

THE STATE HORSE RACING COMMISSION MEETING MINUTES

SEPTEMBER 28, 2021

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 28, 2021 at 1:00 P.M.

Commissioners in attendance: Chairman Redding, Darryl Breniser, Salvatore DeBunda, Dr. John Egloff, Thomas Ellis, Russell Jones, Robert Lark, C. Edward Rogers, Michele Ruddy and Dr. Corrinne Sweeney. Also present were Commission Counsel Jorge Augusto and Marija Kuren. Russell Jones was not in attendance.

ANNOUNCEMENTS

A quorum of the Commission being present, Chairman Redding called the meeting to order. Chairman Redding 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.

Chairman Redding welcomed everyone.

PUBLIC MEETING

1.) MINUTES OF THE August 31, 2021 Meeting as emailed to the Commissioners for their review in advance of the meeting.

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

PRESENTATIONS

2.) 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.

3.) FY 22/23 Budget Update- presented by Tracee Gotwalt. Ms. Gotwalt provided an overview of the Budget presentation provided at the Special Budget meeting held on September 13, 2021. The Commission Budget request for FY 22/23 seeks an increase from FY 21/22 of \$125,000 to \$7,555,000. The Bureau is seeking a \$245,000 increase in the Testing Budget to \$13,535,000.

4.) UPENN Research Update – presented by Dr. Mary Robinson. Dr. Robinson provided an overview of the five manuscripts published during the current fiscal year. The five publications were:

1. Comparison of novel wearable cardiac monitors to yield accurate exercising ECG and heart rate data in racehorses.
2. Use of high Resolution/Accurate Mass Full Scan/Data-Dependent Acquisition for Targeted/Non-targeted Screening in Equine Doping Control data in horses.
3. Novel Algorithms for Comprehensive Untargeted Detection of Doping Agents in Biological Samples.
4. Gene transcripts expressed in equine white blood cells are potential biomarkers of extracorporeal shock wave therapy.
5. A quantitative PCR screening method for adeno-associated viral vector 2 – mediated gene doping.

Dr. Robinson advised the Commission that the overarching concern is the health and welfare of the horse and these studies are utilized to implement measures to protect the horses and promote the integrity of the industry.

5.) PHBA -Request to donate to UPENN Research- presented by Brian Sanfratello. Mr. Sanfratello requested Commission approval to adjust the approved 2021 budget to provide a \$150,000 grant to UPENN for Bio-Bank research. The biomarkers will be used to mitigate or prevent catastrophic injury. The funding is derived from the Commission surplus allocated to the Breeders from FY 20/21.

6.) PHRA Marketing Report- presented by Ashley Eisenbeil. Ms. Eisenbeil, in conjunction with representatives of Pavone, reviewed pertinent marketing and social media metrics to determine the success of the 20/21 marketing campaign. These metrics will help guide the goals and directions for FY 21/22. The key for the state-wide campaign in FY 21/22 is to remain flexible and be able to change directions quickly. The PHRA will continue to support on-track events, create new partnerships and attract the 25-55 market.

ADMINISTRATIVE ACTIONS

7.) Motion to approve the FY 22/23 Budget.

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

8.) Motion to approve the PHBA revised 21/22 Budget.

Motion By: Commissioner Ellis
Second By: Commissioner Breniser
Decision: Passed. Commissioner Sweeney abstained.

9.) Motion to approve the Simulcast Calendars for October 2021 for Harrah's Philadelphia, Mohegan Sun at Pocono Downs and The Meadows.

Motion By: Commissioner Ellis
Second By: Commissioner Rogers

Decision: Passed by unanimous vote.

10.) Motion to approve the Simulcast Calendars for October 2021 for Parx, Penn National and Presque Isle Downs.

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

11.) Motion to ratify the approval of the Meadows request to suspend the Pentafecta for the dates of Tuesday September 14, Wednesday September 15 and Thursday September 16 with a mandatory payout on Friday September 17, 2021.

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

12.) Motion to ratify previous approval of Pocono Downs' request to modify the October racing schedule moving the Sunday race cards, post time of 5:00 p.m. to Tuesday at 12:30 p.m. The Change would affect the following dates:

- Sunday October 3rd would move to Tuesday October 5th.
- Sunday October 10th would move to Tuesday October 12th.
- Sunday October 17th would move to Tuesday October 19th.
- Sunday October 24th would move to Tuesday October 26th.

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

13.) Motion to ratify the approval for Presque Isle Downs to extend the live race meet to October 21, 2021 adding eight (8) additional live race dates to the 2021 live racing program.

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

14.) Motion to ratify the approval for Penn National to add six (6) additional live race dates to its 2021 live racing program. The additional dates are:

- Tuesday October 5th
- Wednesday October 6th
- Tuesday December 21st
- Wednesday December 22nd
- Tuesday December 28th
- Wednesday December 29th

Motion By: Commissioner Ellis

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

15.) Motion to ratify the approval for Harrah's to change the Friday, October 1, 2021 post time from 6:30 p.m. to 12:25 p.m.

