

THE STATE HORSE RACING COMMISSION MEETING MINUTES

September 27, 2022

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, September 27, 2022, at 1:00 P.M.

Commissioners in attendance: Chairperson Cook, Darryl Breniser, Salvatore DeBunda, Dr. John Egloff, Thomas Ellis, Russell Jones, C. Edward Rogers, Dr. Corinne Sweeney and Michelle Ruddy. Commissioner's Russell Jones and Robert Lark were not in attendance. Also present was Commission Counsel Jorge Augusto.

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 August 30, 2022, Meeting:

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

2.) MINUTES OF THE September 13, 2022, Special Budget Meeting:

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

PRESENTATIONS

3.) RACING FUND AUGUST 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 20/21 and an overview of the Breed-specific funds for the month of August.

4.) SFY 23/24 Budget Update:

Director Chuckas provided an overview of the Budget presentation provided at the Special Budget meeting held on September 13, 2022. The Commission Budget request for FY 23/24 seeks an increase from FY 22/23 of \$358,000 to \$7,913,000. The Bureau is seeking a \$641,000 increase in the Testing Budget to \$14,161,000.

5.) SFY 22/23 Line-Item Update:

Director Chuckas addressed the line-item modification in the 22/23 Testing Budget. The total budget on testing will not change but four line items require adjustment. The UPENN agreement expired in April of 2022, and under the new agreement there were certain expenses moved from Commission responsibility to UPENN to receive a cost savings and efficiency benefit. The line-items that were adjusted were Personnel Services, UPENN specialized services, Contracted Services and Laboratory Supplies.

6.) HISA: Furosemide (Lasix) Exemption Request:

Director Chuckas addressed the Commission's current Lasix policy which bans the use of Lasix in 2-year-olds and Stakes Races but allows it in overnight races. HISA's regulation will be to ban the use of Lasix in all Thoroughbred races commencing January 2023. Under the Act, a state racing commission can request an exemption for from the prohibition to ban Lasix in all other races other than 2-year-olds and Stakes Races for 3 years. The exemption request is supported by the PTHA and the PA HBPA. The Commission will be asked to approve a resolution requesting an exemption.

7. PHBA Marketing Report:

Brian Sanfratello and Stu Kirshenbaum provided a detailed Marketing report for the PHBA. Both talked about there strong working relationship with TVG/FanDuel. They provided a 30 second commercial, promoting the new PA Stallion Series, which had more than 700 showings on Fan Duel and TVG2. A video was also provided that has been running at all the Racetracks as well as on FanDuel/TVG showing the path that a PA Bred horse takes from being foaled all the way through there racing career and on to retirement.

ADMINISTRATIVE ACTIONS

8.) Motion to approve the SFY 23/24 Budget:

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

9.) Motion to approve SFY 22/23 Line-Item Modification:

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

10.) Motion to approve the Resolution to HISA seeking a Statutory exemption for the use of Furosemide (Lasix) in Covered Horseraces other than for two-year-old Covered Horses and Stakes Races.

Motion By: Commissioner Ellis

Second By: Commissioner Ruddy

Decision: Motion Passed. Commissioner DeBunda abstained.

11.) Motion to approve the Simulcast Calendars for October 2022 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.

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

Motion By: Commissioner DeBunda

Second By: Commissioner Ellis

Decision: Passed by unanimous vote.

13.) Motion to ratify the approval for the request by Harrah's Philadelphia to change Friday Post-Times to 12:25 p.m. on September 9th and October 7th.

Motion By: Commissioner Ruddy

Second By: Commissioner Dr. Egloff

Decision: Passed by unanimous vote.

14.) Motion to ratify the approval of Mohegan Sun at Pocono Downs request to change Post-Time on October 1, 2022, to 3:00 p.m.

Motion By: Commissioner Breniser

Second By: Commissioner Dr. Egloff

Decision: Passed by unanimous vote.

ADJUDICATION

15.) Appeal of Juan C. Vazquez (Ruling No. 22191PP), Docket No. RACINGPX-2022-NM-11

Motion By: Commissioner Ellis

Second By: Commissioner Rogers

Decision: Motion passed. Commissioner's DeBunda and Jones abstained.

INDUSTRY REPORTS

16.) General Reports

Director Salerno recognized the following Industry participants:

- Scott Lishia, Meadows, reported that the Track has returned to its typical fall schedule of 4 days a week racing Tuesday thru Friday. They are looking forward to the Fair Finals which will be held on Friday October 7th. He also acknowledged that 2 Meadows based horses finished 1-2 in the Little Brown Jug. The winner, Bythemissal, was trained by Ron Burke and the second-place horse Forever Boy was trained by Tim Twaddle.
- Mike Zullinger, Mohegan Sun Pocono Downs, thanked the Commission for the Post Time approval change which will give the Track Crew a little extra time to get the track ready following a Brett Michaels concert. Mr. Zullinger stated that Pocono had 22 race days left for this year and that they are moving along and starting to prepare for next year.
- Barry Brown, from Harrah's Philadelphia reported that over Labor Day the Sires Stakes Finals were held and that it was a very strong Day. Barry also reminded the Commission that Harrah's now will be racing 3 days a week Thur. Fri. and Sunday thru the remainder of the season.
- Joe Wilson from PARX complimented both Stu and Brian on there marketing presentation and videos. Joe reported that PA Derby /Cotillion Day set a record for all source handle of \$ 18.8 million, a 36% increase over last year. Joe thanked everyone involved for making the day such a success.
- Eric Johnston, Penn National, reported that Penn National had been shut down for scheduled track maintenance on the racing surface. They will be going back to there fall/winter schedule of Tuesday, Wednesday, and Friday. He also congratulated Joe Wilson and his team on a great PA Derby Day.
- Sam Beegle, PHHA had no report this month.
- Jeff Matty, PTHA reiterated everything that Joe Wilson stated earlier about PA Derby Day. Jeff thanked Joe Wilson and David Osojnak and all the PARX staff, he also thanked Ashley Eisenbeil and Dawnelle Mock from the PHRA, and the Director of Enforcement for the Commission, Jason Klouser, for his staff's work on enforcement actions.
- Kim Hankins, MSOA, reported that due to the diligence of Meadows management and the MSOA Board, that there will be another 10 percent increase in purses. This will be the second 10 percent increase in the last several months and returns the purse level close to where it was prior to Covid.
- Scott Stoller, Presque Isle reported that September 19th was their biggest day of racing with the running of the Masters and the Presque Isle Mile. Mr. Stoller wanted to thank everyone involved with making the day such a great success, including Stu Kirshenbaum from Keystone films and Ashley Eisenbeil from the PHRA.
- Brian Sanfratello, PHBA also congratulated Joe Wilson and his staff along with all the horsemen for a Great PA Derby Day. Brian reported that next year the PA Stallion Series for PA Bred horses will expand to 6 races.

PUBLIC COMMENT

There was no public comment, but Director Chuckas had 3 items.

Director Chuckas reported that Commission staff conducted 40 out-of-competition tests: 11 at Presque Isle and 29 at PARX, the majority being Graded Stakes from PA Derby Day. Year-to-date, the 2 Bureaus have conducted over 820 OOCT tests. Since March 1st, Racing has received 77 calls to the hotline, 72 of them have been closed, there are 5 that are open and under further investigation.

Commission staff also conducted an Enforcement action at PARX in the days leading up to PA Derby Day. The Commission conducted a 135 vehicle searches resulting in a trainer being in possession of 10 loaded syringes. One jockey was in possession of 2 electronic devices, several vehicles were found to contain marijuana and one a firearm. Four barns were also searched where several loaded needles and syringes were found.

NOTICE-INTERVENTION

Attorney Augusto notified the Commission that NYRA Bets LLC, and Access Information Network have submitted an application to engage in certain licensed racing activities within the Commonwealth. Any person interested in intervening may file a petition within 30 days.

ANNOUNCEMENTS

Chairperson Cook announced that the next meeting will be held on Tuesday, October 25, 2022. 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 Ellis
SECOND BY: Commissioner Dr. Sweeney
DECISION: Passed by Unanimous vote

The meeting was adjourned at 2:14 P.M.

Respectfully submitted,

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

Anthony Salerno
 Bureau Director
 Bureau of Standardbred Racing