

**MINUTES**  
**WV RACING COMMISSION**  
**Tuesday, November 15, 2016**  
**WV Lottery Conference Room**

The WV Racing Commission met on November 15, 2016 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 the October 20 minutes**

The Commissioners and legal counsel received the minutes from the October 20<sup>th</sup> meeting prior to this meeting. Motion was made by Mr. Phillips for approval, seconded by Mr. McDermott. Motion passed.

**Executive Director's Report**  
**Joe Moore**

Joe Moore stated the 3-month FOIA report was provided to the Commissioners for their review. There were 3 requests, all from Grey2K, and all have been completed. He also provided them the thoroughbred medication violations from Charles Town and Mountaineer, year-to-date for 2016. He will continue to provide that to the Commissioners for their review on a monthly basis. In addition, the breakdown/fatality reports at Charles Town through September 2016 were also provided and he is currently developing a similar report at Mountaineer Park.

Mountaineer Park had a horse auction on November 6<sup>th</sup> and was in conjunction with Mountaineer Park HBPA and Canter Ohio. There were 35 horses in the auction, and 13 were rehomed. Canter Ohio was responsible for vetting the potential buyers, doing the advertising and marketing, and preparing the buyers books for the auction. There was nearly \$2,000 raised for Canter. Jana Tetrault, Annette McCoy and Jennifer Johnson were involved from the Mountaineer Park HBPA, plus Pam Cleverly and Johnna Drazetic from Canter Ohio. He's told they are in discussions with Rosemary Williams at Mountaineer for a future event.

Lastly, on the Legislative agenda, he and Kelli Talbott have been talking and working through some draft language for Bills that the Commission may wish to pursue in this Legislative Session. He hopes to have those prepared and out for the Commissioners review before the December Commission meeting.

Mr. Phillips commented he appreciates the efforts that have gone into the information on the breakdowns and drugs. He thinks it will help them tremendously as Commissioners to monitor the situation. Chairman Rossi and Mr. McDermott both agreed.

## **Auditor's Report Becky Carnefix**

Becky Carnefix stated there were no capital improvements submitted for reimbursement during the month.

For supplemental purse awards, the 3QFY16 claims, covering race dates January 2016-March 2016, are in the process of being reviewed and the anticipated date of payment for that quarter's claims is early January.

For the Thoroughbred Development Fund, a mailing will be sent out early December to all participants at Mountaineer and Charles Town, for race results January-November 2016, for verification of race information. This will be the final mailing for Mountaineer and the final mailing for Charles Town will take place early January in preparation for the February 15<sup>th</sup> distribution.

Finally, she will be making track visits next week to Mountaineer and Wheeling Island and she has provided the Commissioners with her audit schedule for the remainder of FY'17 for their review.

## **Accountant's Report Joe Moore**

Joe Moore stated live racing declined nearly 2.25% YTD compared to FY'16. Total in-state handle is down nearly 6.5% YTD compared to FY'16.

The annual audit from Suttle & Stalnaker was emailed to the Commissioners for their review a few weeks ago. It is awaiting the pension audit to be finalized before it can officially be finalized and approved. They did mention if the Commission wanted to go ahead and move forward with it and have it filed even before the pension is finalized they can. Chairman Rossi stated knowing how pension audits can get drug out, he's not so sure the Commission shouldn't just go ahead and finalize the audit. Mr. Moore added Suttle & Stalnaker has expressed to him they've had at least one other State client go ahead and file their audit. Chairman Rossi stated it would be his opinion to go ahead and file the audit. Commissioner McDermott stated he would defer to Chairman Rossi's expertise on these types of matters. Chairman Rossi stated he would like for Mr. Moore to follow up on it and if there is no completion date on the horizon for the pension audit then we can finalize the audit, but he doesn't want to be the only agency that does it. Mr. Moore commented he can check on this and proceed with having Suttle & Stalnaker finalize the audit and the Commission can officially accept it at the December meeting.

## **Legal Update**

Kelli Talbott stated the Procedural Rule amendment that the Commissioners wanted to put out for public comment has been put out for public comment on raising the filing fee to \$500 for appeals of Stewards/Judges rulings. That comment period ends on November 28<sup>th</sup> and it can be put on the agenda for the December meeting to review any comments that have been received, if any, and act on it.

The RCI sub-committee that has been working on the out-of-competition testing model rule has completed its work and submitted a proposed rule to the RCI Board. She's assuming RCI's Board will be taking it up in December sometime when they meet.

She has also received an email from Alan Foreman who has kind of been the leader of the Mid-Atlantic Racing Regulators Group urging all the mid-Atlantic states to adopt this

forthcoming RCI model out-of-competition testing rule, as well as the adoption of some possible amendments to the rule that applies to the points that get assessed for medication violations. She would recommend that sometime in the new year the Rule-making committee reconvene and look at not only those two particular rules but other rules that she thinks they are going to need to address as well.

### **Mardi Gras request to approve 2017 Live Race calendar – 259 Days, & Import/Export sites**

Joe Moore stated the calendar for 2017 for Mardi Gras includes 259 live race days. The important note and what is different from what they ran this year is that there will be live Sunday racing the entire calendar year. The list of import and export sites have also been provided for their approval.

Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Motion passed.

### **WI requests funding from WVGBDF for WV Stake race blanket & trophy**

Joe Moore stated Wheeling Island has requested for their November 25<sup>th</sup> WV Greyhound Stakes race an estimated cost of \$125 for the blanket and \$100 for a trophy. This funding would come out of the WV Greyhound Breeding Development Fund that is used for the supplemental purse awards, advertising and promoting, those criteria that are set forth in the Code. This is not funding paid out of the 7307 Admin account. This would be a reimbursement type funding. They would be required to submit their invoice for each of those items for reimbursement after the fact.

Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Motion passed.

### **Mountaineer reduction in live race days**

Joe Moore stated Mountaineer requested at the October meeting to reduce their number of live race days to 160 days. At that point, the Commission approved the Executive Director to start the process by notifying the appropriate parties who would then have a 10-day comment period to send in any objections. The last day for that comment period was November 12<sup>th</sup>. No objections were received to the request so what is before the Commission today is the actual approval of Mountaineer's live race schedule with 160 days.

Motion was made by Mr. Phillips for approval, seconded by Mr. McDermott. Motion passed.

### **Mountaineer request to add NYRABETS California, ADHI Spain & Perryville OTB to Export list**

Joe Moore stated there are 3 separate sites they are requesting before the end of their meet. They would like to get those approved and any signal taken before the end of their current meet and it is his understanding those locations will be on their 2017 Import/Export list as well, which is up for consideration of approval in agenda item 10.

Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Mr. Phillips asked if these 3 sites are already incorporated in the list for consideration of approval in item 10

on the agenda or will there need to be a separate motion? Mr. Moore replied they are included in the list on agenda item 10. Motion passed.

### **Mountaineer request to approve 2017 Import/Export list**

Joe Moore stated this is the complete Import/Export approval list for Mountaineer's 2017 calendar. Along with their request, the President of Mountaineer Park's HBPA has provided his signature of approval.

Motion was made by Mr. Phillips for approval, seconded by Mr. McDermott. Motion passed.

### **Charles Town request to reduce pari-mutuel takeout on Pick 4 pools from 22% to 15%**

Joe Moore stated this is just for the Pick 4 pools and it's from 22% to 15%. This morning he forwarded the Commissioners the Charles Town HBPA supporting letter of that reduction in the takeout for that particular pool.

Mr. Phillips asked what kind of benefit does the track and the horsemen believe will come from this reduction and how does it compare with similar tracks? Erich Zimny replied as far as it compares to other tracks, there are a bunch of tracks at 15% right now and he thinks there are 5 tracks that are lower than 15%. The theory behind it in terms of benefit is it's basically lowering of the price of the wager you are charging the customers and you're hoping that when you lower the price the item is bought more often. They did a similar change a few years back and it provided some benefit as well. The HBPA's letter said through the end of 2017 would be good testing ground and they agree with that as well.

Motion was made by Mr. Phillips for approval, seconded by Mr. McDermott. Motion passed.

### **Charles Town request to add B3 Development Group to Export list**

Joe Moore stated in addition to the request from Charles Town, the Commissioners have the approval letter from Mr. Funkhouser at the Charles Town HBPA. This is through December 31, 2016.

Motion was made by Mr. Phillips for approval, seconded by Mr. McDermott. Motion passed.

### **Charles Town request for approval of 2017 race calendar – 220 Live race days**

Joe Moore stated as statutorily required, Charles Town has put forth a calendar for approval for 220 live race days in calendar year 2017.

Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Mr. Phillips asked if we have had communication from the HBPA about the 220 days? Mr. Moore replied we have not received a letter from the HBPA regarding 220 days in particular. Motion passed.

### **Charles Town request to reduce live race days to 166**

Joe Moore stated in similar fashion to what was done with Mountaineer Park last month, Charles Town has submitted a request to reduce their number of live race days for the 2017 calendar to 166 days. The difference in the two calendars begins with the month of June. January-May will remain the same. June is when they will start reducing their number of race days. The Commission has received a letter from the Charles Town HBPA in support for 166 live race days. What is before the Commission today is to approve the Executive Director to begin the process of reducing those race days by notifying the appropriate parties and beginning that comment period for objection.

Motion was made by Mr. McDermott for initiation of that process, seconded by Mr. Phillips. Motion passed.

### **Charles Town request to approve 2017 Stakes schedule**

Joe Moore stated Charles Town has put forth a 2017 Stakes schedule. The Stakes races and total purse values are based on 8% of the previous year's total purses paid and that calculation is provided on the second page of their request. The 8% is an agreed upon amount with the Charles Town HBPA. Included in this Stakes schedule is a \$1.25 million Charles Town Classic and the \$300,000 Charles Town Oaks, both of which are Graded Stakes races. The Charles Town Classic is a Grade II and the Oaks is a Grade III. The Commission has received a letter from the Charles Town HBPA in support of the 2017 Stakes schedule submitted by Charles Town.

Mr. Phillips stated he has the same concerns he did last year about a \$1.25 million purse. He thinks it started out as a \$1.5 million purse last year. Those funds come out of the purse funds for WV horsemen and he gathers the HBPA has agreed to that. He hears comments about the conditions of the horsemen and he doesn't understand it. Has the HBPA Board and Board members discussed, voted on, signed off on this \$1.25 million purse again? Mr. Moore replied the letter that was received signed by Mr. Funkhouser states that they approve the 2017 Stakes race schedule. With that race being included in that schedule, he can only assume that it was part of the discussion of their Board prior to Mr. Funkhouser submitting the approval. Chairman Rossi stated it says the Board of Directors approved it.

Mr. Phillips asked what goes back into the purse fund as a result of that race if it's conducted at that price? Mr. Moore replied he would have to go back and do a full review of what would go into the purse fund prior to that race and after that race to get a better understanding of how beneficial that particular race day is but if he's remembering correctly, that race alone generated to the purse fund an amount less than \$100,000 last year. The 8% is derived on the previous year's total purses paid so as total purses paid declines, the 8% number declines as well so their total Stakes schedule is reducing with the equivalent of the total purse reduction. The purses paid in this one particular race, other than last year's decrease from \$1.5 million to \$1.25 million, has remained pretty constant. Their Stakes schedule, in full, has declined as the total purses paid is a function of that. Erich Zimny stated it's really the mix of races they offer. If you look at the total amount of handle generated per dollar of purse money spent since they started that race vs. prior to starting that race, it's significantly higher.

Mr. Phillips suggested a motion to approve the schedule with the exception of the \$1.25 million, or in lieu of that, the \$1.25 million be reduced to \$750,000, same as last year, and if the Charles Town track wants to add to it that would be fine.

Mr. McDermott made the motion to approve the request, as is, especially considering the HBPA's approval of that request. Seconded by Chairman Rossi. Vote was taken, Mr. McDermott and Chairman Rossi voting for and Mr. Phillips voting against. Motion passed.

**Charles Town Capital Improvement Request – Racetrack Rail Replacement, \$20,798**

**Charles Town Capital Improvement Request – Terrace prep cooler, \$3,174**

**Charles Town Capital Improvement Request – Longshots freezer, \$1,908**

**Charles Town Capital Improvement Request – Longshots fryer, \$14,025**

**Charles Town Capital Improvement Request – Back bar cooler, \$10,063.11**

Becky Carnefix stated all five of these requests are from Charles Town. The first request is for a racetrack rail replacement. The existing rail is over 40 years old and needs replaced. The amount of this request is \$20,798.

The second request is for a prep cooler in the Terrace restaurant for the amount of \$3,174.

The last three requests are for the Longshots bar area and they are for a freezer, a fryer and back bar coolers. All three are replacements for what is currently being used due to those items no longer working properly. The amount requested for the freezer is \$1,908, the fryer is \$14,025, and the back bar coolers is \$10,063.11.

She has reviewed the information submitted for all five of these requests and recommends for approval.

Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Mr. Phillips commented he would like to remind everyone that we need to have some justification as to how these items benefit racing and to remind the appropriate parties to put language in as to how racing is going to benefit from these expenditures. Motion passed,

**Approval to hire Mountaineer Vet Tech.**

Joe Moore stated the Vet Tech at Mountaineer Park will be a full time position. The previous Vet Tech resigned her position about 3 months ago and we have been filling that with fill-in sub work since that time. The main person that has been filling in for that is the one he is recommending to fill that position with. Her name is Bonnie Shaffer. The Commission has received approval from the Secretary of Revenue's office on the full time hire.

Motion was made by Mr. Phillips for approval, seconded by Mr. McDermott. Motion passed.

**Approval to hire CT part-time License Clerk**

Joe Moore stated approval has been received from the Secretary of Revenue's office on this hire. This will be a part-time hire to work in our license clerk's office on licensing, rulings and other functions that office maintains. This individual will also be cross-trained on the Thoroughbred Development Fund program at Charles Town to help the Commission out in the absence of our Thoroughbred Development Fund clerk at that track. The individual being recommended is Melissa Lewis. He interviewed and spoke with Ms. Lewis last week and because of the nature of the position of license clerk and it handling cash functions, she has been fingerprinted and they came back clean.

Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Motion passed.

## **Public Comments**

Chairman Rossi commented Larry Carraher had quadruple bypass surgery yesterday and asked everyone to keep him in their prayers.

Rosemary Williams stated the Commission had asked them to give an update on where they are at with their application for the Safety & Integrity Alliance. Currently Mountaineer is about halfway, maybe three quarters complete. They are waiting on some additional information from outside entities that they need to collect but they should be on target to submit that when it is due.

Erich Zimny commented that Charles Town as well is substantially through the NTRA application and will anticipate, pending some further information, a draft of their application internally within a week.

## **Adjournment**

Motion was made by Mr. McDermott to adjourn, seconded by Mr. Phillips. Meeting adjourned.