

MINNESOTA RACING COMMISSION
FULL COMMISSION MEETING MINUTES

Wednesday, October 25, 2006

Presidents' Suite
Canterbury Park
1100 Canterbury Road
Shakopee Minnesota 55379

CALL TO ORDER: Chair Hitesman called the meeting to order at 4:09 p.m.

ROLL CALL: Present: Commissioners Hitesman, Kozitza, Leegard, McArdle, McNamara, Sundberg. Absent: Commissioners LeDoux, Preece, Robinson. Also present: Commission staff members Krueger, Beighley.

ADOPTION OF AGENDA: There being no additions, deletions, or changes to the proposed agenda, Commissioner Leegard moved that the agenda be adopted as presented; seconded by Commissioner McNamara. Motion carried.

APPROVAL OF MINUTES – August 17, 2006: There being no additions, deletions, or changes to the minutes of August 17, 2006, Commissioner McNamara moved that the minutes be approved as presented; seconded by Commissioner Kozitza. Motion carried.

REPORT AND RECOMMENDATION FROM THE AD HOC COMMITTEE FOR RECRUITMENT AND APPOINTMENT OF EXECUTIVE DIRECTOR: Chair Hitesman distributed a report giving an overview of the recruitment and selection of the final candidate. The Chair explained that the Ad Hoc Committee had met prior to the Commission meeting today, and had voted to recommend to the Commission that Ms. Mary Manney be offered the position of Deputy Director of the Commission. Commissioner Sundberg moved that the Commission approve the recommendation of the Ad Hoc Committee, and offer the position of Deputy Director to Ms. Mary Manney; seconded by Commissioner Kozitza.

The Chair explained that the Committee had gone through a variety of steps in reaching their decision, including identifying the core requirements for the position. She explained that 45 resumes had been received in response to the position posting, and that the Department of Employee Relations of the State of Minnesota had reviewed all applications received and made a determination that 21 applicants met the minimum requirements. She stated that the Ad Hoc Committee members went through those 21 applications, and selected six candidates to be interviewed over the telephone. She explained that those telephone interviews were conducted on September 29th, and that this had resulted in selecting four finalists for personal interviews. The Chair stated that personal interviews with the finalists were conducted on October 14th and October 16th, and that the interviews had focused on how the applicants' experience met the requirements outlined in the position description. She stated that the Committee had discussed the issue in great detail, and had concluded that Ms. Manney was the candidate that had the most experience in harness racing.

Following discussion, the motion was voted on and carried.

Commissioner Sundberg explained that it had been a difficult decision, because all four finalists would have done a fine job. She stated that harness racing was an important new venture for Minnesota, and Ms. Manney's experience in that industry would be very valuable for the Commission. She thanked the other applicants, and said that the Committee and the Commission was honored to have had their applications.

At 4:20 p.m. the Chair called a recess of the meeting. The meeting was reconvened at 4:27 p.m.

CARD CLUB COMMITTEE REPORT: Commissioner McNamara, Chair of the Card Club Committee, explained that the Committee had met prior to the Commission meeting to consider some changes in Canterbury's Card Club Plan of Operation requested by Canterbury Park. He requested that Jerry Fuller, Canterbury's Director of Card Club Operations, explain the changes requested, which had been acted on by the Committee and recommended for approval by the full Commission. Mr. Fuller explained that the proposed changes included removal of the word "revoked" in Section II, General 1-7,C. Administration, Pages 7 and 10 of the operations plan. He stated the removal of the word was necessary to remove the potential for confusion, and differing interpretations of the language. Mr. Fuller explained that a rule change was requested for the Hold'em game that would allow a player who misses the blinds to re-enter the game. Lastly, Mr. Fuller explained that approval was being sought to delete some job descriptions from the Plan of Operations, because they were redundant and no longer needed.

Following Mr. Fuller's report, Commissioner McNamara moved that the Commission approve the changes to the Plan of Operations for Canterbury Park's Card Club; seconded by Commissioner Sundberg. Motion carried.

ADMINISTRATION COMMITTEE REPORT: Commissioner Sundberg, Chair of the Administration Committee, requested that Mr. Krueger provide an update on the 2007 annual Budget Request that has been submitted to the Department of Finance. Mr. Krueger explained the budget request to the Commission, adding that he and Commissioner Kozitza had met and worked out the format for the budget report. He cautioned that some of the figures in the report would change throughout the year, depending on several factors unknown at this time. Commissioner Sundberg moved that the Committee approve the 2007 Budget as forwarded to the Department of Finance; seconded by Commissioner McArdle. Motion carried.

RACING COMMITTEE REPORT: Commissioner McArdle explained that the Racing Committee had met on September 1st and conducted preliminary discussions on the next round of rulemaking to be considered by the Commission. She explained that the Committee was just starting the process of looking at future rule revisions, and had received some suggestions from Canterbury Park.

Commissioner McArdle reported that the Committee had heard a funding request from the Nicollet County Fair Board for the purpose of purchasing stalls for a newly constructed harness horse barn at the fair grounds. She explained that the amount of the request exceeded the amount of money available that could be granted. Commissioner McArdle reported that representatives of Canterbury Park, who were in attendance at the meeting, suggested that the Fair Board could purchase some of their used stalls that were being replaced, and that this seemed to be a viable solution that the Nicollet County representatives would pursue. She stated that the Fair Board had not contacted the Racing Commission on their decision to obtain the used stalls at a lower cost, and that it was still pending.

Commissioner McArdle then expressed appreciation for the work that the newly reconfigured Board of Stewards had performed during the 2006 live meet. She stated that both the Stewards and track personnel had done an excellent job in dealing with the heat issues during the summer, and making sure that the test barn had adequate equipment for cooling the horses.

Commissioner McArdle explained that a matter before the Commission at this meeting was the adoption of the medication rules and standardbred racing rules that have been in progress for the past several months. She stated that the adopted rules would then be forwarded to the Administrative Law Judge for review as to legality, and would be effective in the near future.

Following discussion, Commission McNamara moved that the Commission adopt the Certifying Resolution Authorizing the Adoption of the Rules; seconded by Commissioner Kozitza. Motion carried. Commissioner McNamara moved that the Commission approve the Order Adopting Rules; seconded by Commissioner Leegard. Motion carried.

UNIVERSITY OF MINNESOTA EQUINE GRANT REQUEST: Dr. Hovda spoke to the Commission. She explained that the Commission was being asked to approve a research grant to study the risks and benefits of swimming for racehorses at Canterbury Park, in the amount of \$9,790.00. She stated that the Commission would be receiving additional grant requests from the University in the near future. She introduced Dr. Julia H. Wilson, of the College of Veterinary Medicine, as the principal researcher for this project. Dr. Wilson explained the scope of the grant request, explaining that the subject of researching the benefits and risks of swimming for racehorses had been virtually untouched by the research community, and this study would provide valuable benefits to the horse industry not only in Minnesota, but across the nation.

In response to a question from the Chair, Mr. Krueger explained how the breeders' fund grant research monies had to be allocated according to law. In further response to the Chair, Dr. Hovda stated that some of the personnel costs involved in the project would be absorbed by persons already on the Commission's payroll. In response to a question from Commissioner Leegard, Dr. Hovda replied that there have been no real base-line studies to determine the effectiveness of swimming for racehorses, and this would be an excellent opportunity to gather data and present it in a meaningful way. In response to Commissioner Sundberg, Dr. Wilson stated that the study would follow horses at Canterbury Park during the racing season.

Nat Wess, from Canterbury Park, added that a recent article in the Thoroughbred Times had featured Canterbury's pool, and said that the study would be of interest nation-wide and would create additional interest in the racing program offered at Canterbury Park. Following further discussion, Commissioner Kozitza moved that the grant request in the amount of \$9,790.00 be approved; seconded by Commissioner McNamara. Motion carried.

CANTERBURY PARK MATTERS: Randy Sampson spoke to the Commission. He thanked the Commission for supporting the grant request regarding the swimming study. He explained that the Commission was being asked to approve a contract between Canterbury Park and MD Barns, to replace stalls in an additional five barns over the winter months. He explained that this would bring the total number of stalls replaced to 1200 since the track was opened. Commissioner Leegard moved that the contract, in the amount of \$363,230.00, be approved; seconded by Commissioner McNamara. Motion carried. Mr. Sampson then explained that Nicollet County representatives had looked at the used stalls talked about earlier in the meeting, but they had not heard back from them on whether they would be accepting the offer. Mr. Sampson stated that Canterbury Park would be happy to donate the stalls to Nicollet County, who could then remodel them to suit their purposes.

Mr. Sampson reported that the Fall Poker Classic was in its final days, and invited to the Commissioners to tour the Card Club after the meeting to view the tournament in progress. He stated that interest in the Classic was good this year, and that entries were up over last year. He stated that the final day of the Tournament was October 26th, and that there were over 400 entries with a \$1,000 buy-in so there would be about \$400,000 in prizes available. He added that they hoped to pursue some legislative changes to allow for more tournaments such as the Classic.

With regard to live racing, Mr. Sampson stated that the 2007 live racing days request had been submitted to the Commission, and requested that the Commission assign the racing days at the November meeting to allow Canterbury Park to begin work on its condition book for the 2007 meet.

Mr. Sampson stated that simulcasting remained flat, and was down a little bit. He stated that Breeders' Cup day races on November 4th would help. Nat Wess stated that, in comparison with Santa Anita race track in California, Canterbury Park had higher attendance at the live race meet. He stated that Santa Anita's handle was higher, because of simulcast, but reiterated that in terms of attracting fans to the track, Canterbury Park was doing an excellent job.

NORTH METRO HARNESS INITIATIVE MATTERS: Mr. Tom Fox spoke to the Commission. He stated that they were presented their modified grandstand plans to the Columbus City Council that evening, and it had been determined that a public hearing would not be necessary on the revisions. He explained that road work was underway on county roads 21 and 23, and explained that Anoka County still needed to review the final plat designs.

Mr. Fox stated that the archaeological work on the site was proceeding, and five additional sites had been looked at and nothing of significance had been found. He stated that they would now begin the grading of the site, 5" at a time, to make additional searches for artifacts. He said that one Indian Tribe had signed off on the archaeological work, but that the Corps of Engineers and another Tribe had yet to sign off.

In response to a question from Chair Hitesman, Mr. Fox stated that they remained optimistic about starting construction this fall, but that it would not be possible to begin after the first hard frost. He stated that they had received two credible financing packages, which were currently under review and consideration by North Metro officials.

END OF MEET VETERINARY REPORT: Dr. Hovda spoke to the Commission, and presented the report and statistics covering the 2006 live meet. She explained that the veterinary staff had performed random testing for milkshaking of horses this year, and of the 201 horses sampled, all were found to have normal test levels, indicating that Minnesota did not have a problem with milkshaking.

Dr. Hovda reported that there was an increase in the number of medication violations this year, which was probably due to the expanded number of medications that could be provided to horses this year. She explained that most of the violations were minor overages, which could occur when trainers were getting accustomed to new medications and new levels of medications. She did explain that one serious bute overage was discovered, and that it had resulted in a claim for a horse being reversed, indicative that Minnesota's equine medication program was working as it was intended. She explained that six quality control checks had been performed on the Commission's testing laboratory, Truesdail Labs, and that all tests had been passed successfully.

Dr. Hovda reported that fourteen horses had died on the backside during the 2006 meet, and that nine of the deaths were due to traumatic breakdown injuries on the track. She stated that she did not have an explanation for this increased number of deaths, but added that it was occurring nationwide, and not just in Minnesota. She stated that she and the Track Superintendent were continuing to investigate the issue, and hoped to have some explanations in the future. Dr. Hovda reported that fourteen horses had run with the Cornell Collar during the meeting, and that it had worked well. She said that the jockeys riding the horses with the Cornell Collar indicated that it had proved beneficial.

Dr. Hovda concluded her remarks, by stating that the retired racehorse program was working well, and that some of the horses were being boarded with Dr. Bowman, some at her farm, and four were currently in foster care.

BUDGET UPDATE – FISCAL YEAR 2007: Mr. Krueger presented the budget for fiscal year 07, explaining the new format worked out with the assistance and input of Commissioner Kozitza. He stated that currently, the Commission was \$19,000 under budget in total for the year. In

response to Chair Hitesman, Mr. Krueger stated that funds for lawsuit defenses would be coming out of the budget.

OTHER MATTERS: Chair Hitesman stated that she had recently attended a seminar on dealing with citizen and public Boards, and would be willing to share information with the other Commissioners if they were interested,

Commissioner Sundberg stated that the Administration Committee would be meeting the first week in November, and reminded the licensees that it would be appropriate to bring legislative issues before the Committee in the near future.

ANNOUNCE FUTURE MEETINGS: The Chair announced that the next meeting of the Commission would be held on November 15, 2006 at Canterbury Park, and that a public hearing would be held on Canterbury Park's 2007 request for racing days. The Chair also reminded that the Commission needed to have a discussion on whether or not to keep the meeting schedule to Thursdays for the entire year, rather than just during live racing.

ADJOURNMENT: There being no further business of the Commission, Commissioner McNamara moved that the meeting be adjourned at 5:25 pm; seconded by Commissioner Kozitza. Motion carried.

ADOPTED THIS 15TH DAY OF NOVEMBER, 2006 BY THE MINNESOTA RACING COMMISSION