

THE STATE HORSE RACING COMMISSION MEETING MINUTES

MAY 31, 2022

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: In-Person PDA Room 202 and Via Telephonic Conference Call on Tuesday, May 31, 2022, at 1:00 P.M.

Commissioners in attendance: Chairperson Cook, Darryl Breniser, Salvatore DeBunda, Dr. John Egloff, Thomas Ellis, Russell Jones, Robert Lark, C. Edward Rogers, Michelle Ruddy and Dr. Corinne Sweeney. Also present were Commission Counsel Jorge Augusto and Marija Kuren.

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 April 26, 2022 Meeting as emailed to the Commissioners for their review in advance of the meeting.

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

PRESENTATIONS

2.) RACING FUND APRIL FINANCIAL REPORT – presented by Jason Dunsavage. Mr. Dunsavage provided a detailed financial analysis of the State Racing Fund, Commission and Testing Revenues and Expenses, Promotional Expenditures, a Comparative to FY 20/21 and an overview of the Breed-specific funds for the month of April.

3.) PETRL Audit Report- presented by Deb Tsang. Ms. Tsang is the Quality Assurance and IT Manager. Ms. Tsang reported that an onsite audit of PETRL occurred May 9-11, 2022. The assessment was composed of three parts. The first was an extensive document review on PETRL policies and procedures. The assessor found all the documents in compliance with the accreditation requirements. The second was a detailed review of the PETRL management system. The third phase was for PETRL's technical proficiency. PETRL is accredited for six testing technologies. The staff and records for all areas were examined by the assessor. During the assessment, they worked through five accreditation requirement checklists. Ms. Tsang reported that for the second time in two years, PETRL passed the onsite assessment

without any deficiencies. PETRL is now accredited to ISO IEC 17025 in the chemical field for the types of tests identified on the scope of accreditation through May 31, 2024. Ms. Tsang expressed her thanks to the entire staff at PETRL with special thanks to Grace Paver, Deputy Quality Assurance Officer and Dr. Robinson.

4.) HISA VOLUNTARY IMPLEMENTATION AGREEMENT REVIEW – presented by Thomas Chuckas. The Commission directed the staff to work with HISA to attempt to facilitate an agreement for the purpose of the implementation of the Racetrack Safety Program. The agreement would be limited in scope and term due to the complete full rollout in January 2023 which would include the Anti-doping & Medication Testing Program and the Out of Competition Testing Program. The Racetrack Safety program agreement would cover a Safety Director actions, Stewards' enforcement of HISA regulations and naming a Chief Veterinarian to enforce HISA veterinary program. Other areas to be addressed are the Emergency Warning System, Trainers testing and Continuing Education. The Commission staff has had on-going conversations with HISA to reach an agreement but at this time an agreement has not been finalized. There are legal, operational and personnel issues to be resolved. Nevertheless, the Commission remains committed to enhanced integrity and to improving equine health and welfare.

5.) Presque Isle Downs & Casino, LLC (Churchill Downs, Inc.): Three-year Race Meet License Renewal Application – presented by Oz Shariff & Jack Sours.

6.) PID, LLC (d/b/a Presque Isle Downs & Casino: Electronic Wagering Petition 2022 License Renewal- presented by Oz Shariff & Jack Sours.

7.) Churchill Downs Technology Initiatives Company (d/b/a TwinSpires): Racing Vendor License Renewal for 2022- presented by Oz Shariff & Jack Sours.

Mr. Shariff & Mr. Sours presented a power point presentation which blended three presentations into one. Mr. Sours began with Churchill Downs' purchase of PID and highlighted key performance indicators. He spoke on Casino and pari-mutuel results and purse implications. Additionally, he outlined the benefits of Churchill's ownership of PID regarding capital investments, salaries and benefits and employment. He referenced other ancillary benefits. Mr. Sours provided an overview of the casino operations under Churchill's ownership. Attorney Augusto requested some background and information regarding live racing. Mr. Shariff reported that a five-year live racing agreement was executed with the PA HBPA. Commissioner DeBunda questioned Mr. Shariff regarding the Commission's Cease & Desist Order and PID/Churchill Downs' challenge in Commonwealth Court. Mr. Shariff stated he was not prepared to answer questions but said the actions taken by Churchill were to protect their interests. Commissioner Jones commented that a Cease & Desist Order is just that and expressed his concern that Churchill did not comply. Attorney Augusto informed the Commission for the record that all outstanding matters have been resolved by agreement of the parties. Mr. Shariff concurred. Mr. Shariff proceeded to go through the power point that covered the Electronic Wagering Petition and TwinSpires Vendor License Renewal. He provided an overview for TwinSpires and the current status and the effect in Pennsylvania.

LICENSING

8.) Motion to approve PID, LLC (Churchill Downs Inc) 3-year Race Meet License Renewal Petition to continue to conduct a horse race meeting at which pari-mutuel wagering is permitted as a license racing entity as read into the record by Commission Counsel. (Attached) (Docket No. 2021-36).

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

9.) Motion to approve the Electronic Wagering License Renewal Petition for 2022 effective January 1, 2022 as read into the record by Commission Counsel, (Attached) (Docket No. 2021-20).

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

10.) Motion to approve Churchill Downs Technology Initiatives Company (d/b/a TwinSpires) Racing Vendor License Renewal Petition for 2022 effective January 1, 2022 as read into the record by Commission Counsel. (Attached) (Docket No. 2021-32).

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

ADMINISTRATIVE ACTIONS

11.) Motion to approve the Commission's determination regarding the HISA Voluntary Agreement.

Motion By: Commissioner Sweeney to table the motion and direct the staff to continuing to work with HISA on an agreement.
Second By: Commissioner DeBunda
Decision: Passed by unanimous vote.

12.) Motion to approve the Simulcast Calendars for June 2022 for Harrah's Philadelphia, Mohegan Sun at Pocono Downs and The Meadows.

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

13.) Motion to approve the Simulcast Calendars for June 2022 for Parx, Penn National and Presque Isle Downs.

Motion By: Commissioner DeBunda

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

14.) Motion to ratify the approval of the Bureau Director for the Meadows to add Rolling Daily Doubles to its wagering format starting in the first race effective Wednesday, May 18, 2022.

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

ADJUDICATIONS

15.) Motion to affirm the Decision of the Board of Judges in the matter of the Appeal of Samantha Blystone, Docket No. RACINGME-2022-NM-1 (Ruling No. 21092M).

Motion By: Commissioner Breniser
Second By: Commissioner Jones
Decision: Motion passed. Commissioner Rogers abstained.

INDUSTRY REPORTS

16.) General Reports

Director Salerno indicated Director Chuckas had a few items to address.

Director Chuckas reported that the Bureaus in the last 30 days conducted 39 Out of Competition Tests at Presque Isle Downs. Enforcement action was conducted on two separate weekends. There were 42 vehicles searched. Two barns were searched. Expired medications were seized and sent to the Stewards for a hearing. The Commission staff "wanded" jockeys with no findings. Nineteen of the 39 horses were visually inspected by the Commission veterinarians. The second issue focused on the Commission's the Hot-Line. The Hot-Line has received 36 calls since March 1, 2022. Twenty-six calls have been investigated and resolved. There are ten open investigations. One note-there are significant duplication in the calls received.

Director Salerno recognized the following Industry participants for their reports:

- Scott Lishia, Meadows, updated the Commission on the impact of the Derby and the Preakness at the Meadows. Wagering was solid and he is anticipating a strong Belmont day. The track had its first food truck event. A nice crowd attended. Scott highlighted upcoming events focusing on two-year old racing. Finally, he explained the track's reasoning for modifying the wagering format to include Rolling Doubles.
- Mike Zullinger, Mohegan Sun Pocono Downs, updated the Commission on Derby and Preakness results. Rain forced cancellation or moving some events

indoors but wagering was strong. Pocono will be launching Party on the Patio this Thursday running for 14 weeks.

- David Osojnak, Parx, reported that Parx had to cancel its live racing card on Derby Day due to bad weather. Memorial Day was well attended with many family fun activities. The Two-year-old racing program is starting up and the first MATCH series race will be June 14th and the Belmont Stakes will be June 11th. Parx is expecting solid days.
- Eric Johnston, Penn National, echoed that the weather on Derby Day was dismal but Penn had a great day handle-wise and fun-wise. Preakness Day was a decent day, but temps were in the mid 90's and had rain. The races were off the turf. Looking forward is Penn Mile Day with six Stakes races including the \$400,000 Penn Mile.
- Barry Brown, Harrah's Philadelphia, reported despite the weather Derby Day had a nice crowd and very strong wagering. Harrah's conducted their annual Invitational Day marketing in conjunction with the PHHA and PHRA. Good crowd and positive handle.
- Jeff Matty, PTHA, reported on the MATCH series race on June 14th and Championship Day on October 3rd. Jeff updated the Commission on actions taken by the PTHA to register horsemen for HISA and prepare them for the HISA changes.
- Kim Hankins, MSOA, stated he appreciated the cooperation between the track and horsemen and is looking forward to a positive summer racing season.
- Matt Ennis, PID, reported that the 2022 live race season is underway. The results have been positive with the new 1:30 post time.
- Todd Mostoller, PA HBPA, raised some concerns regarding some HISA provisions. Specifically, he raised concerns on limitations of certain shoes especially on a sloppy track.
- Brian Sanfratello, PHBA, reviewed the Breeders handout focusing on slot revenue and the Pa stakes schedule. Mr. Sanfratello spoke about PA Day at the Races on August 22nd with the kick-off of two-year-old PA sire, PA bred stallion series.

PUBLIC COMMENT

None

ANNOUNCEMENTS

Chairperson Cook announced that the next meeting will be held on Tuesday, June 28, 2022. The Meeting location will be Room 202 and on Teams.

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

ADJOURNMENT

The meeting was adjourned at 2:11 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing