

THE STATE HORSE RACING COMMISSION MEETING MINUTES

NOVEMBER 29, 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, November 29, 2022 at 1:00 P.M.

Commissioners in attendance: Chairperson Cook, Darryl Breniser, Salvatore DeBunda, Dr. John Egloff, Thomas Ellis, Russell Jones, Robert Lark, C. Edward Rogers, Michele Ruddy and Dr. Corrinne Sweeney. 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.

PUBLIC MEETING

1.) MINUTES OF THE October 25, 2022 Meeting:

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

PRESENTATIONS

2.) RACING FUND OCTOBER 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 21/22 and an overview of the Breed-specific funds for the month of October.

3.) SBA Marketing Report - presented by Mike Simpson, Ashley Eisenbeil and Stu Kirshenbaum. Mr. Kirshenbaum reported that the goal is to build the brand and enhance the Breeding program's image. Efforts were focused on a robust broadcast and marketing campaign and enhanced social media platforms. Stu also reviewed SBA videos with the Commissioners. Ashley Eisenbeil discussed the "Wager Warrior" program and the PHRA/SBA partnership in this campaign. The results have been successful both on-line and in person. The fans appreciate the information and are engaged. Ms. Eisenbeil advised the Commission that one goal would be to return to the track and focus on the Wager Warrior program, providing wagering tips and vouchers to those in attendance.

4.) UPENN Research Report- presented by Dr. Robinson. Presentation tabled to December meeting.

5.) MOHEGAN SUN AT POCONO 3-year License presentation- presented by Anthony Carlucci, Sarah Stoner, Esquire, Ron Chrzan and Mike Zullinger. Mr. Zullinger began with a brief history and focused on the 2023 racing schedule and the associated events both new and reintroduced. He discussed the enhancements made to the racing program with a major focus on the Sun Stake program. He went on to discuss additional improvements made to continue to maintain the level of racing. New tractors were purchased, paddock improvements were added to facilitate benefits to the horsemen. Televisions were upgraded and new tote equipment was installed. Mr. Zullinger concluded that Pocono Downs has been an industry leader and is looking forward to continuing in that role. Mr. Zullinger asserted that Mohegan Sun at Pocono is suitable to be licensed.

6.) PARX RACETRACK & CASINO 3-year License presentation- presented by Joe Wilson and Mark Stewart, Esquire. Mr. Wilson of Greenwood Racing provided the company's history in Pennsylvania and how far the organization has come, from the rebranding campaign to merging racing and gaming. The company not only operates Parx but six turf clubs in PA along with an ADW platform-Phonebet. Parx currently has seven graded stakes races, including 2 Grade 1's which each maintains a \$1 million dollar purse. In 2022, the PA Derby had a record handle of almost \$19 million which far surpassed the previous record of \$14 million. Mr. Wilson proceeded to advise the Commission of the \$35 million in capital improvements which included 33 new barns. Finally, Parx was accredited by the NTRA Safety & Integrity Alliance. Mr. Wilson stated that Parx is an industry leader promoting, developing, and improving racing now and will continue in the future. Mr. Wilson asserted that Parx is suitable to be licensed.

7.) HARRAH'S PHILADELPHIA RACETRACK & CASINO 3-year License presentation- presented by Barry Brown and Steve Schrier, Esquire. Mr. Brown proceeded to walk the Commission through the major points of Harrah's handout. The handle has increased by 36% from 2019 to 2021. Mr. Brown believes by reducing the takeout, revamping the wagering menu, and providing past performances on-line contributed to the handle increase. He believes that the growing relationship with TVG played a role in the handle increase. From a marketing perspective, Harrah's utilized Caesars to expand its footprint from attracting new guests to promoting family days. Harrah's invested in the facility purchasing new TV's and acquiring two new tractors. Harrah's plans to remain committed to racing and is suitable to be licensed.

8.&9.) PENN ENTERTAINMENT: PENN NATIONAL & MEADOWS 3-year License presentation (Combined presentation) – presented by Chris McErlean, Tony Frabbie, Eric Johnston, Matt Heiskell and Scott Lishia. Mr. McErlean stated that Penn Entertainment is deeply rooted not only in Pennsylvania but in the racing industry. Penn owns 11 racetracks, 6 OTB's and a national ADW company. In 2021, Penn operations conducted 1200 live race days and handled over \$1.2 billion in pari-mutuel wagers. Mr. Frabbie discussed the 50-year anniversary and Penn's contribution to its philanthropic efforts specifically highlighting "Susan G Koman". Eric Johnston stated that Penn has made \$10 million in backstretch improvements including 13 new barns, new indoor wash racks, and new turf rail. Mr. Johnston spoke of the partnership with the HBPA and its New Start aftercare program. Scott Lishia spoke of the Meadows year-round racing and stabling program and the benefits to the industry. In addition, Mr. Lishia outlined the importance of a positive relationship with the MSOA and the effect on the race program specifically the Adios Pace and backstretch and track improvements. Mr. McErlean asserted that both facilities are suitable for licensing.

