

THE STATE HORSE RACING COMMISSION MEETING MINUTES

January 26, 2017

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: The Pennsylvania Department of Agriculture room 309 in Harrisburg, PA, Thursday, January 26, 2017 at 1:00 P.M.

Commissioners in attendance were: Salvatore M. De Bunda, Thomas Jay Ellis, C. Edward Rogers, Michele C. Ruddy, Dr. John Egloff, Darryl Breniser, Russell Jones, Robert Lark, Dr. Corinne Sweeney 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 10:30 a.m. for discussion of the following topics: Personnel matters; attorney-client privileged communication; litigations; and commission adjudications.

SUMMARY

Chairman Redding welcomed everyone to the commission meeting and began the Industry Session at 11:00 a.m.

Kevin Decker, Racing Director from the Meadows, kicked off the last industry session with all of the Racing Directors from all six tracks in attendance doing one presentation. Sitting up front along with Kevin were Debbie Howells, Presque Isle Downs, Dale Rapson, Mohegan Sun at Pocono Downs, Joe Wilson, Parx, Barry Brown, Harrah's Philadelphia and Eric Johnston, Penn National.

Mr. Decker provided some key points that shared the goals of all six racetracks in Pennsylvania. Some topics included were Integrity of the product, allowing the Tracks to operate with less obstructions and provide success for the entire racing industry. There have been many investments made by the racetracks including many backside improvement and many planned major racing days in Pennsylvania. Many ideas and changes need to be made for the rules of racing and wagering which prompted much discussion back and forth between the commission and the panel.

Chairman Redding thanked everyone for being at the meeting and began with the housekeeping matters.

Brook Duer, spoke briefly about one ex parte communication and thanked the industry for refraining from contacting the commissioners directly and working through the Commission office.

Director Revington spoke briefly about the Standardbred tracks and the information that was requested of them pertaining to Track conditions/track maintenance plans.

Prior meeting minutes of 12/21/16 were approved by motion. There was no general correspondence for the January meeting. Tracee Gotwalt, Bureau of Administrative Services, presented information on the Commission's FY 16-17 financial statements.

Pending appeals numbers and status was updated to the Commission by counsel Jorge Augusto.

The following licensed racing entity representatives addressed upcoming events and happenings at the tracks: Eric Johnson, Director of Racing at Penn National; spoke during industry session. Joe Wilson, Racing Director, Parx; spoke during industry session. Debbie Howells, Director of Racing, Presque Isle Downs; spoke briefly to the commission about the upcoming 2017 racing season at Presque Isle Downs and the stall applications are up on the website. Kevin Decker, Director of Racing, The Meadows; spoke during industry session. Barry Brown, Director of Racing, Harrah's Philadelphia; spoke during industry session. Dale Rapson, Director of Racing at, Mohegan Sun at Pocono Downs, spoke during industry session.

The following horsemen's and breeder group representatives addressed the Commission: Michael Ballezzi, Executive Director, PTHA, spoke briefly to the commission about the repayment of the \$100,000 and how it needs to be paid as soon as possible. Parx now has its Grade 1 stakes races which is very exciting. Todd Mostoller, Executive Director, PA HBPA, had no report for January. Kim Hankins, Executive Director, MSOA, asked the commission to please send out the financial reports before each meeting. Sam Beegle, President PHHA, had no report for January. Jim Simpson, Standardbred Breeders Association, had no report for January.

Brian Sanfratello, Executive Director, PHBA, spoke to the commission about the monthly newsletter that is sent out. Thanked the commission again for the money for the Stallion Directory. The Stallion season auction started and have approximately 100 stallions up for auction. There was much discussion on the Breeders awards payment. Roger Legg, President, PHBA discussed the concerns and frustrations with atmosphere at the racetracks that in his opinion are not kind to Breeders and how that can be changed.

Mike Simpson, had a few questions about the timeline and process for the new license and who will be reviewing once applications are submitted.

Dr. Robinson spoke to the commission about the research that has been conducted over 2016.

BUSINESS - MOTIONS

A motion was made by Commissioner DeBunda and, seconded by Commissioner Ellis, and unanimously passed to approve item 3(b) 1-12/21/2016 State Horse Racing Commission meeting minutes.

A motion was made by Commissioner Sweeney and, seconded by Commissioner Lark, and unanimously passed to approve item 3 (b) 2- financial statements for January meeting.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Rogers, and unanimously passed to approve item 3 (b) 3- the 2017 Pennsylvania Horse Breeders Budget.

A motion was made by Commissioner Ellis and, seconded by Commissioner Breniser, and unanimously passed to approve item 3 (b) 3 -to

delegate to Director Chuckas the finalization of the service agreement with the Pennsylvania Horse Breeders 2017 Budget.

A motion was made by Commissioner Ellis and, seconded by Commissioner Egloff, and unanimously passed to approve item 3 (b) 4- A & B; The motion to approve all simulcast for February 2017 from the six racetracks; The Meadows, Harrah's Philadelphia, Mohegan Sun at Pocono Downs, Parx, Penn National and Presque Isle Downs.

A motion was made by Commissioner Sweeney and, seconded by Commissioner DeBunda, and unanimously passed to approve item 3 (b) 4- C & D; the Meadows to conduct outdoor wagering at the Harmar off-track site on the following days, Friday, May 5, 2017(Kentucky Oaks Day), Saturday, May 6, 2017 (Kentucky Derby Day), Saturday, May 20, 2017 (Preakness Day) and Saturday, June 10, 2017 (Belmont Day). Also for Presque Isle Downs to conduct Mystery Voucher/Scratch off ticket promotion on February 10th, 11th, 17th and 18th.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed to approve item 3 (b) 4- E; the most current version of the Multiple Medication Violation Rule.

A ratification was made by Commissioner Breniser and, seconded by Commissioner Lark, and unanimously passed to approve item 3 (b) 4 (2)- to accept the Harness Fair Racing Condition changes for 2017.

A ratification was made by Commissioner Rogers and, seconded by Commissioner Brensier, and unanimously passed to approve item 3 (c) 1-I; of Roberts Communication for a racing vender license.

A ratification was made by Commissioner Breniser and, seconded by Commissioner DeBunda, and unanimously passed to approve item 3 (c) 1-II; of Sportech for a racing vender license.

A motion was made by Commissioner Lark and, seconded by Commissioner Egloff, and unanimously passed to approve item 3 (c) 4; the new Primary Racetrack Application process which will be published in the PA Bulletin and the Department of Agriculture website from February 15, 2017 to June 14, 2017.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed to approve; the staff to sit down with the track operators, and the horsemen to figure out the issue of identification of horses on the backside when they enter and leave the track.

ANNOUNCEMENTS

No Casino Gettysburg had a few speakers address the commission on their concerns surrounding the new license application and potential sites.

Chairman Redding announced the next meeting will be held on Tuesday, February 28, 2017, at the 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

Brett Revington
Bureau Director
Bureau of Standardbred Horse Racing