

THE STATE HORSE RACING COMMISSION MEETING MINUTES

November 30, 2016

A public business meeting of The State Horse Racing Commission was held at the following date, place and time: The Department of Agriculture room 309 in Harrisburg, PA, Wednesday, November 30, 2016 at 1:00 P.M.

Commissioners in attendance were: Salvatore M. De Bunda, Thomas Jay Ellis, C. Edward Rogers, Michele C. Ruddy, Dr. Corinne Sweeney, Dr. John Egloff, Robert F. Lark, Darryl Breniser, Russell Jones 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: Personnel matters re: attorney-client privileged communication re: pending litigations; and commission adjudications.

SUMMARY

Chairman Redding welcomed everyone to the commission meeting and began the Industry Session that started at 11:00 with the Thoroughbred Horsemen and what their vision of the future held.

Mr. Ballezzi spoke about the Integrity, Safety and Fairness of horse racing. Mr. Ballezzi raised some concerns about drug abuse in the industry along with the maintenance of the tracks and the enforcement of the rules and regulations. Micro chipping the horses, x-rays and tapping of horses, enhanced security on the backside the problem of fictitious names and claims are among what was discussed.

The Standardbred Horsemen spoke to the commission at 12:00. Mr. Hankins and Mr. Gillock of the MOSA, Mr. Marinari and Mr. Beegle of the PHHA addressed the commission. Mr. Marinari spoke about track concerns at Harrah's and how the commission planned to handle them. Who do the horsemen groups report too? Is it the Bureau Director who then reports to the commission? Human Drug testing, redraw policy for the races, the Pennsylvania Harness regulations, regarding guidelines and penalties, were among some of the items discussed.

Chairman Redding welcomed Brett Revington the new Standardbred Bureau Director to the Department of Agriculture and looks forward to working with him in the future.

Brook Duer, spoke briefly about one ex parte communication and thanked the industry for refraining from contacting the commissioners directly and working through the Commission office.

Mr. Chuckas informed the commission about the horsemen's industry session and marketing goals for the future along with how the process for the new Marketing position is going with the closing date of 12/1/2016 and the process of the payments for the Thoroughbred Breeders Fund. Mr. Sanfratello spoke to the commission about what months are being processed

now and thanked the Commission staff for all hard work being put forward to getting the Breeders paid what they are owed.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Rogers, and unanimously passed to approve the proposal to postpone the closing date of the Marketing Position until 12/16/16.

After much discussion the Commission asked for an extension of the date and time to extend the time frame until 12/16/16 to ensure that everyone who wanted had a chance to apply for the position.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Rogers, and unanimously passed to approve the proposal to postpone the closing date of the Marketing Position until 12/16/16. The motion was then withdrawn from Commissioner DeBunda.

Prior meeting minutes of 10/26/16 were approved by motion. There was no general correspondence for the November meeting. Tracee Gotwalt, Bureau of Administrative Services, presented information on the Commission's FY 16-17 financial statements.

Mr. Sanfratello spoke about his marketing proposal for the advertising plan to re-educate current, retired, and potential breeders about the Pennsylvania breeders program. The amount requested from the commission is \$45,631,85.

Mr. Sam Beegle addressed the commission about redirecting \$400,000 from the non-resident breeders fund for the 2017 Harness Fair racing and add a second division to all fair races. The horsemen's groups and horsemen back this great idea for the A division and B division.

Mr. Augusto noted that 11 appeals have been received by the racing commission, along with 4 appeals that have been granted. Seven appeals have been sent to the legal office to be scheduled. 12 hearings have been scheduled but not yet conducted. Hearings that have been conducted and awaiting a proposed ruling total 13. Two adjudications for the November meeting and no appeals to the commonwealth court.

The following licensed racing entity representatives addressed upcoming events and happenings at the tracks: Eric Johnson, Director of Racing at Penn National; had no report for November. Joe Wilson, Racing Director, Parx; had no report for November. Debbie Howells, Director of Racing, Presque Isle Downs; had no report for November. Kevin Decker, Director of Racing, The Meadows; spoke briefly about how 99% of the backside improvements had been completed and how the first two months of the changeover have gone very well. Barry Brown, Director of Racing, Harrah's Philadelphia; had no report for November. Dale Rapson, Director of Racing at, Mohegan Sun at Pocono Downs, had no report for November.

The following horsemen's and breeder group representatives addressed the Commission: Michael Ballezzi, Executive Director, PTHA, spoke during the Industry session to the commission. Todd Mostoller, Executive Director, PA HBPA, noted that he was sorry he missed the Industry Session and will have his report for the next meeting. Presque Isle Downs have one of the safest tracks in the country yet again. Kim Hankins, Executive Director, MSOA, spoke during the industry session. Sam Beegle, President

PHHA, spoke during the Industry session. Jim Simpson, Standardbred Breeders Association, had no report for November.

Brian Sanfratello, Executive Director, PHBA, spoke to the commission about the monthly newsletter and how breeding is back better than ever in Pennsylvania.

Dale Welk, addressed the commission about how the Standardbred Sale was very successful this year with many international buyers who bought for the first time in Pennsylvania. The 17 international buyers will be back next year staying the whole week and hopefully bringing more buyers with them. The reception was a great success with many industry and horsemen showing up and enjoy the great food and atmosphere.

ADJUDICATIONS

A motion was made by Commissioner DeBunda and, seconded by Commissioner Egloff, and unanimously passed to enter an order: "**AND NOW**, this 30th day of November, 2016, upon consideration of the testimony and exhibits of record and in accordance with the foregoing Findings of Fact, Conclusions of Law and Discussion, it is hereby **ORDERED** that the Appeal of Free Money Stable, LLC is **DISMISSED** and the Claim of Sapient Hanover is **DENIED**."

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed to table the Fergal P. Lynch appeal of Ruling No. 16018B and 16019C.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Jones, and unanimously passed for Mr. Lynch and his attorney to come before the commission at the December 21st commission meeting.

BUSINESS - MOTIONS

A motion was made by Commissioner Lark and, seconded by Commissioner Sweeney, and unanimously passed to approve item 3(b) 1-10/26/2016 State Horse Racing Commission meeting minutes.

A motion was made by Commissioner Sweeney and, seconded by Commissioner Ruddy, and unanimously passed to approve item 3 (b) 3- 1-9 see attached November agenda for items.

A motion was made by Commissioner Egloff and, seconded by Commissioner Lark, and unanimously passed to approve item 3(b) 4-to approve the six (6) member Standardbred Breeders Advisory Board. of Jim Simpson, Sam Beegle, Joe Thompson, Kevin Decker, Brett Revington, Bureau Director and Commissioner Dr. John Egloff.

A motion was made by Commissioner Breniser and, seconded by Commissioner Ruddy, and unanimously passed to approve item 3(b) 4- the Standardbred Breeders Advisory Board of Jim Simpson, Sam Beegle, Joe Thompson, Kevin Decker, Brett Revington and Dr. John Egloff.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Sweeney, and unanimously passed to approve item 3(b) 4- to approve the six (6) member Thoroughbred Breeders Advisory Board of Roger

Legg, T. Bernard Houghton, Todd Mostoller, Sam Elliot, Commissioner Russell Jones, and Thomas Chuckas, Bureau Director.

A motion was made by Commissioner DeBunda and, seconded by Commissioner Lark, and unanimously passed to approve item 3(b) 5- the Thoroughbred Breeders Marketing request from PHBA for advertising and marketing for \$45,631.85.

A motion was made by Commissioner Egloff and, seconded by Commissioner Lark, and unanimously passed to approve item 3(b) 6- the \$400,000 proposal from Sam Beegle for the money from the non-resident breeders fund for purse money.

ANNOUNCEMENTS

Mr. Kane and Mr. Langlois addressed the commission during the public comment section.

Chairman Redding announced the next meeting will be held on December 21, 2016, at the FARMSHOW Complex, in the Susquehanna room, in Harrisburg, PA.

- Executive Session 9:30 A.M.
- Industry Session 11:00 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

Brett Revington
Bureau Director
Bureau of Standardbred Horse Racing