Jon Amores

Jon Amores, Executive Director, stated the Legislature is in session and there are a few Bills moving, in particular the Thoroughbred Rules. The Thoroughbred Rules are now in House Judiciary and are moving in both sides of the Capitol, with no amendments thus far. There has been some other legislation related to racing as well. There is a Bill related to percentages for the HBPA, and legislation regarding changing the Statute which segregates the \$2 million for training tracks. So far these Bills have been introduced but are not moving.

Technology update – As discussed previously, there are two prongs of assistance from RCI we are working on and they are the rulings and licensing software. Permitting will be started later in the year due to heavy workload first half of the year. The Rulings software has been completed with RCI and Larry Carraher is working with staff at Charles Town on the entering of Rulings into the RCI database and there are a few technical issues that are expected to be resolved soon. The next visit will be to Mountaineer and Wheeling Island to train the Stewards and Judges there on the entering of rulings into the database. Mr. Phillips asked if the rulings are being entered by the various personnel at the tracks or is Larry entering the information and has only Charles Town been dealt with at this point? Larry Carraher replied all tracks have the current Rulings database software installed and up and running, the next matter is training the personnel. He has worked with personnel at Charles Town and will be working with personnel at Wheeling and Mountaineer Park this week to have them start entering their own rulings. He is not entering rulings at all. Mr. Phillips then inquired how far back are the

rulings being entered? Larry responded he and RCI have installed rulings for the past 2 years and are checking the accuracy of those 2 years, and Charles Town is entering their own rulings as of January 1, 2014 and is current. The entering of the prior 2 years was done electronically. Mr. Phillips asked in terms of the licensing, what is the hold up for moving forward. Larry responded he had a discussion with RCI and they have laid out a plan to help the WVRC replace equipment currently in the field that is not at the level to support the RCI database software. Larry will be working with the Director to put together a "wish list" of equipment he thinks needs replaced. As for the Rulings database, RCI entered the prior 2 years of rulings into the database, not us, and as he makes his way to the tracks, all of the tracks will then be entering their own rulings and will then be current, hopefully in the next few weeks. Mr. Phillips then stated he may be helpful for Larry to provide the Commissioners with a written memorandum of a plan, or give a copy of the plan he and RCI worked out, so they can have a document to follow progress. Larry stated he would do so.

Auditor's Report Becky Carnefix

Becky Carnefix stated the capital improvements submitted for reimbursement for the month were Mountaineer submitted 1 project totaling \$2,079.72 and Charles Town submitted 1 request, encompassing several projects, totaling \$205,092.06.

Thoroughbred Development Fund distribution updated – During 2013, 3 mailings were sent out to participants for verification of race information. January and February were mostly spent reviewing the information received back from the 3rd mailing and making the applicable changes in the system. All of the changes were made to the system in Charleston. Total earnings in the system for the year were checked against Equibase to ensure all earnings were included in our system. Audits were conducted 3 times on the race data included in the system to ensure all applicable changes had been made. This included mock distributions that were done internally and verified for changes. The distribution was finalized and checks were mailed out February 14th.

Accountant's Report Joe Moore

Joe Moore stated in- state handle is down 6% year to date and the revenue generated from live and simulcast racing is down 1 ½% year to date. Total distribution for the Thoroughbred Development Fund was \$7,816,787.84. Charles Town's portion was \$6,331,561.05 and Mountaineer's portion was \$1,485,226.79. Charles Town was distributed to 679 participants and Mountaineer was distributed to 266 participants. Calendar year 2013 1099's – there were 110 1099's issued to Greyhound Development Fund participants and 569 issued to Thoroughbred Development Fund participants.

Legal Update, Attorney General's Office

Kelli Talbott stated she distributed to the Commissioner's the decision in the Chris Groves' case in which the Commission had upheld a Stewards suspension of a trainer at Charles Town. The trainer was contesting the Commission's decision in the constitutionality of the absolute insure rule. Judge King upheld that rule and the Commission's decision and we are now waiting to see if Mr. Groves appeals that decision. At the end of January she attended

the Mid-Atlantic Racing Regulators meeting in Delaware as a representative for the WVRC. All of the states are moving forward with the medication rule reform. WV is behind the other states that are progressing a little more quickly than we are. Our current rule that is in the Legislature has the bulk of those reforms in it, so assuming that rule makes it through the Legislature, we will be getting at least most of the reforms in place, but there still is the issue of the points system. The points system is that medication rule violations will carry different points depending on the severity of the violation and once a permit holder gets so many points it will trigger a specific penalty. This is a piece of the Mid-Atlantic reforms we weren't able to get into our rule for this session. The Commission needs to look into this so our rule can be brought in line with the rest of the Mid-Atlantic region. In a prior meeting, the Commission finalized the Capital Improvement Rule and she submitted it to Secretary Kiss for his signature and is still waiting on that before it can be put out for public comment. Mr. Rossi asked Mr. Amores if he could follow up on the status of this.

Approval of 2013 Annual Report

Mr. Rossi stated copies of the report have been included in the Commissioner's books. Mr. McDermott asked if it would be possible for another review of the annual report to correct some minor typographical errors? Mr. Rossi asked Mr. McDermott to send those errors to Joe Moore and Larry so they could get those corrected. Mr. McDermott made the motion to approve the 2013 annual report, with the correction of the typographical errors, seconded by Mr. Phillips. Motion passed.

Approval to hire two part-time license clerks at Mountaineer Racetrack

Jon Amores stated we have had two full time license clerks at Mountaineer Racetrack and one has recently retired. As a result of that, we have tried to explore ways to address our staff function in a way that might reduce costs. We think it is feasible to have two part time license clerks at Mountaineer Racetrack, one during the day and 1 during the evening for live racing. The savings between two part time and two full time clerks are obvious. We have put this idea before the Secretary of Revenue for his approval and it has been approved by him. Mr. Amores recommends the Commission approve this request as well. Mr. McDermott made the motion to approve the hiring of two part-time license clerks at Mountaineer Racetrack, seconded by Mr. Phillips. Motion passed.

Executive Director – personnel review

Mr. Rossi stated he doesn't feel they are ready to cover this at this time due to lack of information. Mr. McDermott agreed. Mr. McDermott made the motion to table this item until a later date, seconded by Mr. Phillips. Motion passed.

Public Comments

There were no public comments.

Next meeting

The next meeting will be March 18th, 2014, WV Lottery Conference Room.

Adjournment

Mr. McDermott moved to adjourn, seconded by Mr. Phillips. Meeting adjourned.