

THE STATE HORSE RACING COMMISSION MEETING MINUTES

September 26, 2023

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 26, 2023, at 1:00 P.M.

Commissioners in attendance: Chairperson Redding, Darryl Breniser, Ed Rogers, Michele Ruddy, Dr. Corinne Sweeney, and Thomas Ellis, also joining on Teams were Commissioners Dr John Egloff, Salvatore DeBunda, Robert Lark, and Russell Jones. Also present was Commission Counsel Jorge Augusto, Standardbred Bureau Director Anthony Salerno, and Thoroughbred Bureau Director Thomas Chuckas.

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.) APPROVAL OF THE AUGUST 29, 2023, MEETING MINUTES:

Motion By: Commissioner Ellis
Second By: Commissioner Sweeney
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 showing a starting cash balance of \$7.4 million. Total Revenue for August was \$943,000 with Total expenditures of \$2,763,000 bringing the ending cash balance to \$5,599,000. The Horse Racing Commission revenue was \$943,000. Personnel expenses were \$447,000, Operating expenditures were \$107,000 bringing the total expenditures for the month to \$554,000.

As to Testing, due to lack of the Fiscal Code, there were no Racehorse Development Trust Fund Transfers for the month of August. Personnel costs were \$426,000.

Operating expenditures were \$1,704,000. Total expenditures from August for Testing were \$2,130,000.

As to Promotions, due to the lack of the Fiscal Code, there was no Revenue for August, with advertising expenses of \$15,000.

Looking at the 2023/2022 Comparative of Commission & Testing Revenues and Expenditures for the month of August, total revenue is down by 50%, the bulk of that is made up of the fact that there have been any Racehorse Development Trust Fund Transfers. Personnel Expenditures are up 2%, Operating Expenditures are up 180%. The main category for the increase is other specialized services for UPENN. There were three payments made in 2023, versus one payment for the same timeframe in 2022, and that's the major reason for the 56 percent increase in the total Expenditures for the month.

The remaining financial statements represent the activities in racing's other 3 Restricted Accounts.

ADMINISTRATIVE ACTIONS

3.) Motion to approve Simulcast Calendars for October 2023, for Harrah's Philadelphia, Mohegan Sun at Pocono Downs, and the Meadows.

Motion By: Commissioner Breniser

Second By: Commissioner Rogers

Decision: Passed by unanimous vote.

4.) Motion to approve the Simulcast Calendars for October 2023, for PARX, Penn National and Presque Isle.

Motion By: Commissioner DeBunda

Second By: Commissioner Ruddy

Decision: Passed by unanimous vote.

5.) Motion to ratify the Thoroughbred Bureau Director's approval for NYRAbets to switch totalizer companies from AmTote to United Tote effective September 6, 2023.

Motion By: Commissioner Sweeney

Second By: Commissioner Ellis

Decision: Passed by unanimous vote.

6.) Motion to ratify the Standardbred Bureau Director's approval for the Meadows to conduct a Pick 8, on September 8, 2023, with a 15% takeout and a \$.20 base wager and a forced payout and a guaranteed pool with the USTA for \$5,000.00.

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

ADJUDICATION

7.) Moises Valdez, (Appeal of Ruling No. 22137PN) Docket No. RACING-2022-NM-14

Attorney Augusto summarized the underlying matter and read the following order which was taken as a motion:

“And now, this 26th day of September 2023, upon consideration of the evidentiary record, including the exhibits, transcript and briefs in this matter, it is hereby ordered that Ruling Number 22137PN of the Board of Stewards at Penn National, dated August 4th, 2022 is hereby affirmed.”

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

INDUSTRY REPORTS

8.) General Reports

Director Salerno recognized the following Industry participants:

- Chris McErlean, Vice President of Racing for Penn Gaming gave an update on the Meadows. He reported that the Meadows had been shut down for a week so that some maintenance work could be done on the track. They scarified the track and added some new material to get a little more cushion. Tomorrow will be our reopening with the Meadows racing a Wednesday, Thursday, and Friday schedule through the remainder of the year. The track has special events planned for October with an Alzheimer’s walk, as well as a Pink-Out and Corgi Races, tied in with Breast Cancer Awareness.

Mr. McErlean also gave a Penn National update reporting that live racing will be shut down through October 25th. They are taking that opportunity to do several maintenance projects both on the track and in the building. On the track we are in the process of replacing our existing track rail with a new PVC breakaway - type rail. Inside the building, we are replacing all the tote machines through Global Tote. This is their new generation of equipment, so that will be done and tested and in place before we reopen on the 25th of October.

- Mike Zullinger, Director of Racing Mohegan Sun Pocono Downs, had no report.
- Barry Brown, Director of Racing Harrah's Philadelphia, reported that after the Labor Day weekend, Harrah's has moved into its three day-a-week schedule, Thursday, Friday, and Sunday. It'll remain that way for the balance of 2023.
- Joe Wilson, Director of Racing for Parx, reported that despite a tropical storm on Pennsylvania Derby Day, the day turned out to be a great success. The wagering was in excess of \$17 million, which was the second highest handle day ever. The track crew did a remarkable job to get all the races in and to maintain the track in a safe condition. Davis Osojnak and his team put together a fantastic card. Ashley Eisenbeil and her team were there promoting and supporting the day's activities. Mr. Wilson also thanked the Commission staff as well for all the work they did for the day. There was a two-hour PA Derby broadcast on NBC Sportsnet. Parx had Jockeys wearing Go Cams, which was aired on the NBC Sportsnet Show. TVG was onsite, as well as the Daily Racing Form and Espanol which aired the telecast in Spanish.
- Sam Beegle, President of the PHHA, reported that the last 2 fairs of the season were conducted last week and although the weather wasn't cooperative, the fairs managed to get five races in the first day at Gratz before rain washed out the remainder of the card. He complimented the track crew for getting the track ready for the next day's races which permitted the full race card to be conducted. It also rained at Bloomsburg but despite the weather they were able to get both days of racing in. The fair finals will be held at Pocono on October 9th.
- Jeff Matty, Executive Director PTHA, thanked the Commission staff and the Integrity team for a job well done, not only Saturday, but throughout the entire week. He also thanked Dave Osojnak, Joe Wilson, and Parx Racing for all their hard work. He appreciated Commissioner Ellis coming out and all the support from the entire Commission and looking forward to next year.
- Kim Hankins, Executive Director of MSOA, deferred to Mr. McErlean's report of the activities at the Meadows.
- Scott Stoller, Operations Controller from Presque Isle Downs reported that they are on day 61 of their 80-day meet and will continue to race Monday, Tuesday, Wednesday, and Thursday until closing day October 26th. Mr. Stoller reported on their marquee event, the Presque Isle Mile which drew an enthusiastic crowd and \$1.5 million in handle.

He also thanked Ashley and her crew from PHRA, as well as Stu Kirshenbaum and his crew, who were capturing drone footage. He also thanked Racing Personalities Steve Byk and Peyton Rager for their expertise and support.

- Todd Mostoller, Executive Director of HBPA, had no report this month.
- Mike Simpson, Standardbred Breeders, had no report this month.
- Brian Sanfratello, President PHBA reported that Pa Day at the races in August was a fantastic day. The handle was a little over 4 million for the day which showcased PA Bred horses. Mr. Sanfratello gave a summary of the research that was conducted by Plus Vital. The study was to determine what horses may have been carrying the gene THR-14. Dr. Robinson will give a more detailed report next month. Mr. Sanfratello also reported on disciplinary action that was taken on an Owner Mr. Stevenson. Mr. Stevenson claimed that horse was bred in PA, but evidence was presented that showed the horse was bred in New Jersey. Mr. Stevenson cannot register any horses with the PHBA for 5 years.

PUBLIC COMMENT

Dr. Bryan Langlois asked the Commission to consider installing PET Scan equipment at the 3 Thoroughbred tracks. He recommended that the cost be absorbed by the casino companies that conduct the race meets at the 3 Thoroughbred tracks.

Dr. Langlois also voiced concern about the takeout rates in PA. He feels that compared to other states, the Takeouts in PA are considerably higher. Dr. Langlois suggested that when the tracks submit their operational and date request for 2024 that they also provide justification for why the rates are what they are.

Chairperson Redding thanked Dr. Langlois for his comments and advised him that they would be taken under consideration.

ANNOUNCEMENTS

Chairperson Redding announced that the next meeting will be held on Tuesday October 31, 2023, at 1:00 pm. The Meeting location will be Room 309 and on Teams.

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

ADJOURNMENT

MOTION BY: Commissioner Ellis

SECOND BY: Commissioner Sweeney

DECISION: Passed by Unanimous vote

The meeting was adjourned at 1:34 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing