

Minnesota Racing Commission  
FULL COMMISSION MEETING

**MINUTES**

Leatherdale Equine Center, University of Minnesota  
1801 Dudley Avenue  
St. Paul, Minnesota 55108  
Thursday, February 21, 2008  
4:00 PM

**CALL TO ORDER:** Vice Chair Leegard called the meeting to order at 4:04 PM.

**ROLL CALL:** Present: Commissioners Buhler, Duncanson, Hitesman (arrived at 4:15 pm), Kozitza, Leegard, McArdle, Overton, Preece. Absent: Commissioner Sundberg. Also present: Richard Krueger, Mary Manney, Sharon Beighley, Commission Staff; Joan Eichhorst, Assistant Attorney General.

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

**APPROVAL OF MINUTES – January 17, 2008:** There being no additions, deletions, or changes to the minutes of January 17, 2008, Commissioner Overton moved that the minutes be approved as presented; seconded by Commissioner Buhler. Motion carried.

**CONSIDERATION AND ACTION ITEMS:**

**Running Aces Harness Park Request:** Jim Druck of North Metro Harness Initiative spoke to the Commission and requested formal approval of three racing officials for Running Aces Harness Park. Mr. Druck explained that copies of resumes for the racing officials had been furnished to the Commissioners prior to the meeting. He reminded the Commission that at its last work session, they had been introduced to Robert A. Farinella, proposed General Manager. He stated that they were very fortunate to have hired Mr. Farinella, adding that his extensive experience in horse racing and card club operation would be very beneficial to Running Aces. Mr. Farinella spoke to the Commission, stating that he was delighted to be on board and was looking forward to the April opening of the track. Commissioner Duncanson moved that Mr. Farinella be approved as General Manager for Running Aces Harness Park; seconded by Commissioner Preece. Motion carried.

Mr. Druck then requested that the Commission approve Greg Keidel as Racing Secretary for the 2008 meet. He explained that Mr. Keidel was not available to meet the Commission, inasmuch as his current duties at another racetrack prevented him from traveling to Minnesota for this meeting of the Racing Commission. Mr. Druck explained that Mr. Keidel was highly qualified for the position, and had already been working to recruit horsemen and horses for the meet. In response to Vice-Chair Leegard, Mr. Druck stated that background checks had been performed on all individuals up for approval at this meeting. Following discussion, Commissioner Preece moved that Greg Keidel be approved as Racing Secretary for the 2008 meet at Running Aces; seconded by Commissioner McArdle. Motion carried.

Mr. Druck introduced John Betts to the Commission, explaining that Mr. Betts had been hired to act as Track Superintendent and Starter at Running Aces. He explained that Mr. Betts had six years' experience at Hoosier Park, and was well qualified to perform the duties of Starter and Track Superintendent for Running Aces. Mr. Betts spoke to the Commission, stating that he was pleased to have the opportunity to work at the new track, and was looking forward to moving to Minnesota. Commissioner Preece moved that Mr. Betts be approved as Track

Superintendent and Starter for Running Aces Harness Park; seconded by Commissioner McArdle. Motion carried.

**Approval of Judges for the Running Aces 2008 Live Race Meet:** Mary Manney stated that the Commissioners had been furnished with copies of resumes for two candidates to serve as Judges at the upcoming harness meet at Running Aces. She explained that Kenneth Stock was being recommended for the position of Presiding Judge, and Robert Corey, Jr. was being recommended for the position of Judge. Ms. Manney explained that Mr. Stock was a highly experienced and qualified Judge, and that Mr. Corey was newly accredited as a Judge. She stated that the third Judge, yet to be formally presented to the Commission, would have mid-range experience. She added that the mix of experience among the three judges was good, and would allow judges with more experience to provide mentoring to a newly accredited judge. In response to Commissioner McArdle, Ms. Manney stated that licensing and background investigations were underway for these individuals, and Commission approval would be contingent upon completion of those requirements. In response to Commissioner Overton, Ms. Manney stated that the Judges would begin work on March 24<sup>th</sup>, and that horses would start to arrive on March 28<sup>th</sup>. She explained that the first two weekends would be devoted to qualifying the horses to race at Running Aces.

Following further discussion, Commissioner Kozitza moved that Kenneth Stock be approved as Presiding Judge, and Robert Corey, Jr., be approved as Judge for the 2008 race meet at Running Aces, contingent upon completion of background investigation and licensing requirements; seconded by Commissioner McArdle. Motion carried.

Note: Chair Hitesman arrived, and acted as Chair for the remainder of the meeting.

**Funding Requests:** Chair Hitesman recognized Patrice Underwood, Executive Secretary of the HBPA. Ms. Underwood presented a request for funding in the amount of \$4,175.00 to conduct the Groom Elite Program at Canterbury Park during the 2008 race meet. Ms. Underwood explained that this was the 7<sup>th</sup> year for this program, and that they had certified 140 grooms during the past six years. In response to a question from Commissioner Preece, Ms. Underwood explained that some students did not finish the program, because they had missed more than the two classes allowed by the curriculum. Chair Hitesman urged Commissioners to attend a class this summer if their schedules allowed, adding that the classes were very worthwhile, and would be a good experience for the Commissioners. Commissioner McArdle moved that the grant request in the amount of \$4,175.00 be approved; seconded by Commissioner Overton. Motion carried.

Dr. Lynn Hovda spoke to the Commission, reminding that they had discussed four funding requests from the University of Minnesota at the last work session. She stated that she had been part of the Committee that had met and ranked the grant requests for submission to the Commission. She explained that the grants requests received were 1) to study a mapping gene that is specific to tying up in horses; 2) to do a pilot study on gait analysis for lameness and markers for osteoarthritis; 3) to study recurrent uveitis; and 4) to do some echocardiographic and heart rate studies. In response to the Commission, Executive Director Krueger stated that approximately \$17,000 was available for the Commission to use for grant requests, and reminded that \$4,175 of that amount had just been granted to the Groom Elite Program. In response to a question from the Chair, Dr. Hovda explained that the grant request for funding for tying up research, headed by Dr. Valberg, could possibly obtain funding from another source. Following discussion, Commissioner McArdle moved that the Commission move to grant \$13,230.00 in research money to fund a pilot study on the relationship of gait analysis for lameness and molecular biomarkers of osteoarthritis in horses; seconded by Commissioner Preece. Motion carried.

**Canterbury Park Requests:** Mr. Fuller spoke to the Commission, requesting that Commission approve the second extension of the Scientific Games Contract with Canterbury Park. Chair Hitesman reminded that the Commission had requested that the contract language

be amended to make it consistent with a similar contract between Scientific Games and Running Aces Harness Park, Inc. Ms. Manney affirmed that the changes had been made as requested by Scientific Games. On another issue involving Scientific Games, Ms. Manney stated that no firm timetable existed for when Scientific Games would be able to provide a custom download of mutuels data to the Racing Commission. She explained that this involved a great deal of programming work for Scientific Games staff, and that work was progressing as fast as it could be scheduled. Ms. Manney reminded that Scientific Games was not required to provide this information to the Commission, but had agreed to do so. She cautioned that adding a deadline to the Contract for completion of the work might result in extra costs and more personnel being added, resulting in a more expensive contract. At the request of the Chair, Ms. Manney explained that what the Commission was requesting of Scientific Games was the ability to download mutual data in real-time wagering. She explained that the Commission's need to have the information downloaded according to breed of horse being wagered on, resulting in a "custom" download, was behind the need for programming work. Rosemary Williams, of Mountaineer Gaming, adding that they used a "secondary" download, which was an extension of the Chips 'n' Bits software. She explained that this was different from the Commission was requesting of Scientific Games. Mr. Krueger added that the Commission's IT employee, Tim Dunn, was working closely with Scientific Games to insure that the project was on track. He reminded that Scientific Games was a licensee of the Commission. In response to Commissioner Leegard, Mr. Krueger explained that if the Commission requested language be included relative to a deadline for completion of the project, it might result in a renegotiation of the contract and added costs for the two Minnesota racetracks. He reminded that because the contractor was a licensee of the Commission, the Commission could consider other means of insuring that the work was completed in a timely manner. Following discussion, Commissioner Kozitza moved that the contract between Scientific Games and Canterbury Park be approved; seconded by Commissioner Leegard. Motion carried.

Mr. Fuller then explained that the Commission was being asked to approve a contract with Metropolitan Mechanical Contractors to provide updated heating, ventilating, and air conditioning systems and controls at Canterbury Park. He explained that the systems had not been modified since the original installation in the early 1980's. Following discussion, Commissioner Duncanson moved that the contract in the amount of \$577,300.00 be approved, subject to the contractor completing licensing requirements; seconded by Commissioner Buhler. Motion carried.

**CANTERBURY PARK MATTERS:** Mr. Fuller provided a status report to the Commission. He stated that revenues continued to go down at Canterbury Park. He stated that the Card Club was down 15%, and that simulcasting was also down significantly. He stated that the statewide smoking ban, combined with winter weather, had cut into attendance and simulcast wagering, as well as poker and casino games. Mr. Fuller stated that legislation raising the minimum wage was being considered at the Capitol, which would have a further impact on revenues, if it was passed.

**RUNNING ACES HARNESS PARK MATTERS:** Mr. Druck spoke to the Commission. He stated that fabulous progress was being made, and that the project was on time and under budget. He stated that offices were open in Barn #1, and that Commission personnel were there to perform licensing services. He stated that furniture and carpeting were scheduled for installation in March. He stated that a mural of Dan Patch and Dr. Savage would be included as part of the décor at the track. He stated that they were hosting a Youth Services Bureau event for Forest Lake on April 4<sup>th</sup> and 5<sup>th</sup>. He stated that a full dress rehearsal was scheduled for April 9<sup>th</sup>, with the track set to open on schedule on April 11<sup>th</sup>. He explained that most of the senior staff positions had been filled, and that dealer schools would be started in the near future. Mr. Druck then introduced Senior Staff personnel to the Commission. He introduced Bob Farinella as General Manager, Bob Aldrich as Director of Security, Ron Gross (not present) as Director of IT, John Betts, Robin Spinett, Debra Pensini, Debby Feist, Danielle Lang (not present), Tom Nesheim, Todd Sommers, and Mike Horovan.

Mr. Druck explained that the All-Breed Simulcasting bill had been introduced and passed out of Sub-committee, and would be heard by the Full Committee. He stated that the companion bill was also proceeding through the House.

Commissioner Overton raised concerns with the Affirmative Action report submitted by Running Aces, especially with the very low minority/protected class and emerging small business figures submitted by Kraus-Anderson. He requested that Mr. Druck provide an explanation. Mr. Druck stated that he had not personally reviewed the report, and was not prepared to provide an explanation to Commissioner Overton at this time. Commissioner Overton requested that Kraus-Anderson attend the next work session meeting and be prepared to explain the report and the low numbers reported. Commissioner McArdle stated that 6% minority participating was a very low number, and well below the statutory goal of 10%. She questioned whether North Metro had properly communicated the statutory requirements to its contractors regarding affirmative action. Mr. Druck explained that, with regard to the senior staff positions, only one minority application had been received. Commissioner Overton stated that he would like staff to reiterate the statutory goals and would like to see any correspondence between staff and the licensees regarding those goals. He stated that statute was very clear on the affirmative action requirements.

Chair Hitesman stated that it was important that North Metro be prepared to discuss and fully explain the affirmative action report at the next work session meeting. Commissioner Hitesman requested that staff prepare copies of all affirmative action reports received from its other Class A licensee, Canterbury Park, and bring them along to the work session for comparison purposes. She stated that it was clear that the statutes and goals applied to all licensees of the Commission. She stated that it was important that the licensees look forward, and comply with all statutory requirements. Chair Hitesman explained that the Commission took the charge of affirmative action compliance very seriously, and added that it was important to focus on future actions of the licensees. She stated that this topic would be on the agenda for the next work session of the Commission, and suggested that Running Aces bring along representatives from Kraus-Anderson and other contractors to explain the low percentages in the report.

Commissioner McArdle requested that the Attorney General's office research the issue and be prepared to offer some suggestions to the Commission on disciplinary actions or sanctions it could take if it was determined that the licensee had failed to meet statutory affirmative action requirements. She stated her agreement that this was a very serious issue, and that affirmative action had always been in the forefront of the Commission's regulatory concerns over the years. Commissioner Overton stated that if statutes were not being enforced, the Commission had a duty to report that to the Legislature. Commissioner Leegard urged Running Aces to notify their contractors to be prepared to discuss the issues at the upcoming work session on March 4<sup>th</sup>.

**OTHER MATTERS:** Mr. Krueger stated that the January licensing report was available for review, and that 980 renewals had been processed in January. He explained that the Commission's medication legislation was proceeding through the House and Senate, and he would keep the Commission informed on its progress.

Mary Manney provided a staffing update to the Commission. She stated that she was working with the Department of Employee Relations to determine how the just-announced hiring freeze would affect the Commission in its staffing needs for the new track. She stated that she had been provided some degree of comfort because the positions had already been announced and posted, and would likely be able to be filled. Ms. Manney stated that one Judge position remained to be filled for North Metro, and that she would be bringing a recommendation for hiring for that position to the Commission at its next meeting. She explained that hiring of veterinarians and barn technicians was proceeding and interviews were being scheduled. She explained that positions for Veterinary Office Assistants for both tracks needed to be filled, and the possibility that the barn technicians could also fill those positions was being looked at. She explained that the licensing clerk position at Canterbury would be filled, and the existing licensing person at Canterbury would be transferring to Running Aces. It was announced that

Sharon Beighley was retiring on March 4<sup>th</sup>, and that the new licensing clerk/administrative assistant position at Canterbury would be taking over those duties. The Commission expressed their thanks to Ms. Beighley for her services over the years.

**Discussion of Location of MRC Meetings during racing seasons:** A discussion was held on where to hold Commission meetings during the upcoming live race meets of both tracks. Ms. Manney said that past practice had been to alternate sites between the north and south locations, which would become problematic once racing started. Following discussion, it was decided to have staff make meeting arrangements, taking into account the racing days and post times at both tracks.

**Upcoming Travel:** Chair Hitesman requested that if any Commissioners wanted to attend the Texas RCI meeting they should let staff know. Commissioner McArdle stated that she was able to attend one or two days, but that if another Commissioner was able to attend the full session that she would withdraw her request. Staff was requested to poll the Commissioners regarding their desire and availability to attend the meetings.

**ADJOURNMENT:** There being no further business of the Commission, Commissioner Overton moved that the meeting be adjourned at 5:43 pm; seconded by Commissioner Leegard. Motion carried.

ADOPTED THIS 20th DAY OF MARCH, 2008 BY THE MINNESOTA RACING COMMISSION