

NEW MEXICO RACING COMMISSION REGULAR MEETING

Executive session 8:00 o'clock a.m., March 23, 2005

Public session 9:30 o'clock a.m., March 23, 2005

Conference Room -- 300 San Mateo NE

Albuquerque, New Mexico

Chairman David (Hossie) Sanchez; Vice-Chairman Arnold Rael; Commissioners Al Lucero, Thomas "Eddie" Fowler and David Norvell; Agency Director India Hatch; Agency Deputy Director Julian Luna; Investigative Manager Larry Flynn; Investigators Milton Romans and Leasa Powers; Manager Rosemary Leeder; Administrator Laura Valencia; and Administrative Secretary Pamela England.

At approximately 8:25 o'clock a.m., Commissioner Norvell moved to convene in closed session, pursuant to Section 10-15-1 H (1) (2) (3) (7) and Section 10-15-1 I NMSA 1978; second by Commissioner Fowler. Roll call vote. Ayes: Commissioner Lucero, Commissioner Fowler, Commissioner Norvell and Vice-Chairman Rael. Nays: None. Motion carried 4:0.

At approximately 9:30 o'clock a.m., Chairman Sanchez announced that the Commission was back in open session and affirmed that the Commission discussed only the matters specified in the motion to close the meeting in accordance with Section 10-15-1 (J).

APPROVAL OF AGENDA

Chairman Sanchez added to Item 4, D-Report on Horsemen's Kitchen for the Downs at Albuquerque. Commissioner Fowler moved to approve the agenda; second by Commissioner Lucero. Motion carried 4:0.

APPROVAL OF MINUTES

Commissioner Rael moved to approve the regular meeting minutes of February 24, 2005; second by Commissioner Lucero. Motion carried 4:0.

CHAIRMAN'S AGENDA

June/July Commission Meeting: Director India Hatch announced that the June meeting would be held in Albuquerque and the July meeting would be in Ruidoso. The dates would be set at the next regular commission meeting.

Horse Breeders' Report: Executive Director Anna Fay Davis introduced 2005 President Chuck Webb from Farmington, New Mexico and Board Member and Quarter Horse Trustee Dan Delaney from Las Cruces, New Mexico.

Director Davis reported that the race-a-day report for Sunland Park through Tuesday, March 22, 2005 showed that in 80 days of racing there were 203 thoroughbred overnight races, 150 quarter horse overnight races, 5 thoroughbred trials, 20 quarter horse trials, 9 thoroughbred stakes, and 6 quarter horse stakes for a total of 393 New Mexico bred races. She stated the balance, as of February 28, 2005, for the Sunland Park Gaming/Breakage was \$113,320.76 and the Sunland Gaming Outs was \$97,120.77.

Chairman Sanchez asked for a report on the number of new registrations. Director Davis reported that the new number of horses registered in 2004 were 817 NM bred quarter horse foals and 600 thoroughbreds (yearlings, 2-year-olds, 3-year-olds) for a total of 1,417 NM bred compared to 2003 -- 1,238. New broodmares into the

registry: 426 quarter horses and 428 thoroughbreds for a total of 854 new brood mares in New Mexico compared to 2003 -- 705. New stallions: 22 quarter horses and 40 thoroughbreds for a total of 62 new stallions in New Mexico compared to 2003 -- 57.

Zero Tolerance Policy: Chairman Sanchez announced that the commission has a zero tolerance policy. Commissioner Lucero moved that the commission adopt the policy that does not allow the automatic dismissal of a drug related violation on the grounds that the split sample was not able to confirm the results of the primary testing laboratory. Commission regulation 15.2.6.10 (D) (3) states that "In the event that a split sample is sent for independent testing, and the result of that test does not confirm with the results of the primary testing laboratory, the official state racing chemist shall review all scientific data submitted by the laboratory which tested the split and make recommendations to the agency director." This newly adopted regulation is the official policy of the commission; second by Commissioner Rael. Motion carried 4:0.

Downs at Albuquerque/Horsemen's Kitchen: Don Cook, General Manager, Downs at Albuquerque, reported to the commission on the status of the horsemen's kitchen. He said that the state fair had awarded the contract for the horsemen's kitchen to Brycon Construction Company at a cost of \$306,000. He stated it was a 2,000 square foot building at \$150 per square foot with a completion date of May 10, 2005. Discussion followed. No action was taken.

Chairman Sanchez asked about the inspection of the back side. Mr. Cook reported that the tote board was finished, the timing system (brand new) would be completed by Friday (March 25, 2005), the race track was renovated, and the weeds and trash would be cleaned up. Chairman Sanchez also told Mr. Cook to have the roads between the barns graded and fixed.

Commissioner Fowler addressed the issue of rocks on the track surface. Mr. Cook stated they were, ". . . attacking it daily."

AGENCY DIRECTOR REPORTS

Report/5% Interstate Simulcast Expense Deduction Mediation: Agency Director India Hatch reported that the horsemen's association, the Downs at Albuquerque, and respective counsel had agreed upon Billy Blackburn as mediator and were planning to meet on March 24, 2004 for pre-mediation discussions. She stated that all parties were advised that the commission had set April 28, 2004 as the deadline for the recommendation. Discussion followed. No action was taken.

Director Hatch announced that there would be a follow up inspection on Monday, March 28, 2004 at 10:30 o'clock a.m.

Auditor & Veterinarian/DAA: Director Hatch reported to the commission that the RFP's had been issued and applications received for the auditor and veterinarian for the Downs at Albuquerque. Director Hatch requested, upon the review committee's recommendation, approval of Equine Testing Enterprises, PC, Dr. Betts. Commissioner Rael moved to accept the recommendation and approve Equine Testing Enterprises, PC; second by Commissioner Lucero. Motion carried 4:0.

Director Hatch requested approval, upon the review committee's recommendation, of Schwalm, Martos & Co., CPA. Commissioner Rael moved approval of the recommendation; second by Commissioner Lucero. Motion carried 4:0.

Lab Contract Recommendations: Director Hatch reported that the RFP's had been sent out in February of 2005 with a return deadline of February 18, 2005. Two had been received and were reviewed by an independent committee. Upon the committee's recommendation, Director Hatch requested approval of Center for Tox Services for a two year preliminary contract with the option of adding an additional three years, year-

to-year after that. Discussion followed. Commissioner Rael moved to approve the Agency Director's contract recommendation; second by Commissioner Lucero. Motion carried 4:0.

UNFINISHED/NEW BUSINESS AND/OR ACTION ITEMS

Sunland Park: Harold Payne, General Manager, Sunland Park, requested final approval of the 2005 Capital Improvement Projects -- 1) Electrical Upgrade to 27 Barns, 2) Rubber Pavers for Paddock Walking Ring, and 3) Jockey Kitchen Building for a total of \$533,218.68 including state tax. Discussion followed. Commissioner Rael moved approval of the 2005 Capital Improvement Projects; second by Commissioner Fowler. Motion carried 4:0.

Ruidoso Downs: Rick Baugh, General Manager, Ruidoso Downs, requested approval of the 2005 officials and assistant starters as submitted. Discussion followed. Commissioner Rael moved to approve the 2005 RDRI officials and assistant starters; second by Commissioner Fowler. Motion carried 4:0.

Zia Park: Rick Baugh, General Manager, Zia Park, requested approval of the 2005 stakes schedule as submitted with gaming and breakage. Discussion followed. Anna Fay Davis, Executive Director, New Mexico Horse Breeders Association reported that the purse enhancement for the New Mexico bred for the stakes schedule was projected at \$600,000. Discussion followed. Commissioner Rael moved to approve the 2005 stakes schedule and gaming and breakage for Zia Park; second by Commissioner Fowler. Discussion followed regarding the footings, compaction rate of the foundation, and barns. Motion carried 4:0.

Mr. Baugh gave an update on Zia Park. He stated that April 18, 2004 had been set to showcase the steakhouse, the buffet, the simulcasting area, and the barn area, and the second lift on the racing surface had begun. Mr. Baugh said the safety rail was on site; the barn pads were being constructed; the concrete was being poured for the pads; the barns would be going up the following week; and the projected completion date for the barns was July 1, 2005. Mr. Baugh stated the average for the simulcast per day was \$22,000 -- \$160,000 a week.

Commissioner Lucero requested a meeting be scheduled in the near future with all the marketing people of each track by Director Hatch.

HEARINGS AND APPEALS

In the matter of the appeal of Robert L. Moore of Ruling #0066505 issued by the Sunland Park Board of Stewards on January 15, 2005, testimony was taken. Commissioner Norvell moved to modify the stewards ruling to remove 45 days, pay the \$1,000 fine, and (be suspended until) the end of the Sunland Park meet; second by Commissioner Rael. Motion carried 4:0.

In the matter of the appeal of Tony Sedillo of Ruling #0144505 issued by the Sunland Park Board of Stewards on March 5, 2005, the race tape was viewed and testimony taken. Commissioner Lucero moved to go into closed executive session to discuss those matters listed on the agenda as closed, pursuant to Section 10-15-1 (H) to discuss related matters of the appeal; second by Commissioner Fowler. Roll call vote. Ayes: Commissioner Lucero, Commissioner Fowler, Commissioner Norvell and Vice-Chairman Rael. Nays: None. Motion carried 4:0.

Chairman Sanchez announced the commission was back in open session and affirmed that the commission discussed only those matters specified in the motion to close the meeting in accordance with Section 10-15-1 (J). Commissioner Rael moved to uphold the ruling of the stewards as written in Ruling #0144505; second by Commissioner Fowler. Roll call vote. Ayes: Vice-Chairman Rael, Commissioner Lucero, Commissioner Fowler. Nays: Commissioner Norvell. Motion carried 3:1.

Meeting adjourned at approximately 11:30 o'clock a.m.

MINUTES AS WRITTEN OR CORRECTED ATTEST

David "Hossie" Sanchez
Chairman

India Hatch
Agency Director