

THE STATE HORSE RACING COMMISSION MEETING MINUTES

March 28, 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, March 28, 2023, at 1:00 P.M.

Commissioners in attendance: Chairperson Cook, Darryl Breniser, Tom Ellis, Corinne Sweeney, C. Edward Rogers, Russell Jones, and Michele Ruddy. Joining via Microsoft Teams were Salvatore DeBunda, Dr. John Egloff, and Robert Lark. Also present were Standardbred Bureau Director Anthony Salerno, Thoroughbred Bureau Director Thomas Chuckas and 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 to the meeting.

PUBLIC MEETING

1.) MINUTES OF THE February 28, 2023, Meeting:

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

PRESENTATIONS

2.) Racing Fund February Financial Report – Presented by Tracee Gotwalt, Ms. Gotwalt provided a detailed financial analysis of the State Racing Fund which had a beginning cash balance of \$5,723,000. Revenue was \$1,555,000, expenditures were \$1,412,000, bringing the cash balance to \$5,866,000. The Race Commission Revenue for the month was \$775,000, personnel expenditures were \$328,000, operating expenditures were \$72,000 with total expenditures of \$400,000. Testing's revenue for the month was \$780,000, personnel expenditures were \$270,000, and operating expenditures were \$532,000, with total expenditures of \$802,000. The comparative financial statements for February 2023 compared to February 2022, total revenue was up 20 percent, personnel costs were up 3 percent, overall operating dollars are up 33 percent, the largest driver is the UPENN contract bringing total expenditures at an 18 percent increase.

Commissioner Breniser questioned why the Race Commission IT expenses were over budget by about \$138,000. Director Chuckas explained that there were 2 main reasons. First, an additional IT developer was hired to help with the Commission data base and second, the purchase of new computers for all 6 of our field offices. The field computers and monitors were obsolete and were no longer supported by Microsoft.

3.) HISA Laboratory Services Agreement Report – Director Chuckas updated the Commission on the latest HISA developments. He informed the Commission that the FTC approved HISA’s rules and regulations on March 27, 2023 and the regulations went into full effect yesterday. One key point in the negotiations with HISA/HIWU was the confirmation of the financial credits. The PA Assessment was approximately \$6,057,000 with credits of approximately \$4,816,000 with an outstanding balance to the tracks/horsemen of approximately \$1,200,000. The credits of \$4,816,000 were agreed to by both parties.

As far as the Agreements, the Racetrack Safety Program agreement is in place until the end of the year. The agreement started on 1/1/2023 and will run through 12/31/2023.

The Intergovernmental Agreement also known as the Anti-Doping and Medication Program was approved by the Commission at the March 21, 2023 Special meeting. Mr. Chuckas reminded the Commission and everyone in the public session that while the Commission approved it last session, the Agreement will be submitted to the OGC and AG for final approval. In the interim, the Commission entered into a Letter of Intent (LOI) which serves as a 60-day bridge until the IGA is finalized.

The last outstanding issue was the Lab Services Agreement. This agreement is pending the Commission’s ratification under Administrative Actions. If approved by the Commission, the staff will send a signed Lab Services LOI and Dr. Robinson’s letter attesting that she will operate under the Equine Laboratory Standards to HISA/HIWU.

The additional items presented at the Special meeting will be in force.

Commissioner Jones thanked Directors Chuckas and Salerno as well as Jorge Augusto and the rest of the staff for their hard work and efforts to get these agreements in place.

ADMINISTRATIVE ACTIONS

4.) Motion to approve Simulcast Calendars for April 2023, for Harrah’s Philadelphia, Mohegan Sun at Pocono Downs, and the Meadows.

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

5.) Motion to approve the Simulcast Calendars for April 2023, for PARX, Penn National and Presque Isle Downs.

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

6.) Motion to ratify the HISA Laboratory Services Agreement. Commissioner Ellis made a motion to ratify the Interim Lab Services Agreement as executed by Thoroughbred Director Chuckas and representatives of HISA with the understanding the final Lab Services Agreement will be forwarded to OGC and OAG for final approval.

Motion By: Commissioner Ellis
Second By: Commissioner DeBunda
Decision: Motion passed. Commissioner Sweeney abstained.

AJUDICATION

7.) Gregory Peck, Appeal of Ruling No. 22105CD, Docket No. RACINGCD-2023-NM-2. Attorney Augusto provided a case summary and proposed the following order: "And now, this 28th day of March 2023 upon consideration of the testimony and exhibits of record, it is hereby ordered that ruling number 22105CD of the Harrah's Board of Judges dated December 5th, 2022, which imposed upon appellant Gregory V. Peck a fine of \$5,000 and a suspension of his driver's license for two years from the enumerated violations of the Commission regulations is hereby affirmed. However, the Commission hereby amends the computed start date of Mr. Peck's suspension to coincide with the start of Mr. Peck's summary license suspension on November 11, 2022. Accordingly, the revised end date of the suspension shall be and include November 10, 2024. The fine of \$5,000 shall be due within 10 days of receiving this order. As Mr. Peck's license is currently suspended, this order shall take immediate effect."

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

INDUSTRY REPORTS

8.) General Reports

Director Salerno recognized the following Industry participants:

- Scott Lishia, Director of Racing at the Meadows, reported that the month of March wagering figures are holding very strong. He gave credit to the horsemen for entering horses and providing full fields. The Meadows will be shut down for live racing for one week to do track maintenance and will return with a 4-day a week schedule throughout the summer.
- Mike Zullinger, Director of Racing Mohegan Sun Pocono Downs, reported that Pocono is now racing 4 days a week and the handle is up significantly over last year.
- Barry Brown, Director of Racing Harrah's Philadelphia, reported that opening day is April 2nd. Harrah's will start on a 3-day a week schedule, Sunday, Thursday, and Friday and will add Wednesdays starting May 17.
- Joe Wilson, Director of Racing for Parx, wanted to thank the Commission for wrapping up the Agreements with HISA. He echoed Commissioner Jones comments about Tom, Tony, Jorge, and the Commission staff. He has had several dealings with HISA, and for Tom being able to get all those credits against the assessment and finalize this was a Yeoman's task. So, credit to Tom and his staff. I neither saw nor heard any issues yesterday. The Test barn was very professional.

- Eric Johnston, Director of Racing Penn National, advised that Penn National will be shutting down for 2 weeks. The staff will be doing track maintenance as well as some maintenance projects on the backside. Like everyone else were kind of waiting to see what happens with HISA moving forward. Like Joe (Wilson), he appreciated the hard work of the Commission to help us out in that situation, so thank you.
- Mike Harant, Executive Director PHHA, had no report.
- Jeff Matty, Executive Director PTHA, had no report.
- Kim Hankins, Executive Director of MSOA, reported that the MSOA had a very good meeting with Meadows management about upcoming and future events of promoting racing at the Meadows. We look forward to a good working relationship, as we always have with the Meadows.
- Matt Ennis, Director of Racing, Presque Isle, would like to thank the Commission on behalf of Presque Isle and Churchill Downs for the efforts put forth with the HISA Agreements which is certainly good news for the tracks and horsemen. PID had 100 tons of additional Tapeta surface delivered in anticipation of the opening of the backside on April 17. We are planning on improvements to our Mutuals area for the 2023 season and looking forward to opening day on May 15.
- Brian Sanfratello, Executive Director PHBA, had no report.
- Mike Simpson, Standardbred Breeders, had no report.

PUBLIC COMMENT

John Wanner from the Standardbred Breeders asked if the HISA Agreements would be available to the public. Director Chuckas advised him that once OGC and Office of the Attorney General sign off on them, they will be available to the public.

ANNOUNCEMENTS

Chairman Redding announced that the next meeting will be held on Tuesday April 25, 2023, at 1:00 pm. The Meeting location will be Room 309 and on Teams.

- Executive Session 11:00 a.m.
- Regular Session 1:00 P.M.

ADJOURNMENT

MOTION BY: Commissioner Breniser

SECOND BY: Commissioner Ellis

DECISION: Passed by Unanimous vote

The meeting was adjourned at 1:26 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing