

Minnesota Racing Commission

Full Commission Meeting

Thursday, October 18, 2007

4:00 PM

Canterbury Park
Presidents' Suite
1100 Canterbury Road
Shakopee Minnesota 55044

MINUTES

CALL TO ORDER: Vice-Chair Leegard called the meeting to order at 4:10 p.m.

ROLL CALL: Present: Commissioners Duncanson, Hitesman, Kozitza, Leegard, McArdle, Overton, Sundberg. Commissioner Preece participated by telephone. Absent: Commissioner Buhler.

ADOPTION OF AGENDA : The Vice-Chair recommended that item number (5) on the agenda be moved for discussion to after item (10). Commissioner Overton moved that the agenda be adopted as amended; seconded by Commissioner Sundberg. Motion carried.

APPROVAL OF MINUTES – September 20, 2007: There being no additions, deletions, or corrections to the minutes of September 20, 2007, Commissioner Sundberg moved that the minutes be approved as presented; seconded by Commissioner Hitesman. Motion carried.

DISCUSSION REGARDING RUNNING ACES CARD CLUB PLAN OF OPERATION: In response to an inquiry from the Vice-Chair, Mark Custer of Commission Staff stated that the Plan of Operation was ready for Commission consideration at any time. Vice-Chair Leegard said that the Commission would wait until after the 2008 race day request was received and considered, before approving the Card Club Plan of Operations. Commissioner Sundberg commented that the Plan of Operations appeared to be in good shape, and she was looking forward to acting on it when appropriate. Richard Krueger stated that Mr. Custer and Ms. Manney of Commission staff were continuing their review of the surveillance and internal controls portion of the plan, which was not public information. Vice-Chair Leegard stated that if any of the Commissioners wished to review the surveillance and internal controls portion of the plan, they should set up an appointment with Commission staff to do so.

CHAIR'S REPORT: There was no report from the Chair.

VETERINARIAN'S REPORT: Commission Veterinarian Lynn Hovda stated that the vet statistics from the 2007 meet had been furnished to the Commissioners with their agenda packet. She pointed out an error in the report that had been sent, and said the total number of medication violations should be 32, rather than 53. She then explained that the one of the reasons for keeping the data was to look for and analyze trends that were occurring on the backside in relation to the number of horses on the grounds, number of samples tested, etc.

Dr. Hovda stated that 1409 horses had been stabled on the backside during the 2007 meet; that 5,000 starts had been made, and 5,144 pre-race exams had been conducted. She stated that the vets had scratched 120 horses for various medical reasons. She stated that the number of medical violations was really very low, and most of them were for violations of NSAIDS. She

reported that the horse ambulance was used on 37 different occasions, and expressed thanks to Canterbury Park for supplying the two ambulances. Dr. Hovda reported that seventeen horses had died this year, and that nine of them were catastrophic race-related injuries. She added that three skull fractures had occurred, but that no correlation had been found in the conditions leading up to the skull fractures.

Dr. Hovda reported that in the test barn, 130 urine samples had not been collected because the horses had not passed urine during the 1-1/2 time period that they were not in the detention barn. She stated that this issue occurred mostly with the 2-year olds. She stated that 4 horses had been selected for special tests at the request of the stewards, that 15 horses had run with the Cornell Collar, and 87 horses were included in the expanded Lasix program.

In response to Vice-Chair Leegard, Dr. Hovda stated that the number of steward scratches was higher this year, because the stewards made more of the scratch decisions this year than the trainers did, as opposed to previous years when the trainers made more of those decisions. In further response to Commissioner Leegard, Dr. Hovda explained that of the non-racing related deaths, two had died from colic, 1 from a cardiac condition, and one from lower left fetlock joint disease. In response to another question from the Vice-Chair, Dr. Hovda reported that for the horses that did not have urine tests in the test barn, additional blood was drawn from those horses and used for the testing purposes. In response to a question from Commissioner Duncanson, Dr. Hovda stated that all horses that died on the backside were necropsied at the University of Minnesota, and that she personally attended most of those autopsies. In response to Commissioner Overton, Dr. Hovda stated that there did not appear to be any common thread among the 246 horses on the vets list, and that most conditions related to respiratory issues, colic, and eye problems. In response to Commissioner Duncanson, Dr. Hovda stated that vaccinations were not mandated by state law or rule, but that the track could require them if they so desired. She explained that Coggins Certificates were necessary when the horse arrived at the track, as well as current health certificates. She explained that six isolation stalls were on the backside and available for use if necessary. Commissioner Duncanson questioned whether Dr. Hovda was comfortable with the current arrangement of not requiring vaccinations, or if she thought that perhaps the Commission should look at amending its rules to make the requirement. Dr. Hovda stated that her personal opinion was that vaccinations should be required, but added that many of the private practitioners did vaccinate horses on the backside. Dr. Hovda added that the Minnesota Board of Animal Health was not pushing to make vaccinations mandatory, as they were not aware of any problems in this regard.

CANTERBURY PARK MATTERS: Jerry Fuller spoke to the Commission. He stated that the Fall Poker Classic was underway, and that everything seemed to be progressing well. He stated that, not including the current tournament underway, card room attendance had declined about 20%, due in part to the smoking ban. He stated that some promotions were planned for November, in hopes of attracting players. In response to Commissioner Overton, Mr. Fuller stated that the rake had been increased for some of the lower priced games.

Eric Halstrom also spoke to the Commission. He stated that simulcasting continued to struggle, and was down 5% from last year. He stated that the smoking ban did not seem to have too much effect in the simulcast areas as they had feared, but cautioned that the experience was still too new to attach particular significance to those figures. He stated that a tent had been set up to accommodate smokers. Mr. Halstrom stated that the track was continuing to experience increased pressure from internet bettors in the area of simulcast wagers. Mr. Halstrom said that the absence of the Claiming Crown races this year may be a factor in the declining figures, and added that Canterbury would again be hosting the Claiming Crown in 2008.

Mr. Halstrom stated that, with regard to live racing for 2008, they had been meeting and negotiating with the HBPA and were close to having a written agreement on where to start for 2008.

RUNNING ACES HARNESS PARK MATTERS: Mr. Jeff Halpern spoke to the Commission. He said that they would be meeting with Canterbury Park officials in the next week or so to discuss the racing days issue. He stated that he expected the two tracks would be able to come to an agreement regarding racing days and be able to present requests to the Commission. He stated that they had been receiving many inquiries regarding employment at the track, and job applications had been received. He stated that a lot of groups, organizations, and people had toured the track and were impressed with the quality of the facility. He invited the Commissioners to tour the facility at any time, and added that Commissioner Overton would be taking the tour on October 26th. Mr. Halpern said that any local opposition to the track had faded, and residents were now solidly behind the new venture.

Tom Fox spoke to the Commission also. He stated that construction was ahead of schedule, and plans to open the facility in April looked good. Mr. Fox referred to a recent article in the Star-Tribune, and expressed disappointment that the article had focused more on Southwest Casino than on Running Aces Harness Park. Chair Hitesman agreed, stating that she was also surprised at the focus of the article. Mary Manney added that the USTA had published an article about the new track in its latest edition, and that Anoka County was also in the process of preparing some publicity pieces about the track.

In response to a request from the Commission, Ms. Manney stated that she would prepare copies of the Star-Tribune article and email them to the Commissioners.

REVIEW OF REQUIREMENTS FOR ASSIGNMENT OF RACING DAYS: Mr. Krueger stated that, in response to a request from the Commission made at the Work Session Meeting on October 2, he had prepared copies of the Commission's Mission Statement, and the relevant portions of the statute and rule regarding the assignment of race days, and had included them in the Commissioners' packets that were mailed out. He reminded that the Commission would be dealing with three breeds this year in the assignment of days. Mary Manny distributed copies of information she had gathered from other racing commissions around the country, and other tracks, where competition for race days was a factor. She stated that most thoroughbred races occurred during the day hours, and most standardbred racing was held at night. Vice-Chair Leegard stated that she would like to have the race days request before the Commission at its November work session so work could begin on this issue. She stated that the Mission Statement charges the Commission with protecting the integrity of racing, and added that this encompassed trying to insure that both parks were a success. She stated it was important for the Commission to know the challenges that were before them in deciding the race days issue. In response to that question, Mr. Krueger stated that competition for patrons, and pressures on the Commission to provide regulatory staff at both tracks would be issues. He stated that additional Vets, Judges, and Office staff would be needed. Commissioner Duncanson asked whether the Commission would be able to contract with Veterinarians for a set number of days per year, perhaps similar to what was done at the State Fair. Dr. Hovda stated that there was no way the current Commission veterinary staff could handle the workload at both tracks, even if the days did not overlap. She also responded to Commissioner Duncanson, stating that regulatory veterinarians were hard to find, because of the long days and generally low pay, and travel involved for a relatively short period of time. She explained that regulatory veterinarians were generally different from private practitioners at race tracks and fairs. Mr. Krueger stated that he and Ms. Manney had begun to discuss various scenarios for dealing with the Veterinarian issue, but until race days had been assigned, a request for proposal could not be issued for contract veterinarians. Commissioner Duncanson asked whether it was possible to move one of the current state vets to the new track to act as a mentor for any newly hired vets.

Commissioner Duncanson stated that it was becoming clear that the Commission needed to deal with this issue soon, and that it was important to get it on the agenda for the November

work session. In response to Commissioner Overton, Mr. Krueger reviewed the statutory requirements that set the time frames for the Commission to consider race day requests.

Commissioner McArdle asked if Running Aces would be able to get the track surface down and have all required inspections done by the time opening is scheduled for April. Ms. Manney stated that Running Aces had hired superior consultants to work on track surface issues, and she did not anticipate any problems with getting the track inspected and ready for racing in April. In response to a question from Mr. Halpern, Commissioner McArdle stated that there was a shortage of regulatory veterinarians on a nationwide basis. Commissioner Sundberg inquired about competitive issues in other states where tracks had overlapping days, and asked staff to look into it before the November meeting. Mr. Halpern stated that he did not think there would be competition for patrons because of the different types of racing, and the distance between the two tracks. Mr. Foxx stated that another issue was purse money, which was dependent on the card room, which currently was prohibited from being open until fifty days of live racing had been held. Mr. Krueger reminded that the licensees also had to be mindful of the fact that weather issues could affect racing on any assigned days, and that amended requests would then have to be considered by the Commission, with all the requisite notice and public hearing requirements. Commissioner Duncanson asked whether the licensees could apply for additional days and not use them, or if they would then face a penalty from the Commission. Mr. Krueger stated that this question would need to be looked at by legal counsel. Mr. Nat Wess of Canterbury Park stated that if bad weather forced cancelling a days' races, the tracks usually found it easier to add races to other days' programs to make up the difference, rather than adding an entire replacement day. Commissioner Overton cautioned that the application for race days was a serious issue, and reminded that in future years the Commission would be reviewing the applicants' past performances with the race days that had been previously assigned to them. Mr. Fox of Running Aces stated that there would likely be some shake-out issues in the first year of operation.

OTHER MATTERS: Mr. Krueger stated that the September licensing report was available for Commission review. He stated that activity in the licensing office was declining, now that the live race meet was concluded.

Chair Hitesman submitted some documentation she had received to Mr. Krueger regarding a trainers test, and other information.

Commissioner Overton stated that perhaps the other newly appointed Commissioners would like to take the same tour of the new track as he was scheduled for on October 26th.

ANNOUNCE FUTURE MEETINGS: It was announced that the next work session meeting of the Commission would be held on November 8, 2007 at Columbus City Hall at 4:00 PM. It was announced that the next Commission was also scheduled for November 15, 2007 at Columbus City Hall at 4:00 PM. The December work session meeting is scheduled for Canterbury Park at 4:00 PM on December 4th, and the December Commission Meeting is scheduled for Canterbury Park at 4:00 PM on December 20th.

ADJOURNMENT: There being no further business of the Commission, Commissioner Overton moved that the meeting be adjourned at 5:35 PM; seconded by Commissioner Kozitza. Motion carried.

ADOPTED THIS 15th DAY OF NOVEMBER, 2007 BY THE MINNESOTA RACING COMMISSION