

MINUTES
WV RACING COMMISSION
Tuesday, June 16, 2015
WV Lottery Conference Room

The WV Racing Commission met on June 16, 2015 to conduct business and consider administrative matters. Roll call was taken and present were Chairman Jack Rossi and Commissioner Bill Phillips. Commissioner Greg McDermott was present via conference call. Counsel was represented by Kelli Talbott.

Approval of May 19th minutes

The Commissioners and legal counsel received the minutes from the May 19th meeting prior to this meeting. Motion was made by Mr. McDermott to approve the minutes, seconded by Mr. Phillips. Motion passed.

Approval of June 2nd minutes

The Commissioners and legal counsel received the minutes from the June 2nd meeting prior to this meeting. Motion was made by Mr. Phillips to approve the minutes, seconded by Mr. McDermott. Motion passed.

Executive Director's Report
Joe Moore

Joe Moore stated the FOIA report, which is a 3 month running report, shows 24 requests received and completed. Of that amount, 7 were received in May.

The Racing Commission had its first meeting with the Interim Committee of the Legislature on June 8th. The meeting was conducted alongside the WV Lottery and both presentations were of a historical nature. The Racing Commission's mainly dealt with a focus on major legislative events, live, simulcast and export handle, purse money, development funds, and a discussion on race days.

There was a server problem at Wheeling Island on June 6th. It basically caused a 10 minute delay of the first race and several tracks were affected and had to be refunded for various reasons on that day.

Included in the Commissioner's information is a testing summary as well as a corrective and preventative action summary received by Truesdail in regards to their samples conducted for the Indiana Racing Commission. This summary has been forwarded to the Stewards at Mountaineer and Charles Town for their review and comments on. We have since attempted to secure a contract with the Pennsylvania Equine Testing & Research Laboratory to do some random QA testing. At that time, we were notified by Dr. Robinson they are not currently accepting additional jurisdictions at this time.

There currently is a call into Industrial Labs to get a price quoting for some QA testing and their full price quote if we decided to switch laboratories. They currently do a lot of the split samples at Mountaineer.

We now have approval of the position description form from the Commissioners on the Executive Director posting. As part of a commitment he had with the Commission during his time here, John Myers is posting that position and is handling those duties.

Mr. Phillips stated on the Truesdail matter Mr. Moore stated he had spoken to Pennsylvania about the need for an audit. Was he talking about some samples to be done now just to see whether we are getting accurate readings from Truesdail or talking to them about taking over the contract with Truesdail should we make that decision? Mr. Moore replied the discussion with Dr. Robinson was over the Quality Assurance testing that we wish to complete right now and the email received back from her stated they were unable to do anything for any other jurisdictions at this time. Mr. Phillips asked if he heard Mr. Moore say he sought out another opportunity to have audit samples conducted to verify samples sent to Truesdail are getting accurate results and they are performing satisfactory and not like they did in Indiana? Mr. Moore replied he does have a call in to Industrial Laboratories to try and secure a contract to complete those samples. Mr. Phillips asked when he thought he might hear about this because this is a very serious issue and we cannot just wait around. If they're not available then we need to find someone ASAP. Mr. Moore replied he hopes to hear back from Industrial Labs this week and if we are able to secure that contract he'll notify the Stewards and the Vets immediately to start that QA testing on some samples for us and hopefully be able to report back in the July Commission meeting of the results of those. Mr. Phillips stated he would hope that if we can't get that company to participate in our need to have this unexpected audit done that we quickly find someone willing to do that. He'd also be interested in what kind of reaction we got from the Stewards at both Mountaineer and Charles Town regarding the information Mr. Moore previously mentioned in relation to this matter. Mr. Moore stated he will supply him with any feedback he receives from the Stewards. Mr. Phillips stated so there's been none from them at this point? Mr. Moore replied not at this point. Mr. McDermott asked if the Stewards just received the corrective action plan forwarded by Truesdail? Mr. Moore replied just recently. Mr. McDermott added they would not have had time to formulate a response yet.

Auditor's Report Becky Carnefix

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

For supplemental purse awards, 14 day letters requesting additional information for residency verification were mailed out June 1st for 1QFY15 claims, covering race dates July 2014-September 2014. Those claims are being finalized for payment and are scheduled to be paid out early July.

On the Audit Project Schedule, she provided the dates and tracks she will be visiting next week.

We have started pulling samples and getting information ready for the outside Auditors that are scheduled to be on-site the first week of July for fieldwork.

Capital Improvement Request – Hollywood Casino at Charles Town Races - \$22,398.00 for replacement of roofing material over Motor Pool

Becky Carnefix stated this request is for replacement of roofing material over the Motor Pool. The Motor Pool building is the repair and maintenance facility for all of the track vehicles. The request is for \$22,398.00. She has reviewed the request and recommends it for approval. Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Motion passed.

**Accountant's Report
Joe Moore**

Joe Moore stated live handle increased nearly 14% compared to April 2015 and is down a little over 10% compared to May 2014 and down 9% compared to FY14. Export handle increased 9% compared to April yet is down 16% YTD compared to FY14. Simulcast handle increased 64% compared to April but is down 2% compared to May 2014 and 6% YTD. In-state handle has decreased 7% YTD compared to FY14.

Included in the July Commission meeting information will be the Actual vs. Budget for 2015 and the 2016 projections of the Agency accounts.

The outside Auditor's will begin fieldwork the week of July 6th and will be back for their final fieldwork the week of August 17th. Draft financials are due September 15th and final financial are due October 15th.

Legal Update – Attorney General's Office

Kelli Talbott stated the Thoroughbred Rules and the Pari-mutuel wagering rules were filed June 11th. They are now out for public comment and are on the Commission's website. The public comment period ends July 13th at 5pm. We are required by Secretary Kiss to have the rule back to him by July 21st with any changes that may come about from the public comments.

This morning a response was filed in the Circuit Court of Kanawha County in the Roger White lawsuit regarding the training track funds that are in dispute in that case.

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Joe Moore asked to observe a moment of silence for Rod Monroe who passed away Friday morning. Rod Monroe is Monroe Racing in the Greyhound industry and is probably one of the top 5 recipients in WV.

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Mountaineer Park Mystery Voucher Promo Request

Rosemary Williams, Mountaineer, stated this request to conduct the mystery voucher promotion has been done in the past several times. They are going to send out 44,000 mystery vouchers worth anywhere from \$5 to \$10,000. They would like to conduct this on WV Derby Day and the Sunday following.

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

Mountaineer request to reduce racing days to 160 in 2015

Joe Moore stated the Commissioners have been provided with the prior information that was received regarding this request. They also have before them the information received from the Mountaineer Park HBPA Board and Donna Zook.

Motion was made by Mr. McDermott to approve the request, seconded by Mr. Phillips. Motion passed.

Hearing Examiner Recommended Decision – Angelo Jackson

Kelli Talbott stated this is the second ejection appeal that has been in front of the Commission for Mr. Jackson. Two separate days of hearings were conducted on this matter. The issue is that Mr. Jackson has a felony record and the track would not allow him entry due to that. The issues surrounding his felony record were thoroughly vetted in the Administrative Hearing in front of the Hearing Examiner, not only the first time Mr. Jackson appealed but now the second time as well. The Hearing Examiner's recommended decision is to uphold the tracks ejection but allow Mr. Jackson to request re-entry on an annual basis, at which time if he does request re-entry and is refused, he can appeal that matter again and can be heard by the Commission's Hearing Examiner in the future if that occurs. Mr. McDermott stated it is a very thorough and well written decision. Motion was made by Mr. McDermott to approve the Hearing Examiner's recommended decision, seconded by Mr. Phillips. Motion passed.

Mr. Jackson was not present nor on the conference call.

Public Comments

Donna Zook, Mountaineer HBPA Board Member, stated she talks to the horsemen every day, and just like they warned in early 2015 about Mountaineer wanting to reduce the days, and she thinks the horsemen will be devastated as well as the economy. The Governor has devastated the industry by confiscating millions from the purse fund. They have supported the racing industry in good and bad times and need to get people to listen to their needs.

Chairman Rossi stated on behalf of the Commission they gave considerable study to that request. They went through detail information, statistical information, who the representatives were, meeting minutes, by-laws, etc., and they gave very serious consideration to their request and that is why they reached the decision they did today.

Mr. Phillips stated the Commission did conduct a hearing last year at Mountaineer and a lot of the record that came from that and the current situation with the purses and the extensive discussions they've had in two meetings needs to be noted for those that have not participated in the Commission's previous meetings. This is something that has been going on for a year as far as the discussions are concerned.

Next meeting – tentatively July 21, 2015

Adjournment

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