10.) PREMIER TURF CLUB, LLC - SPMO presentation-presented by Todd Bowker. Mr. Bowker informed the Commission that Premier was founded in 2006 in North Dakota and moved operations to Oregon in 2010. Premier has processed in excess of \$350 million in wagers since its inception. In 2022, Premier became a wholly owned subsidiary of PointsBet USA which has operations in Australia, United States, Canada, and Ireland. In the US, PointsBet operates in 14 states including PA. Premier's goal is to support and grow racing by providing access to current customers but also to get horse racing in front of our sports betting customers.

ADMINISTRATIVE ACTIONS

11.) Motion to approve the 2023 PA Commission Meeting Schedule.

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

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

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

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

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

14.) Motion to ratify the Standardbred Bureau Director's approval for the Meadows to suspend the Jackpot Pick 5 and the Jackpot Penta Fecta wagering until Friday, November 11, 2022 with a mandatory payout November 11, 2022.

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

15.) Motion to ratify the Standardbred Bureau Director's approval for Harrah's Philadelphia to modify its 2022 Live race schedule:

- Change Post Time on Friday, November 4, 2022 to 12:25 p.m.
- Add Live Racing Day on December 30, 2022 Post Time 12:25 p.m.
- Add Live Racing Day on December 31, 2022 Post Time 2:30 p.m.
- Eliminate Live Racing Days December 8th & 15th.

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

16.) Motion to ratify the Thoroughbred Bureau Director's approval for Parx to conduct a mandatory Philly Big 5 payout on November 23, 2022.

Motion By: Commissioner Ellis
Second By: Commissioner Jones
Decision: Passed by unanimous decision.

17.) Motion to ratify the Thoroughbred Bureau Director's approval for Parx to move Post Time to 11:55 a.m. effective November 28, 2022.

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

MOTION TO APPROVE OPERATIONAL MATTERS FOR LICENSED RACING ENTITIES:

18.) Operational Approvals for Penn National:

- i. Requests approval on 134 Live Race Days in 2023 as submitted and filed with the Commission office.
- ii. Requests approval on Officials for 2023 as submitted and filed with the Commission office.
- iii. Requests approval on Take out Rates for 2023 as submitted and filed with the Commission office.
- iv. Requests approval on Wagering Format for 2023 as submitted and filed with the Commission office.
- v. Requests approval on Simulcast In for 2023 as submitted and filed with the commission office.
- vi. Requests approval on Simulcast Out for 2023 as submitted and filed with the Commission office.

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

19.) Operational Approvals for Presque Isle Downs:

- i. Requests approval for 100 Live Race Dates for 2023 as submitted and filed with the Commission office.
- ii. Requests approval for Officials for 2023 as submitted and filed with the Commission office.
- iii. Requests approval for Take Out Rates for 2023 as submitted and filed with the Commission office.
- iv. Requests approval for Wagering Format for 2023 as submitted and filed with the Commission office.
- v. Requests approval for Simulcast In for 2023 as submitted and filed with the Commission office.
- vi. Requests approval for Simulcast Out for 2023 as submitted and filed with the Commission office.

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

20.) Operational Approvals for Parx:

- i. Requests approval on 151 Live Race Dates for 2023 as submitted and filed with the Commission office.
- ii. Requests approval on Officials for 2023 as submitted and filed with the Commission office.
- iii. Requests approval on Take out Rates for 2023 as submitted and filed with the Commission office.
- iv. Requests approval on Wagering Format for 2023 as submitted and filed with the Commission office.
- v. Requests approval on Simulcast In for 2023 as submitted and filed with the Commission office.
- vi. Requests approval on Simulcast Out for 2023 as submitted and file with the Commission office.

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

21.) Operational Approvals for The Meadows:

- i. Requests approval on 170 Live Race Dates for 2023 as submitted and filed with the Commission office.
- ii. Requests approval on Officials for 2023 as submitted and filed with the Commission office.
- iii. Requests approval on Take Out Rates for 2023 as submitted and filed with the Commission office.
- iv. Requests approval on Wagering Format for 2023 as submitted and filed with the Commission office.
- v. Requests approval on Simulcast In for 2023 as submitted and filed with the Commission office.
- vi. Request approval on Simulcast Out for the 2023 as submitted and filed with the Commission office.

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

22.) Operational Approvals for Mohegan Sun at Pocono Downs:

- i. Requests approval on 136 Live Race Dates for 2023 as submitted and filed with the Commission office.
- ii. Requests approval on Officials for 2023 as submitted and filed with the Commission office.

- iii. Requests approval on Take Out Rates for 2023 as submitted and filed with the Commission office.
- iv. Requests approval on Wagering Format for 2023 as submitted and filed with the Commission office.
- v. Requests approval on Simulcast In for 2023 as submitted and filed with the Commission office.
- vi. Requests approval on Simulcast Out for 2023 as submitted and filed with the Commission office.

Motion By: Commissioner Breniser

Second By: Commissioner Ruddy

Decision: Passed by unanimous vote.

23.) Operational Approvals for Harrah's Philadelphia:

- i. Requests approval on 130 Live Racing Dates for 2023 as submitted and filed with the Commission office.
- ii. Requests approval on Officials for 2023 as submitted and filed with the Commission office.
- iii. Requests approval on Take Out Rates for 2023 as submitted and filed with the Commission office.
- iv. Requests approval on Wagering Format for 2023 as submitted and filed with the Commission office.
- v. Requests approval on Simulcast In for 2023 as submitted and filed with the Commission office.
- vi. Requests approval on Simulcast Out for 2023 as submitted and filed with the Commission office.

Motion By: Commissioner Breniser

Second By: Commissioner Jones

Decision: Passed by unanimous vote.

LICENSING

MOTION TO APPROVE THE FOLLOWING 3-YEAR LICENSE RENEWALS:

24.) Downs Racing, LP (f/d/b/a Mohegan Sun at Pocono Downs) Docket No. 2022-52

25.) Bensalem Racing Association, Inc and Keystone Turf Club, Inc (d/b/a/ Parx Racetrack & Casino) Docket No. 2022-53

26.) Chester Downs and Marina, LLC (d/b/a Harrah's Philadelphia Casino and Racetrack) Docket No. 2022-54

27.) Mountainview Thoroughbred Racing Association, LLC and Penn National Turf Club, LLC (d/b/a Penn National Racecourse) Docket No. 2022-55

28.) Mountain Laurel Racing, Inc and Washington Trotting Association, LLC (d/b/a The Meadows Racetrack & Casino) Docket No. 2022-56

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

29.) Racing Vendor Renewals:

Motion to approve the annual Racing Vendor license for:

- American Teletimer Corporation, 2022-31
- Axcis Information Network, Inc. 2022-41

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

30. SPMO Application:

Motion to approve the annual SPMO license for:

- Premier Turf Club, LLC (PointsBet) 2022-78 (New application)
- NYRA Bets, LLC 2022-79 (Renewal)

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

31. Electronic Wagering Petitions:

Motion to approve the Electronic Wagering Petitions for 2023 for the following racing entities:

- Chester Down and Marina, LLC (d/b/a Harrah's Philadelphia Casino & Racetrack) Docket No. 2022-48
- Downs Racing, LP (d/b/a Mohegan Sun Pocono) Docket No. 2022-46
- Mountain Laurel Racing, Inc. and Washington Trotting Association, LLC (d/b/a The Meadows Racetrack & Casino) Docket No. 2022-50
- Bensalem Racing Association, Inc. & Keystone Turf Club, Inc. (d/b/a Parx Racetrack & Casino) Docket No. 2022-47
- Mountainview Thoroughbred Racing Association, LLC & Penn National Turf Club, LLC Docket No. 2022-49
- PID, LLC (d/b/a Presque Isle Downs & Casino) Docket No. 2022-51

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

INDUSTRY REPORTS

32.) General Reports.

Director Salerno called upon Bureau Director Chuckas to report on a few open items. Mr. Chuckas reported the status with HISA is very fluid. The Commission continues to cooperate and work with HISA. As things progress the Commission will provide more information. Since the last Commission meeting, the Commission has conducted 88 OOC- 22 at Penn and 66 at the Meadows which brings the annual total to 953 vs. 426 last year. Finally, since inception there have been 94 Hot-line calls (TB-67, SB-24, General-3). 90 were investigated and closed. There are 4 currently active. The Hot Line has produced serious leads and has been a positive addition.

Director Salerno recognized the following Industry participants for their reports:

- Ashley Eisenbeil, PHRA advised the Commission that the PHRA conducted the first state-wide Caregivers Day. On December 14th, the event was conducted at Parx, Penn National and the Meadows and on December 16th at Harrah's. The PHRA distributed winter hats, hoodies and other assorted giveaways.
- Scott Lishia, Meadows, thanked the Commission for today's approvals.
- Mike Zullinger, Mohegan Sun Pocono Downs, thanked the Commission for approving the 3-year license. Pocono has a successful 2022 and looking forward to 2023.
- Matt Ennis, Presque Isle Downs, thanked the Commission for approving PID's electronic wagering petition and looking forward to the 2023 season.
- Joe Wilson, Parx, thanked the Commission not only for today's approvals but continued support.
- Barry Brown, Harrah's Philadelphia, thanked the Commission for Harrah's approvals. He advised that the meet has 11 days remaining and concluding on December 31st.
- Eric Johnston, Penn National, thanked the Commission for the 3-year license renewal approval and looking forward to 2023.
- Jeff Matty, PTHA, advised the Commission that this is an election year for the PTHA with 25 nominees for Board seats plus the Presidency.
- Brian Sanfratello, PHBA, provided a review of the PHBA handout. He highlighted the PA horse (Caravel) bred by Elizabeth Merryman who won the Breeders' Cup Turf Sprint.

PUBLIC COMMENT

No public comment.

ANNOUNCEMENTS

Chairperson Redding announced that the next meeting will be held on Tuesday, December 20, 2022. The Meeting location is PDA Room 309 and Teams.

- Executive Session 10:30 A.M.
- Regular Session 1:00 P.M.

ADJOURNMENT

The meeting was adjourned at 2:52 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing