

THE STATE HORSE RACING COMMISSION MEETING MINUTES

APRIL 26, 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, April 26, 2022 at 1:00 P.M.

Commissioners in attendance: Chairperson Redding, 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 Redding called the meeting to order. Chairperson 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.

Chairperson Redding welcomed everyone to the meeting.

PUBLIC MEETING

1.) MINUTES OF THE MARCH 29, 2022 Meeting as emailed to the Commissioners for their review in advance of the meeting.

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

PRESENTATIONS

2.) RACING FUND MARCH 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 March.

3.) HISA ASSESSMENT PROCESS REVIEW – presented by Thomas Chuckas. In 2020, the Horseracing Integrity and Safety Act ("Act") was signed into law. From that moment, the Pennsylvania Horse Racing Commission continuously expressed its support for the laudable goals of the HISA legislation to provide for uniformity, consistency of regulation and to protect the health and safety of the equine and human athlete. This Commission and its staff continue to review and analyze the provisions of the Act, and we continue to work diligently with ARCI, sister racing commissions, and representatives of the Horseracing Integrity and Safety Authority ("Authority) to cooperate with each other to reach our mutual goals. In accordance with the Act, the Authority requires that this Commission notify the Authority by May 2, 2002 whether it will collect fees from its racing licensees and remit those fees ("opt in") to the Authority. The Race Horse Industry Reform Act (3 Pa. C.S.A.

§9301 et seq.) does not provide any statutory authority or mechanism enabling this Commission to collect fees from its licensees and remit those fees to the Authority. Based on the Authority's approved "budget" and approved cost allocation formula (based on start & purses) for the racetrack safety program, this Commission, if it elected to opt in, would be obligated to remit approximately \$1.2 million to the Authority.

The Commission intends to render a decision today as to whether to remit the racetrack safety program fees to the Authority.

Prior to rendering a decision, the Commission would like to hear from the TB tracks (Parx, Penn National & PID) and the TB Horsemen's groups (PTHA & PA HBPA).

Chris McErlean, Penn National: Mr. McErlean provided background and a status report based on Penn National's on-going discussions with HISA. He advised that if the Commission did not collect the assessment, the responsibility resides with the tracks and proceeded to outline the process involved. In addition, he informed the Commission the tracks would be required to become accredited and there would be costs associated with the accreditation. He requested that the Commission in the future seek methods to fairly share the costs. Mr. McErlean reiterated conceptually Penn National's support for the HISA goals but are concerned about the financial and operational impacts.

Joe Wilson, Parx: Mr. Wilson concurred and supported Mr. McErlean's assessment of the HISA program. Parx supports the goals and what HISA is attempting to accomplish but is concerned regarding the assessment which for Parx will be in excess of \$700,000. Mr. Wilson expressed his concerns with the assessment for what he believes will be a significantly larger amount coming next year with the Anti-doping and Medication Program. In addition, he voiced his concern that under PA law racetracks do not have the ability to collect fees either.

Jeff Matty, PTHA: Mr. Matty voiced his concerns regarding the implementation process. He identified his concerns concerning technological skills and language barriers.

ADMINISTRATIVE ACTIONS

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

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

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

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

6.) Based upon the information provided by the Horse Racing Integrity and Safety Authority (HISA) and our review of the applicable provisions of HISA, a motion is

made that the Commission vote not to remit the annual fee assessment as set forth in Section 3052 (f) (2) of the Act.

Commissioners Sweeney and DeBunda spoke in support of the motion not to remit the fee assessment but stated clearly that the PA Racing Commission applauds and supports the goals and the purpose of the Act.

Motion By: Commissioner Sweeney
Second By: Commissioner Egloff
Decision: Passed by unanimous vote

The Chairman proffered some final thoughts on the matter and the Commission's vote. First as previously stated, the Commission does not have the statutory authority under the Pennsylvania Racing Act to impose or assess fees upon the licensees. The Pennsylvania Racing Commission supports the articulated goals of HISA, however, given the lack of substantial detail in the Authority's budget, the lack of auditing provisions, the uncertainty of the future undetermined budget for the Anti-doping & Medication Program and as the steward in Pennsylvania citizens' tax dollars, the Commission could not agree to remit those fees. That said, this Commission will continue to discharge its statutory mandate to regulate, oversee, and protect the health and safety of all racing participants, both human and equine, and to protect the integrity of Pennsylvania racing.

