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VIRGINIA RACING COMMISSION

December 15, 2010

10700 Horseman's Road

New Kent, VA 23124

Commencing at 9:35 a.m.

COMMISSION MEMBERS:

- Peter C. Burnett, Chairman
- I. Clinton Miller, Vice Chairman
- Mark T. Brown
- Stuart Siegel
- David Reynolds

COMMISSION STAFF:

- David S. Lermond, Jr., Acting Executive Secretary
- Kimberly M. Carter, Office Administrator

ATTORNEY GENERAL'S OFFICE

Amy K. Dilworth

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1 December 15, 2010

2 MR. BURNETT: Good morning. We'll commence
3 our meeting. Sorry to be about five minutes late
4 starting. The first order of business is the
5 approval of the minutes of the special meeting of
6 October 6th, 2010. That was in Richmond and it's
7 under your Tab One. Anybody have any corrections,
8 additions, deletions?

9 NOTE: There is no response.

10 MR. SIEGEL: Move they be approved.

11 MR. BROWN: Second.

12 MR. BURNETT: Moved and seconded. Those being
13 approved, all in favor, indicate by saying aye.

14 NOTE: All indicated by saying aye.

15 MR. BURNETT: Minutes of the October 6th
16 meeting are approved.

17 We'll move to minutes of the October 26th
18 meeting, which was our regular meeting here in
19 October.

20 Any -- Mr. Lermond pointed out one
21 typographical error in the third full paragraph on
22 the second page. It should say Senator Houck's,
23 apostrophe "S", possessive.

24 MR. BROWN: Move to approve.

25 MR. BURNETT: Is there a second?

1 MR. SIEGEL: Second.

2 MR. BURNETT: All in favor of approving the
3 October 26th meeting minutes, indicate by saying
4 aye.

5 NOTE: All indicated by saying aye.

6 MR. BURNETT: Those minutes are approved.
7 Move to Commissioners' comments. Comments from any
8 Commissioners?

9 NOTE: There is no response.

10 MR. BURNETT: I just wanna make a brief
11 comment, and others in the room may know more about
12 it than I do, but I understand that our leaders in
13 Washington, D.C. in the Senate today are going to be
14 voting on the much-publicized tax bill.

15 I'm told that attached to that bill at the
16 behest of Senator Reid from Nevada is a Internet
17 poker statute or provision that would allow Internet
18 poker in all states that approve it.

19 I just think it's something that we ought to
20 stay abreast of because there seems to be consensus
21 that if such a bill were passed, while it would not
22 place any restrictions that I'm aware of on our
23 industry, it would probably further erode our
24 customer base; some have estimated to the tune of
25 \$50 million or more a year nationally.

1 I think it's a -- Horse racing is about a
2 \$13 billion, \$14 billion a year business right now,
3 I think in the United States in handle, and I think
4 they say Internet poker is about a \$5 billion
5 business right now, most of it being handled by
6 off-shores.

7 The bill has an opt-in/opt-out provision, as I
8 understand it, so Virginia, if they wanted to engage
9 in it, would have to opt in. Were we to opt in, I
10 think our industry would have a bit of a leg up
11 because it favors established race tracks and other
12 operators of gaming devices and the like for
13 licensing for the poker. It excludes start-ups and
14 the like off-shore.

15 So without getting into any more detail, that
16 was probably too much, I think we ought to keep an
17 eye on it to make sure we do what we need to do to
18 preserve our own best interests here in the
19 Commonwealth.

20 It's been cold out. I hope everyone's horses
21 and pipes are all right.

22 We'll move on to the Executive Secretary's
23 report. Mr. Lermond.

24 MR. LERMOND: Thank you, Mr. Chairman.

25 Before I get to my first item on the agenda,

1 seeing as this is the last meeting of the year, I
2 just wanted to take a minute to thank the staff of
3 the VRC. We've got a really dedicated, talented,
4 loyal, hard working group of people working for us
5 and I can just say that I feel very fortunate to be
6 part of such a great team of people.

7 We go to Tab Three of your books. We've got
8 the final statistics from the Live Harness meet that
9 was conducted this fall.

10 When you get -- When you're trying to compare
11 two meets and they don't have the same number of
12 days from one year to the next, generally, what you
13 do is you go to a per-day basis to try and get a
14 more apples-to-apples comparison.

15 The first item, the on-track attendance, if
16 you look at Total, they were up, and then if you
17 look at a per-day basis, they were up significantly.

18 Now, we know part of this is due to
19 the New Kent County Fair, which was held the first
20 two days of the meet, but if you normalize the
21 numbers and kind of take the fair attendance out of
22 the equation, I think they were still up a couple
23 people on a per-day average, so I think that was a
24 good sign to see.

25 The next three, four items, you can use a

1 per-day average, but when I was looking at
2 Dr. Harden's report, I noticed that the number of
3 races in 2010, we ran 304 races in 28 days, compared
4 to 367 races over a 36-day period in 2009.

5 So in essence, what they did was this year,
6 they ran almost 11 races per day, where last year,
7 it was slightly over ten races per day. So if you
8 use a per-day average on these numbers, I think the
9 better thing to do is use a per-race average.

10 The number of days was a 22 percent decrease,
11 whereas the number of races was only down 17
12 percent, because again, they ran more races per day
13 than they did the year before.

14 So when you look at the on-track, on the live
15 wagering, the per-day average was only down \$100 per
16 race for a decrease of five percent.

17 I think Mr. Chairman asked two meetings ago
18 how the people here were betting on the live racing,
19 and if you look at the percentage decrease on the
20 live here on-track, as compared to the next item,
21 which is the wagering at the SWFs, you can see that
22 the decrease was not as great here at the track as
23 it was on SWFs.

24 The out-of-state wagering was down 23 percent
25 on a per-race basis. Altogether, all sources on a

1 per-race basis, they were down 19 percent.

2 But I think the good thing is that they ran
3 more races per day and they actually had more horses
4 per race; 8.5 per race in 2010, compared to 8.3 in
5 2009.

6 If I could get you to turn to Tab Seven in the
7 book, I just wanted to briefly show what I say is
8 some good news in the top section here, where you're
9 looking at the total handle from the bricks and
10 mortar site.

11 The decline in October was only
12 eight-and-a-half percent and the decline in November
13 was four-and-a-half percent and I think I noticed a
14 trend a couple months ago where I thought the
15 percentage decrease was gonna continue to get
16 smaller, so hopefully to the point where we'll
17 bottom out and hopefully start to show some
18 increases in the future.

19 My next item is the final report from our
20 Standardbred judges. The report was prepared by
21 Mr. Hickman, who was the presiding judge.

22 I think it's a good report from Mr. Hickman.
23 The very first sentence is: From the Judges'
24 perspective, the 28-day meet went very well. I
25 think that really sums it up in a nutshell.

1 The one item I'd like to bring your attention
2 to is the new paddock procedure that we instituted
3 this meet. This was a combination of Joe Roney and
4 Pat Kelleher from Colonial Downs and the judges from
5 last year, where we just decided that we wanted the
6 paddock to be a more secure environment.

7 So what we do is well before the races start,
8 we lock down the paddock and there's only one way in
9 and one way out. One of our employees is stationed
10 there and they scan the participants' badges going
11 in and out of the paddock and the drivers are
12 breathalyzed at that point.

13 It just gives us a better feeling to know that
14 only the people that should be in there are in
15 there. I think that went very well, and again, I
16 want to thank Pat for his efforts and Colonial Downs
17 as well for making that a good change for this year.

18 Other than that, I'd be happy to try to answer
19 any questions the Commissioners or anyone might have
20 on this judges' report.

21 MR. BURNETT: Questions?

22 MR. BROWN: I'd like to know what BOQ means.

23 MR. BURNETT: Yeah. We've got a question and
24 an observation. Mr. Brown and I would like to know
25 what BOQ means.

1 MR. LERMOND: BOQ is when a horse breaks after
2 a qualifying race.

3 Breaking, for everyone that doesn't know, is
4 when in a pacing race, when the horse goes
5 off-stride and will start to gallop or sometimes
6 they'll say he's running.

7 It's to protect the bettors, because really,
8 once a horse breaks, the chances of that horse
9 coming back and winning the race are -- It can
10 happen, but they're not very great. So if a horse
11 breaks two races in a row, that's repeated breaks.
12 They have to go on a list which means then they have
13 to requalify and run a qualifying race under a
14 certain time and without any breaks.

15 MR. BURNETT: So Break On Qualification means?

16 MR. LERMOND: I think it's break after or
17 break on. It means the horse breaks the very next
18 race after he's qualified successfully, so he's got
19 to go back and qualify again.

20 MR. BURNETT: If you'd taken just two more
21 breathalyzer tests, we'd be at 1/1000, if I'm not
22 mistaken, positive testing on breathalyzers. In
23 fact, we're slightly less than that, so you have to
24 move the decimal over to .0009.

25 Doc, did I do that right?

1 DR. HARDEN: Yes, sir.

2 MR. BURNETT: Thank you. Appreciate that.

3 And while we've got the doc on the spot over
4 here, I notice that Mr. Hickman said there was one
5 accident and Dr. Harden's report said there were
6 none, and so because the way I reconcile that is
7 that -- said both horses and drivers were not
8 injured; therefore, I assume an accident in the
9 doc's report would require some level of injury.

10 DR. HARDEN: Yeah. Basically, if I don't pick
11 up the pieces, I don't make a note of it.

12 MR. BURNETT: There you go. That works. Good
13 standard.

14 MR. BROWN: I like that.

15 MR. BURNETT: Thank you.

16 MR. LERMOND: Fair enough.

17 The next item is, coincidentally, Dr. Harden's
18 report on the Live Harness meet. Did you want to
19 say a few words to that?

20 DR. HARDEN: Yeah. As everybody knows, 2010
21 was a tough year for horse racing, particularly the
22 Harness racing.

23 We raced fewer days, the fewest days we've
24 raced since 2003, and we had the fewest number of
25 horses available for our entry box than we've ever

1 had.

2 We had 575 horses that were available to race.
3 Given the handicap we're starting with, I think the
4 horsemen did an excellent job. I think they pulled
5 together and worked hard and put off what I consider
6 a pretty good meet under the circumstances we were
7 dealing with, and so I commend everyone in that
8 aspect.

9 So far as the glitches, we still need to
10 smooth out a little bit of the logistics if we're
11 gonna continue the have steeple chase racing on
12 Harness days. There's just too many things that we
13 plan out and then we change on race day or too many
14 things we haven't thought about that happen on race
15 day and so we still need to work on that.

16 It was a little rough this year. We had post
17 times they changed three or four times in the week
18 immediately prior to the day, and finally when the
19 post times were set, we set the times and all the
20 horsemen were planning and everything and then on
21 race day, the post times get changed almost as we're
22 going, so that was pretty disconcerting to the
23 veterinary teams, as well as the horsemen trying to
24 race, and so it's just we need to get a little
25 better logistics if we're gonna continue that.

1 Basically though, I thought we had a very
2 clean meet. We had one drug positive and this was a
3 case that a trainer got the horse in on Thursday and
4 raced on Friday, opening day, and as we investigated
5 the situation, the owner had given the horse
6 Naquasone Sunday, Monday, Tuesday before the trainer
7 got it and so it was just quite a mistake on the
8 owner's part, but at any rate, that was the only
9 positive we dealt with for the meet, so we were very
10 pleased with that.

11 And the only other concern, we've always had a
12 shortage of private veterinarians at the Harness
13 meet and we had two veterinarians who are licensed
14 trainers and they both grumbled that they have to
15 pay a vet to treat their horses.

16 So next year, they're considering turning
17 their training stable over to their spouse or to
18 someone else as the trainer and they have a
19 veterinary license.

20 This is an area that's a little bit gray in
21 our regulations and I would like sometime during the
22 winter for us to sharpen up that particular rule to
23 address that.

24 Anyway, thank you all very much.

25 MR. PETRAMALO: Wasn't that rule -- Wasn't

1 that rule changed? Didn't we talk about changing it
2 to permit a vet to treat his own horses but no other
3 horses?

4 DR. HARDEN: We had begun to discuss --

5 MR. BURNETT: Yeah.

6 DR. HARDEN: -- it, but we never, for various
7 reasons, were never able to get it completed.

8 MR. BURNETT: There are interesting
9 connections between spouses and prohibitions related
10 to spouses that are sort of scattered about in the
11 code, so we need to have a look at that probably.

12 DR. HARDEN: Right.

13 MR. BURNETT: Doc, one question about the
14 surface that you commented on, certainly for the
15 benefit of the horses. Softening the track pad
16 towards the end of the meet would make sense, it
17 seems to me.

18 I would anticipate that horsemen might object
19 to that and that it might have some impact on
20 veterans and handicappers as well. Do you have any
21 comment on that? I understand the salutary purpose
22 of making that track less hard.

23 DR. HARDEN: Well, I wouldn't consider
24 softening it to the degree that it would be
25 perceptively obvious to, you know, to bettors or

1 whatever, but some of the horsemen actually were
2 complaining that it was too tight. Towards the end
3 of the meet, some of those horses, their feet were
4 stinging pretty badly when they're racing.

5 Particularly, when you've got short -- you
6 have a number of horses and they're racing back
7 twice a week, some of them, and so my concern was
8 for the comfort and welfare of the horses.

9 I've grumbled and griped about racing so
10 frequently and I've lost that battle so many times.
11 I'm trying to look at a different direction.

12 MR. BURNETT: Maybe you're not the right
13 person to ask, but maybe you are. How difficult an
14 undertaking -- From where I sit, it strikes me as
15 quite harrowing.

16 DR. HARDEN: That's my perception as well.
17 I guess the trackmen would probably have a better
18 insight into it, but I would think they could just
19 scratch it a quarter inch deeper or something.

20 MR. BURNETT: Okay. Thank you. I hope you'll
21 bring it up as we go forward in the future, because
22 it seems like a simple way to give greater longevity
23 to the horses.

24 Any questions of the doc?

25 MR. MILLER: Before we leave racing, the race

1 meet, one negative in the report was the problem
2 with the starter and it was -- They suggested
3 listing the complaints. Are we going to do
4 something about it or was something done about it or
5 will this be addressed, other than the fact that
6 apparently, the starter had a medical problem?

7 MR. LERMOND: The starter is an employee of
8 Colonial Downs, not the Commission, and those people
9 are approved each year by the Commission before the
10 meet starts.

11 I think we wanted to bring it to Colonial's
12 attention.

13 MR. STEWART: Mr. Boucher's [ph] been our
14 starter since the inception of Harness racing at the
15 track. He does have some medical issues. We were
16 not aware of the exact extent of those until he
17 arrived on the property; however, I believe his
18 brother-in-law was filling in for him. I certainly
19 hope Billy can bounce back.

20 MR. MILLER: So you're aware of the magnitude
21 of the complaints and you've looked in to it and
22 you're determining whether or not they're
23 significant or if there is any substance to the
24 complaints?

25 MR. STEWART: I'm not aware of the complaints.

1 I'm aware of Billy's medical condition.

2 MR. MILLER: They said the gate's going too
3 slow, the gate's going too fast. It must be in
4 between. Every other week a new starter and drivers
5 cannot get used to the change. Starters leaving
6 horses, should have had more recall. Those things
7 will be looked in to, I guess, by someone.

8 MR. STEWART: I will certainly handle our end
9 of it. I don't know to what extent the judges and
10 -- where their authority begins and ends and where
11 ours takes over, but I'll certainly make sure in the
12 future that it is handled.

13 MR. BURNETT: Why don't we plan on getting
14 ourselves clear on where the authority starts and
15 ends so that we can avoid this?

16 I'm hearing from the track that they'll do
17 what needs to be done and I assume Mr. Hickman will
18 do what needs to be done, but I think we need to do
19 a little bit more than hope for someone's help and
20 hope that things work out.

21 I think we need to, for the safety of the
22 horses and for the benefit of racing, need to look
23 in to it and satisfy ourselves that the starter is,
24 through the experts who know these things, is fully
25 capable of doing the job in a satisfactory way.

1 So if we can just chase it down and let the
2 judges have adequate input once they're appointed
3 and have the track have adequate input and hope to
4 have this paragraph removed next year.

5 MR. LERMOND: Mr. Boucher is an excellent
6 starter and I could just tell that he just wasn't
7 himself this week. He really wasn't and I think
8 Mark saw that, too.

9 MR. BROWN: In his defense, he's a grand
10 horseman, but he's had some health problems and I
11 think that's something worth checking in to. And
12 there are some people that I know that I can call to
13 find out what kind of shape he is in. That
14 shouldn't be a problem.

15 MR. BURNETT: Great.

16 MR. LERMOND: It's difficult for the horsemen
17 when you have one starter one week and then somebody
18 else fill in the following week, because each guy's
19 just slightly different and you get used to the way
20 he's gonna do things and it makes it more difficult.

21 MR. MILLER: Well, I only brought it up since
22 it's in the report. We should make sure that it's
23 addressed.

24 MR. BROWN: Absolutely.

25 MR. LERMOND: I think Mr. Hickman thought it

1 was important enough to put in there. I'm glad you
2 brought it to our attention.

3 MR. SIEGEL: Mr. Chairman, we had a rather
4 lengthy discussion about safety on the path. The
5 comment in the report is that signs were posted
6 eliminating training on the path.

7 Was that the end of it? Were there issues?
8 Did the sign do the trick? You know, speed limit
9 sign doesn't always stop speeders. I don't know
10 what the outcome there was.

11 MR. RONEY: Mr. Chairman, Commissioner, what
12 happened was, we would occasionally take a ride back
13 on the backside along with Colonial Downs security,
14 and if we saw somebody that was on the path, we
15 would give them a warning and then if we caught them
16 a second time, then we'd bring them before the
17 stewards.

18 But again, we couldn't be back there 24/7, so
19 it was kind of hit and miss, but for the most part,
20 I think there was one person back there that was
21 training that was going back the cart path when they
22 shouldn't have been and they were just given a
23 verbal warning at that point.

24 MR. SIEGEL: It was clear to everyone that the
25 rules had changed?

1 MR. RONEY: Yes. Oh, yes.

2 MR. SIEGEL: And there would be penalties?

3 MR. RONEY: Definitely. It was addressed by
4 the judges during the trainers' and drivers' meeting
5 prior to the opening of the meeting.

6 MR. SIEGEL: There was also a discussion about
7 having an ambulance available and I can't recall how
8 that ended. There was gonna be some discussions
9 about it, I think between the horsemen and the
10 track. Did anything get resolved there?

11 MR. STEWART: Yes, it just did. The ambulance
12 was there and I think that expense was covered out
13 of the Benevolence Fund.

14 MR. SIEGEL: Good.

15 MR. KELLEHER: Once we shut down the path and
16 they made the arrangements, the ambulance was there,
17 they got the extended time and that's probably one
18 of the reasons that we didn't have many on the path
19 after that.

20 They were using the track and so Jack King,
21 the supervisor back there, made a concerted effort
22 to keep people -- As Joe said, they checked it
23 periodically, so I think people got the message and
24 they were able to adapt to it.

25 MR. SIEGEL: Good.

1 MR. BURNETT: All right. Anything further on
2 that item?

3 NOTE: There was no response.

4 MR. BURNETT: Mr. Lermond, I think your last
5 item was the ADW extension.

6 MR. LERMOND: That's correct. It's kind of a
7 housekeeping item.

8 In October, the Commissioners decided that we
9 would wait until the January meeting to hear the ADW
10 licenses and to do that, we just need a motion from
11 someone to extend the current licenses until the
12 January meeting.

13 MR. BURNETT: All right. The Chair would move
14 to extend the existing ADW licenses that are in good
15 standing -- to my knowledge, they all are -- until
16 our January meeting for further action on any
17 renewals.

18 MR. MILLER: Second.

19 MR. BURNETT: And moved and seconded. All in
20 favor, indicate by saying aye.

21 NOTE: All indicated by saying aye.

22 MR. BURNETT: All right. That motion passes
23 unanimously.

24 Anything further, Mr. Lermond?

25 MR. LERMOND: No, thank you.

1 MR. BURNETT: All right. We'll move to the
2 Stakeholders' section. The first item is Colonial
3 Downs' review of the 2010 Harness meet.

4 MR. STEWART: Dave went through the
5 statistics, so there's not a whole lot more to say
6 on that score.

7 We did shoot some video this year. There's
8 always a risk of the presentation not working, so
9 we'll see if it turns on or not. See if we can fire
10 it up. This is Paul. He handles all of your
11 Internet. We've assigned him to this task.

12 MR. SIEGEL: See how good he is, right?

13 MR. STEWART: Perform under pressure. We're
14 looking good.

15 MR. BURNETT: Give that man a raise.

16 MR. STEWART: I thought it might be kind of
17 nice to give you sort of a flavor of what the
18 Harness meet looks like for those that maybe didn't
19 make it out quite that often.

20 We opened the meet with the New Kent County
21 Fair on Friday and Saturday. Friday, we had our
22 third highest attendance, about 830 people, and
23 Saturday, we had our highest attendance, 2,362.

24 Had a lot of families out, had a lot of kids
25 having fun. It was a nice atmosphere, nice day,

1 good event.

2 Okay. Another day we shot here was a
3 Wednesday. It turned out to be kind of a rainy
4 afternoon. Not a lot going on. I guess the horses
5 were still out there running. Just gives you a
6 sense of what it looks like at the racetrack.
7 Turned out this actually had our highest Wednesday
8 out-of-state handle; over \$70,000.

9 MR. PETRAMALO: What was the post time on
10 Wednesdays?

11 MR. STEWART: We were running at one o'clock.

12 Then I think the next one coming up here is a
13 Saturday. This is our first poker tournament. We
14 ran a couple poker tournaments to kind of increase
15 the interest, get some more folks out to the track.
16 We raced at five o'clock on Saturday and Darryl,
17 what time did poker start?

18 DARRYL: After the fifth race.

19 MR. STEWART: See, we got a lot of people out
20 there playing. Nice crowd. We had about 670 people
21 out there.

22 The following Saturday, the 9th of October, we
23 had a casino night, brought in a casino vender, set
24 up on the fourth floor.

25 It was a good event. It was a beautiful

1 night. I actually brought my family out here that
2 night. We didn't stay at the casino. My
3 eight-year-old wasn't really interested. She had a
4 nice time. We all had a good time, too.

5 There was a live handle of \$30,000 that night.
6 That was the highest of the meet, except for the
7 Breeder's Cup day.

8 MR. BURNETT: How did you do attendance-wise
9 that casino night; do you recall?

10 MR. STEWART: Six ninety-three. It was a good
11 atmosphere up on the fourth floor. People were
12 having fun.

13 MR. PETRAMALO: Is that actual wagering at the
14 casino? How does that work?

15 MR. STEWART: You play with play money,
16 unfortunately.

17 MR. BURNETT: Championship points. Is that
18 how it ends?

19 MR. STEWART: Something like that.

20 Next, we have shot of a Wednesday afternoon.
21 We raced at one o'clock. It was kind of a beautiful
22 day. It was a really nice afternoon in the fall.

23 Then we've got coming up some shots from our
24 second poker tournament. We had two poker
25 tournaments. This was a Saturday night.

1 We had a few more people than we had at the
2 first one. A little over 800 folks came out and
3 they actually bet a little more than they did the
4 first time. Poker has been a good draw for us.
5 We've done it both for Thoroughbreds and for the
6 Harness, and you know, if nothing else, we sell a
7 little beer.

8 MR. BURNETT: Do you attribute the increase to
9 people coming the first time, liking it, coming
10 back, telling friends, that kind of phenomenon?

11 MR. STEWART: Yeah, that's generally how it
12 works. Like I said, we've done it over the last
13 couple years and had reasonable success with it.

14 MR. REYNOLDS: Is the poker money play money
15 as well?

16 MR. STEWART: Oh, absolutely. Absolutely.
17 We can't charge admissions. We can't have people
18 pay in order to play. We have to make sure the
19 players don't get charged admission.

20 Then the 24th, it's a beautiful Sunday
21 afternoon. We had about 655 folks come out for the
22 races. They bet a little over \$30,000.

23 Then Halloween, a Sunday afternoon. It was a
24 pretty day. Attendance was a little light. We had
25 400 people. I guess people were out getting ready

1 for trick or treating, though we did pass out candy
2 to all the kids that came through.

3 MR. BURNETT: Do you know what the handle was
4 that day, Ian?

5 MR. STEWART: We handled 27,000 and
6 out-of-state, we did 78,000, which wasn't too bad
7 for out-of-state.

8 Then we've got Breeder's Cup Day. Throughout
9 the meet, both the track and the field OTBs ran a
10 promotion called Harness Bingo.

11 Basically, we passed out a Bingo card and
12 based on various events, whether a particular driver
13 won or a typical, you know, there was a payout that
14 exceeded a particular number, you marked off a
15 square on your Bingo card, and so this was fairly
16 popular and this was the culmination of it.

17 We actually gave away a car coming up here.
18 On Breeder's Cup Day, we did have our largest live
19 handle and our largest handle for people betting,
20 obviously, the other races, the Breeder's Cup races.

21 MR. SIEGEL: What was the live handle?

22 MR. STEWART: 53,000 and they bet another
23 103,000 on simulcast. Probably 85 percent of that
24 was on Breeder's Cup.

25 MR. MILLER: What was your attendance that

1 day?

2 MR. STEWART: 1,207.

3 MR. BURNETT: How about signal sales?

4 MR. STEWART: 73,000, which is about average.

5 So we culminated our presentation by giving away a
6 car.

7 MR. SIEGEL: People registered for it?

8 MR. STEWART: Yeah. You had to qualify. I
9 guess Darryl explains how we did it, but you had to
10 qualify by filling out your Bingo card.

11 MR. BURNETT: How many eligible participants?

12 MS. BOUZEK: One from each site and two from
13 the track. Right, Darryl?

14 DARRYL: Yeah.

15 MS. BOUZEK: One from each OTB.

16 MR. BURNETT: So it was narrowed to 10 or 12?

17 DARRYL: It was a season-long deal at the OTBs
18 every Wednesday.

19 MR. SIEGEL: Did you have to be present to
20 win?

21 DARRYL: No. We contacted the winner at each
22 OTB, invited them out.

23 MR. SIEGEL: Oh, I see.

24 DARRYL: Everyone showed up to win a car, of
25 course.

1 MR. SIEGEL: Oh, good. It was limited down to
2 a random group and then there was a drawing from
3 that group?

4 DARRYL: Yeah. One per site.

5 MR. STEWART: That gives you kind of a flavor
6 of what the Harness meet was like this year.

7 If I can answer any questions.

8 MR. MILLER: How did your handle on the fair
9 days -- How many fair days to compare with other
10 days? Did the people that came to the fair bet
11 much?

12 MR. STEWART: Well, I guess it depends on how
13 you look at it. Each individual person probably
14 didn't bet that much, but if you have a lot of
15 people betting a little, you get a bigger number.

16 MR. MILLER: But did the total go up? The
17 total; was it favorable, comparable to the other
18 days?

19 MR. STEWART: Yeah, it was. The fair day, if
20 you add the on-track live plus what they've bet on
21 the simulcast, it was a little over 43,000, which I
22 believe was the biggest day. That combined handle
23 was bigger than any day, except for Breeder's Cup
24 Day.

25 MR. MILLER: Did your restaurant open on all

1 those days? Did a lot of people eat meals? Was it
2 a pretty big, full meal day or not?

3 MR. STEWART: On Saturdays and Sundays, we
4 opened the fourth floor. It's okay.

5 MR. MILLER: It's holding it's own. Okay.

6 MR. STEWART: It's okay.

7 MR. BURNETT: I'm doing some math in my head,
8 similar to perhaps Mr. Miller. Let me just walk
9 through a day with you, because I think it
10 demonstrates what a challenge you all have.

11 Let's assume that live takeout is roughly 20
12 percent and the track gets to keep roughly
13 10 percent, for easy math.

14 MR. STEWART: More like about eight, but
15 whatever works for you.

16 MR. BURNETT: That's fine. So pick a day.
17 Any good day. Say Halloween; that was 450 people,
18 something like that.

19 MR. STEWART: Right.

20 MR. BURNETT: You did on track that day how
21 much wagering?

22 MR. STEWART: We did \$28,000.

23 MR. BURNETT: All right, so let's make it 30
24 and multiply by eight. That's 2,400 bucks --

25 MR. STEWART: Right.

1 MR. BURNETT: -- for the track. Then what did
2 you do on simulcast?

3 MR. STEWART: \$80,000.

4 MR. BURNETT: So a similar number?

5 MR. STEWART: Yeah.

6 MR. BURNETT: So eight times eight is --

7 MR. PETRAMALO: No, no, no.

8 MR. STEWART: You get another \$2,400.

9 MR. BURNETT: Oh, \$2,400. Then you've got
10 signal sales.

11 MR. STEWART: That's what it is.

12 MR. BURNETT: I'm sorry. That's signal sales.
13 What did you do for out-of-state wagering?

14 MR. STEWART: That was combined in the first
15 number I gave to you.

16 MR. BURNETT: Okay, so that's all of it.

17 MR. STEWART: That's all of it.

18 MR. BURNETT: All right. So to keep that
19 cavernous facility open with -- and having to pay,
20 you know, Jeanna and Pat's salaries and things like
21 that, you've got a grand total of \$4,800 for
22 operating that whole operation, plus what you might
23 make on concessions; is that a fair generalization?

24 MR. STEWART: Right. Yes. That's not far
25 off.

1 MR. BURNETT: And approximately how many
2 employees do you have being paid during a given
3 meet?

4 MR. STEWART: I guess Jeanna can speak to
5 that.

6 MR. BURNETT: About. I don't mean at SWFs.
7 I mean just right here on the facility. A bunch of
8 people, right?

9 MS. BOUZEK: Oh, yeah, because you have to
10 include the race office, security.

11 MR. KELLEHER: The race office, security,
12 restaurant.

13 MR. BURNETT: Thirty, 40 people, 50?

14 MS. BOUZEK: Fifty, at least.

15 MR. BURNETT: When you say 50 at least --

16 MS. BOUZEK: Well, International Sound. You
17 know, they're all our employees.

18 MR. BURNETT: You've got less than \$100 per
19 person you're taking in, as far as people here at
20 the meet. It's just consciousness raising is all
21 I'm doing.

22 I picked a random day. I'm sure there are a
23 lot of days that are worse than that and there are
24 some days that are better, but for what that's
25 worth.

1 All right. Do we need to do anything further
2 with Item A, the review of the Harness meet? Any
3 further questions?

4 NOTE: There was no response.

5 MR. BURNETT: All right. Unless you have more
6 to offer, Ian, let's move on to the presentation of
7 Race Day Requests for 2011.

8 MR. STEWART: Okay. Submitted a letter, I
9 guess a month or so ago, that outlined our proposal
10 for 2011 and submitted another letter yesterday that
11 basically is essentially the same thing.

12 I guess where Colonial Downs is at this stage,
13 I think it would be in everybody's best interest,
14 both the track and the horsemen, to combine the
15 meets similar to what they do at Woodbine.

16 I think there would be tremendous
17 efficiencies. I think that you would have a number
18 of advantages.

19 First, for example, and we would propose
20 combining it in the fall. It could be done in the
21 summer. My understanding is it would be a little
22 more difficult to attract harness horses in the
23 summer, but you could do it in the fall. We could
24 avoid the extreme heat, which is kind of hard on
25 both the horses and the fans.

1 I think there's a number of people who have
2 just simply given up trying to get to Colonial Downs
3 on a summer afternoon. The traffic is horrendous.
4 There's just no question about it.

5 I think it would be very beneficial for
6 Standardbred racing, because I think they would be
7 able to piggyback a little bit on the larger fan
8 base of Thoroughbred racing tracks.

9 We would create some significant operating
10 efficiencies to make Standardbred racing a more
11 attractive live product for Colonial Downs.

12 Just to digress slightly. In my opinion,
13 Standardbred racing generates -- It has fans and it
14 generates revenue, but it's very difficult to
15 sustain itself by itself, but if you were to combine
16 it as kind of an add-on to the Thoroughbred meet,
17 then all of a sudden, I think it becomes something
18 that generates some incremental revenue for us all.

19 Perhaps to use sort of a bad analogy, it's
20 kind of like if you set up a popcorn stand on the
21 corner and were selling popcorn, you might not do as
22 well, but if you take that popcorn and you put it in
23 a movie theater, all of a sudden, you're making a
24 pile of money. Anyway.

25 It would also -- moving to the fall -- would

1 eliminate the need for gap funding for a
2 Thoroughbred meet and the overall cost savings would
3 really enhance the viability of racing.

4 All of that being said, it's obviously easier
5 said than done and we've spent a fair amount of
6 time.

7 Jeanna's assembled a team. How long you been
8 working on this? Probably since the summer she's
9 been working on it. We've looked at a lot of
10 different alternatives.

11 We've looked at moving, having some racing at
12 the state fair and maybe at the county fairs around
13 the state. You could see the New Kent County Fair
14 was a good event, something we could build upon.

15 We've looked at a number of ways that perhaps
16 we could reconfigure our current facility. Perhaps
17 building a Standardbred track in the infield, use
18 the main track for Thoroughbred dirt racing and
19 training.

20 We could build a dirt track in the infield and
21 use the main track for Standardbred racing.

22 We could build a dirt training track in the
23 infield and just have turf racing and then run the
24 Standardbreds on the main track.

25 We've looked at building a harness track out

1 in the polo field out in front of the property and
2 use that for racing and training.

3 Or possibly building a dirt training track
4 between the main track and the turf course. There's
5 a number of permutations here that, you know, we're
6 working through, we're getting cost estimates on.

7 So I don't have for you this morning what my
8 recommendation is, but I guess what I would hope is
9 that perhaps you all could give us another 30 days
10 to crack through this and we'll bring you a
11 recommendation in January, and the recommendation in
12 January may very well be we can't do it.

13 But I think when you look at sort of the macro
14 environment that racing is in this country and you
15 look at what's going on in Maryland, what's going on
16 in New York, what's going on in New Jersey and ask
17 ourselves, well, how do we avoid putting ourselves
18 in those positions, and I think that the only way we
19 can do that is we've got to try to stay ahead of the
20 curve a little bit. We can't wait for all the
21 forces to catch up to us like they've caught up to
22 them out there.

23 At the end of the day, really, and I guess
24 I've been saying this for a number of years and you
25 have all heard me say this probably a number of

1 times, but for racing to succeed, it has to succeed
2 for everybody and it has to succeed economically for
3 the track owner and I just think that this is
4 something that we could do that would benefit
5 everybody.

6 So at any rate, that's our race day request.
7 If you don't want to do that, then we basically
8 request that a meet very similar to last year for
9 the Thoroughbred -- Well, I take that back.

10 The Thoroughbred horsemen have come to us and
11 said they want to reduce the number of days. We
12 certainly don't have a problem with that. We want
13 to increase the purse levels, so we both, I believe,
14 are a 33 day meet. We'd like to start on the 4th of
15 June. I believe Mr. Petramalo would like to start
16 on the 11th of June.

17 And then from the Standardbred point of view,
18 we would request 25 days starting in mid September
19 and ending in sort of toward the end of October.

20 Like I said, we would like another 30 days to
21 sort of work on this combined meet idea.

22 MR. BURNETT: Any questions of Ian?

23 MR. MILLER: I didn't note you were talking
24 about the construction of new track facilities.
25 What about the barns? Would you have sufficient

1 barns for a combined race meet for the horses?

2 MR. STEWART: Well, there's a lot of issues
3 and that's one of the ones we're exploring.
4 We've got some ways to deal with that. The number
5 of horses that are actually on the property is
6 always kind of a mystery if you count the noses and
7 the ears and the feet.

8 MR. MILLER: But of course, you're looking.
9 I just didn't see that mentioned there. That's why
10 I asked.

11 MR. STEWART: There's any number of issues
12 that we have to deal with. There's the number of
13 barns.

14 Jeanna, why don't you explore every one of
15 them. Why don't you list them all?

16 MS. BOUZEK: Well, you would need -- Depending
17 on where we put the track, you would need a paddock
18 for harness horses so the receiving barn could be
19 used for the Thoroughbred ship-ins. We would need
20 more temporary housing for the workers on -- for the
21 back.

22 We would need, you know, new timing.
23 Depending on where we put it, new timing. Bleachers
24 if it's out on the polo field. International Sound.
25 I mean it's -- We've looked at everything. To put a

1 temporary paddock, you've got to run hot and cold
2 water to it.

3 Dave's been a great asset. I mean the
4 committee gets together every week and we've, you
5 know, got everything that can come up.

6 I mean what we've talked about is, you know,
7 there's always the possibility of banning horses in.
8 If you go back to banning the horses in, then you
9 don't have as many here and --

10 But we've addressed, you know, we've got
11 quotes for temporary stalls, temporary housing,
12 temporary paddocks, bathrooms, moving tote machines,
13 moving the tote board, moving the irrigation heads.
14 Whatever needs to be done. Every single project.

15 You know, if you go in the infield, you have
16 to move timing, you have to move irrigation, you
17 have to move electric. If you go out front, you
18 have to cut down trees. I mean it's --

19 MR. MILLER: Suffice to say, you're looking at
20 a lot of infrastructure.

21 MS. BOUZEK: A lot. We do have some drawings
22 if anyone's interested in seeing them.

23 MR. MILLER: One more, Mr. Chairman.
24 Have you visited Woodbine?

25 MS. BOUZEK: I've been to Woodbine.

1 MR. MILLER: Have they been -- How many times
2 have they done this?

3 MS. BOUZEK: That's how they run their meet.
4 They have -- you know, they have -- Their tracks are
5 set up with the three tracks. We're set up --

6 MR. REYNOLDS: They've always done it.

7 MS. BOUZEK: They've always done it. Since
8 the Breeder's Cup, which was 12 years ago or
9 something like that.

10 MR. BROWN: It's been longer than that. I
11 remember going up there in '95.

12 MR. PETRAMALO: They have a harness track
13 inside, dirt track in the middle and the outer ring
14 is their turf track and they have a tunnel to get
15 the harness horses into the very inner ring and they
16 solve the stabling problem by having all of the
17 harness horses train at a different facility and
18 ship in for the day racing.

19 SPEAKER: It's mostly night racing.

20 MR. PETRAMOLO: So the Thoroughbreds run
21 during the day and the Standardbreds run at night.

22 MS. BOUZEK: But they have the luxury of
23 having all three tracks there already.

24 MR. PETRAMALO: Right.

25 MS. BOUZEK: What we've got is we have three

1 tracks that have to run on two positions, so we're
2 trying to figure out the most economical way to run
3 both these meets is to run them at the same time,
4 but we only have two surfaces and we have to have
5 three, so.

6 MR. BURNETT: Is there any explanation or
7 ready explanation at this point as to why Woodbine's
8 the only one that has tried this experiment?

9 I mean you've got a guy like Frank Stronack
10 [ph] that for a while seemed to have endless amounts
11 of money for experimentation and I'm curious why
12 this wasn't tried by that conglomerate or
13 Churchill's conglomerate. I don't know the answer.
14 I'm just wondering.

15 MR. STEWART: Well, I guess one answer is that
16 a lot of racetracks only race one breed.

17 MS. BOUZEK: Once the tracks are there, it's
18 not, you know -- Boy, when I went in to this, I
19 thought, okay, I'll find a place to put a track.
20 But boy, oh, boy. You've got catch basins, you've
21 got ponds, you've got, you know, photo finish.

22 You can't just -- I mean it's very expensive
23 to add a track to your existing track. So I would
24 venture to say it's almost starting a new track and
25 to have both breeds, they would follow Woodbine

1 because it's a great model.

2 MR. REYNOLDS: What kind of time frame are you
3 talking about going in and doing this thing?

4 MR. STEWART: The time frame to construct the
5 track is not a huge issue to people we've talked to.
6 I think you can build a track in 60 days.

7 MR. MILLER: Mr. Chairman?

8 MR. BURNETT: Yes.

9 MR. MILLER: Not being a horse owner or ever
10 really -- my daughter was, but how do these breeds
11 get along? Is there any problem?

12 MR. REYNOLDS: The owners or the horses?

13 MS. BOUZEK: Again, that's why we've
14 strategically talked about putting a training
15 facility out front, we've talked about putting a
16 harness track out front.

17 So I'll give you an example. Put the harness
18 track out on the polo field. The harness horses
19 would have the higher barns; 12, 13, 14, 15, their
20 path would be to walk around that way. Their
21 paddock would be over there. Never the two shall
22 cross.

23 MR. MILLER: Is there a problem though if they
24 do?

25 MR. PETRAMOLO: Depends on the horse. Depends

1 on the equipment.

2 MS. BOUZEK: Anything can happen any day.

3 MR. STEWART: It's any number of issues, but
4 when you look at the big picture of what we need to
5 do, we can either take a fairly dramatic step, or as
6 much as I like our annual jousting with Charlie and
7 Frank, we're just fighting over scraps and we're not
8 getting that far.

9 MR. MILLER: Mr. Chairman, as they go on on
10 their endeavor, I'll just say one thing and shut up.
11 I commend you for thinking outside the box because
12 something has to be done.

13 MR. BROWN: Absolutely.

14 MR. MILLER: Maybe this might not be the
15 answer. Maybe you might come back and say we can't
16 do it, but I commend you for looking at the
17 possibility.

18 MR. SIEGEL: Do both breeds sort of think this
19 is a creative idea?

20 MR. STEWART: Well, I can't speak for Frank.
21 Charlie's told me he's very receptive.

22 MR. PETRAMOLO: It's -- Yes. It's
23 interesting, no doubt about it.

24 MR. SIEGEL: And Thoroughbred folks want to
25 reduce the days?

1 MR. PETRAMALO: I can get into my little pitch
2 now, if you want.

3 MR. SIEGEL: Not necessarily. I have never
4 seen that before.

5 MR. PETRAMALO: Well, the answer is quite
6 simple; because our purses are dropping. Our handle
7 is dropping and our purses are dropping.

8 Let me just give you some numbers. Our
9 highpoint here in Virginia was in 2007. We were
10 racing 40 days for an average of \$226,000 a day.
11 This year, we race 40 days for about 169,000, so
12 we're dropping substantially and that's simply a
13 reflexion of the overall drop in year-round handle
14 in the Commonwealth.

15 So what we want to do is at least stabilize
16 it, if not increase it, and the way to do that is
17 you've got the same amount of money; you run fewer
18 days, you run more money per day. That's it.

19 MR. SIEGEL: I guess I sort of made the
20 assumption from Ian's presentation that perhaps the
21 numbers would go up if you combine them, but that's
22 not necessarily the case?

23 MR. PETRAMALO: Well, yes and no.

24 MR. SIEGEL: It's an unknown, I guess as well.

25 MR. PETRAMALO: Well, but, Commissioner, what

1 you have to keep in mind is we live on imports.
2 We don't live on the money generated during the live
3 meet, to a great extent.

4 MR. SIEGEL: Right.

5 MR. PETRAMALO: All of our money comes from
6 the 325 days that we're not racing. That's where we
7 get the money and that's where we've got the income
8 problem. No, it helps, obviously, if we have more
9 handle during the live meet, but that won't solve
10 our problem.

11 MR. SIEGEL: Right.

12 MR. BURNETT: And you're at the mercy, because
13 of that, as an importer, source market fee rates and
14 other rate changes for buying signals to have the
15 SWFs.

16 MR. PETRAMALO: Well, our legislature, in it's
17 wisdom, took care of the source market for us, but
18 yes.

19 MR. BURNETT: On ADW, but at SWF, not
20 necessarily.

21 MR. PETRAMALO: No. That's a problem. The
22 host fees are going up.

23 MR. STEWART: I think what you could see is an
24 increase in harness racing, because once you make
25 the decision to open the door, it's in our best

1 interest really to run as many races as we can. So
2 once we decide to have a Thoroughbred day, we might
3 as well have a harness day, too.

4 MR. BURNETT: Let's pick this off a piece at a
5 time here. I take it that the horsemen are in favor
6 of our acquiescing to their request that we defer
7 any decision until January 15th?

8 MR. PETRAMALO: That's correct.

9 MR. BURNETT: Any objection to that? You're
10 in favor of that?

11 MR. PETRAMALO: That's correct. We agree.

12 MR. BURNETT: My view is we ought to do it. I
13 agree with Commissioner Miller that you all should
14 be commended for thinking in new ways. That's, you
15 know, the circumstances I think dictate that and
16 it's great that you are doing it and I'm all for it.
17 Where it takes us, we don't yet know.

18 My other comment is that we seem to be doing
19 that Einstein law thing that the industry's been
20 doing for a long time, which is we just keep looking
21 at changing how the product is pedaled to the
22 public, without considering the product itself.

23 We've got Bet Fair in New Jersey now making
24 some progress. We've got some new ways that the
25 customer approaches wagering. I think we've got to

1 jump on that piece as well. We're still popping the
2 gate open with 12 horses running in a circle every
3 half an hour and the young people won't tolerate
4 that.

5 We can package it with shopping centers a-la
6 Frank Stronack. We can package it with poker
7 nights, but those are all -- To use the popcorn and
8 the movie theater, you know, you can put that
9 popcorn with a drive-in, with a movie theater, with
10 a NASCAR race, but if people don't want to eat
11 popcorn, it doesn't do you that much good. So I
12 would ask you, while we're doing this creative
13 thinking, be looking at the product itself.

14 We talked a little bit about in-race betting.
15 I think it's something we can do now under our
16 statutory scheme. Bet Fair apparently says, I
17 haven't confirmed this, but about 50 percent of
18 their wagering is in race betting.

19 There's some technological challenges, but
20 we've had demonstrated to us today the great
21 technological competence of Colonial and the ability
22 to make that TV screen to work just like that.

23 I'm sure you can get the technology in the
24 grandstand so the young people wanna come out and
25 hit that button and get that action. It's gonna

1 jack up handle and bring some attention.

2 I don't know what impact it has on those other
3 325 days, but maybe more people would go to SWFs and
4 more people would bet online if they could bet
5 another kind of product, another way of betting to
6 appeal to this younger generation that does
7 everything with a screen in front of them. So I
8 just ask you to look at that and I do favor that we
9 defer and I would so move.

10 MR. BROWN: I'll second.

11 MR. BURNETT: All in favor of deferring.

12 NOTE: All indicated by saying aye.

13 MR. PETRAMALO: Can I ask you a question?

14 MR. BURNETT: Sure.

15 MR. PETRAMALO: How did you come to the
16 conclusion that under the current statute -- or when
17 did you come to the conclusion that under the
18 current statute you can do things like in-race
19 betting? Because I came to the same conclusion.

20 I always thought that we couldn't do it until
21 I read the statute again and it seemed to me that
22 the Racing Commission has got all the discretion in
23 the world to create all kinds of bets other than
24 win, place, and show and trifecta, et cetera. Are
25 we on the same page there?

1 MR. BURNETT: Preliminarily, I think we're on
2 the same page. I think to complete the picture,
3 being able to have discretion over the setting of
4 take-outs would be helpful, and if we're somewhat
5 handicapped or handcuffed by the statute in that
6 regard --

7 MR. PETRAMALO: Right.

8 MR. BURNETT: Mr. Weinberg has been here since
9 the beginning and knows that statute probably before
10 that.

11 MR. PETRAMALO: He's been here before that.

12 MR. BURNETT: So I'd ask you to pipe up if
13 we're missing anything in that analysis.

14 MR. WEINBERG: I thought we agreed earlier
15 that you could do the in-race betting. There are
16 some ambiguities and if we were gonna change the
17 statute, we would fix it to make it clearer, but
18 clearly, we are bound by the 18 and 22 regime.

19 MR. BURNETT: Sure.

20 MR. PETRAMALO: Yes, yes.

21 MR. BURNETT: And much like the physical
22 changes to the facility, I think there are economic
23 and technological considerations of some
24 consideration for some substance for addressing
25 these things, but we're looking comprehensively.

1 Jeanna's been hard at work since the middle of the
2 summer. You know, let's look at the whole thing is
3 my suggestion.

4 Okay. Move on to the next item, the Virginia
5 HBPA. Frank, do you have more to add?

6 MR. PETRAMALO: Well, what I was gonna say is
7 the following: We traditionally have been running
8 in the summer time.

9 We've created a niche for ourselves over the
10 past ten years and it's worked fairly successfully
11 in terms of drawing horses and people here and our
12 initial intent was to go forward in 2011 with a
13 similar plan, although reduced from 40 days to 33
14 for the reasons I mentioned and I submitted a
15 request along those lines today.

16 The only different -- and I've talked to Ian
17 about this and the only difference between us is a
18 week. We wanted three weeks between Strawberry Hill
19 and the opening; Ian suggested two. That's it.

20 But then in the course of that discussion, Ian
21 mentioned this combined meet and I discussed it with
22 -- Robin and I discussed it with our board and our
23 board thought it certainly made sense to look at
24 doing something different and we've had a number of
25 discussions with Ian and we recognize there are

1 options, various options, and there are a ton of
2 problems that we are willing to talk about.

3 For example, one of the problems is if you put
4 a harness track in the inside, how do you get the
5 harness horsemen over the turf course without
6 tearing up the turf; things of that sort, and of
7 course stabling.

8 But we're certainly willing to -- and I
9 believe Charlie Dunavant is, too, based on our phone
10 conversations, willing to look at all of these
11 possibilities.

12 However, I have to state at the outset I'm
13 under strict instructions from my board that there
14 is one very serious, quote, deal breaker and that is
15 if we start tearing up the current configuration and
16 put a dirt track in the interior, a five-eighths
17 dirt track that would be either used for training
18 Thoroughbreds and or racing Thoroughbreds and
19 leaving the outside track, the main track for
20 harness racing, they think that would be absolute
21 suicide in terms of a racing program in Virginia.
22 Other than that, they're completely open to
23 discussing any possibilities.

24 MR. BURNETT: They don't want to return to the
25 bull ring style racing.

1 MR. PETRAMALO: Well, there are a whole bunch
2 of problems with them. Jim was here in the
3 beginning. When this track was built, it was and
4 still is one of the best layed out tracks in the
5 country.

6 It has a huge mile-and-a-quarter outside track
7 and it has got a more than huge turf track. It's
8 the best one in the country.

9 The point is, we don't want to start fooling
10 with that pattern and giving horsemen reasons,
11 additional reasons, not to come to Colonial Downs.
12 One of those reasons would be putting the bull ring
13 in the interior.

14 MR. BURNETT: Understood.

15 MR. LERMOND: Mr. Petramalo, you may feel a
16 little better knowing that our regulations do state
17 that to race on a main track, it's got to be at
18 least a mile in circumference.

19 MR. PETRAMALO: Didn't know that.

20 MR. LERMOND: A training track can be less,
21 but to race and have wagering on, it has to be a
22 mile.

23 MR. PETRAMALO: I didn't want to rain on the
24 parade. I just was compelled to make that point,
25 but --

1 MR. SIEGEL: You're on the record.

2 MR. PETRAMALO: I'm on the record. As the
3 lawyers say, I'm on the record.

4 MR. BURNETT: I want to add one more thing to
5 the record.

6 It strikes me that this complex analysis and
7 undertaking might not be achievable in 2011, but
8 might be achievable in 2012, and so and I'm sure
9 that's something you all thought of.

10 I don't know that we all need to just feel
11 like it's do or die in the next 30 days. I think
12 this is a large and significant undertaking, and Jim
13 as we know being here from beginning, we'll call it
14 sometime in the middle years, the middle ages, we
15 looked at moving the meet back to the summer from
16 the fall and that was a significant undertaking by a
17 lot of people. I recall 20, 25 people meeting in
18 Maryland and elsewhere on repeated occasions to
19 really agonize over the decision and take that risk.

20 So I hope we'll get and I'm confident we'll
21 get every bit of that kind of analysis in this
22 situation and make the decision that's best for our
23 circumstances.

24 All right. Anything further from the Virginia
25 Horsemen -- Thoroughbred Horsemen?

1 MR. PETRAMALO: No.

2 MR. BURNETT: All right. How about the
3 Harness Horsemen? Anyone here to speak on their
4 behalf?

5 MR. LERMOND: Mr. Chairman, I did speak to
6 Ian Woolnough yesterday and just asked him to see if
7 he was gonna submit anything other than the request
8 he did on the 30th of November. He said that if the
9 dual meet thing doesn't work out, that they would
10 stand on the request that they submitted on the 30th
11 of November, which I believe was 38 days in the
12 fall.

13 MR. BURNETT: Understood. Okay. All right.
14 Well, that concludes the presentation of Race Day
15 Requests. Next item is public participation. Any
16 member of the public wish to address the Commission?

17 NOTE: There was no response.

18 MR. BURNETT: Seeing none, I'll move on to
19 setting our next meeting. January 25th; I take it
20 that's a Tuesday. Am I wrong?

21 MR. SIEGEL: It is, Mr. Chairman. I have a
22 conflict with that date, but that doesn't mean we
23 shouldn't go forward if everyone else is here.

24 I'd also like to suggest, as we typically do,
25 set the meeting dates for next year so everyone can

1 have them on their calendars. I don't believe
2 there's anything set beyond this meeting, other than
3 the one you just said.

4 MR. BURNETT: If perhaps you could circulate
5 the fourth Tuesday day of every month, Dave, to all
6 the commissioners so that we've got that as a
7 target.

8 I don't know how my other Fellow Commissioners
9 feel about it, but I think if we're gonna consider
10 this race day request and it could include a
11 substantial change in the way we've done business, I
12 certainly would like to have the full Commission
13 consider it.

14 MR. SIEGEL: Can I suggest the Tuesday before
15 the 18th?

16 MR. BURNETT: I would suggest, because I'm
17 guessing these folks are gonna need every minute
18 they can get from now until then, what about that
19 following day, or are you out that whole week?

20 MR. SIEGEL: I'm actually away from the 19th
21 to the 27th.

22 MR. PETRAMALO: I would be out after the 25th
23 for about a week or ten days.

24 MR. STEWART: I will not be out in January.

25 MR. MILLER: What about meeting later on in

1 the month of January?

2 MR. BURNETT: That's going to push us in to
3 February. What day is the 31st? Tuesday or Monday?

4 MR. PETRAMALO: What about the 24th of
5 January, a Monday?

6 MR. BURNETT: He's out that entire week and
7 you're out the week prior.

8 MR. PETRAMALO: I'm out from the 25th of
9 January -- the 26th of January to February 4th.

10 MR. BURNETT: Well, suggestions, folks?
11 With no offense to my good friend Frank, I'd rather
12 dispense with Frank than with a Commissioner up
13 here.

14 MR. PETRAMALO: That's fine with me.

15 MR. SIEGEL: It's nice to be loved.

16 MR. MILLER: Mr. Chairman, is there a problem
17 with the week of 17th, 18th, 19th, 20th?

18 MR. BURNETT: Of January?

19 MR. SIEGEL: I suggested that. Ian's not
20 available.

21 MR. BURNETT: Just given the amount of --
22 Jeanna's probably sweating bullets here. She's
23 trying to figure out how she's gonna get all this
24 analysis done. You know, Christmas is upon us.

25 MR. MILLER: Who is gonna be gone the whole

1 week of the 24th?

2 MR. BURNETT: Commissioner Siegel, and Frank's
3 not back until the 4th.

4 With the exception of addressing the ADW
5 licenses, which I don't think would be a problem
6 extending further, I don't see any reason why we
7 couldn't push it out as far as the second week of
8 February.

9 MR. MILLER: Have a combined January/February
10 meeting.

11 MR. BURNETT: Have a combined January/February
12 meeting. Is that something that's appealing?

13 MS. BOUZEK: I second the motion.

14 MR. BURNETT: Chair accepts the second from
15 the floor.

16 MR. SIEGEL: I have lots of availability that
17 first week the February, personally.

18 MR. PETRAMALO: February 8th or are you
19 talking the following week?

20 MR. SIEGEL: I'm sorry. February the 8th is
21 good for me, too. I don't know about the rest of
22 you.

23 MR. BROWN: I'm fine.

24 MR. BURNETT: Let's tentatively say
25 February 8th.

1 And now let's revisit, if we could. I take it
2 counsel's gonna tell us that we need to go back to
3 your motion on extending the ADW licenses, because
4 we only extended them through January.

5 If we rephrase that motion to extend them
6 until your next meeting, which is currently
7 scheduled for February 8th. Is there any impediment
8 to doing it that way that you're aware of?

9 MS. DILWORTH: (Shaking head.)

10 MR. BURNETT: All right. Well, we agree that
11 February 8th works for the assembled masses and
12 Jeanna has thirded that motion.

13 MR. SIEGEL: We'll accept her second.

14 MR. BURNETT: Then I would move that our next
15 meeting be set for February 8th and that we extend
16 the existing ADW licenses in good standing through
17 that meeting for consideration of license
18 application for 2011 at that time.

19 MR. SIEGEL: Dave, you're gonna distribute
20 other dates --

21 MR. LERMOND: Yes, sir.

22 MR. SIEGEL: -- for the rest of the year?

23 MR. MILLER: I second it.

24 MR. BURNETT: Moved and seconded. All in
25 favor indicate by saying aye.

1 NOTE: All indicated by saying aye.

2 MR. BURNETT: All right. We are gonna go into
3 a closed meeting.

4 For what it's worth to you all, it's possible
5 this is my last meeting before the Commission in as
6 far as my term runs out this month. If the Governor
7 chooses to act and reappoint me, you'll see me in
8 January. If he chooses to act and not reappoint me,
9 you won't see me, you'll see my replacement, and if
10 he does nothing, you'll see me in January because
11 that's the way it works.

12 MR. MILLER: February.

13 MR. BURNETT: Oh, February. Yeah. February.
14 We've given the Governor some more time, too.

15 MR. PETRAMALO: So is that why we had the
16 doughnuts this morning?

17 MR. BURNETT: That's it. Thank you for the
18 memories.

19 All right. Closed meeting motion. I move, in
20 accordance with the provisions of Section 2.2-3711
21 (A)(1) and (A)(7) of the Code of Virginia that the
22 Commission go into closed session for the purpose of
23 discussion or consideration of prospective
24 candidates for employment and consultation with
25 legal counsel employed or retained by the Commission

1 regarding specific legal matters requiring the
2 provision of legal advice by such counsel.

3 Can I have a second?

4 MR. SIEGEL: Second.

5 MR. BURNETT: Moved and seconded. All in
6 favor say aye.

7 NOTE: All indicated by saying aye.

8 MR. BURNETT: All right. We'll go into closed
9 session.

10 NOTE: The Commission goes into closed
11 session at 10:51 a.m. and reconvenes in open
12 session at 11:30 a.m. as follows:

13 MR. BURNETT: We are back in session. I have
14 a motion.

15 I move the adoption of the following
16 resolution: WHEREAS, the Virginia Racing Commission
17 has convened a closed meeting on this date pursuant
18 to an affirmative recorded vote and in accordance
19 with the provisions of the Virginia Freedom of
20 Information Act; WHEREAS, Section 2.2-3712 of the
21 Code of Virginia requires a certification by this
22 Commission that such closed meeting was conducted in
23 conformity with Virginia law; NOW, THEREFORE, BE IT
24 RESOLVED, that the Virginia Racing Commission
25 certifies that, to the best of each member's

1 knowledge, (i) only public business matters lawfully
2 exempted from open meeting requirements under the
3 Virginia Freedom of Information Act and (ii) only
4 such business matters as were identified in the
5 motion convening the closed meeting were heard,
6 discussed or considered by the Commission in the
7 closed meeting.

8 This is a roll call vote. Mr. Brown?

9 MR. BROWN: Aye.

10 MR. BURNETT: Mr. Miller?

11 MR. MILLER: Aye.

12 MR. BURNETT: Chair votes aye.

13 MR. REYNOLDS: No discussion on that?

14 MR. BURNETT: No discussion. Our meeting is
15 adjourned.

16
17 NOTE: The meeting was then adjourned at
18 11:32 a.m.

19
20 HEARING ADJOURNED
21
22
23
24
25

CERTIFICATE OF COURT REPORTER

I, Sandra G. Spinner, hereby certify that having first been duly sworn, I was the Court Reporter at the meeting of the Virginia Racing Commission at the time of the hearing herein.

Further, that to the best of my ability, the foregoing transcript is a true and accurate record of the proceedings herein.

Given under my hand this 28th day of December, 2010.

SANDRA G. SPINNER
COURT REPORTER