

**THE STATE HORSE RACING COMMISSION
MEETING MINUTES**

July 27, 2016

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: PA Department of Agriculture in Harrisburg, PA, Wednesday, July 27, 2016 at 1:00 P.M.

Commissioners in attendance were: Salvatore M. De Bunda, Thomas Jay Ellis, Russell B. Jones, C. Edward Rogers, Michele C. Ruddy, Dr. Corinne Sweeney, and acting as Chair was Cheryl L. Cook, designee of 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: Adjudications of license appeals; personnel matters re: the Director of Standardbred Racing; attorney-client privileged communication re: the Pennsylvania Breeding Fund.

SUMMARY

Brook Duer stated that Robert F. Lark from West Middlesex, PA was appointed to the Commission by the Senate Democrats, pending the completion of the legally-required PSP background check.

Cheryl Cook addressed IT security, use of commonwealth email accounts and password safety.

Brandon Moore (Gaming & Leisure Properties, Inc., "GLPI") and Bill Buffalo (Pinnacle Entertainment) made a power point presentation regarding the proposed purchase and operation of the Meadows by GLPI and Pinnacle Entertainment.

Prior meeting minutes of 6/29/16 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.

Brook Duer stated that anyone who would like to contact the commissioners about commission business should direct that contact to the commission staff in order to prevent communications that would be considered "ex parte communications" under the law. Commissioner Rogers stated that this is very important to the commissioners that all concerns are brought to either the Directors of Racing and/or be raised at the public meeting and not through other means.

Michael Smith, Executive Deputy Secretary of Agriculture, and Tracee Gotwalt and Jason Dunsavage, Bureau of Administrative Services, presented information on the Commission's FY 16-17 budget and how the budget process for the Commission's FY 17-18 budget submission. Financials were distributed. The financial report was approved by motion.

Commission staff was asked to come up with a universal reporting form for the track operators and racetrack managers to submit for each meeting so factual reporting will be uniform at each meeting.

Brian Sanfratello, Executive Director of the PHBA, and Jack Stover, legal counsel for the PHBA, made a presentation on the PHBA's request for payments to be made from the Pennsylvania Breeding Fund.

Michael Ballezzi, PTHA Executive Director, and Joe Wilson, COO of PARX, spoke in support of the PHBA request.

A motion was made to approve the PHBA's request and seconded. During discussion, a motion was made to table the previous motion, and seconded. The motion to table was passed by 4 votes in favor and two votes opposed.

The following licensed racing entity representatives addressed their previous month's statistics and year to date totals: Eric Johnson, Director of Racing at Penn National; Joe Wilson, Chief Operating Officer, Parx; Debbie Howells, Director of Racing, Presque Isle Downs; Kevin Decker, Director of Racing, The Meadows; Barry Brown, Director of Racing, Harrah's Philadelphia; Jennifer Starr, Marketing Director, Mohegan Sun at Pocono Downs;

The following horsemen's and breeder group representatives addressed the Commission: Michael Ballezzi, Executive Director PTHA, welcomed the new commissioners and spoke about the state of Thoroughbred breeding in Pennsylvania. Todd Mostoller, Executive Director, PA HBPA, spoke about the struggles of the Thoroughbred breeders in Pennsylvania and issues with purse holds. Kim Hankins, Executive Director, MSOA, invited the commission to the Adios for an exciting day of racing and wanted to thank the commission for the presentation from GLPI/Pinnacle, as the horsemen look forward to a good working relationship with them. Sam Beegle, President PHHA, spoke about an exciting evening of racing coming up on 8/20/16 with Super Stakes Saturday at Mohegan Sun at Pocono Downs. Also this year is the 10th anniversary for harness racing at Harrah's Philadelphia and invited the commissioners to the celebration. Brian Sanfratello, Executive Director PHBA, gave an update on slot transfer into the Breeding Fund and their newsletter and talked briefly about PA Day at the Races on Saturday 9/3/16. Jim Simpson, Executive Director Standardbred Breeders Association, stated he would like the commission to look into out of competition testing. Bob Reber, Legal Counsel for the PHHA would like a work group for the ARCI discussion. Joe Thompson, Standardbred Breeders, asked for an update about the fourth harness racetrack in Pennsylvania. Jorge Augusto stated that the Pennsylvania Gaming Control Board has denied Endeka's gaming license application but a formal written adjudication is still forthcoming, after which Endeka will have 30 days to file an appeal to the Pennsylvania Supreme Court.

BUSINESS - MOTIONS

A motion was made by Commissioner De Bunda and, seconded by Commissioner Sweeney, and unanimously passed to approve item 3(a) - 6/29/2016 State Horse Racing Commission meeting minutes.

A motion was made by Commissioner De Bunda, seconded by Commissioner Sweeney, and unanimously passed to table item 3(b) - Commission Code of Conduct.

A motion was made by Commissioner De Bunda, seconded by Commissioner Jones, and unanimously passed to table item 3(e) - a commissioner educational conference when all the commissioners are seated.

A motion was made by Commissioner De Bunda and, seconded by Commissioner Sweeney, and unanimously passed to approve item 3(g) - the financial statements for 2016.

A motion was made, by Commissioner De Bunda and seconded by Commissioner Jones, to approve item 3(h) - PHBA request to make payments from the Pennsylvania Breeding Fund. A motion to table item 3(h) was made, by Commissioner Ellis and seconded by Commissioner Sweeney, and passed with two opposed (DeBunda and Jones).

A motion was made by Commissioner Ellis, and seconded by Commissioner Sweeney, and unanimously passed to approve item 4(b) 1-7 - see attached agenda for items.

A motion was made by Commissioner De Bunda and, seconded by Commissioner Sweeney, and unanimously passed to approve item 4(c) - occupational license fee: for Estate, Executor and Authorized Agent.

A motion was made by Commissioner Sweeney and, seconded by Commissioner Jones, and unanimously passed to approve item 4(d) - farrier licensing order in the form attached.

A motion was made by Commissioner Sweeney and, seconded by Commissioner Ellis, and unanimously passed to approve item 4(e) - ARCI (RMTC) Therapeutic Medication Guidelines for thoroughbred only.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed to approve item 4(f); ARCI Multiple Medication Violations (point system) for thoroughbreds only. An amended motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed to approve item 4(f) ARCI Multiple Medication Violations (point system) and fully adopt the Uniform Classification Guidelines for Foreign Substances and Recommended Penalties provisions for thoroughbred only.

ADJUDICATIONS

A motion was made by Commissioner Sweeney and, seconded by Commissioner Rogers, and unanimously passed to enter an order; "**AND NOW**, this 27th day of July, 2016, the *Notice of Ejection or Denial of Admission* dated September 2, 2015 directed to Appellant Mario DeJesus-Arriaga notifying him he is ejected from or denied the privileges of admission to any part of the grounds, facilities, enclosures and/or any properties under the management of Philadelphia Park for a term of five (5) years is **REVERSED.**"

A motion was made by Commissioner Sweeney and, seconded by Commissioner Rogers, and unanimously passed to enter an order re: Pierre

Jovan Hernandez-Ortega; **"AND NOW**, this 27th day of July, 2016, upon consideration of the foregoing Findings of Fact, Conclusions of Law and Discussion, it is hereby **ORDERED** that Ruling No. 15083PP of the Board of Stewards dated May 28, 2015 is **AFFIRMED.**"

A motion was made by Commissioner DeBunda and, seconded by Commissioner Ellis, and unanimously passed to enter an order: **"AND NOW**, this 27th day of July 2016, upon consideration of the foregoing Findings of Fact, Conclusions of Law and Discussion, it is hereby **ORDERED** that Ruling No. 15134PP of the Board of Stewards, dated July 29, 2015, is **AFFIRMED**. Consistent with this ruling, Ramon R. Preciado is hereby fined \$1,500 and is denied front-side privileges at Philadelphia Parx for thirty (30) days, starting September 3, 2016."

A motion was made by Commissioner Rogers and, seconded by Commissioner DeBunda, and unanimously passed to enter an order; **"AND NOW**, this 27th day of July, 2016, upon consideration of the testimony and exhibits of record, it is hereby **ORDERED** that Chelsey L. Wibert's appeal of the Meadows Judges' order of finish in race 12 on October 6, 2015, is **DISMISSED** and the Judges' determination as to the original order of finish is **AFFIRMED.**"

ANNOUNCEMENTS

Chairman Cook announced the next meeting will be held on August 24, 2016, at The Farm Show Complex & Expo Center, Susquehanna Room, in Harrisburg, PA.

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

ADJOURNMENT

Chairman Cook 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

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Commissioners

Russell Redding, Chair
Salvatore M. DeBunda
Thomas Jay Ellis
Russell B. Jones
C. Edward Rogers
Michele C. Ruddy
Dr. Corinne R. Sweeney
Vacant
Vacant
Vacant

AGENDA

WEDNESDAY, JULY 27, 2016
Room 309
Agriculture Building

Notice: All public meetings conducted by the PA State Horse Racing Commission are electronically recorded. Verbatim transcripts can be obtained at the requestor's expense only. Transcripts will not be routinely prepared.

I. EXECUTIVE SESSION (10:00 am)

An Executive Session is scheduled to begin at 10:00 am. Deliberation will be conducted on the following adjudications of appeals to the Commission:

<u>Name:</u>	<u>Hearing Date:</u>
1. Pierre Jovan Hernandez-Ortega	12/8/15
2. Mario Dejesus-Arriaga	12/15/16
3. Ramon R. Preciado	12/15/16
4. Chelsey Wibert	4/5/16

Discussion may also occur re: employment of an individual as Director of Standardbred Racing and any other proper subject for executive session.

II. BUSINESS MEETING (1:00 pm)

1. CALL TO ORDER / SUNSHINE ACT COMPLIANCE / HOUSEKEEPING

- A. Oath of Office – Commissioner Ellis
- B. Non-Disclosure Agreements – Commissioners Jones, Rogers, Sweeney
- C. On-Boarding, Commonwealth email accounts and security awareness
- D. Expense reimbursement and per diem questions
- E. Review of FY 16-17 Budget enacted
- F. Process for FY 17-18 Budget submission

2. INFORMATIONAL PRESENTATION – by Pinnacle Entertainment on Meadows status

3. ADMINISTRATIVE MATTERS

- A. Motion to approve 6/29/16 meeting minutes
- B. Commission Code of Conduct discussion/adoption
- C. Section 2819-D(b)(6) political restrictions
- D. Ex parte communications
- E. Proposal for expanded Commissioner education/orientation
- F. Expectation of licensee, horsemen, breeders groups monthly reporting
- G. Racing Fund financial report
- H. Breeding Fund/ PHBA Request: payments under current law

4. NEW BUSINESS

A. Reports

- 1) Eric Johnston— Director of Racing Penn National
- 2) Joe Wilson—Chief Operating Officer Parx
- 3) Debbie Howells—Director of Racing Presque Isle Downs
- 4) Kevin Decker—Director of Racing The Meadows
- 5) Barry Brown—Director of Racing Harrah's Philadelphia
- 6) Dale Rapson—Director of Racing Mohegan Sun at Pocono Downs
- 7) Michael Ballezzi—Executive Director PTHA
- 8) Todd Mostoller—Executive Director PA HBPA
- 9) Kim Hankins—Executive Director MSOA
- 10) Sam Beegle—President PHHA

B. Schedule, Simulcast, Reports, etc. approvals:

- 1) Motion to approve PARX' new simulcast site of Virginia Equine Alliance.
- 2) Motion to approve Harrah's Philadelphia 6:05 post time for Friday, September 9, 2016.
- 3) Motion to approve Penn National's request to add five (5) additional race days for 2016; September 28, October 5, 12, 19, and 26, post time of 6:00 p.m.
- 4) Motion to approve Penn National's simulcast signal to Amalgamated Racing Limited (d/b/a/Turf TV) (United Kingdom).
- 5) Motion to approve Presque Isle Downs request to add Virginia Equine Alliance Breakers Sports Bar.
- 6) Motion to approve Presque Isle Downs amended July calendar adding Suffolk for July 9th and 10th and removing Hazel Park.
- 7) Motion to approve the Standardbred and Thoroughbred simulcast calendars for August 2016 at all licensed racing entities.

C. Adjudications

- 1) Pierre Jovan Hernandez-Ortega

- 2) Mario Dejesus-Arriaga
- 3) Ramon R. Preciado
- 4) Chelsey Wibert

C. Motion to approve Occupational License fee: for Estate, Executor and Authorized Agent.

D. Farrier Licensing Litigation

E. ARCI Medication / Penalty Guidelines discussion/adoption

F. ARCI Multiple Medication Violation (point system) discussion/adoption

5. PUBLIC COMMENT

6. ADJORNMENT

Next Scheduled Public Meeting

Wednesday, August 24, 2016, 1:00 p.m.

Farm Show Building

Susquehanna Room

2300 North Cameron Street

Harrisburg, PA 17110

The agenda is complete at the time of issuance, but other items may be added or removed without further notice. The order in which the agenda items are called may deviate from the sequence set forth herein.

COMMONWEALTH OF PENNSYLVANIA
STATE HORSE RACING COMMISSION

IN RE: Farrier Licensing Procedure, :
Testing and Regulation Compliance : Admin. Docket: 2016-3
:

ORDER

AND NOW, this 27th day of July 2016, it is hereby ORDERED and DIRECTED that the State Horse Racing Commission shall conform all policies and procedures in operation at the three Thoroughbred racetracks in the Commonwealth to the text of 58 Pa. Code § 163.52 and any and all written procedures to the contrary, including SOP N. Lic.001, Section 13, are hereby superseded. Specifically, the following shall be adhered to by all State Horse Racing Commission employees:

- (a) The issuance of a farrier's license shall be dependent upon the ability of the applicant to satisfactorily complete an examination of his capabilities.
- (b) The examination of the applicant shall be conducted by an organization or entity appointed by the Commission. **The University of Pennsylvania, School of Veterinary Medicine, New Bolton Center, is so appointed.**
- (c) In order to complete the examination, the applicant shall attain a satisfactory score.
- (d) That score shall be determined by the organization giving the examination and approved by the Commission.
- (e) Persons holding a farrier's license in this Commonwealth on March 27, 1982 are exempt from the examination requirements of subsection (a).
- (f) If a license is terminated by action of the Commission or by failure to renew, the examination shall be required for reissuance, unless excused by action of the Commission.
- (g) If an applicant fails to satisfactorily complete the farrier's examination, the applicant may apply for retesting no earlier than 14 days after the initial failure and no earlier than 90 days after each subsequent failure.

BY THE COMMISSION:


for Russell C. Redding, Chairman
State Horse Racing Commission