

Minnesota Racing Commission  
Full Commission Meeting & Public Hearing

Minutes

Thursday, July 12, 2007  
5:00 PM

Shakopee Police Department  
475 Gorman Street  
Shakopee, Minnesota 55379

PUBLIC HEARING

Chair Hitesman convened the Public Hearing at 5:15 pm. The Chair explained that the hearing was being held to receive testimony on the request by Canterbury Park to amend its racing days request for 2007.

Mr. Eric Halstrom of Canterbury Park addressed the Commission. He stated that the request was for adding two additional races on August 11, at which Arabian Racing would be conducted.

Ms. Pamela Fullerton spoke to the Commission. She expressed support for the amended race days request, and added that approving the races would give Arabian racing the ability to develop consistency and continuity in its racing programs.

Ms. Kristin Glaze also spoke to the Commission in support of the request. She stated that she owned Arabians, and was working toward becoming a trainer. She added that the industry was in support of the request, and that fourteen or fifteen horses could be expected to participate in the two races on August 11th.

In response to a question from the Chair, Mr. Hallstrom explained Canterbury Park would support adding Arabian races to its schedule in future years, and that talks were already occurring with the industry toward that goal. He explained that the purse issue needed to be looked at, and a way found to attract good horses to race for attractive purses.

There being no other persons who wished to speak to the Commission on this issue, Chair Hitesman declared the Public Hearing adjourned at 5:20 PM.

FULL COMMISSION MEETING

Call to Order: Chair Hitesman called the meeting to order at 5:21 PM.

Roll Call: Present: Commissioners Hitesman, Kozitza, Leegard, McArdle. Absent: Commissioners Preece, Sundberg. Also present: Joan Eichhorst, Attorney General's Office; Richard Krueger, Mary Manney, Dr. Lynn Hovda, John Flynn, Mark Custer, Tim Dunn & Sharon Beighley from Commission Staff.

Adoption of Agenda: There being no additions or deletions to the proposed agenda, Commissioner McArdle moved that the agenda be adopted as presented; seconded by Commissioner Leegard. Motion carried.

Approval of Minutes – April 19, 2007: There being no additions, deletions, or changes to the minutes of April 19, 2007, Commissioner Leegard moved that the minutes be approved as presented; seconded by Commissioner Kozitza. Motion carried.

Chair's Report: Chair Hitesman stated that Minnesota had hosted the RCI's Commissioners' Conference on June 20-21. She added that there was a high level of participation by the various racing jurisdictions. She expressed her thanks to Canterbury Park for hosting several of the events during the conference, and also thanked Attorney General Eichhorst for her presentation on the legalities of conducting hearings.

Commissioner Leegard stated that the time spent in watching the horses use the pool, and observing other morning workout routines on the backside, was time well spent and had proved to be very interesting. Commissioner Kozitza agreed, adding that it had given him a greater appreciation for the various roles different people played on the backside.

Executive Director Krueger stated that he was pleased with the level of participation from the various jurisdictions, and added that he had volunteered Minnesota to host the conference again in 2008. He added that the central location was easier for those attending from other parts of the country, and encouraged a higher level of participation. Deputy Director Manney gave her opinion that the conference had gone well, and added that there were some things that RCI could expand on for future conferences.

Mr. Krueger explained that the Pari-Mutuel Auditors from RCI Racing Jurisdictions had also met in conjunction with the Commissioners' Conference. He explained that Tim Dunn, Commission staff member, had been appointed to serve on a Steering Committee on Wagering Security at the national level. Chair Hitesman stated that she would like to see updates from Mr. Dunn on the Commission meeting agendas for future Commission meetings. Commissioner McArdle stated that it would be helpful if future Conferences could be held closer to weekends to enable more people to participate.

Stewards' Report: Mr. Krueger explained that the stewards were unable to attend the Commission meeting, because of the conflict that post times for live racing. He said that 36 rulings had been issued to date, and that one rule was currently under appeal. He informed the Commission that jockey Terry Houghton was expected to apply for a license this weekend. He stated that Mr. Houghton, along with several other jockeys including Derek Bell, who was already licensed by the Commission, was the subject of an investigation by the TRBP regarding alleged race-fixing. Mr. Krueger stated that, since formal charges had not been filed, there was no legal basis in fact to deny a license to Mr. Houghton. He concluded his remarks by stating that they were meant to be informational only at this time.

Veterinarians' Report: Dr. Hovda stated that she had nothing new to report at this time.

#### Action Items:

Request for Funding for HBPA Groom Elite Program: Patrice Underwood, Executive Director of the HBPA, spoke to the Commission about the recently concluded Groom Elite Program. She stated that 30 people had graduated from the class, and that the cost for those 30 students was \$3,995.00. She requested that the Commission grant funding to reimburse the HBPA for the cost of the program. She expressed thanks to Canterbury Park for supplying lunches and other support and material for the classes. Following discussion, Commissioner McArdle moved that approval be given for funding in the amount of \$3,995.00; seconded by Commissioner Leegard. Motion carried.

Appointment of Director of Security: Mr. Krueger explained that M.S. Chapter 240 allowed the Commission to hire a Director of Security. He explained that, since Mr. Pat Shannon had retired from the position, the position had remained vacant. Mr. Krueger recommended that the Commission fill the Director of Security position by appointing Mr. John Flynn to that position. He stated that Mr. Flynn had been with the Commission for the past two years as an investigator, and that he possessed the necessary qualifications and credentials to be the Director of Security. Mr. Krueger stated that some of the duties outlined in Statute were

required to be performed by the Director of Security, and stated that filling the position would ensure that the Commission was fulfilling its statutory obligations. Mr. Krueger stated that Mr. Flynn's resume had been circulated to Commission members.

In response to a question from the Chair, Mr. Flynn explained that he had participated in Scott County's Water Rescue and Training Program, and that he had also received a Meritorious Award from the Shakopee Police Department for his services during a time of transition for the Department. In response to a question from Commissioner Kozitza, Mr. Flynn stated that he had received assistance in preparing his resume from a person on the Shakopee City Council who was now deceased, and that the information and facts contained in the resume were truthful and accurate.

Following further discussion, Commissioner McArdle moved that Mr. John Flynn be appointed to the position of Director of Security for the Minnesota Racing Commission; seconded by Commissioner Leegard. Motion carried.

Act on Canterbury Park's Request for Amended 2007 Race Days: Commissioner McArdle moved that Canterbury Park's Amended Race Days Request, to add two Arabian races to the schedule for August 11, 2007, be approved; seconded by Commissioner Leegard. Motion carried.

Canterbury Park Matters: Mr. Jerry Fuller spoke to the Commission about Card Club activities. He stated that the Card Club was experiencing a seasonal slow down in activity, that seemed to be cyclical in nature, and had to do with people participating in other summer activities. He stated that the player tracking system that had been implemented was working well, and meeting their expectations.

Mr. Halstrom updated the Commission on simulcasting and live racing. He stated that simulcasting continued to be down for the year, and was currently down 8% from the same time period last year. He stated that Belmont Day was a disappointment in terms of wagers. He stated that the attendance for live racing was encouraging, and was up about 6% from last year. He stated that they were struggling to keep up with last year's figures on live handle, adding that they continued to attract a younger crowd in terms of demographics, and that the younger crowd did not make as many wagers as the older and more seasoned players. He explained that other tracks wagering on Canterbury races was up 20% over last year, and that marketing of Canterbury's signal was continuing to be successful. He stated that the 4:00 post time had proven to be a very effective marketing tool in broadcasting the signal to other tracks.

Mr. Halstrom explained that July 22nd was being planned and promoted as "Extreme Racing Day", and that many fun events and attractions were being planned. He added that camel and ostrich races were scheduled to be held that day.

North Metro Harness Matters: Mr. Jeff Halpern spoke to the Commission. He stated that all work on the site was being done under the umbrella of Krause-Anderson, the General Contractor on the project, so there were no contracts to come before the Commission for consideration at this time.

He stated that construction of the grandstand and the track were well underway, and that he was hopeful that it would be completed by April of 2008. He invited the Commissioners to tour the facility when they had their next scheduled work session meeting at the Columbus City Hall.

In response to a question from Deputy Director Manney, Mr. Halpern confirmed that the name of the track would be Running Aces Harness Park.

Budget Updates: Mr. Krueger presented budget updates to the Commission. He stated that through the month of June, the Commission had collected \$19,000 above what was projected, but added that \$230,000 in encumbrances for Fiscal Year '07 were still pending disbursement. He said those expenditures included payroll expenses, testing laboratory expenses, and contractual salaries for stewards and vets, along with some other supply and expense items.

He explained that the Breeders' Fund budget was currently operating at \$1300.00 under budget. He stated that when final figures for '07 were tabulated, the expenses would be very close to the amount originally allotted and encumbered.

Other Matters: Executive Director Krueger stated that the licensing report for April-May-June was available in the Commission office for review by the Commissioners. He stated that about 2300 licenses had been issued as of the current date. In response to the Chair, Mr. Flynn explained that approximately six license applications had been denied.

Mr. Krueger explained that Deputy Director Manney was working with staff from Senator Ann Rest's Committee to take a tour of the track facilities and the Mystic Lake operation on August 10th. He stated that current plans called the group to be at Canterbury Park in the morning, at Mystic Lake in the afternoon, and then back at Canterbury Park for the afternoon-evening racing program. Ms. Manney stated that the group was interested in observing Card Room operations also.

Chair Hitesman stated that at the present time there were only six acting Commissioners. She requested the Commissioners contact the Governor's office regarding the appointment of new Commissioners, adding that time pressures and constraints on the existing Commissioners to attend meetings and work sessions would be increased until such time as a full nine-member Commission was back in place.

The Chair requested that departing Commissioners LeDoux, McNamara, and Robinson be invited to the August work session meeting to be formally recognized and thanked for their service to the Commission and the racing community.

Announce Future Meetings:

It was announced that the next work session meeting of the Commission would be held on Tuesday, August 7th, commencing with a site visit to Running Aces Harness Park at 2:00 PM and a work session meeting at the City of Columbus Town Hall at 4:00 PM.

It was announced that the August meeting of the Racing Commission would be held on Wednesday, August 15th at 4:00 PM, location to be determined. It was noted that Election of Officers was scheduled for this meeting.

It was announced that the September work session is scheduled for Tuesday, September 4th, location to be announced.

It was announced that the September Commission meeting was scheduled for September 20th, location to be determined, but likely to be held at the City of Columbus Town Hall.

Adjournment: There being no further business of the Commission, the meeting was declared adjourned at 6:15 p.m.

Adopted this 15th day of August, 2007 by the Minnesota Racing Commission