



Meeting Minutes

Date/Time: August 10, 2016 – 10:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, Massachusetts

Present: Chairman Stephen P. Crosby
Commissioner Gayle Cameron
Commissioner Lloyd Macdonald
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

**Time entries are linked to
corresponding section in
Commission meeting video**

Call to Order

See transcript page 2

10:00 a.m. Chairman Crosby called to order the 197th Commission meeting.

Approval of Minutes

See transcript page 2

10:00 a.m. *Commissioner Macdonald moved for the approval of the July 21, 2016 Commission meeting minutes subject to any corrections, typographical errors, or other nonmaterial matters. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

Racing Division

See transcript pages 3-118

10:00 a.m. Dr. Alexandra Lightbown, Director of Racing, introduced President William Lagorio and Attorney Robert Scarano representing the Massachusetts Thoroughbred Horsemen's Association; Attorney Michael Morizio representing the Middleborough Agricultural Society; and Chris Carney. They will be presenting on the Brockton Fairground's request for Race Horse Development Funds.

Attorney Michael Morizio stated that George Carney was unable to attend due to a family medical matter. He referenced a flowchart that was submitted to help explain the waterfall concept – that Race Horse Development Funds may be used to fund purses consistent with the purse agreements between the track and the Horsemen's Association. He stated that the Gaming Act gives the Commission broad powers to accomplish the purpose of the statute and supporting horseracing is one of those purposes.

Commissioner Cameron stated that she struggles with Attorney Morizio's argument that the fund is for purses when he itemizes private track business expenses.

Attorney Morizio stated that the horsemen will pay the itemized expenses, not the Commission. Commissioner Cameron stated that she is not aware of any other race meet where the horsemen pick up all the expenses for a private racetrack. Attorney Morizio stated that they are trying to restart an industry. He also stated that once the horsemen are paid their winnings, it's the end of the Commission's jurisdiction. The horsemen then decide how to use the money for their benefit.

[10:11 a.m.](#) William Lagorio stated that a large amount of the budget would go towards paying the operations of the track. He stated that they are looking to bring racing back to Brockton and help the local people. He stated that the horsemen will use some of the fund money to pay expenses because that is what they need to do. He stated it's a rehabilitation project and they need the administrative money.

[10:14 a.m.](#) General Counsel Catherine Blue noted the distinction under the statute between a horseman and a horseman's organization. She also pointed out the two different statutes – 128 A and C (the racing statute), and 23K Section 60 (the Race Horse Development Fund under the Gaming Act), and noted that there is a difference in how purse money is treated. The Commissioners discussed the racing and gaming statutes and use of funds for administrative and horseracing operation expenses.

[10:29 a.m.](#) Attorney Robert Scarano cited the Gaming Act and stated that the Commission has broad powers to address the economic intent of the statute, which is to get money to the horsemen. He also stated that if a bifurcation of the budget is necessary, then the Commission should do a line item strike of items they find objectionable as a track capital expense.

Commissioner Stebbins raised the issue of simulcasting and a discussion followed.

[10:45 a.m.](#) Chairman Crosby stated that he is leaning towards using some money to get some racing benefit this year. He went through the expenses and stated that he would be inclined to want to do something if there is an oversight function and track safety standards are met.

[10:49 a.m.](#) Commissioner Cameron stated that she struggles with track private costs coming out of the Race Horse Development Fund. She stated that she is in favor of adding the \$400,000 for training and stalling rent, as it is related to the horsemen. She also noted that the track operator does not want to add simulcasting to their proposal. Mr. Lagorio stated that they may be open to simulcasting.

[10:55 a.m.](#) Commissioner Stebbins stated that of all the expenses he reviewed, the one he could support is the \$400,000 for training and stalling costs.

Commissioner Zuniga stated that the \$400,000 for training and stalling is the one category that the Commission could fund.

[10:57 a.m.](#) Chairman Crosby raised the matter about estimated revenue generated from simulcasting and a discussion followed.

[11:04 a.m.](#) *Commissioner Macdonald moved that the Commission reject the proposal for an expenditure of \$1,473,947.00 as advanced by the Massachusetts Horsemen's Association and originally proposed by the Middleboro Agricultural Society for consideration at our meeting on July 21st. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

[11:07 a.m.](#) Mr. Lagoria stated that the horsemen need the Carney facility. He also stated that the schedule is late but they will work to make it a safe venue. He noted that they need more than \$400,000 to go forward. He stated that the money is an investment and it will contribute to the horsemen and the economy.

Chairman Crosby noted the concern about money going to a private entity. He also cited examples of money that is not going to the Carneys and would make it possible to have a meet. Commissioner Zuniga stated that he worries about precedent. Commissioner Cameron stated that part of her concern is a constantly changing application with no real commitment to running a meet.

[11:19 a.m.](#) Chris Carney stated he is passionate about racing. He also stated that they will put in simulcasting if the Commission wants it. He noted that they have to get running by Labor Day.

11:23 a.m. The Commission took a short recess.

11:27 a.m. The meeting resumed.

[11:27 a.m.](#) Commissioner Stebbins inquired about the costs and how the applicant arrived at the numbers. Attorney Morizio stated that the philosophy they followed was to cover expenses, not to make money. He stated that they used historical data and relied on others to provide information. He noted that they may have expenses that were not outlined. He stated that this is not something to benefit the Carney Family, they are working with the horsemen to bring back racing.

[11:35 a.m.](#) Commissioner Cameron inquired about how long it would take a horse to be trained to be fit for racing. Dr. Lightbown responded that it would take six weeks to two months for training.

[11:36 a.m.](#) Commissioner Macdonald stated that he could not be more sympathetic to the prospect of a vibrant horseracing industry in Massachusetts. However, he stated that he interprets the Race Horse Development Fund as not authorizing what has been proposed.

[11:39 a.m.](#) Attorney Scarano stated that the Commission could take a literal view of the race horse development statute but, given the Commissions regulatory discretion, they could fashion a remedy that meets the legislative mandate to get money to the

horsemen. He also noted that Suffolk is spending \$95,000 a day to run a meet and they are spending considerable less.

[11:42 a.m.](#) Commissioner Cameron stated that they did their homework and reached out to the RCI [Association of Racing Commissioners International]. She stated that there is no precedent to use a fund to cover all track operations. She stated that we have a responsibility to use taxpayer money wisely.

[11:43 a.m.](#) Mr. Lagoria stated that this is about the creation of jobs. The Race Horse Development Fund will put people back to work. He also stated that it will save an industry and put money into the local economy.

[11:52 a.m.](#) *Commissioner Cameron moved that the Commission approve the original request [of the Middleboro Agricultural Society] for purse money which is \$2.5 million, plus the original request for the Horsemen's Association which is \$262,000, in addition to \$400,000 from the enumerated list which is directly related to the horsemen that is training and stalling rent for 16 weeks. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

[11:54 a.m.](#) Request for approval of racing officials at Brockton Fairgrounds is not acted upon.

Dr. Alexandra Lightbown presented on the request from Suffolk Downs for approval of additional key operating personnel and racing officials.

[11:55 a.m.](#) *Commissioner Cameron moved that the Commission approve Suffolk Downs' request for additional key operating personnel and racing officials as laid out in the memorandum. Motion seconded by Commissioner Macdonald. Motion passed unanimously.*

[11:56 a.m.](#) Douglas O'Donnell, Senior Financial Analyst, presented on Suffolk Downs' request for approval to contract with NYRA Bets - an advanced deposit wagering provider.

[12:01 p.m.](#) *Commissioner Stebbins moved that the Commission approve Sterling Suffolk Racecourse LLC request to utilize NYRA Bets as a provider of advanced deposit wagering services on behalf of Suffolk Downs. Motion seconded by Commissioner Cameron. Motion passed unanimously.*

Administrative Update

See transcript page 118

[12:01 p.m.](#) Chairman Crosby noted that there will not be an administrative update as the Director is not present.

Commissioner's Update

See transcript pages 118-124

[12:02 p.m.](#) Commissioner Cameron thanked General Counsel Blue and Racing Director Lightbown for their work and meetings to try and assist the [Brockton] applicant. She noted that they went above and beyond their job responsibilities. Commissioner Stebbins concurred. He also inquired about what will happen next year and the need for the parties to have a plan.

Commissioner Zuniga spoke about the racing applications that are due on October 1st and the benefit for everyone to keep to the statutory deadlines. Racing Director Lightbown stated that they were initially looking for a limited scope of information from the applicant and it evolved into a completely different application.

Commissioner Macdonald expressed his gratitude to General Counsel Blue and Racing Director Lightbown for their work on this issue.

Other Business Not Reasonably Anticipated

See transcript page 124

12:07 a.m. *Having no further business, a motion to adjourn was made by Commissioner Cameron. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*

List of Documents and Other Items Used

1. Massachusetts Gaming Commission, Notice of Meeting and Agenda dated August 10, 2016
2. Massachusetts Gaming Commission, Draft Meeting Minutes dated July 21, 2016
3. Letter from the Middleboro Agricultural Society to the Massachusetts Gaming Commission, Dated August 8, 2016 regarding MassTHA submission and supplemental application, with attachments
4. Horse Racing Public Comments, letters and emails with various dates
5. Massachusetts Gaming Commission, Memorandum dated August 8, 2016 regarding Suffolk Downs Key Operating Personnel and Racing Officials, with attachments
6. Massachusetts Gaming Commission, Memorandum dated August 8, 2016 regarding Suffolk Downs Request for NYRA Bets - ADW Approval, with attachments

/s/ Catherine Blue
Catherine Blue, Assistant Secretary