

**MINNESOTA RACING COMMISSION
FULL COMMISSION MEETING**

MINUTES

Thursday, March 20, 2008
4:00 PM

Leatherdale Equine Center, University of Minnesota
1801 Dudley Avenue
St. Paul, Minnesota 55108

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

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

ADOPTION OF AGENDA: Chair Hitesman requested that the agenda be in the order of business listed. Commissioner McArdle moved that the agenda be adopted; Seconded from Commissioner Preece. Motion carried.

APPROVAL OF MINUTES – February 21, 2008: Commissioner McArdle requested that on the second to the last page, second sentence the name Overton should be replaced by the name of Hitesman to clarify who was speaking. Commissioner McArdle moved that the minutes of February 21, 2008 be approved with the changes requested; seconded from Commissioner Preece. Motion carried.

CONSIDERATION AND ACTION REGARDING:

Racing Official – Mutuel Manager – Steve Smith

Racing Official – Asst. Racing Secretary/Paddock Judge – Rod Newhart

Racing Official – Clerk of Course/Program Director – Scott Peine

Racing Official – Identifier – Bobbi Hansen

Racing Official – Outrider – Ashley Holliday

General Manager of Running Aces Harness Park (RAHP) Mr. Robert Farinella inquired if there were any questions from the Commissioners about the Racing Officials selected.

Commissioner McArdle mentioned her concern with the Identifier chosen and the importance of the Judges and Staff monitoring the selected person since this would be the individuals first time doing the Identifier job.

Commissioner Sundberg requested that for each of the Racing Officials someone inform the Commissioners what the job responsibilities were and the qualifications that were the determining factor/s for the individuals chosen.

Mr. Keidel informed that Identifiers do freeze branding, verify horse tattooing numbers and list equipment changes and inform the Judges. Mr. Greg Keidel mentioned that Bobbie Hansen was chosen because she had just recently passed the USTA test and her family has been very involved with harness racing for many years. Mr. Keidel also mentioned that Bobbie Hansen's current supervisor is Rod Newhart and because she would be new at doing the Identifier job he reassured that he would monitor her progress and accuracy.

Mr. James Druck mentioned the Mutuel Manager Steve Smith has previously been employed as Mutuel and Slot Manager at Harrah's in Chester P.A., a Mutuel manager and Tote installer with United Tote, and is very familiar with installing tote devices at many places.

Mr. Keidel mentioned that the Assistant Paddock Judge, Rod Newhart has been previously employed as Racing Secretary with Northville Downs in Michigan, and the historic racetrack on the river banks of Goshen, New York, is Director of HHA and that he is trained to do all racing official jobs and recommended that Mr. Newhart would be employed with Running Aces Harness Park.

Mr. Keidel mentioned the Clerk of Course program director Scott Peine was previously employed as a Racing Secretary at Indiana Downs and went from program director to Racing Secretary at Sciota Downs. The job responsibilities include transfer of ownerships and making sure the program information is correct. Commissioner Overton inquired as to how many applicants were reviewed for the Clerk of Course. Mr. Keidel mentioned that he had reviewed twelve applicants. Commissioner Overton mentioned Scott Peine's impressive resume and experience for the job.

Commissioner Sundberg mentioned her concern with the moving around of jobs at several racetracks. Commissioner McArdle informed that it's not uncommon for racetrack employees to try other jobs at racetracks. Deputy Director Manney mentioned that it's not uncommon to travel from place to place and to go from employment to other employment opportunities because of seasonal employment. She reminded the Commission of the great employment opportunities that were at the Running Aces Harness Park track and mentioned that the Racing Officials applying wanted to work with Mr. Keidel.

Mr. Keidel mentioned that the Racing Official Outrider, Ashley Holliday, is the daughter of Ken and Sherry Holliday, who are accomplished driver/trainer in several states and that Ashley has been in 4H club winning ribbons and has been riding horses since approximately four years of age. He mentioned that although this would be her first time being an Outrider, she has substituted for that position at both Buffalo Raceway and Northfield Park and is currently learning the Outrider position with Outrider Nadine Case at Northfield Park. Mr. Keidel mentioned that the Outrider position mainly is for safety in preventing accidents from occurring and to capture horses when they run loose on the track. The Outrider leads the post parade of horses before the racing begins and will walk with a horse if there is need to calm the horse. The Outrider communicates information with the Starter and the Judges. Commissioner Sundberg inquired if the Outrider is a full time position. Mr. Keidel responded that to his knowledge there needs to be a Outrider on track at all times and that yes, the Outrider position is full time although it is full time seasonal. Commissioner Preece inquired if Ms. Holliday would be bringing her own horse and if there is insurance for the Outrider at the track. Mr. Keidel responded that she is bringing two of her horses and that she is insured in case of injury at the track.

Commissioner Overton inquired what an "at will" employer was. Human Resource Director, Deb Pensini responded that an "at will" employer means that Running Aces Harness Park could terminate any employee for any reason and that additionally the employee can quit for any reason.

Commissioner McArdle mentioned her concern with the social security numbers being listed on the resumes and requested for the removal of them in the future. MRC Chair Hitesman responded that since the resumes were given to the Commission she would check on the guidelines of how social security numbers should be handled and relay the information to Mr. Farinella.

Commissioner McArdle moved to recommend the approval of all five of the selected Racing Officials for the 2008 Running Aces Harness Park live race meet. Seconded from Commissioner Sundberg. Motion carried.

Simulcasting Days and Pools

Simulcasting to other pari-mutuel organizations

Mr. Krueger reviewed the Chapter 7871.0010 Subpart 1 regarding the submission of the request to the Commission for Simulcasting Days and Pools and Simulcasting to other pari-mutuel organizations.

Commissioner Overton inquired about simulcasting to other pari-mutuel organizations outside Running Aces Harness Park. Mr. Krueger responded that the Commission currently has not adopted any rules regarding simulcasting going out to other pari-mutuel organizations.

Mr. Krueger mentioned that with approval 265 simulcasting days from April 11 through December 31, 2008 is included with a payment of one hundred dollars a day.

Commissioner McArdle moved to approve the request for Simulcasting Days and Pools. Seconded from Commissioner Buhler. Motion carried.

Commissioner McArdle moved to approve the request for RAHP simulcasting to other pari-mutuel organizations. Seconded from Commissioner Sundberg. Motioned carried.

Commissioner Leegard mentioned status of Minnesota betting on internet and telephones.

Mr. Krueger mentioned a letter would be sent that would indicate no internet or telephone account wagers would be allowed from within the state of Minnesota.

Commissioner McArdle moved to approve that RAHP include in simulcasting contracts with other jurisdictions, language that would indicate that they not allow bets to be made from Minnesota residents. Commissioner Overton mentioned his concern with the language specifying "Minnesota residents." The motion was amended and the words "Minnesota residents" were replaced by "a person physically located in Minnesota." Seconded from Commissioner Leegard. Motion carried.

APPROVAL OF JUDGE/STEWARDS FOR LIVE RACE MEETS

William Keen – Associate Steward – Canterbury Park

Thomas Swift – Associate Judge – Running Aces Harness Park

Mr. Krueger mentioned that they did receive thirteen applications for Associate Steward at Canterbury Park. After doing background and RCI checks and talking with other sources he and Mr. Flynn did telephone interviews with three applicants. Mr. Krueger mentioned that William E. Keen was at the continuing education for stewards in Florida where he and Canterbury Park Chief Steward Hank Mills were able to visit. Also, he informed that William E. Keen has a wealth of experience including being a Steward in Massachusetts where he conducted 500-600 hearings and prior to that he was a horse trainer who has no rulings against his conduct. Mr. Krueger is recommending the approval of William E. Keen be the Associate Steward for Canterbury Park 2008 live race meet. Commissioner Overton moved to approve William E. Keen for the second Associate Steward for the 2008 Canterbury Park live race meet. Seconded from Commissioner McArdle. Motion carried.

Ms. Manney mentioned that Thomas Swift has been recommended for 2008 Associate Judge and that he has Associate Judge experience from Northfield Park and Raceway Park. She also mentioned Associate Judge R. Corey and Racing Secretary Greg Keidel have met Mr. Swift. Additionally, he has years of owner/trainer/driver experience in the horse industry. Commissioner McArdle moved to approve Thomas Swift for the Associate Judge for the 2008 Running Aces Harness Park live race meet. Seconded from Commissioner Sundberg. Motion carried.

APPROVAL OF AMENDMENT TO CANTERBURY PARK CARD CLUB PLAN OF OPERATION

Mr. Custer mentioned the addition of language pertaining to the Collection Amounts located on page 116 of the Canterbury Park Card Club Plan of Operation. When using the percentage method of collection, in any designated game, Canterbury Park may charge a commission not to exceed 10% of the amount bet on winning hands, as a means to fund the player pool. The percentage charged, if any, shall be displayed clearly on the table. MRC Chair Hitesman mentioned the additional language is to clarify that there is no subsidizing in the player pool. Commissioner Leegard moved to approve the additional language for the Canterbury Park Card Club Plan of Operation. Seconded from Commissioner Buhler. Motion carried.

APPROVAL OF SPLIT SAMPLE LABORATORIES FOR 2008 RACE MEETS

Mr. Krueger mentioned that split sample labs are used by trainers when contesting blood or urine test results in a medication violation. In rule, split sample labs must be approved by the Commission annually. He mentions that Chief Veterinarian Lynn Hovda, sent out letters requesting prices for testing from six labs and has received back information from three of them including Iowa State University, Texas Veterinary Medical Diagnostic Laboratory System, and University of Florida. Commissioner Overton mentioned his concern with the various testing prices received. Dr. Hovda mentioned that she is just informing of the prices the Laboratories sent and that she has no control over what each charge for service. Commissioner McArdle inquired if Truesdale Laboratory would be the main MRC testing laboratory. Ms. Hovda responded that Industrial Laboratory would be the main MRC testing laboratory. Commissioner Buhler moved to approve Iowa State University, Texas Veterinary Medical Diagnostic Laboratory System, and University of Florida for 2008 Canterbury Park and Running Aces Harness Park live race meets. Seconded from Commissioner Leegard. Motion carried.

APPOINTMENT OF AD-HOC COMMITTEE TO REVIEW THE COMMISSIONS AFFIRMATIVE ACTION RULES

MRC Chair Hitesman mentioned that Commissioner Overton volunteered to Chair an Ad Hoc Committee and that Commissioners Sundberg and Kozitza would be committee members. She also mentioned that because of the summer racing seasons she is requesting a report on Affirmative Action by September. Commissioner Leegard moved to approve the establishment of the Ad Hoc Committee to review the Commissions Affirmative Action rules with Chair Overton and Committee members Sundberg and Kozitza. Seconded from Commissioner Buhler. Motion carried.

APPROVAL OF RESOLUTION FOR FINAL ADOPTION OF RULES AND ORDER ADOPTING RULES

Mr. Krueger mentioned that he sent out copies of rules with the agenda and that the comment period ended March 11, 2008. He mentioned that a copy of the rules and the sonar have been sent to the Governor's office. The next step is the approval of the certificate of Resolution Adopting Rules and the Order Adopting the Rules. The Resolution Adopting Rules and the Order Adopting Rules are sent to the Administrative Law Judge and the Secretary of State prior to publishing the rules in the State Registrar.

Commissioner McArdle moved to approve the Resolution Adopting Rules. Seconded from Commissioner Buhler. Motion carried.

Commissioner McArdle moved to approve the Order Adopting Rules. Seconded from Commissioner Leegard. Motion carried.

CANTERBURY PARK MATTERS **STATUS REPORTS**

Mr. Eric Halstrom mentioned that the smoking ban has had a negative effect on card playing in the beginning months of the year. The cold weather this January has also contributed to a slow card playing start because patrons did not want to go outside to smoke and simply did not travel in frigid temperatures. He mentioned February and March were a little better although Canterbury Park is down approximately 10 % in business from last year between the card playing and the simulcasting. Mr. Krueger also mentioned that Santa Anita has been closed for a while because of the cold weather effects on the synthetic turf. Mr. Halstrom mentioned that in the states of Ohio, Kentucky, and Pennsylvania there has been a lot of cold weather. He anticipates when the weather starts to warm the card playing will improve. He mentioned stall applications would be mailed out on April 1st and there is a lot of interest in and out of state from horse owners. He mentioned that Canterbury Park would be holding the Claiming Crown this year and that there is a lot of interest. Mr. Halstrom mentioned that the Claiming Crown would be held August 2, 2008 and to call Nat Wes if there are any questions about this year's races. Mr. Halstrom mentioned that there was some rumor that Canterbury Park was pursuing the racino legislation although Randy Sampson wanted to clarify that he will not pursue the racino legislation this year.

RUNNING ACES HARNESS PARK MATTERS **STATUS REPORTS**

Mr. Druck introduced Mr. Farinella to present some pictures of the new Running Aces Harness Park building progress. He mentioned that the restaurant, bar, and card room areas are almost completed. He mentioned that the tote board has also been put in and the timing devises have been installed around the track so the drivers may see their time speeds at specified points around the track. He mentioned that the City of Columbus had been at the building and issued a Certificate of Occupancy so staff would be moving into the building within the next week. He mentioned the city issuance of a Conditional Use Permit to allow for additional stadium and apron seating. He mentioned the city is reviewing the license for the restaurant and liquor. He mentioned that all of the kitchen equipment would need to be inspected before the issuance of the restaurant license. He mentioned that this is the first liquor license issued for the town of Columbus. The City Council is having a meeting next week for the liquor licensing and RAHP is working very closely with city officials so that all of the licenses would be issued for opening race day April 11th, 2008.

Mr. Farinella introduced RAHP Human Resource Director Ms. Pensini to report on the status of hiring. Ms. Pensini mentioned that they are hiring eight pari-mutuel tellers on April 1st. Ms. Pensini mentioned that 20 Security officers will complete the mandatory 16 hours of training including first aid and CPR Tuesday and Wednesday to be ready for work before the horsemen arrive on March 28th. Ms. Pensini mentioned that they have on staff restaurant, bar, and concessions managers and have hired additionally approximately 45 food and beverage employees including chefs, waitresses, and other kitchen serving staff who are all to start training on April 1st. She mentioned that the Finance Department has payroll, accounting, purchasing and auditing employees to begin this Tuesday and next. She mentioned that Director of Marketing Robin Stinnett has her Players Reward, Event, and Group Sales Managers starting this week. She mentioned that the marketing department would be hiring on April 1st approximately 8-10 guest service employees. She mentioned that Director of Facilities John Betts has hired his facilities manager, barn supervisor, facilities engineer, and approximately 6-7 employees for track maintenance and have yet to hire a housekeeping manager. Information technology has approximately 6-7 analysts hired. The Card Room has six dealer/trainers on staff operating the training program for card dealers. She mentioned having a meeting with Scott to hire some developmentally disabled individuals for the housekeeping/facilities department.

She mentioned that currently there are approximately 35 people on their payroll. She estimates that within the next two weeks they will have a payroll with 140-150 employees. She anticipates being able to fill the additional employment with the job fair employees, local residents, developmentally disabled, and others. Commissioner Sundberg inquired of a report regarding the affirmative action progress. Ms. Pensini mentioned that she would have more specific results reported for the next month meeting. Ms. Pensini mentioned that their website www.runningacesharness.com is a place where individuals may apply for employment and submit their application. Ms. Manney mentioned receiving telephone calls inquiries from excited people that have submitted applications within the past couple of days. Mr. Farinella mentioned that if anyone is interested in employment with RAHP to contact their Human Resource Department.

Mr. Farinella introduced Director of Marketing Robin Stinnett who mentioned that she has her Players Reward, Event, and Group Sales Managers brainstorming for promotional ideas to have exciting events occurring throughout the race meet. She mentioned that the invitation only event on April 4th and April 5th proceeds will be given to the Youth Service Bureau through Forest Lake. She mentioned Krause Anderson has booked an event for April 21st in appreciation of employees who helped with the construction of RAHP. She mentioned that there have been many companies calling about reserving the private event room for monthly meetings. She mentioned the Snow Cross has contacted them about holding a snowmobile event this next winter. Mr. Druck mentioned the Heartland Poker Tour Tournament is scheduled for this November. Ms. Stinnett mentioned that Kare 11 would be doing a news extra on March 25th about the track. She mentioned that RAHP would have a booth at the Horse Expo this year at the end of April. She mentioned that RAHP is working with Mr. Keidel and the USTA to do an owners seminar at the track. Ms. Stinnett mentioned she is talking with the local television channels in hopes of additional advertising for the first week that the track is open. She also is inquiring as to radio, bill boards, newspapers, and other advertising for the 2008 RAHP live race meet. She also mentioned two events one of which includes Mr. Bob Sansover who's a champion in miniature horseracing and chariot horseracing from North Dakota.

Mr. Keidel mentioned that he been trying to contact east coast standardbred horseracing owner and former manager of the Minnesota Twins, Tom Kelly, to visit the track on opening day April 11th. Mr. Keidel mentioned that he has received 502 applications for horses to race at the track for this year's meet. He mentioned that 60% of the applications came from Wisconsin, Iowa and only 4% of that being Minnesota. The remaining applications came from Michigan, Illinois, Ohio, Alabama, Florida, New York, Pennsylvania and those states where the horses are ready to train and race. In Minnesota and Northern Midwest area not many horses are ready to train and race because of the cold winter weather. Commissioner Sundberg inquired if there is concern about the availability of horses for the meet. Mr. Keidel responded that the first couple of weeks of the meet might be a little short on horses although he is confident that there would definitely be enough horses May 1st and later for a great competitive meet. In response to Commissioner Overton, Mr. Keidel mentioned that he is hoping to improve the standardbred horseracing interest this year by having USTA ownership seminars about the Minnesota Standardbred Breeders Fund to help increase purse structure for next year.

Mr. Druck mentioned that legislatively the progress is through the Senate and the Committees in the House. Mr. Druck mentioned that the RV Park was supported by the City Planning Commission because they did not want a community on the barn side. The maximum RV Park stay would be seven days. The original RV Park plan was for patrons and horsemen to use. The water and electrical lines are in for the RV Park and the last step they needed was to run wire for the electrical and spread gravel. The Department of Health informed them that they would need a dump station and a health permit. Their lobbyists are seeking a variance to operate the RV park for the first year using garbage removal trucks.

Mr. Snook mentioned that he is talking with the Department of Health, who is changing its rules on the permit so a temporary solution will be in effect for the opening.

Mr. Druck mentioned that the water would not be able to be turned on because the water pipes would freeze. He mentioned a possible solution could be that they would heat wrap the risers and also not allow the RV's to be hooked up to city water and instead fill up their tanks and then disconnect them. He mentioned that they have also inquired about the local camp Cozy Oaks located in North Branch not opening until April 15th, Ham Lake Camp Grounds opens May 1st and Rice Creek Camp Grounds, although they were not very supportive. He mentioned the prospect of dry camping were the RV's would be self contained. Mr. Druck apologized about the delay on the dumping station permit. Chair Hitesman thanked Mr. Druck for pursuing all of the other options for the RV Park. Commissioner Overton inquired if there has been anything attached to their legislation. Mr. Druck responded they got through the house on a 55 to 5 vote. Mr. Snook mentioned they have made it through the senate and the committees in the house without any amendments.

OTHER MATTERS

Mr. Krueger mentioned 87 individuals were licensed Canterbury Park and 37 individuals were licensed at Running Aces Harness Park for the month of February and that if anyone was interested in reviewing the February licensing report it is located in his office.

Mr. Krueger mentioned that the Medication Threshold legislation has had a second reading in the Senate March 10th and the House March 17th. He mentioned there is a meeting March 31st with the Chief Author in the House and that he continues to work with Legislators and staff.

Ms. Manney mentioned that she is almost fully staffed and is doing interviews for detention barn techs next week. She mentioned the Vet and Detention Barn Coordinators have started and the Judges arrive this Monday. She mentioned the furniture was delivered to the main office today and that she and Tim Dunn would be setting up the computer systems to start licensing on Monday. She introduced Mr. Nick Cummins- MRC Investigator at RAHP, who is currently training with Mr. Mark Custer and Mr. John Flynn to be able to work at both racetracks. Commissioner Sundberg inquired about the Affirmative Action through the State of Minnesota. Ms. Manney responded that the Affirmative Action is done through the DOER system. Mr. Krueger mentioned that all the state employment positions were on the webpage and in the Shakopee, Forest Lake, and Columbus newspapers. Ms. Manney mentioned that the response for the state employment positions has been from all over the state of Minnesota, Wisconsin, and one from Michigan. Mr. Krueger mentioned that Running Aces Harness Park would be Cynthia's MRC permanent location of work and that they had hired Marlene Swanson to work at Canterbury Park in the hopes that she would work on the horse racing rules process.

Dr. Hovda mentioned that she and Dr. Klatt had interviewed and hired the Vet Services Coordinator. She mentioned currently seeking to hire Detention Barn Techs for the Canterbury Park live race meet. Mr. Krueger thanked the Commission Staff for all of their work and organizing for the Running Aces Harness Park.

Ms. Manney mentioned and distributed a new and corrected RAHP Affirmative Action plan. Ms. Manney mentioned two Running Aces Harness Park variance requests. Mr. Krueger mentioned that a variance hearing would need to be held for the variances. He mentioned that during the next Commission Work Session, a Variance hearing could be scheduled for consideration and action regarding the variance requests. Discussion followed regarding the health certificates for ship-ins. Commissioner Sundberg thanked Mr. Krueger and Ms. Manney for all their work on the RAHP. Ms. Manney mentioned she will inform by e-mail the need for quorum attendance for the Variance Hearing and Work Session on April 1st.

ANNOUNCE FUTURE MEETINGS:

It was announced that the next Full Commission Work Session would be April 1, 2008 with a Variance Hearing scheduled before and located at the Columbus City Hall.

It was announced that the next Full Commission meeting was scheduled for April 17, 2008, located at the Columbus City Hall.

ADJOURNMENT: Commissioner Overton moved that the meeting be adjourned at 6:14 pm; seconded from Commissioner Buhler. Motion carried.

ADOPTED THE 24TH DAY OF APRIL, 2008 BY THE MINNESOTA RACING COMMISSION