

**MINUTES**  
**WV RACING COMMISSION**  
**Tuesday, September 22, 2015**  
**WV Lottery Conference Room**

The WV Racing Commission met on September 22, 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 August 14<sup>th</sup> and August 26<sup>th</sup> minutes**

The Commissioners and legal counsel received the minutes from the August 14<sup>th</sup> and August 26<sup>th</sup> meetings prior to this meeting. Mr. Phillips stated there is one minor change that needs to be made to the August 26<sup>th</sup> minutes. Motion was made by Mr. Phillips to approve the minutes subject to the word that needs to be changed, 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 10 requests received, 3 of which were received in August. 1 request from Grey2K and 2 individual requests. All of those requests have been completed and closed.

In the Joint Interim Committee Meetings, there was a Joint Finance Committee Meeting on September 14<sup>th</sup> and it did not have Racing or Gaming on its schedule. There was a Joint Committee of Tax Reform on September 15<sup>th</sup>. Lottery Director John Musgrave gave a brief presentation of where Lottery revenues are generated from and the disbursements that take place after those revenues have been received. The Commissioners have been provided with a summary of Racing funds and the associated distributions in the same fashion that was delivered to the Committee members, but there was no oral presentation of that report.

The Racing Commission has been asked to be present at the Joint Finance Committee on October 19<sup>th</sup>. At that particular meeting they will be discussing the Economic Impact Study that was conducted by Spectrum, as well as the Economic Impact Study conducted by the racing industry. It is his understanding there will be employees of Spectrum present at that meeting to speak on their report and to somewhat discredit the report of the racing industry. The Racing Commission has not been asked to supply any additional information to the Committee at this time, but he will forward those requests to the Commission should it happen.

In reference to the Quality Assurance program the Commission is implementing, the Commissioners were provided with an RMTC Quality Assurance approval from Industrial Labs where they successfully identified 9 of 9 qualitative samples and the quantitative sample was reported within the required limits during the EQAP Proficiency Testing conducted in July. He has contacted the State Vets regarding the Racing Commission's QA program to get their input on implementation. It is his intention to have the QA program designed and implemented by the October meeting.

The Charles Town Investigator position is still open to receive resumes. An ad was placed and resumes were to be received by September 4<sup>th</sup>. Unfortunately, there was minimal response to the original posting. The ad was re-placed with ROAP and RCI, as well as the Martinsburg Journal and Jefferson Publishing. There has been a better response thus far and

resumes are to be received by October 2<sup>nd</sup>. Once that deadline has passed, interviews will be set up and the process will move forward.

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

Becky Carnefix stated the capital improvements submitted and paid for the month of September were: Charles Town submitted 1 project for reimbursement and was paid \$5,448.77. Details of the project paid were provided to the Commissioners. Mountaineer submitted 1 project for reimbursement and was paid \$70,936.97. Details of that project paid were also provided to the Commissioners.

For supplemental purse awards, 2QFY15 claims have been reviewed and 14 day letters requesting additional information for residency verification were mailed out last week.

She has provided a copy of her audit schedule for FY'16 to the Commissioners for their review.

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

Joe Moore stated live racing handle increased nearly 17% compared to July but is down 18% YTD compared to FY'15. Export handle decreased 7% compared to July and 15% YTD. Simulcast handle increased nearly 15% compared to July but has decreased 10% YTD. Total in-state handle is down 13.5% YTD.

The FY'17 Budget Appropriation Request was provided to the Commissioners. The Appropriation request was submitted to the Budget Office, as required, with no changes or amendments to the FY'16 approved Racing Budget.

The FY'15 annual audit is moving along in a timely fashion. The draft of the audit was submitted to FARS by September 15<sup>th</sup>, as required. He expects the final report will be issued by October 15<sup>th</sup>, as required by FARS. Chairman Rossi asked if the Commission needs to approve the final report before it is submitted on October 15<sup>th</sup>. Mr. Moore replied yes it will need to be approved.

Motion was made by Mr. Phillips to approve the proposed Budget that was submitted, seconded by Mr. McDermott. Motion passed.

### **Legal Update**

Kelli Talbott stated the Reynolds case has finally been ordered by the Supreme Court to have oral argument on October 3<sup>rd</sup>.

The Pari-Mutuel Rule and Thoroughbred Rule amendments were not taken up during September Interims but she anticipates them being taken up in October Interims. She will be reporting back to the Commission about what transpires with those Rule amendments but she doesn't expect any major issues.

There is an ejection appeal tomorrow in Charles Town for Mr. Rao.

She prepared the materials that needed to be submitted to the Secretary's office with the Legislative proposals and ideas from the last Commission meeting.



### **Approval of the 2016 Kennel Contracts – Mardi Gras, 16 Total Contracts**

Joe Moore stated there are 16 signed 2016 contracts for Mardi Gras and he has copies of all those in the Racing Commission's office. Motion was made by Mr. McDermott to approve the contracts, seconded by Mr. Phillips. Motion passed.

### **Approval of the 2016 Race Days – Mardi Gras**

Joe Moore stated the 2016 Mardi Gras race days were provided to the Commissioners. The number of live race days submitted by Mardi Gras for 2016 is 220 race days, and that meets the statutory requirement for Mardi Gras. Mr. McDermott made the motion to approve the race days, seconded by Mr. Phillips.

Mr. Phillips asked how many of the 220 days in calendar year 2014 actually occurred for comparison purposes to the Thoroughbred tracks? Mr. Moore replied he could get that information to him shortly after the meeting.

Motion passed.

### **CT request to not make up 15 Live Race Days lost due to inclement weather and technical issues**

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

### **CT Capital Improvement Request – Rooftop rain control system for Grandstand & Terrace Restaurant, \$47,500**

### **CT Capital Improvement Request – OTW/Grandstand device upgrade & Barn heat-detector tie-in, \$57,082**

### **CT Capital Improvement Request – OTW/Apron camera recording equip. replacement, \$34,760.57**

### **CT Capital Improvement Request – 15 iPad tablets for Terrace, \$4,477.50**

### **CT Capital Improvement Request – Racing Offices computer refresh, \$24,012**

### **CT Capital Improvement Request – Smoker for Apron, \$12,380**

### **CT Capital Improvement Request – Diagnostic scan tool for Racing Motorpool vehicles, \$2,995**

### **CT Capital Improvement Request – 2 Trucks w/snowplows, \$84,273.50**

Becky Carnefix stated Charles Town has submitted 8 requests for approval, totaling \$267,480.57. The first request is for a new rooftop rain control system for the Grandstand and Terrace Restaurant for \$47,500. The second request is for a Simplex OTW/Grandstand device upgrade and Barn heat-detector tie-in which will upgrade the safety and surveillance system, for \$57,082. The third request is for an OTW/Apron camera recording equipment replacement for

\$34,760.57. The fourth request is to purchase 15 iPads for the Terrace, which will enable guests to wager at their tables at the restaurant, for \$4,477.50. The fifth request is for Racing Offices computer refresh for \$24,012. The sixth request is for a Smoker for the Apron for \$12,380. The seventh request is for a diagnostic scan tool for the Racing Motorpool vehicles for \$2,995. The final request is for the purchase of 2 trucks with snowplows for \$84,273.50. She has reviewed the information submitted with the requests and recommends the projects for approval.

Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Chairman Rossi asked about the request for the 2 trucks with snowplows, does that include a trade-in of some sort and how many snowplows do they have? How many vehicles do they have to administer at the track? Ms. Carnefix replied she would defer that question to Erich Zimny who was on the line from Charles Town, but the snowplow was to replace an older snowplow from 2005. Erich Zimny replied he believes they have a total of 3 snowplows. They have to take care of not only the track but the barn area and the area over by the training track as well. It's a pretty significant amount of track they have to take care of and 1 snowplow wouldn't do it. Chairman Rossi inquired if it all consisted of racing related activities? Mr. Zimny replied yes, it's all around the racetrack. The main areas to the property would be as non-racing as it gets.

Motion passed.

#### **Approval of the 2016 Budget for Administration of the Backstretch Retirement Plan**

Jana Tetrault stated they have proposed a budget that outlines the expenses for the Plan and they are asking for the Commission to approve it. Motion was made by Mr. McDermott for approval, seconded by Mr. Phillips. Motion passed.

#### **Receive Report from Racing Committee**

Chairman Rossi stated the Commission has been looking forward to receiving this report for some time but he has been informed there is a report in draft form and is not completed yet. The Committee had a meeting yesterday and has requested more time to finalize the report. He would assume this report will not be taken up until the next Commission meeting.

#### **Public Comments**

The next meeting is tentatively scheduled for Monday, October 19<sup>th</sup>, at 9:30 AM.

Nelson Robinson stated he is a little confused on the dialogue on the Committee and the importance of it coinciding prior to Legislative Interims. He was never under the impression that the Committee had an importance of completing their actions and taking it to the Legislature. Chairman Rossi replied the original schedule had the Committee finishing the final report by August 26<sup>th</sup> and they're behind right now. He is not scheduling it to coincide with the Interim Committee meeting. He mentioned the Interim meeting because he wants to have the Commission meeting before that. There is another process the Commission will have on its agenda and doesn't have anything to do with this report and to facilitate other parties, not having anything to do with Interims, is why he's wanting to move the meeting. Mr. Robinson added after yesterday's meeting, he talked with Mr. Cavacini and Ms. Williams and they stated that during that discussion there was some emphasis or importance on completing this report

for the Legislative Interim Committee and he was never under the impression a Committee report was being taken to Legislature.

Mr. Phillips stated in his resolution it referenced the fact that the last session of the Legislature established a special Committee to look at gaming and the racing industry. It appeared to him that it might be helpful to that Committee if in fact the stakeholders of the racing industry gather and thought about the future, and as a consequence of that, have a report that may or may not be of interest to that special Committee that's looking at gaming and the racing industry and therefore, could be made available to them. Chairman Rossi added that during the initial Committee meeting, he explained that the report is the Committee, it is not the Racing Commission. The actions on the ideas would be those of the Committee. When they present a report to the Racing Commission, there is no approval process. The Racing Commission agreed to do a small amount of funding and to do the writing of the report, and with that, feels the Commission ought to see a finished product. Mr. Robinson stated the Legislature is doing research right now and then he thinks it is appropriate about ideas that came from the Committee, but he thinks it would be premature to rush the actions of the Committee to get it up there for an October meeting. There's no reason for that. Chairman Rossi replied he is not rushing the Committee, his goal is to stop the funding.

### **Adjournment**

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