

THE STATE HORSE RACING COMMISSION MEETING MINUTES

JULY 27, 2021

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: Via Telephonic Conference Call on Tuesday, July 27, 2021 at 1:00 P.M.

Commissioners in attendance: Chairperson Cook, Darryl Breniser, Salvatore DeBunda, Thomas Ellis, Russell Jones, Robert Lark, C. Edward Rogers, Michele Ruddy and Dr. John Egloff were present via telephonic conference call. Also present were Commission Counsel Jorge Augusto and Marija Kuren. Dr. Sweeney was not in attendance.

ANNOUNCEMENTS

A quorum of the Commission being present, Chairperson Cook called the meeting to order. Chairperson Cook noted that the meeting was properly advertised in accordance with the Sunshine Law. By way of notice, the Commission conducted an executive session to engage in quasi-judicial deliberation to be adjudicated at the public meeting and engaged in attorney client privilege communication.

Chairperson cook welcomed everyone.

PUBLIC MEETING

1.) MINUTES OF THE JUNE 29, 2021 Meeting as emailed to the Commissioners for their review in advance of the meeting.

Motion By: Commissioner Jones
Second By: Commissioner DeBunda
Decision: Passed by unanimous vote.

PRESENTATIONS

2.) RACING FUND JUNE FINANCIAL REPORT – presented by Tracee Gotwalt. Ms. Gotwalt provided a detailed financial analysis of the State Racing Fund, Commission and Testing Revenues and Expenses, Promotional Expenditures, a Comparative to FY 19/20 and an overview of the Breed-specific funds for the month of June 2021. Ms. Gotwalt informed the Commission that the ending cash balance for FY20/21 was \$10,486,254. There are currently commitments of \$1,374,181 leaving the year-end distribution at \$9,112,073. Applying the statutory distribution rate, the Thoroughbred Breeders and the Standardbred Sire stakes would each receive \$2,278,018 and \$4,556,037 would remain in testing.

3.) FY 21/22 Proposed Marketing/Promotional Fund allocation - presented by Thomas Chuckas. Mr. Chuckas advised the Commission that the allocation percentage for the Grantees was the agreed upon method used in previous years. The 21/22 RHDTF transfer was \$1,840,028 - a \$129,000 increase from last year. He provided the Commission with an explanation on the proposed allocation of the marketing funds and a breakdown of the proposed distribution (See attached). In addition, Mr. Chuckas advised that under Administrative Actions the Commission could approve the proposed distribution. Finally, the

Commission was informed that this is the final year under the five-year grant agreements and new agreements would be required for FY 22/23.

ADMINISTRATIVE ACTIONS

4.) Motion to approve the Simulcast Calendars for August 2021 for Harrah's Philadelphia, Mohegan Sun at Pocono Downs and The Meadows.

Motion By: Commissioner Lark
Second By: Commissioner Ellis
Decision: Passed by unanimous vote.

5.) Motion to approve the Simulcast Calendars for August 2021 for Parx, Penn National and Presque Isle Downs.

Motion By: Commissioner Lark
Second By: Commissioner Ellis
Decision: Passed by unanimous vote.

6.) Motion to approve the FY 21/22 Marketing Fund allocation.

Motion By: Commissioner DeBunda
Second By: Commissioner Ellis
Decision: Passed by unanimous vote.

7.) Motion to ratify previous approval of the Meadows request to suspend the wager on the Super High Five Wager until Adios Day, July 31, 2021 with an increased guarantee and a mandatory payout on Adios Day, if the wager is not hit on July 15, 2021 and July 16, 2021.

Motion By: Commissioner Ellis
Second By: Commissioner Rogers
Decision: Passed by unanimous vote.

8.) Motion to ratify previous approval of Pocono Downs' request for the following wagering format changes:

- a. Discontinue the Rainbow Pick 5 with a mandatory payout on July 31, 2021.
- b. Add a .50 cent Pentafecta to the last race with a 20% takeout,
- c. Add an additional Pick 3 with a \$1,00 minimum.
- d. Add 2 additional Pick 4s with a .50 cent minimum.
- e. Add a .20 pick 5.
- f. The Pentafecta and all Pick 3,4 & 5s will have a 100% carryover to the next pool should there be no winner.

The changes will be effective August 1, 2021.

Motion By: Commissioner Ellis
Second By: Commissioner Lark
Decision: Passed by unanimous vote,

INDUSTRY REPORTS

8.) General Reports

Director Chuckas sought to clarify the record regarding the June meeting report. On May 21st & May 22nd, enforcement action was taken at Parx. On May 25th at the Commission meeting, I reported the results of said action. The May report was accurate and I stand by my statements. On Monday May 27th & 28th, enforcement action was taken at Penn National. Multiple vehicle searches, barn searches and vet truck searches and out of competition testing was conducted. There were limited or minor violations which were handled through the stewards in the standard process. These violations were separate and minor compared to the Parx violations from May 21st & 22nd. On June 23rd & 24th, new enforcement action was taken at Parx. Limited or minor violations were discovered. These matters were handled through the normal process with the stewards. On July 4th & 5th, enforcement action was undertaken at Presque Isle Downs. Violations were handled by the stewards. Two items of note. First a track employee was found to be in possession of human illegal drugs and paraphernalia. The matter was referred to the State police who arrested the individual. The second item was a trainer was summarily suspended when a vehicle under her control was found to contain unopened packaged needles and syringes. As a result of a stewards hearing, the trainer was given a suspension.

Director Salerno recognized the following Industry participants for their reports:

- Chris McErlean, Penn National, advised on August 12th, the Hollywood York Cat 4 Casino would be opening. Mr. McErlean provided an overview and the operations specifically how the mutuels would operate utilizing self service kiosks. Customer service representatives will be available to assist customers and answer questions. He agreed to provide a follow-up report at the August meeting.
- Matt Ennis, Presque Isle Downs, stated that PID was extremely happy with the re-opening. The crowds have been returned and on-site handle is up 131%. Presque Isle has worked hard to be creative with its marketing efforts and it appears to be working.
- Joe Wilson, Parx, advised that Parx is coming up to its summer two and a half break. Parx is gearing up for its major events in August and September with PA Day at the Races, PA derby and the Cotillion.
- Barry Brown, Harrah's Philadelphia, advised the Commission that the handle has been strong. The next big event is September 10th, which will mark the 15-year anniversary of the track. The anniversary planning is continuing, and we expect a great crowd.
- Scott Lishia, Meadows, outlined events that had occurred in the last month, food truck festival, evening carts night and wiener dog night. All were well received. Adios eliminations were conducted, and we are preparing for Adios

week. The highlights for the week are the MSOA event mixed junction, family fun night and the Adios.

- Mike Harant, PHHA agreed with Mr. Zullinger's comments regarding Sun Stakes day. The horsemen are expecting a great card and significant wagering.
- Mike Zullinger, Pocono Downs, thanked the Commission for the approval for the new wagering format. Sun Stakes planning is on-going, and we anticipate a great day. This will be the first year the Sun stakes will be conducted in the afternoon.
- Brian Sanfratello, PHBA, talked about PA Day at the Races at Parx on August 23rd. There will be five \$100,000 stakes races and over \$1,000,000 in purses distributed.

ANNOUNCEMENTS

Chairperson Cook announced that the next meeting will be held on Tuesday, August 31, 2021. The Meeting location is to be determined.

- Executive Session 11:00 A.M.
- Regular Session 1:00 P.M.

ADJOURNMENT

The meeting was adjourned at 1:54 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing