

THE STATE HORSE RACING COMMISSION MEETING MINUTES

February 27, 2024

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, February 27, 2024 at 1:00 P.M.

Commissioners in attendance: Chairwoman Cook, Darryl Breniser, Thomas Ellis, Russell Jones, C. Edward Rogers, joining via Teams were Commissioner's Salvatore DeBunda, and Robert Lark. Commissioner Ruddy and Dr. Sweeney were not in attendance, 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, Chairwoman Cook called the meeting to order. Chairwoman 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.

Chairwoman Cook welcomed everyone to the meeting.

PUBLIC MEETING

1.) MINUTES OF THE JANUARY 30, 2024, Meeting:

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

PRESENTATIONS

2.) Racing Fund January Financial Report – Presented by Thoroughbred Bureau Director Tom Chuckas Jr. Mr. Chuckas provided a detailed financial analysis starting with the State Racing Fund, which had a beginning cash balance of \$6,058,000, Revenues were \$2,150,000. The horse race testing revenue was \$1,438,000 which is the normal monthly deposit of \$719,000 plus the retro-active payment of \$719,000. As we discussed previously, the Commonwealth will be doubling up the monthly deposits until the retro-active receivable is paid in full. Expenditures were just under \$3.4 million leaving a cash balance of \$4.8 million.

The Horse Racing Commission revenues were \$712,000, Personnel costs were \$373,000 and operating costs were \$742,000, bringing the total expenditures to \$1,115,000 which includes the one-time administrative allocation of \$623,000.

Testing revenue from the Racehorse Development Trust Fund was \$1,438,000, personnel cost was \$289,000, \$1,300,000 in operating expenses, which includes \$649,000 in administrative allocation for total expenditures of \$1,630. In Promotion's, there's a

distribution of \$643,000. The grant monies will continue to go out as the organizations submit their invoices for approval.

The year-to-date total revenue is \$10,700,000 compared to last year at \$11,736,000. The major difference is the RHDTF transfers. It will take the remaining five months to have the retro-active transfers catch up. Personnel cost are up about 6% which can be attributed to the new union contract. Total operating costs are \$6,500,000 versus \$6,800,000 which is about 5% less. Overall, it's \$12,597,000 versus \$12,572,000 basically flat.

The remaining accounts are the Restricted accounts, including the Standardbred Breeders and Sires Stakes as well as the Thoroughbred Breeders account.

3.) PA HBA Marketing Report – Presented by Mr. Stu Kirshenbaum the owner and executive producer of Keystone Films. Mr. Kirshenbaum reported that Keystone films continues to deliver a nuanced branding, marketing, and advertising message on behalf of the PA HBPA. We tell the story of statewide job creation, economic impact, as well as all that's done every day to keep racehorses safe, healthy, and productive both during and after their racing careers.

Our creative efforts leading up to both Penn Mile Day and the Presque Isle Masters helped to generate the three largest handle days ever at Penn National, as well as four of the five largest handle days at Presque Isle. Mr. Kirshenbaum showed several videos that ran on TVG as well as radio commercials that ran on SiriusXM satellite radio. He also played a clip that aired on Thoroughbred Daily News.

Mr. Kirshenbaum talked about the "New Start" aftercare program that the HBPA has been funding as well as the expansion of their Social Media footprint.

4.) HISA Assessment Process Review – Mr. Chuckas gave a brief update on HISA. The Commission had signed a 60-day extension on January 1, 2024, and have now signed a 2nd 60-day extension until we can finalize the negotiations with HISA. It was done with the intent of keeping racing going with no interruption in racing. The staff is cautiously optimistic within the next 60 days that the open issues with HISA will be resolved.

ADMINISTRATIVE ACTIONS

5.) Motion to approve Simulcast Calendars for March 2024, for Harrah's Philadelphia, Mohegan Sun at Pocono Downs, and the Meadows.

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

6.) Motion to approve the Simulcast Calendars for March 2024 for PARX, Penn National and Presque Isle Downs.

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

7.) Motion to approve Presque Isle Downs Request to amend its 2024 Live Racing Dates eliminating August 22nd, 29th, September 5th, and 12th

Presque Isle Downs live Racing dates are being reduced from 80 days to 76 days.

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

8.) Motion to ratify the Standardbred Director's approval for the Meadows to establish a Pick 7 ("Lucky 7") wager. The wager consist of a \$1.00 base and a 100% net pool carryover with no consolation payout should no ticket contain all 7 winners. The proposed takeout rate is 15% with a March 7th implementation date.

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

ADJUDICATION

9.) Robert Belcher, (Appeal of Ruling 22016C), Docket No. RACINGCM-2022-NM-9

Attorney Augusto proposed the following order:

And now, this 27th day of February 2024 Ruling Number 22016C of the Bureau of standardbred Horse Racing denying an owner-trainer's license to Robert Belcher is hereby reversed. However, in accordance with Section 9323 (e) (2) of the Racing Act, the Commission hereby grants Robert Belcher a one-year conditional owner-trainer's license upon the terms and conditions to be set by the Bureau.

Motion By: Commissioner Ellis
Second By: Commissioner Jones
Decision: Commissioner's Breniser and DeBunda opposed. The motion passed by majority vote.

INDUSTRY REPORTS

10.) General Reports

Director Salerno recognized the following Industry participants:

- Scott Lishia, Director of Racing at the Meadows, thanked the Commission for approving their new Lucky 7 wager. The goal is to try and generate a long-term carryover. We will see how it goes and if it's not working, we have a lot of room to tweak and/or change it.
- Mike Zullinger, Director of Racing Mohegan Sun Pocono Downs, reported that Pocono got under way on February 17th and right on cue, Mother Nature graced us with 5 inches of snow on opening day. Luckily, our track crew was right on it and were able to get the track cleared and ready to go for our 1:00 post time. In March we will add Tuesday's and will be racing 3 days a week. Handle has been good for the first 4 days, were looking forward to great year.

- Barry Brown, Director of Racing Harrah's Philadelphia, reported that their meet will kick off on Friday April 12th with the first qualifier's Friday April 5th and we are looking forward to getting things going.
- Joe Wilson, Director of Racing for Parx, reported that the Stakes schedule for PARX has just been released. Commissioner DeBunda asked Mr. Wilson how many days have been lost to weather so far this year. Mr. Wilson said 6 days were lost so far and we have already requested to replace 2 of those days, one in May and the other in August. Normally you would like to make up all the days you lose but will just have to see where the purse account is as we go through the year.
- Eric Johnston, Director of Racing Penn National reported that they are getting ready for a break coming up at the end of March. We plan on doing some freshening up around the property and kick off a great summer meet during the Derby weekend. So, a lot of things are going to be happening. As far as the weather, we lost 2 and a half days. We did make up some of those missed races by adding a couple extra races each day. We will speak with Todd to see where the purse account is before trying to add any days.
- Mike Harant, Executive Director PHHA, thanked the Pocono track crew for getting the track race ready opening day after 5 inches of snow fell that morning. We've had some nice handle gains in the first couple of days and hope to keep that going. Chester will be opening just around the corner and soon enough the Fairs will be here.
- Jeff Matty, Executive Director PTHA reported that the association held their 20th annual Horsemen's awards. He reported a record turnout of over 350 people. He also reported that the delay in purses being released is causing significant hardship for their horsemen. HISA and HIWU had guaranteed that all purses would be released within 8 to 10 days, but that has not been the case. He is currently working with Joe Wilson and Tom to try to guarantee an automatic purse release in 10 days.
- Kim Hankins, Executive Director of MSOA reported that the Meadows is currently conducting some early closer series that will continue into late April, with the Sires Stakes and stallion series getting under way in May.
- Matt Ennis, Director of Racing, Presque Isle reported that their racing application should be available online later this week. The backside is scheduled to open on April 22nd with the first day of training April 23rd.
- Brian Sanfratello, Executive Director PHBA reported that although it is a little early, there are currently 2 PA Breds, "Uncle Heavy" and a filly by the name of "Aoife's Magic that are hoping to make it to the Derby and the Oaks. Both are PA Bred and Sired. Our Stakes schedule is out and this year will have 23 stakes for PA Breds and 5 for PA Sired.
- Mike Simpson, Standardbred Breeders, had no report.

PUBLIC COMMENT

There was no public comment.

ANNOUNCEMENTS

Chairwoman Cook announced that the next meeting will be held on Tuesday March 26, 2024, 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 Rogers

DECISION: Passed by Unanimous vote

The meeting was adjourned at 1:41 P.M.

Respectfully submitted,

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

Anthony Salerno
Bureau Director
Bureau of Standardbred Racing