

**MINUTES**  
**WV RACING COMMISSION**  
**Friday, February 19, 2010, 10:00 a.m.**  
**WV Lottery Conference Room**

Roll Call:           Chairman Joe Smith                           Present  
                           Commissioner Jack Rossi                   Present  
                           Commissioner Greg McDermott       Present by telephone

Chairman Smith called the meeting to order at 10:10 a.m.

1.                   Approval of Minutes from December 7, 2009 Meeting  
                           Approval of Minutes from December 18, 2009 Telephone Conference Call  
                           Approval of December 22, 2009 conference call  
                           Approval of January 25, 2010 Annual Meeting  
                           Approval of February 8, 2010 Conference Call

Motion was duly made, seconded and unanimously carried to approve the minutes from December 7, 2009, minutes from December 18, 2009, minutes from December 22, 2009 conference call, minutes from January 25, 2010 and February 8, 2010.

2.                   Approval of WVRC Proposal for establishment of Administrative Procedure Reimbursement of Capital Reinvestment Funds

Mr. Toney gave a presentation about "Proposal for establishment of Administrative Procedure Reimbursement of Capital Reinvestment Funds". The racetracks will notify the Racing Commission accounting staff of their project. You may pay as the project goes forward after the Director of Audits has accepted the project.

Upon motion duly made, seconded and carried the Racing Commission approved the Proposal for Establishment of Administrative Procedure – Reimbursement of Capital Reinvestment Funds.

Chairman Smith asked his fellow commissioner if a time frame for approval of a project should be added the proposal.

Commissioner Rossi amended his motion to include a time frame of thirty (30) days advance notice of a project.

Subsequent to the completion of the Fiscal Year 2009 annual audit, Mr. Jim Toney recommended that the West Virginia Racing Commission open five new accounts at Centra Bank and authorize the following transfers:

<u>Amount</u>	<u>Centra From Account</u>	<u>To Account</u>
\$ 464,012.95	10209522	Centra 10291776 (WVTDF)
2,079,392.80	10209522	Centra 10182209 (WVGBDF)
4,955,309.40	10209522	New Account Centra MP Capital Reinvest
4,575,693.22	10209552	New Account Centra CT Capital Reinvest
1,587,488.04	10209552	New Account Centra WI Capital Reinvest
1,563,361.36	10209552	New Account Centra TS Capital Reinvest
3,447,447.05	10209522	New Account Centra WV Derby
<u>231,043.64</u>	10209522	WV FIMS Fund 7307

19,004,748.46

Upon motion duly made, seconded and carried the Racing Commission approved that five (5) new bank accounts be opened at Centra Bank and the transfer of funds be made. (see above for account numbers)

Mr. Toney said that there was money that should have been paid to the four racetracks for previous years and it his recommendation to release the funds as follows:

1.	Wheeling Island	\$636,332.68 and \$648,228.24
		Total 1,284,560.82
2.	Tri-State Racetrack	\$161,688.74
3.	Mountaineer Racetrack	\$254,127.64
4.	Charles Town Races	\$165,000.00

Upon motion duly made, seconded and carried the above amounts were approved.

In other sections of the minutes are the breakdowns for the projects.

3. Approval of outstanding invoices for Sam Huff WV Breeder's Classics

Mr. James Toney audited the WV Breeders Classics list of advertising costs from July 1, 2007 through June 30, 2008. He recommended payment of \$111,341.42 be paid to the Breeders Classics. Upon motion duly made, seconded and carried the Racing Commission approved the payment of \$111,341.42 to the WV Breeders Classics.

4. Discussion of interagency regarding extension of Accounting Contract with the WV Lottery

Commissioner Rossi stated that he is continuing to interview candidates for the auditing positions for the Racing Commission.

Upon motion duly made, seconded and carried the Racing Commission approved the Interagency Contract to continue as presented until December 2010.

5. Interagency agreement Investigative and Fingerprinting

Upon motion duly made, seconded and carried the Racing Commission approved the Interagency agreement relating to the provision of certain investigative services by employees of the WV Lottery Commission.

6. Mountaineer Racetrack requests:

- 2010 Stakes Race Schedule

Upon motion duly made, seconded and carried the Racing Commission approved Mountaineer Racetracks 2010 Stakes Race Schedule.

- August 7, 2010 West Virginia Derby

This item was deferred to the next Racing Commission meeting.

- Airing of the WV Derby on Fox Sports

Upon motion duly made, seconded and carried the Racing Commission approved the airing of the WV Derby on Fox Sports for \$265,000.

- Reimbursement for \$254,127.64 completion of Storm Water Pond and Chlorine Tank project (Includes \$22,845.87 engineering costs)

Upon motion duly made, seconded and carried the Racing Commission approved reimbursement of \$254,127.64 for the completion of the Storm Water Pond and Chlorine Tank project.

7. Charles Town Races request for approval for 2010 Capital Projects
- Water Truck \$140,000
  - Press Box \$ 25,000

Upon motion duly made, seconded and carried the Racing Commission approved the water truck and press box projects.

8. Tri State Racetrack request for reimbursement for the following projects:

- Public Address System \$89,680.00
- Paddock Trainers Room door \$ 1,275.00
- Circulating Pump for Track Heat \$ 2,973.74
- Kennel Covers \$ 6,560.00
- Construction of new roof on a kennel \$11,800.00
- Six HVAC heating, ventilation and
- Air-conditioners system for 6 kennels \$49,400.00

Mike Staats, Director of Racing for Tri-State Racetrack, was present. He asked the Racing Commission for approval to reimburse Tri-State for the above projects.

Upon motion duly made, seconded and carried the Racing Commission approved payment.

Tri-State Racetrack request for two WVGBOA Stakes Races

Mr. Staats asked for approval to conduct the WVGBOA Juvenile Sprint and the WVGBOA Open Stakes Races for 2010.

Upon motion duly made, seconded and carried, approval was granted.

9. Wheeling Island request for two WVGBOA Stakes Races

Wheeling Island request to hire Patrick O'Neal as Wheeling Island's Racing Manager

The Racing Commission approved Mr. O'Neal as Wheeling Island's Racing Manager if he meets the requirements for an occupational permit.

10. Request for reinstatement of permit of Michael Johnson Charles Town

Mr. Johnson's permit was reinstated with conditions that he provide a new occupational permit application for 2010 to the Charleston Office and have random drug testing. The motion was made and approved by two commissioners and one opposed.

Mr. Johnson's papers were in the Charleston Office by the evening of the meeting.

The Racing Commission recessed to Executive Session for legal advice from counsel at 11:48 a.m.

The Racing Commission came back to regular session 15 12:15 p.m.

11. 10-10-10 Committee Report

Mr. Jim Toney spoke on the funding short fall for the Breeder Awards program. He stated that the Racing Commission had requested an Attorney General's Opinion which said the we need clarification from the Legislature prior to paying any of the awards.

Mr. Toney further stated that the Commissions annual report is being completed at this time and will contain several pages dealing with the History of Racing.

Chairman Joe Smith stated that the Racing Commission is working with administration and the legislature for solutions for immediate relief to pay past obligations. The Racing Commission is anxious to address and explore all possibilities.

12. Emergency Rule Double Loading – Anthony Eates

Assistant Attorney General Anthony Eates explained that the emergency rule that allows double loading is now in effect.

13. Power Point presentation "Training Tracks"  
Sam Burdette and Roger White

See attached copy of presentation.

14. Fiscal issues that will be associated with the Thoroughbred Racing Rules and Greyhound Racing Rules - Deputy Attorney General Kelli Talbott

Deputy Attorney General Talbott stated that she and Anthony Eates have been working with committees that that were appointed by the Racing Commission to make much needed changes to the Thoroughbred and Greyhound Rules. It has come to their attention during the process that certain changes that the committees will be advocating to the Racing Commission will have personnel costs associated with them. Mr. Toney and Ms. Talbott will work together to propose a structure to deal with the money for additional personnel.

Ms. Talbott said that she would forward a summary of rule changes that require the Commission to have additional staff on its payroll. She will also send the proposed rule language along with a summary of the personnel that is at issue.

Ms. Talbott stated that it would be helpful to their committees if the Commission would review occupational permit fees in connection with the review of the personnel changes.

The greyhound and thoroughbred committees will be meeting again in March and April. Ms. Talbott and Mr. Eates need to know the answers to these fiscal questions prior to the committees completing their work.

Commissioner Rossi asked Attorney Jim Sturgen to update the Commission of the matter of the Backstretch Personnel Retirement Pension Plans.

Attorney Sturgen stated that he had been working with Mr. Toney and Mr. Allen with the IRS regarding researching Internal Revenue Service ruling and guidelines regarding tax issues. Mr. Sturgen will keep the Racing Commission updated on the Backstretch Personnel Retirement Pension Plans.

The next scheduled meeting will be Thursday, March 25, 2010 in the WV Lottery Conference Room.

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Joe E. Smith, Chairman

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Linda Rutledge, Executive Secretary

**Attachments**