

## **THE STATE HORSE RACING COMMISSION MEETING MINUTES**

**March 29, 2017**

*A public business meeting of The State Horse Racing Commission was held at the following date, place and time: FARMSHOW Complex in the Susquehanna room in Harrisburg, PA, Wednesday, March 29, 2017 at 1:00 P.M.*

*Commissioners in attendance were: Thomas Jay Ellis, C. Edward Rogers, Michele C. Ruddy, Darryl Breniser, Russell Jones, Dr. Corinne Sweeney, Salvatore DeBunda 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; attorney-client privileged communication; litigation; commission adjudications.*

### **SUMMARY**

Chairman Redding welcomed everyone to the commission meeting and began with the housekeeping matters.

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

Director Revington briefly informed the commission about training happening the next day for the Special Investigators, Field Investigators and Racetrack managers for all six tracks in Pennsylvania involving all aspects of Investigations. Also "Out of Competition Testing" was approved at the February meeting and it has been publicized and announced through various publications in the industry. All the stakeholders have received a copy of what was approved. The goal is to have OCT launched by May 1, 2017.

The February meeting minutes 02/28/17 were approved by motion. There was no general correspondence since the February meeting. Tracee Gotwalt, Bureau of Administrative Services, presented information on the Commission's FY 16-17 financial statements.

A candidate for the Marketing and Promotion position has been identified by the PA Department of Agriculture. A motion to concur in the hiring of that candidate was made by Commissioner Ellis, seconded by Commissioner Jones, and unanimously passed.

The Equine Coalition addressed the Commission concerning some thoughts on how the marketing money should be used. Mr. Hankins stated that his recommendation is that from the \$2.4M for marketing and promotion \$200,000 should be given to the Commission and the bulk of the money be given to the horsemen's groups from all six tracks for the marketing. Then each track focus on and market what happens at their tracks.

Mr. Sanfratello spoke to the Commission about the Thoroughbred Breeders marketing budget which stands right now at \$152,500 dollars and

how little that compares to New York whose marketing budget is \$1.4M. The thoroughbred breeders would receive an additional \$182,686 which would be a total of \$333,000 dollars that would go a long way in helping to market and promote in Pennsylvania. Youth development is very important and with so many Breeders retiring or dying off it makes it hard to replenish what it lost. The Commission cannot afford to have the marketing money used poorly and that is why the use of professional services would be the best way to go.

Chairman Redding, asked the coalition what kind of branding and marketing will be used for Pennsylvania Racing. Commissioner DeBunda addressed some concerns about Pennsylvania branding and marketing and the commission has come up with a hybrid solution for the time being. The six industry organizations will all receive \$150,000 to be used under a plan that is to be submitted to us in two weeks' time and at the next meeting those plans will be presented to the commission.

There will be no future requests sent to the commission concerning any marketing money. The \$150,000 will include the marketing proposals on the agenda. Once the marketing and branding for Pennsylvania Racing is established this is just a short-term solution for the rest of the fiscal year 16-17.

Sam Beegle, President of the PHHA, spoke to the Commission on behalf of the PHHA and the MSOA. The fair promotional money that the fairs need for expenses that are incurred by the fairs that the commission used to pay for then the horsemen received the duty. Mr. Beegle would like the commission to take responsibility for funding again. County fair level is the best promotion that you can get and need to make sure that these fairs market to the best of their ability.

Eric Johnston, Director of Racing at Penn National, briefly spoke to the commission about the funds requested that Penn National have asked for marketing of the Triple Crown and Penn Mile.

Director Revington briefly spoke about the updated Pylon Rule, for Standardbred racing only, with an order read by Jorge Augusto, legal counsel.

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

The Joint State Government Commission presented their recently published report to the Commission. They started out thanking the commission and staff for the wonderful help given when they asked for information during the process of writing the report. The JSGC works with the Legislature to help give advice and make recommendations when appropriate. Many positive and some negative points were raised with a lot of information for the good of racing coming out of the report.

*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 March. Joe Wilson, Racing Director, Parx; had no report for March. Debbie Howells, Director of Racing, Presque Isle Downs; had no report for March. Tom Leasure, Acting Director of Racing, The Meadows; had no report for March. Barry Brown, Director of Racing, Harrah's Philadelphia; had no report for March. Dale Rapson, Director of Racing at, Mohegan Sun at Pocono Downs, had no report for March.

*The following horsemen's and breeder group representatives addressed the Commission:* Michael Ballezzi, Executive Director, PTHA, had no report for March. Todd Mostoller, Executive Director, PA HBPA, had no report for March. Kim Hankins, Executive Director, MSOA, spoke earlier with the Equine Coalition. Sam Beegle, President PHHA, and Jim Simpson, Standardbred Breeders Association, thanked the commission for receiving the Breeders awards payments earlier than in the past, everyone was very happy about it. Also in 2018 Mohegan Sun at Pocono Downs will once again be hosting the Breeders Crown.

Brian Sanfratello, Executive Director, PHBA, spoke to the commission about the monthly newsletter. Mr. Sanfratello thanked the commission again for the money for the Stallion Directory and other marketing money as it has helped get the name of Pennsylvania Breeding and racing out with positive improvements such as the PA Preferred category, higher purses for PA Bred claimed races, and a Maiden 25 race. There will be a Breeders meeting on April 4<sup>th</sup> to discuss these issues.

### **ADJUDICATIONS**

In re: Appeal of Garry Thompson: A motion was made by Commissioner Sweeney and, seconded by Commissioner Ruddy, and unanimously passed to enter an order, **AND NOW**, this 29<sup>th</sup> day of March, 2017, *the Notice of Ejection or Denial of Admission* dated November 23, 2016 directed to Appellant Garry Thompson notifying him that 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 Parx Racing for a period of two (2) years is hereby **REVERSED**.

In re: Appeal of John E. Salzman Jr.: A motion was made by Commissioner Jones and, seconded by Commissioner Ellis, with one objection from Commissioner Rogers passed to enter an order, **AND NOW**, this 29<sup>th</sup> day of March, 2017, upon consideration of the testimony and Exhibit of record, together with the forgoing Findings of Fact and Conclusions of Law, it is hereby **ORDERED** that the Decision of the Board of Stewards is **AFFIRMED**.

### **BUSINESS - MOTIONS**

A motion was made by Commissioner Ellis and, seconded by Commissioner Rogers, and unanimously passed to approve item 3(b) 1-02/28/2017 State Horse Racing Commission meeting minutes.

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

A motion was made by Commissioner DeBunda and, seconded by Commissioner Rogers, and unanimously passed to approve the hybrid of distribution of dollars for \$150,000 to go to the six industry stakeholders.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed to approve a committee to be set up to establish branding and strategies of a 9-member committee

including two (2) breeders, four (4) horsemen's groups, one (1) Thoroughbred track member, one (1) Standardbred track member and one (1) commission marketing person.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed to approve item 3 (b) 4- A-I; for all simulcast approvals for all six tracks for April and track motions. Please see attached agenda from March for all other motions.

A motion was made by Commissioner Breniser and, seconded by Commissioner Ruddy, with two abstentions from Commissioner DeBunda and Commissioner Jones, passed to approve item 3 (b) 4-J; Pylon Rule for Standardbred Racing only.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Sweeney, and unanimously passed to ratify item 3 (b) 4-A; ratification of Pocono Downs request to move opening night due to snow.

### **ANNOUNCEMENTS**

Mr. Brian Langlois addressed the commission briefly on a few topics. Mr. Patrick Kane also spoke to the commission about his concerns on integrity issues. Susan Murry and Meredith Catchings of Adams County for Jobs Growth Opportunity addressed the commission with the concerns and wishes of having the track be approved in Gettysburg to bring jobs, money and growth into the area.

Chairman Redding announced the next meeting will be held on Thursday, April 27, 2017, at Parx Racetrack, 3001 Street Road, Bensalem, PA 19020.

- Executive Session 11:00 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