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

INDUSTRY REPORTS

8.) General Reports

Director Salerno expressed thanks to Ashley, Seth and the PHRA for their support of the Standardbred Fair racing programs. The PHRA actively supported racing by live streaming many of the events. In addition, the Director expressed his appreciation to Ryan Kell for his hard work on the Fair program and his work on the Fair purses and statistics.

Director Chuckas reported on two subjects. The first concerned Commission enforcement action related to the PA Derby. The Commission conducted Out of Competition Testing on all the horses in the Graded Stakes races. The test results are pending. The second issue concerned equine fatalities and the formation of a Fatality Working Group to research the causes and offer recommended solutions to eliminate or mitigate horse fatalities. The working group consists of Commissioners, Track representatives, Horsemen groups and representatives and Commission Veterinarians. The Group is targeting November to issue a preliminary report.

At this time, Commissioner Ellis, a member of the working group, requested to address the August 31st Press Release relating to racetrack horse fatalities. Commissioner Ellis took issue with the sentence added by the Governor's Office to the release previously approved by the Commission stating that billions of dollars provided to horse racing have not reduced the number of horse deaths at the tracks. The Commissioner stated there was no empirical evidence to support that statement and the addition of the statement completely changed the message in the original version. He referred to public information to support his position. The Commission believes that the death of even one horse is too many and the Commission is dedicated to protecting our horses, jockeys and making horse racing as safe as possible. This is evidenced by all the measures the Commission has taken, such as Out of Competition Testing, expanded enforcement actions, increased pre- and post-race examinations, and the formation of the Fatality Working Group. In addition, in October 2019, the Commission updated and modernized its regulations. Commissioner Ellis proceeded to provide a brief history of how and why the Commonwealth supported racing with slot revenue from increased employment to the preservation of open spaces. In conclusion, Commissioner Ellis stated that he was personally offended by the statement from the Governor's office. He expressed that the Commission takes its role very seriously to protect equine health and safety and will continue to do whatever it takes to prevent equine injuries and fatalities. This is the Commission's number one priority issue.

Director Salerno recognized the following Industry participants for their reports:

- Chris McErlean, Penn National, reported on the opening and operations at the new York, PA wagering facility which opened on August 12th and has been open 39 days. The facility is averaging approximately \$15,000 per day in pari-mutual wagers. The handle is in line with budget projections. Penn has received positive feedback from the racing patrons. One modification will be to add a kiosk to print programs. Mr. McErlean advised the Commission that the racing wagering area is all self-service machines. There are no tellers. Penn provides supervisors to assist customers if they have questions.
- Matt Ennis, Presque Isle Downs, informed the Commission regarding continued positive racing results. Both live and export handle has shown positive results with the export handle up 5-6% over 2020. Presque Isle is very appreciative of the local community's support in making the track a success.
- Joe Wilson, Parx, advised that Parx PA Derby Day was a major success. He estimated that attendance was in excess of 10,000 people. The handle was approximately \$14 million dollars which was 30% better than the best previous Derby. Parx had a 2-hour local live broadcast with Fox 2 Sports and TVG providing additional coverage. Mr. Wilson expressed thanks to the PTHA and the Commission for all their support in making the day a success. In addition, Joe expressed his appreciation to Ashley Eisenbeil and the PHRA for their assistance.
- Barry Brown, Harrah's Philadelphia, advised the Commission that the 15th anniversary racing program was a major success. Handle and attendance were strong. Customer comments were extremely positive. Harrah's will race 3 days per week through October. This should improve the entry box with Pocono closing in November.
- Eric Johnston, Penn National, reported Penn is on a one-week break with scheduled track maintenance to occur. Training will resume on Thursday with entries to be taken for next week's races.
- Sam Beegle, PHHA echoed Director Salerno's comment regarding the successful Fair racing season. He expressed appreciation to John Brokenshire at the Bloomsburg Fair for his efforts to conduct standardbred racing through very difficult weather challenges.
- Brian Sanfratello, PHBA, reported slot revenue has stabilized which allowed the running of two Pa Bred Stakes races and increasing the 2-year purses for November and December.

NOTICE

Legal Counsel Augusto provided notice that the Commission received the annual Electronic Wagering Renewal Petitions from Parx, Penn National and the Meadows. Persons interested in intervening in the above matters may file an appropriate Petition to Intervene with the Commission within 30 days of this notice in accordance with the Commission's regulations.

PUBLIC COMMENT

Dr. Langlois requested that the Commission make the necropsy and toxicology reports available to the public. He recognizes there is a regulation that states the materials are in the sole control and possession of the Commission but would appreciate reconsideration of the regulation by the Commission.

Pete Peterson commended Dr. Robinson and her team on the research their conducting to improve the safety and integrity of racing. He requested information concerning whether UPenn's research is patented and who owns the patents.

ANNOUNCEMENTS

Chairperson Cook announced that the next meeting will be held on Tuesday, October 26, 2021. The Meeting location is to be determined.

- Executive Session 11:00 A.M.
- Regular Session 1:00 P.M.

ADJOURNMENT

The meeting was adjourned at 2:44 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing