

THE STATE HORSE RACING COMMISSION MEETING MINUTES

April 30, 2024

A public business meeting of The State Horse Racing Commission was held at the following date, place, and time: In-Person PDA Room 309 and Via Telephonic Conference Call on Tuesday, April 30, 2024, at 1:00 P.M.

Commissioners in attendance: Chairperson Cook, Darryl Breniser, Russell Jones, Ed Rogers, Michelle Ruddy, Thomas Ellis, Commissioners Robert Lark, Salvatore DeBunda, and Corinne Sweeney joined Via Microsoft Teams. Also present was Commission Counsel Jorge Augusto, Standardbred Bureau Director Anthony Salerno, and Thoroughbred Bureau Director Thomas Chuckas.

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 to the meeting.

PUBLIC MEETING

1.) APPROVAL OF THE FEBRUARY 27, 2024, MEETING MINUTES:

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

2.) APPROVAL OF THE MARCH 26, 2024, MEETING MINUTES:

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

PRESENTATIONS

3.) Racing Fund March Financial Report – Presented by Tracee Gotwalt. Ms. Gotwalt provided a detailed analysis of the Financial Statements starting with the State Racing Fund. The beginning balance was \$2.7 million. There was revenue of \$2.1 million, expenditures of \$2.1 million, leaving an ending balance of \$2.8 million. On the horse race Commission statement, the revenues for the month were \$666,000. Personnel expenditures were \$575,000, and Operating expenditures were \$102,000 bringing the total expenditures to \$677,000. The month's Revenue for Testing was \$1.4 million. Operating costs were \$518,000 and Personnel costs were \$ 502,000, bringing total expenditures to \$ 1,020,000.

The Promotions account showed no revenue for the month and expenditures of \$346,000.

Moving to the Comparative financial statements, the revenue is down 11 percent, being driven by the delay in RHDTF transfers. Personnel expenditures are up 7 percent, and that's a reflection of the union contract and the associated raises. Operating expenditures are down 3 percent, bringing the total overall expenditures to a 2 percent increase.

Ms. Gotwalt noted that we did look into your real estate that has not been charged to testing. Inadvertently, it was charged in August to GGO. So, there's a cost adjustment that has gone through for April, so you will see that clear in the month of April.

The remaining financial statements are for the restricted accounts.

4.) HISA Assessment Process Review – Presented by Thoroughbred Bureau Director Thomas Chuckas. As everyone is aware, the Commission has directed staff, Jorge, Tony and I to work on the assessment process for 2024 with HISA and HIWU. We have reached a tentative agreement with HISA and HIWU on the true-up for 2023 and on the credits and the assessments for 2024.

That process will continue with documentation being forward to OGC and the Attorney General's Office. The staff will make a presentation at the next meeting.

ADMINISTRATIVE ACTIONS

5.) Motion to approve Simulcast Calendars for May 2024, for Harrah's Philadelphia, Mohegan Sun at Pocono Downs, and the Meadows.

Motion By: Commissioner Breniser
Second By: Commissioner Rogers
Decision: Passed by unanimous vote

6.) Motion to approve the Simulcast Calendars for May 2024 for PARX, Penn National and Presque Isle Downs.

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

7.) Motion to approve the Presque Isle Downs request to move live racing from Thursday, September 19th to Friday September 20th with a 4:00 p.m. post time. (Master's Grade - Race Day)

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

8.) Motion to approve Presque Isle Downs and Parx request to offer the betting public the following wagering opportunities on September 20th and 21st:

- A. Pennsylvania PK4**
 - 1. PID Mile

2. PID Maters Stakes
3. Cotillion
4. PA Derby
5. .50 cents minimum
6. 15% takeout

B. Pennsylvania Daily Double

1. PID Masters Stakes
2. PA Derby
3. \$1 minimum
4. 15% takeout

Motion By: Commissioner DeBunda

Second By: Commissioner Ellis

Decision: Passed by unanimous vote

9.) Motion to ratify the Standardbred Director's approval for Harrah's Philadelphia to change its post Time on Saturday May 4th (Kentucky Derby Day) to 12:00 p.m.

Motion By: Commissioner Breniser

Second By: Commissioner Rogers

Decision: Passed by unanimous vote

ADJUDICATION

A. Uriah St. Lewis, (Appeal of Ruling No. 23249PP) Docket No. RACINGPX-2023-NM-4. Disqualification of Ineligible Horse.

Attorney Augusto read the following order and stated that this could be done in the form of a motion:

And now this 30th day of April 2024, based upon the foregoing Findings of Fact and Conclusions of Law, the testimony of the witnesses, the Joint Stipulations and exhibits of record in this matter, Ruling Number 23-249PP, issued by the Board of Stewards at PARX, dated September 14, 2023, which disqualified the ineligible horse, Civil Notion, from the third race of August 23, 2023, and redistributed the purses, is hereby affirmed.

Motion By: Commissioner Ellis

Second By: Commissioner Jones

Decision: Passed by unanimous vote.

INDUSTRY REPORTS

10.) General Reports

Director Salerno recognized the following Industry participants:

- Scott Lishia, Director of Racing at the Meadows, reported that the month of April has been a very busy month. The Meadows installed a new Video Board, which is much larger than the old one and which has incorporated all the tote

information, pool totals, odds, scratches, and changes, so this will essentially replace the old tote board. This is a great upgrade and the cost was around \$380,000. We also upgraded our HVAC system in the Paddock, upgrading two compressor units for about \$60,000. The Meadows has switched to a 4 day per week schedule and the entry box has been a little light, but the Race office is doing a great job filling the cards. Stake season starts in May which should help the entry box. Like everyone we busy preparing for the Derby. We will have our outside patio and bar opening, along with a buffet on the patio. The MSOA will be sponsoring a hat contest, which is always a big hit.

- Mike Zullinger, Director of Racing Mohegan Sun Pocono Downs, reported that Pocono will be starting their 4 day-a-week schedule first week in May, and handle and horse entries continue to be strong. Pocono has multiple activities planned for Derby Day.
- Barry Brown, Director of Racing Harrah's Philadelphia, reported that racing kicked off on April 12th. We are 7 days into our season and our handle has been up slightly over last year. We are looking forward to a big month in May beginning with our Derby festivities followed by Mother's Day, which is typically one of our highlight days of the season. The next major event is Harrah's Invitational Sunday over the Memorial Day weekend, which will carry us into stakes season. We are looking forward to busy season over the next couple of months.
- Joe Wilson, Director of Racing for Parx, reported like everyone else, they were gearing up for the Derby and hoping for good weather. Parx will have live music, food trucks and lots of activities for the kids. The following week on Mother's Day, we are once again hosting the Susan G. Korman Pink Walk. Last year we had about 2,000 people walk around the dirt track. So, we are looking forward to that again. Also, would like to thank the Commission for approving the Pick Four and our double wagers with Presque Isle.
- Eric Johnston, Director of Racing Penn National also reported that they are gearing up for Derby Day. We will have a lot of activities planned for kids and families, numerous food and drink specials, our new outdoor Beer Garden will be open as well as a new full-service dining area outside of the paddock.
- Chris McErlean Vice President of Racing and Entertainment for Penn National took the opportunity to thank Tom Chuckas and the Commission for working to get an agreement in place with HISA and HIWU. The credits go a long way to help defer some of the cost. I will say, having gone through this process in different jurisdictions in racing, Pennsylvania has definitely made it the most painless process, in terms of operations, and again from the financial side, Tom's group, and the Commission itself has been very helpful in terms of making that process as good as possible. Some of the other jurisdictions, not so much. I just want to thank the Commission and Tom and his staff for trying to make the best of what's not a perfect situation in all respects.
- Mike Harant, Executive Director PHHA, reported that operations are in full swing at both Pocono and Harrah's. Horse population remains strong and we are looking forward to stakes season getting under way as well as the Harrah's Invitationals over Memorial Day weekend.

- Jeff Matty, Executive Director PTHA Reported that the PTHA and Parx racing just came to an agreement with NBC Sports Philadelphia that on August 24, they'll be on NBC Sports from 3:00 to 5:00 p.m. The hosts will be Chris Griffin and Dick Jerardi to provide racing analysis and lots of interviews. We are really looking forward to the exposure.

I also want to make the Commission aware, that I have been appointed to the HISA Next Generation Advisory Committee. I received unanimous approval from my board and we are hoping that by having a seat at the table, will have some input moving forward.

- Kim Hankins, Executive Director of MSOA, thanked everyone for their thoughts and prayers during his health trials. He appreciated that very much. It's been 3 years since I've been here in person and it's great to see everyone. I also would like to thank Penn Gaming for the capital improvements at the Meadows, the video Board and especially the Paddock HVAC improvements.
- Matt Ennis, Director of Racing, Presque Isle, reported that the backside recently opened and as of April 22nd there are currently 205 horses on the grounds with more on the way. He also thanked the Commission for approving the move of the Master's Day races as well as the wagering approvals with PARX. We also have a lot of events planned for Derby Day. It brings a lot of energy to the Erie community.
- Brian Sanfratello, Executive Director for PHBA, reported as everyone has stated this weekend is the Derby and we almost had a PA Bred make it there. Unfortunately, he had to be quarantined but we are hopeful that he may make the Peter Pan or the Preakness. We do have a PA Bred that will be racing on Derby Day his name is "I'm Very Busy" and he will be in the Grade 1 Bourbon Turf Classic, the race before the Kentucky Derby. He'll be ridden by Irad Ortiz Jr. Slot revenue transfers to the Breeding Fund are down about 1.2 million which we expected because of the doubling of the payments from last year. Lastly, the 45th Iroquois Banquet is Friday May 10th. If anyone would like to attend, please reach out to me. It's the 20th anniversary of Smarty Jones win at the Derby and the Preakness and we have a really great event planned.
- Mike Simpson, Standardbred Breeders, had no report.

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENTS

Chairperson Cook announced that the next meeting will be held on Tuesday May 28, 2024, at 1:00 pm. The Meeting location will be Room 309 and on Teams.

- Executive Session 11:00 a.m.
- Regular Session 1:00 P.M.

ADJOURNMENT

MOTION BY: Commissioner Jones

SECOND BY: Commissioner Ruddy

DECISION: Passed by Unanimous vote

The meeting was adjourned at 1:29 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing