

THE STATE HORSE RACING COMMISSION MEETING MINUTES

December 19, 2023

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, December 19, 2023, at 1:00 P.M.

Commissioners in attendance: Chairperson Cook, Darryl Breniser, Ed Rogers, Michele Ruddy, Corinne Sweeney, Russell Jones, Tom Ellis, also joining Via Teams were Salvatore DeBunda and Robert Lark. Dr. John Egloff was not present. 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.) MINUTES OF THE November 28, 2023, Meeting:

Motion By: Commissioner Ellis to table.
Second By: Commissioner Sweeney
Decision: Tabled by unanimous vote.

PRESENTATIONS

2.) RACING FUND NOVEMBER FINANCIAL REPORT- presented by Tracee Gotwalt. Ms. Gotwalt reported the State Racing Fund beginning balance for the month of November was \$5,816,000, Revenue for the month was \$728,000. Expenditures were \$922,000 bringing the ending balance to \$5,623,000. Horse Racing Commission revenue was \$728,000 with personnel costs of \$428,000 and operating expenditures of \$25,000 bringing the total expenditures to \$454,000. Testing had no revenues due to the lack of a Fiscal Code which is required for RHDTF transfers. Personnel expenditures were \$336,000; operating expenditures were \$97,000 bringing the total expenditures for November to \$433,000. The Comparative to FY 22/23 shows a decrease in revenue of 52%, mainly due to the delay in an executed Fiscal Code. Personnel costs are up 3% and operating cost are up 11%. Ms. Gotwalt advised that the remaining documentation provided information on the Restricted Accounts.

3.) SBA MARKETING REPORT- Stu Kirshenbaum from Keystone Films presented several videos promoting Standardbred Breeding in Pennsylvania which highlighted Hanover Shoe Farms, Diamond Creek Farm and Vieux Carre Farm. He also provided several 30 second

commercials that have aired on America's Day at the Races during coverage of the Hambletonian, Meadowlands Pace and the Breeders Crown, as well as on TVG and NYRA. Keystone films maintains daily management of the standardbred breeder's social media platforms whose following continues to grow. He also emphasized that they continue to use a variety of methods to achieve the branding and imaging objectives on behalf of the Standardbred Breeders and will continue to use those platforms to highlight the achievements on the racetrack of horses sired and bred in PA.

Ashley Eisenbeil spoke about the partnership between the PHRA and the SBA which started about 5 years ago with the Wager Warriors campaign. One of the main objectives for the Wager Warriors is to provide hassle free access to past performances as well as some educational information that we have on our website. On July 1st, we launched a new Campaign for Wager Warriors and have seen a 43% increase in traffic since the new launch. At the same time, we have seen a slight decrease in Facebook views which seems to be a common trend with most Facebook accounts. We are very excited to say that we have launched a new podcast called "Hot to Trot" which we hope will target the female audience of racing. Nearly 75% of the followers on Facebook and Instagram are female. We plan on shooting new Podcast over the Holidays so will have some fresh new content for the New Year.

4.) PHBA 2024 Budget Presentation- presented by Brian Sanfratello. Mr. Sanfratello provided an overview of the projected 2024 budget and then provided a line-by-line analysis of the budget. The Commissioners had sought clarity with specific budgetary issues which Mr. Sanfratello answered to their satisfaction.

5.) HISA Assessment Process Review- presented by Tom Chuckas. Mr. Chuckas reported the Fifth Circuit Court has not yet issued its decision. The Commission has come to an agreement with HISA to continue the Racetrack Safety program in 2024 with no changes. Staff, and legal counsel are currently engaged with HISA on the IGA and Lab Services programs. We're proactively seeking an arrangement that works for 2024. We have a series of meetings scheduled with HISA in the coming weeks.

ADMINISTRATIVE ACTIONS

6.) Motion to approve the Commission's determination regarding HISA'S Assessment Process – Commissioner Ruddy made a motion to direct the Thoroughbred director and staff to execute the 2024 Racetrack safety program letter of intent, and then continue to finalize the 2024 addendum to the 2023 IGA and the 2023 lab services agreement to be ratified at an upcoming Commission meeting.

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

7.) Motion to approve the 2024 PHBA Budget.

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

8.) Motion to approve Simulcast Calendars for January 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.

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

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

10.) Motion to ratify the Standardbred Director's approval for Harrah's Philadelphia to eliminate two live racing days, Thursday December 7th and 14th and move post time on December 31st, 2023, to 4:00 p.m.

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

LICENSING

11.) Motion to approve SPMO Application:

Am West Entertainment, Docket No. 2023-39 (SPMO License renewal)

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

12.) Motion to approve Vendor renewal:

American Teletimer Corporation, Docket No. 2023-11 (Conditional approval)

As a result of American Teletimer's late submission, the director of licensing and the Office of Chief Counsel are still presently finalizing their review of American Teletimer's 2024 application. To avoid any consequences to the licensed racing facilities, the Commission hereby grants temporary conditional approval of American Teletimer's 2024 racing Vendor renewal license application pending a final review and order at the Commission's January 30, 2024, meeting.

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

INDUSTRY REPORTS

13.) General Reports

Director Salerno recognized the following Industry participants:

- Scott Lishia, Meadows, reported that the Meadows is on their 3 day a week schedule until April of 2024 and wished everyone a Happy holiday season.
- Mike Zullinger, Pocono, had no report this month but wished everyone a happy holiday season and a safe New Year.
- Barry Brown, Harrah's Philadelphia, reported that there were 4 days remaining in the 2023 Racing Season. Harrah's will kick off their 2024 season in April and wished everyone a Happy Holiday.
- David Osojnak Parx reported that their last day of racing for 2023 will be December 27, with two \$200,000 stakes for Pa Bred and Sired horses. Mr. Osojnak said their will be some changes in the condition book for 2024, which will include more PA Bred claiming races with an increase of about 20 – 25 % in purse monies. Parx will also be adding more Saturday race days to our schedule. He wished everyone a Happy and Healthy Holiday season.
- Eric Johnston, Penn National, had no report this month other than to wish everyone a Happy Holiday and will see everyone in 2024.
- Matt Ennis, PID, reported that PID closed their backside just prior to Thanksgiving and are winterizing the barns for the upcoming season. He also wished everyone a Happy and safe Holiday Season.
- Mike Harant, PHHA had no report this month. He also wished everyone a very Happy and Healthy Holiday Season.
- Kim Hankins, MSOA, had no report but wished everyone a Merry Christmas and Happy holidays and a safe and prosperous 2024. Commissioners Breniser and Rogers thanked Mr. Hankins for his years of service as the Executive Director of the MSOA and wished him well in his retirement.
- Jeff Matty, PTHA, had no report but wished everyone a Merry Christmas and a Happy New Year and looking forward to 2024.
- Todd Mostoller, PA HBPA had no report this month.
- Mike Simpson, SBA PA had no report this month.
- Brian Sanfratello, PHBA, reviewed the Breeders handout and encouraged everyone to look at the 2024 PA stallion directory noting that 5 new stallions have been added. He also wished everyone a Happy Holiday season.
- Commissioner Breniser commented on how difficult a year it has been in terms of our relationship with HISA and the integration that's been part of that process. He thanked the staff for all their diplomatic work that they've done to keep this negotiation going forward. I think we've done as good as any state, probably better than most at this integration process.

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENTS

Chairwoman Cook announced that the next meeting will be held on Tuesday, January 30, 2024, at 1:00 pm. The Meeting location will be Room 309 and on Teams.

- Executive Session 10:30 a.m.
- Regular Session 1:00 P.M.

ADJOURNMENT

The meeting was adjourned at 2:08 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing