

**THE STATE HORSE RACING COMMISSION
MEETING MINUTES**

September 28, 2016

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: PA FARMSHOW Complex in Harrisburg, PA, Wednesday, September 28, 2016 at 1:00 P.M.

Commissioners in attendance were: Salvatore M. De Bunda, Thomas Jay Ellis, C. Edward Rogers, Michele C. Ruddy, Dr. Corinne Sweeney, Dr. John Egloff, Robert F. Lark, Darryl Breniser and Chairman Russell Redding, the Pennsylvania Secretary of Agriculture. Also present were Commission legal counsel Brook Duer and Jorge Augusto.

The Chair called the meeting to order. Legal counsel noted that the meeting has been advertised in accordance with the Sunshine Law. Legal counsel noted that executive session was conducted at 10:00 a.m. for discussion of the following topics: Personnel matters re: the Director of Standardbred Racing; attorney-client privileged communication re: the Pennsylvania Breeding Fund.

SUMMARY

Chairman Redding welcomed Mr. Robert F. Lark and Mr. Darryl Breniser to the commission.

Brook Duer, spoke about general introductory matters and personal email usage which will be discontinued on October 1, 2016.

Prior meeting minutes of 8/24/16 were approved by motion. No action was taken on adoption of a Commission Code of Conduct, Section 2819-D (b) (6) political restrictions, the proposal for an educational conference. This matter will remain in abeyance until the October meeting.

The Commissioners are looking to do a commission orientation with the Thoroughbred and Standardbred industry for the November commission meeting. Mr. Duer spoke about the general correspondence that was sent to the commission during the month of September which is attached to these meeting minutes.

Tracee Gotwalt, Bureau of Administrative Services, presented information on the Commission's FY 16-17 budget and how the budget process is proceeding. Financials were distributed. The financial report was approved by motion. There was much discussion about the FY 17-18 Commission budget and the Drug Testing Program FY 17-18 budget for the upcoming year.

Dr. Gary Althouse and Dr. Mary Robinson addressed the commission about the FY 17-18 budget on the Penn contract which covers the Penn Vet Equine Pharmacology Lab and the Pennsylvania Equine Toxicology and Research Lab Expenses.

Deputy Secretary Strathmeyer spoke to the commission about the extension of the West Chester facility that is used to house PETRL for another five (5) years. There was much discussion about other places to go and it ended up that West Chester was the best place to stay. The Department and

West Chester are working closely together on all issues and how the new improvements and updates will need to go.

Brian Sanfratello, Executive Director of the PHBA, addressed the Commission on the PHBA's request for the commission to input all the rewards into the system. A motion was made by Commissioner DeBunda and, seconded by Commissioner Rogers and unanimously passed to approve.

A motion was made by Commissioner DeBunda to commission a study for an expert opinion on how to increase breeding in Pennsylvania. There was no second and motion went no further.

Pending appeal status reported to the commission by Mr. Augusto, are the following. There are a total of five (5) appeals in the commission office waiting for the supporting documents before they are sent to legal, there are seven (7) appeals that have been submitted to the Legal office to be scheduled for a hearing and that includes four medications and one ejection and two racing violations. Thirteen hearings have been conducted and are waiting the response from the hearing officers that includes nine medications, one license denial, one failure to honor a claim and two racing violations and there is one outstanding appeal to the commonwealth court which was the Ortega matter from last month.

Since the PGCB has denied the category one application for Endeka and the Procacci Group and with the outstanding December 2015 Order from the Harness Racing commission which stated that if denied by the PGCB that Endeka would immediately return the Harness license back the commission. The current 30 day appeal will be over on September 29th and if there are no appeals filed then the commission will need to decide what it wants to do with the license.

A motion was made by Commissioner Egloff, and seconded by Commissioner Breniser, and abstained by Commissioner DeBunda, passed to approve- the commission to direct legal counsel to prepare a process for the entertaining of applications for the Harness license should it become open and available so at the next commission meeting on it may be possible to vote upon an application if necessary should that license be open at the next commission meeting.

The following licensed racing entity representatives addressed upcoming events and happenings at the tracks: Eric Johnson, Director of Racing at Penn National; had no report for September. Sam Elliot, Racing Director, Parx; spoke about the great success of the Fall Festival and the all the great ideas that are happening around Parx. PA Day at the races went smoothly along with Smart Jones Day the Turf Stakes and Owner Appreciation day. Pa Derby and the Cotillion had excellent races and much excitement. Debbie Howells, Director of Racing, Presque Isle Downs; spoke to the commission about the success of the Presque Isle Mile and other great races held at Presque Isle Downs this year. The infield screen is now finished and a great addition that everyone is enjoying. Kevin Decker, Director of Racing, The Meadows; addressed the 3 week break that The Meadows took after the Sire Stakes finals which went very well. There has been a lot of backside improvements happening with paving. Pinnacle has had a very smooth transition to The Meadows. Mr. Decker noted that Sean Sullivan is now the Special Projects Vice President and he looks forward to working with him. Barry Brown, Director of Racing, Harrah's Philadelphia; Mr. Brown spoke to

the commission about the great success of the 10th anniversary of Harrah's Philadelphia. There were a lot of fan activates planned and they honored employees and horsemen who have been with them since the beginning. Mr. Brown thanked Commissioner Rogers and Commissioner Breniser for coming out to help celebrate. Dale Rapson, Director of Racing at, Mohegan Sun at Pocono Downs, had no report for September.

The following horsemen's and breeder group representatives addressed the Commission: Michael Ballezzi, Executive Director PTHA, had no report for September. Todd Mostoller, Executive Director, PA HBPA, addressed the commission about changing some rules with the flexibility of Act 7 to enable those changes. Everyone needs to be licensed regardless of whether they have a name for their yearling horse or not. Another issue would be with the claiming of horses, which reads that you must have your horses stabled in the commonwealth, that is not enforceable and this is driving people away who want to come here. Kim Hankins, Executive Director, MSOA, Sam Beegle, President PHHA, and Jim Simpson, Standardbred Breeders Association, addressed the commission jointly about issues that they would like the commission to consider and implement the following requests in the best interest of racing. Please have work groups created in the future with one being the Standardbred Breeders Advisory Committee and that horsemen be included in these committees along with a Medication and Regulation and Promotion and Marketing advisory Committees. These committees should meet as soon as possible and on a regular basis, also a liaison from the commission should be appointed to the legislators. The Standardbred Director should be someone with Racing knowledge and a strong background in Pennsylvania racing. Roger Legg President, PHBA, noted that the PA Day at the Races went very well and wanted to thank Commissioner Ellis and Commissioner Jones for attending.

BUSINESS - MOTIONS

A motion was made by Commissioner Sweeney and, seconded by Commissioner Ellis, and unanimously passed to approve item 2(b) 1-8/24/2016 State Horse Racing Commission meeting minutes.

A motion was made by Commissioner De Bunda and, seconded by Commissioner Lark, and unanimously passed to approve item 2(b) 2- the August financial statements for 2016.

A motion was made by Commissioner Lark and, seconded by Commissioner Sweeney, opposed by Commissioner DeBunda and passed to approve item 2(b) 3- FY 17-18 budget submission for the commission.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Egloff, opposed by Commissioner Ruddy, Commissioner Sweeney, and Commissioner Rogers and passed to approve item 2(b) 3- FY 17-18 Budget submission for the Drug Testing Program with the \$25,000 removed from the FY17-18 budget and put into the commission FY17-18 budget.

A motion was made by Commissioner Lark and, seconded by Commissioner Sweeney, opposed by Commissioner DeBunda and passed to approve item 2(b) 3- FY 17-18 budget submission for the commission for FY 17-18 and the Drug Testing Program for FY 17-18.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Rogers, and unanimously passed to approve item 2 (b) 4- to input the balance of all awards to be input so when the governor signs the bill it can be sent out right away this is referring to the PA Bred 20% portion.

A motion was made by Commissioner Sweeney and, seconded by Commissioner Ruddy, and unanimously passed to approve item 2(b) 5- 1-5 see attached September agenda for items.

A motion was made by Commissioner Egloff and, seconded by Commissioner Breniser, and abstained by Commissioner DeBunda and passed to approve item 2(c) – To delegate the commission’s authority to the Standardbred Commissioners Dr. Egloff and Mr. Brensier to meet with HR about the Standardbred Director Position and report back at the October 26, 2016 meeting.

ANNOUNCEMENTS

Chairman Redding announced the next meeting will be held on October 26, 2016, at The Pennsylvania Department of Agriculture, in room 309, in Harrisburg, PA.

- Executive Session 10:00 A.M
- Regular Session 1:00 P.M.

ADJOURNMENT

Chairman Redding adjourned the meeting.

Respectfully submitted,

Thomas F. Chuckas Jr.
Bureau Director
Bureau of Thoroughbred Horse Racing

Fred R. Strathmeyer Jr.
Acting Bureau Director
Bureau of Standardbred Horse Racing