INDUSTRY REPORTS

7.) General Reports

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

Director Chuckas reported the bureaus conducted 198 Out of Competition Tests in the last 30 days, 91 tests at the Meadows, 31 at the training centers near Pocono (Silver Springs & Wind Gap), 18 at Parx and 58 at Penn National. Additional enforcement action was taken in conjunction with OOC. In early April at the Meadows, 64 vehicles were searched, assorted drug paraphernalia and expired medications were confiscated with reports sent to the judges for administrative action. At Penn National, physical exams were conducted on 60 horses with 2 being placed on the vet's list. Barn searches resulted in the discovery of syringes, needles and expired medications. The Stewards will be conduct hearings to address these matters. Finally in late April, the Commission returned to the Meadows and conducted 5 barn searches where expired medications were seized, and results sent to the judges for action. The second issue focused on the Commission's the Hot-Line. The Hot-Line received 12 new calls for a total of 20 calls since March 1st. Eight calls have been closed with 12 still in process of investigation. Two additional items, the Commission has scheduled a Special Meeting for May 10,2022 at 10:30 a.m. to address outstanding PID & PAHBPA issues relating to a legal complaint and licensing issues. This will be the only items on the agenda. The last item is simply a reminder that the live racing agreement between PID & HBPA is set to expire May 1, 2022.

Director Salerno recognized the following Industry participants for their reports:

- Scott Lishia, Meadows, updated the Commission on the April spring shutdown. During the break, the track was reconditioned, new equipment was purchased and safety training was conducted. The Meadows has returned to a 4 day per

week schedule. The track in conjunction with the Commission has instituted a new Lasix barn. The initial review of the new Lasix barn has been positive.

- Mike Zullinger, Mohegan Sun Pocono Downs, advised the Commission that Pocono has started racing on Tuesday's, 4 days per week through August. The track is preparing for Kentucky Derby Day.
- Joe Wilson, Parx, reported that Parx is preparing for Kentucky Derby Day. This is the first time in 3 years that Parx has planned for a major day. Parx will conduct live racing, have multiple family activities including a moon bounce and face painting. The balance of the month should be busy with Mother's Day and the Preakness.
- Eric Johnston, Penn National, had a week break from racing. During the break, Penn worked on the track and upgrading the lighting. Also, Mick Peterson's group performed a survey on the track. Initial results were promising. The track is preparing for Triple Crown events and Mother's Day. In addition, Penn National will race Saturday cards during the Triple Crown events. Penn Mile Day will be held June 3, 2022, with a special 5:00 p.m. post time. Penn National will card 11 races with the Penn Mile being the 6th race.
- Barry Brown, Harrah's Philadelphia, opened April 3rd and wagering has been strong. Starting on May 11th Harrah's will begin its 4-day per week schedule. The track is preparing for multiple high-volume days in May.
- Jeff Matty, PTHA, advised that the PTHA will be conducting a golf outing on April 28th benefitting Turning for Home. The tournament is fully booked with both players and sponsors. Special thanks to Joe Wilson & Parx and the Archer Law Firm for their support.
- Russell Williams, SBA, stated that PA standardbred commercial stallions are enjoying full or near full books this year. The foaling season concludes in June and he will provide comparative data approximately 2 months later.
- Matt Ennis, PID, reported that the backside opened April 16th with a waiting list for stall space. PID is planning to race 100 days opening on May 16th. Tapeta Footings evaluated the track surface with a report pending. PID is also expecting a very busy May.
- Mike Harant, PHHA, extended an invitation to Invitational Day at Harrah's on May 29th. Pocono and Harrah's are moving to a 4-day per week schedule and the horse population appears strong.
- Brian Sanfratello, PHBA, reviewed the Breeders handout focusing on slot revenue and the Pa stakes schedule. The PHBA banquet this year will be May 13th at the Inn at Mendenhall which is in Chadds Ford. Contact him for additional details. In addition, Brian provided a 30 second video spot that promotes the two-year old stallion series. This spot is currently running on TVG and Let's Go Racing.

PUBLIC COMMENT

Dr. Langlois requested the Commission review the budget and see if the Commission could collect license fees and donate to aftercare.

Bureau Director Salerno spoke about the Fair booklet and thanked the staff for their hard work to create, print and distribute much earlier than previous years. Special thanks to Ryan Kell for running point on the project.

ANNOUNCEMENTS

Chairperson Redding announced that the next meeting will be held on Tuesday, May 10, 2022. The Meeting location is to be determined.

- Executive Session 10:00 A.M.
- Regular Session 10:30 P.M.

ADJOURNMENT

The meeting was adjourned at 2:02 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing