

THE STATE HORSE RACING COMMISSION MEETING MINUTES

August 24, 2016

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: PA FARMSHOW Complex in Harrisburg, PA, Wednesday, August 24, 2016 at 1:00 P.M.

Commissioners in attendance were: Salvatore M. De Bunda, Thomas Jay Ellis, Russell B. Jones, C. Edward Rogers, Michele C. Ruddy, Dr. Corinne Sweeney, Dr. John Egloff 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: Adjudications of license appeals; personnel matters re: the Director of Standardbred Racing; attorney-client privileged communication re: the Pennsylvania Breeding Fund.

SUMMARY

Chairman Redding welcomed Dr. John Egloff and Mr. Thomas F. Chuckas Thoroughbred Bureau Director to the commission.

Brook Duer, spoke about general housekeeping issues and personal email usage. Mr. Robert F. Lark and Mr. Darryl Breniser are still in process with their background check.

Brook Duer, Chief Counsel stated that anyone who would like to contact the commissioners about commission business should direct that contact to the commission staff in order to prevent communications that would be considered "ex parte communications" under the law. Mr. Duer noted an example of a recent transaction.

Prior meeting minutes of 7/27/16 were approved by motion. No action was taken on adoption of a Commission Code of Conduct, Section 2819-D (b) (6) political restrictions, the proposal for an educational conference. This matter will remain in abeyance.

Jorge Augusto, Legal Counsel, spoke in regards to the ARCI/RMTC guidelines and standards in reference to the Thoroughbred action only.

Tracee Gotwalt and Jason Dunsavage, Bureau of Administrative Services, presented information on the Commission's FY 17-18 budget and how the budget process is proceeding. Financials were distributed. The financial report was approved by motion.

Director Chuckas spoke with the commission about what they would like to see in the universal reporting form that the commission requested.

Brian Sanfratello, Executive Director of the PHBA, addressed the Commission on the PHBA's request for payments to be made from the Pennsylvania Breeding Fund.

Michael Ballezzi, PTHA Executive Director, and Joe Wilson, COO of PARX, spoke in support of the PHBA request.

Breeders voiced their concerns in regards to the intent of the new racing act pertaining to Thoroughbred Breeders and that the commission needs to release the funds immediately as many farms and individuals are having problems making payments because they have not received their breeder's awards. Chairman Redding addressed those concerns and asked for patients from everyone as the matter is being worked toward a resolution as quickly as possible.

The following licensed racing entity representatives addressed their previous month's statistics and year to date totals: Eric Johnson, Director of Racing at Penn National; Joe Wilson, Chief Operating Officer, Parx; Debbie Howells, Director of Racing, Presque Isle Downs; Kevin Decker, Director of Racing, The Meadows; Barry Brown, Director of Racing, Harrah's Philadelphia; Dale Rapson, Director of Racing at, Mohegan Sun at Pocono Downs.

A motion was made by Commissioner De Bunda and seconded by Commissioner Ruddy for a letter to be written to Attorney Pincus.

Motion made by Commissioner De Bunda, seconded by Commissioner Rogers to "table the Breeders issue until next month and send a letter to the legislature to get the original language put back in and passed as soon as possible." A brief procedural discussion took place between Commissioners. All Commissioners present voted in favor, Commissioner De Bunda opposed.

The following horsemen's and breeder group representatives addressed the Commission: Michael Ballezzi, Executive Director PTHA, welcomed the new commissioners and spoke about the state of Thoroughbred breeding in Pennsylvania and presented to the Commission the proposal for \$100,000 to help the Fall Festival at PARX. Todd Mostoller, Executive Director, PA HBPA, commended Director Chuckas for helping to address issues in a timely manner and working toward a better racing industry and thanked the Breeders for showing up today. Kim Hankins, Executive Director, MSOA, noted that the MSOA met with Pinnacle and the meeting went very well. The MSOA is excited to be working with Pinnacle for the advancement of racing and great things to happen in the future. Mr. Hankins also noted that that it would be important to have Dr. Robinson and Deb Tsang here is report in the commission meetings monthly. Sam Beegle, President PHHA, invited the commissioners to the 10th anniversary for harness racing at Harrah's Philadelphia. Mr. Beegle thanked Commissioners Rogers and Ruddy for coming to Pocono's Super Stakes night. Mr. Beegle also noted what the PHHA was doing to help promote harness racing to help it thrive in the future. Brian Sanfratello, Executive Director PHBA, gave an update on slot transfer into the Breeding Fund and their newsletter and talked briefly about PA Day at the Races on Saturday 9/3/16. Dale Welk, spoke to the commission about the Standardbred Horse Sale in November which would involve more advertising and a reception.

BUSINESS - MOTIONS

A motion was made by Commissioner De Bunda and, seconded by Commissioner Sweeney, and unanimously passed to approve item 2(a) - 7/24/2016 State Horse Racing Commission meeting minutes.

A motion was made by Commissioner De Bunda and, seconded by Commissioner Sweeney, and unanimously passed to approve item 2(g) - the financial statements for 2016.

A motion was made by Commissioner De Bunda and, seconded by Commissioner Sweeney, and unanimously passed to approve item 4(b) – to authorize \$100,000 for the Standardbred Sale promotion.

A motion was made by Commissioner Sweeney and, seconded by Commissioner Rogers, and passed with Commissioner DeBunda abstaining to approve item 4(b) – to authorize \$100,000 for the Fall Festival at PARX.

A motion was made by Commissioner De Bunda, seconded by Commissioner Sweeney, and unanimously passed items 4(c) 1-7 - see attached August agenda for items.

A motion was made by Commissioner Rogers and, seconded by Commissioner Ruddy, and unanimously passed to approve item 4(d) – GLPI/Pinnacle Entertainment sale is approved. Please see attached order.

ADJUDICATIONS

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and passed with Commissioner Sweeney and Commissioner Ruddy opposed to enter an order re; Martin Shaw; **“AND NOW**, this 30th day of August, 2016, upon consideration of the testimony and Exhibits 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 to disqualify the horse “Rebecca’s Surprise” from the 8th race on November 30, 2015, at Philadelphia PARX, and place “Rebecca’s Surprise” from first place to second place is **REVERSED**”.

A motion was made by Commissioner Sweeney and, seconded by Commissioner DeBunda, and unanimously passed to enter an order re: Gary K. Craig; **“AND NOW**, this 30th day of August, 2016, upon consideration of the foregoing Findings of Fact, Conclusions of Law and Discussion, it is hereby **ORDERED** that Ruling No. 16061PN, issued on February 25, 2016, by the Board of Stewards from the Penn National Race Course, is **AFFIRMED**.”

A motion was made by Commissioner Jones and, seconded by Commissioner Ruddy, and unanimously passed to enter an order re: Robert J. Carter; **“AND NOW**, this 30th day of August, 2016, upon consideration of the foregoing Findings of Fact, Conclusions of Law and Discussion, it is hereby **ORDERED** that Ruling No. 15205PD, issued on November 11, 2015, by the Board of Stewards at Pocono Downs Racetrack against Robert J. Carter, which suspended Robert J. Carter for 3,650 days, from 11/21/2015 through 11/17/2025, and fined him \$5,000 is **AFFIRMED**.”

ANNOUNCEMENTS

Chairman Cook announced the next meeting will be held on September 28, 2016, at The FARMSHOW Complex, in the Susquehanna room, in Harrisburg, PA.

- Executive Session 10:00 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

Fred R. Strathmeyer Jr.
Acting Bureau Director
Bureau of Standardbred Horse Racing