

THE COMMONWEALTH OF MASSACHUSETTS  
MASSACHUSETTS GAMING COMMISSION  
  
RACING DIVISION'S PUBLIC HEARING  
SUFFOLK DOWNS RUNNING HORSE RACING  
LICENSE APPLICATION

CHAIRMAN

Stephen P. Crosby

COMMISSIONERS

Bruce W. Stebbins

Enrique Zuniga

Gayle Cameron

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October 17, 2016, 2:00 p.m. to 2:46 p.m.

Massachusetts Gaming Commission

101 Federal Street, 12th Floor

Boston, Massachusetts

## PROCEEDINGS

COMMISSIONER CAMERON: Good afternoon everyone. Today is Monday, October 17, 2016. This is the public hearing before the Massachusetts Gaming Commission. I am Commissioner Gayle Cameron representing the Commission along with Chairman Steve Crosby, Commissioner Bruce Stebbins, and Commissioner Enrique Zuniga.

This hearing is being convened pursuant to Massachusetts General Law Chapter 128A, Section 3. We're here today to accept the public comment on the racing license application submitted by Sterling Suffolk Racecourse for horse racing to be held at Suffolk Downs.

Before we begin, the Commission would like to thank you all for being here today. This is a public hearing, and it is critically important that you, the public, be part of the process to ensure that the Commission achieves the best possible results.

The purpose of this public hearing

1 is to offer any interested person or group an  
2 opportunity to comment on the racing license  
3 application. This is not a question and  
4 answer period or a debate. Once we begin, we  
5 will take comments in the order of the signup  
6 list. When your name is called, you may  
7 proceed to the podium and offer your comment.  
8 The Commission requests that all speakers  
9 identify themselves prior to commenting, and  
10 please be sure to keep your voices up at this  
11 hearing as this hearing is being recorded.  
12 With that rule, I will now open the floor for  
13 comment.

14 I do have a list in order, but I  
15 believe since it is Suffolk Downs'  
16 application, Mr. Tuttle should have the  
17 opportunity to speak first and give us some  
18 details if you like.

19 MR. TUTTLE: Sure. Thank you very  
20 much, Commissioners. Chip Tuttle, Salem,  
21 Massachusetts. I'm here today in my capacity  
22 as the chief operating officer of Sterling  
23 Suffolk Racecourse. Thank you for your  
24 consideration of our supplemental application

1 for six racing days in 2017.

2 We have been very pleased with the  
3 results of the two years and this festival  
4 concept of racing that we have done in 2015  
5 and 2016 in partnership with the New England  
6 HBPA and the Massachusetts Thoroughbreds  
7 Breeders Association. This year, the results  
8 were again very positive. We averaged about  
9 7,000 people per day, just under that, at the  
10 six days of racing, and average daily handle  
11 was 732,000 per day for the six days. As you  
12 know, we doubled the schedule from three days  
13 in 2015 and, based on our success in 2015, to  
14 the six days in 2016. This allowed us to  
15 distribute more money from the Race Horse  
16 Development Fund.

17 For the second year in a row, a  
18 substantial portion of that went to people  
19 who traditionally supported the Suffolk Downs  
20 racing program through the years. It's a mix  
21 of both quote/unquote local horsemen  
22 returning home for a little while and able to  
23 come back and perform in their hometown and  
24 in front of local owners and some of the very

1 top stables from around the country, some of  
2 the top trainers and owners in stables from  
3 New York and other parts of the East Coast.

4 The purse structure is highly  
5 competitive with other jurisdictions on the  
6 East Coast. We paid about 500,000 a day in  
7 purses when we average in not only the funds  
8 from the Race Horse Development Fund, but the  
9 Mass. Thoroughbred Breeders funds as well.  
10 By scheduling the days four weeks apart, we  
11 are able to accommodate many of the local  
12 breeders and Massachusetts bred's whose  
13 horses, in order to race in these Mass. bred  
14 events, require three to four weeks between  
15 races. So that continues to be one of the  
16 reasons that we space it out the way we do.

17 We have not completed our season  
18 purse agreement yet with the NEHBPA. Those  
19 conversations have begun, and they've gone  
20 very well so far. And in the supplemental  
21 application, we do note that we may come back  
22 and ask for additional days based on the  
23 final resolution of our discussions for a  
24 purse agreement. That is something the HBPA

1       has raised to us that they'd like us to  
2       consider. There are all kinds of  
3       considerations in that, including the  
4       additional expenses that are associated with  
5       keeping the barn area open longer,  
6       maintaining the track surface for a longer  
7       period of time. So where those conversations  
8       have just begun, we are looking at those  
9       options as well, and I expect we will be back  
10      to you.

11               Traditionally, we provide a copy of  
12      our purse agreement to the Commission as part  
13      of formal submission, and when that agreement  
14      is done, we'll be back to you, especially if  
15      it requires a change in the number of days  
16      that we are seeking in the current  
17      supplemental application.

18               And I think that -- you know,  
19      obviously, I'm happy to field any questions  
20      from anybody on what's happened in '15 and  
21      '16 and what we're looking forward to in '17  
22      and perhaps beyond.

23               COMMISSIONER CAMERON: Mr. Tuttle,  
24      I know that you're aware that the biggest

1 concern we hear is about the number of race  
2 days. And so what you're saying is the  
3 agreements or rather the discussions you will  
4 have over the purse agreement will dictate  
5 if, in fact, there would be anymore  
6 additional days?

7 MR. TUTTLE: Yes. So we recognize  
8 the New England HBPA as the bargaining  
9 authority for the horsemen and women that  
10 race at Suffolk Downs. They have asked us to  
11 consider as many as six additional days, to  
12 go from 6 to 12, and we have expressed an  
13 openness to exploring any possibilities  
14 provided there are sufficient funds to cover  
15 the costs and sufficient number of horses to  
16 make it work. And so that's where we are in  
17 those discussions right now. You know, it  
18 certainly doesn't do any of us any good if  
19 neither of those needs are met.

20 COMMISSIONER CAMERON: Okay. Thank  
21 you.

22 CHAIRMAN CROSBY: You would  
23 obviously be running more days if you could  
24 make money running more days, so that's a

1 critical issue. Could you give us just sort  
2 of thumbnail sketch of what is -- I don't  
3 know whether you could do it by meet days.  
4 What is the arithmetic that you try to deal  
5 with? What is the cost structure that you  
6 need just at a high level so we get some idea  
7 of what the magnitude is here.

8 MR. TUTTLE: Sure. Happy to do  
9 that and happy to provide the Commission with  
10 a breakdown, you know, as an exhibit of our  
11 live racing costs and sort of where the money  
12 comes from, where the money goes.

13 To date, as of the end of the month  
14 of September, right, through the first three  
15 quarters, we have revenues -- This is just  
16 our racing and simulcast operations -- we  
17 have revenues of about 8.2 million and  
18 expense is about 8.1 million. The vast  
19 majority of the expenses revolve around live  
20 racing: the maintenance of the facility, the  
21 barn area, the track itself, literally the  
22 labor and man hours that goes against that is  
23 substantial, right. And it makes perfect  
24 sense because that's when you need a hundred



1 people working at the facility instead of,  
2 you know, 15 or 20 or 30 or 40, you know, on  
3 a simulcast day or a weekday when you're  
4 simulcasting but not racing.

5 There's significant fixed costs  
6 around insurance and utilities and other  
7 things, but the variable costs, the strongest  
8 variable costs are around keeping the barn  
9 area open. The last time that we had the  
10 barn open in 2015, it's about a half million  
11 dollars a month to keep the bar area open  
12 during racing.

13 And I think the Commission saw in  
14 its analysis of the Brockton fair application  
15 some analysis of training and stabling costs  
16 and what those were. And we'd be happy to  
17 provide similar. It's just fairly daunting  
18 to keep that barn area open if you don't have  
19 the revenue, the pari-mutuel revenue, to  
20 offset those expenses.

21 So we're able to operate now on  
22 this limited schedule with the funding from  
23 the Race Horse Development Fund that pays the  
24 bulk in overnight purses, and based on the

1       legislation that passed at the end of March  
2       in 2015, it gave us the ability to use  
3       statutory purse, the smaller percentage of  
4       purse that comes from the handle, toward  
5       racing expenses by agreement between us and  
6       the horsemen.

7               We're pretty much able to cover the  
8       live racing costs with that funding, right.  
9       So we use the -- this year it was 2.4 million  
10      that we requested and received from the Race  
11      Horse Development Fund, and I believe we paid  
12      almost all of that at about 2.3, and then the  
13      money that formerly went to purse to cover  
14      the expenses of racing.

15             So that's a rough idea. I don't  
16      know if that's helpful or not.

17             CHAIRMAN CROSBY: So the money that  
18      used to go to purses now pretty much covers  
19      your daily racing expenses?

20             MR. TUTTLE: Almost. So last year,  
21      I believe -- I may not have this exactly  
22      right, but our agreement with the horsemen  
23      allowed \$850,000 that was formerly pursed.  
24      We used to pay 6 to 8 million a year in

1 purses. We came up with a lot more for  
2 purses than we necessarily generated by  
3 statute.

4 CHAIRMAN CROSBY: Right.

5 MR. TUTTLE: So that money, that  
6 850,000, offset about 1.1 million in live  
7 racing expenses, and we contributed the other  
8 250,000 as a cost of doing business, which we  
9 were happy to do.

10 COMMISSIONER ZUNIGA: But the ratio  
11 doesn't keep more race days, more simulcast  
12 money to contribute to your expenses?  
13 There's a divergence of that ratio?

14 MR. TUTTLE: Yes. Well, and the  
15 divergence also depends on not only what your  
16 live racing expenses are, but also what your  
17 contribution to purse is as well. So it's a  
18 mix of the two. When we were contributing  
19 more by statute and by contract to purse, you  
20 know, it was even more daunting. Now that  
21 we've got a good balance, we think, between  
22 the two, but extra live we were not -- if you  
23 took each of the individual live race dates  
24 and the handle and the business in the

1 facility -- a8nd we, again, would be happy to  
2 do that -- my strong suspicion is we did not  
3 operate on break even on any of those days,  
4 that live racing days are essentially a lost  
5 leader for the ability to simulcast and the  
6 ability to conduct 80-W wagering and the  
7 other things that we do as part of our  
8 license.

9 CHAIRMAN CROSBY: That's what I was  
10 getting at. The delta between your variable  
11 income and your variable costs on a live  
12 racing day. It sounds like you're close.  
13 It's close, but not quite there.

14 MR. TUTTLE: Yes. And even with  
15 the Race Horse Development Fund funding now,  
16 yeah.

17 CHAIRMAN CROSBY: But if in theory  
18 if the Race Horse Development Fund, for  
19 example, contributed to that delta and you  
20 could add as many days as the Race Horse  
21 Development Fund was willing or capable under  
22 law to fund, right, if you could close that  
23 delta from some other source, you'd be  
24 perfectly happy to keep racing.

1 MR. TUTTLE: Yes. Again, provided  
2 -- so that answers the question provided  
3 there's funding, and then the second is  
4 provide there's horses.

5 CHAIRMAN CROSBY: The horses.  
6 Right. I can't speak to that one. Right. I  
7 can't speak to either one of them.

8 MR. TUTTLE: Right.

9 CHAIRMAN CROSBY: But I'd be  
10 interested in knowing how -- you know, what  
11 that delta would look like. If you're going  
12 to do three racing days but you wanted to  
13 look at 17 more, you wanted to look at 20.  
14 I'm just making that up. Pick a number,  
15 maybe there's some other number. Given what  
16 you know your variable income and your  
17 variable costs are, what is the delta per day  
18 or ten days or however you want to measure  
19 it? You probably have given us that in some  
20 form or another, but in this rough, simple  
21 but roughest format as you could, just so we  
22 get our arms around how big a problem we're  
23 dealing with.

24 MR. TUTTLE: To be fair,

1 Mr. Chairman, while we've given you lots of  
2 financial data, I don't think we've given it  
3 to you in the way that you just asked for it,  
4 but we'd be happy to do that.

5 CHAIRMAN CROSBY: Prior to its  
6 coming up before the Commission to talk about  
7 this, I'd be interested in having that data.

8 MR. TUTTLE: Sure.

9 COMMISSIONER ZUNIGA: Especially  
10 under incredible -- the marginal race day,  
11 what's that? Whether it seeks the 12 or  
12 wherever you end up, any marginal --

13 CHAIRMAN CROSBY: Above that.

14 COMMISSIONER ZUNIGA: -- above  
15 that, any day above that.

16 MR. TUTTLE: Well, I will suggest  
17 that we'll model it for you a couple of  
18 different ways because part of the discussion  
19 is -- Just a for instance, so with three  
20 weekends of racing now, one in July, one in  
21 August, one in September, we could add three  
22 additional days, do Friday, Saturday, Sunday  
23 for -- right, and that would be 50 percent  
24 more races and more purse, but the expenses

1 would be relatively similar, right. If we  
2 were to add --

3 COMMISSIONER ZUNIGA: The fixed  
4 costs are smaller.

5 MR. TUTTLE: But if we were to do  
6 June, July, August, September, October, and  
7 November, right, and then similarly with  
8 opening the barn area for stabling, that's  
9 where the significant delta comes in the  
10 expenses.

11 CHAIRMAN CROSBY: Well, great if  
12 you can do it multiple ways, but obviously  
13 we're most interested in the least expensive.  
14 How can you add, as you say, marginal days at  
15 the lowest incremental costs versus your  
16 incremental income. And if we were looking  
17 for a way to try to get more days that was  
18 fair and you could live with, what would be  
19 the easiest way to do that.

20 MR. TUTTLE: Sure. Happy to go  
21 through that. In fact, it's part of the  
22 conversation we're having.

23 CHAIRMAN CROSBY: I'm sure it is.  
24 Right.

1                   COMMISSIONER ZUNIGA: Mr. Tuttle, I  
2                   have a question. You mentioned in your  
3                   introductory remarks that you started to look  
4                   beyond 2017. Can you tell me a little bit  
5                   more about that, or what, if anything, can  
6                   you tell us about that?

7                   MR. TUTTLE: It's certainly no  
8                   secret that we haven't proceeded with the  
9                   development of the property with great speed  
10                  and alacrity. And the ownership continues to  
11                  look at its options for the 160 acres, and  
12                  we've had informal conversations with both  
13                  municipalities about planning process and  
14                  what their goals are for the property and  
15                  things like that. We have not started any  
16                  formal conversations with the BRA. We have  
17                  talked to the new mayor of Revere, Mayor  
18                  Arrigo, about his visions for the property  
19                  and things like that. And, you know, they're  
20                  not in any rush. The ownership is not in any  
21                  rush. You know, we have lots of options, and  
22                  I think they're exploring those options right  
23                  now and will continue to. And as that  
24                  process takes time, we have not precluded --



1 we're certainly not opposed to continuing to  
2 operate in some capacity as we have for the  
3 last few years. It has been good for us,  
4 good for -- I would argue good for the Mass.  
5 Breeders and for a segment of the horsemen  
6 and horsewomen. I know there are some who  
7 feel disenfranchised by the program that it's  
8 not longer and there's not an open barn area  
9 to stable and train at for a prolonged period  
10 of time, but as the business owners, you  
11 know, it's been very good. It's certainly a  
12 better option than shutting down, which we  
13 considered in 2014, and shuttering the  
14 property and things like that.

15 So we've been able to keep people  
16 working. We've been able to help both the  
17 HBPA and the Mass. Breeders by providing a  
18 venue for them to run for some of that  
19 funding in the Race Horse Development Fund.  
20 We've been able to maintain activity and life  
21 and vibrancy on the property, and we don't  
22 see any reason why we wouldn't continue to do  
23 that until such time as more definitive  
24 development plans are in place.

1                   COMMISSIONER ZUNIGA: Now, remind  
2 me, you had one race per day via Mass.  
3 Breeders?

4                   MR. TUTTLE: It was actually a  
5 little more than that. I'll have to check  
6 the exact number, but we ran at least one or  
7 two Mass. bred stakes each day in the stakes  
8 races, and then we ran some other races that  
9 we wrote specifically for horses bred in  
10 Massachusetts or horses that had started at  
11 Suffolk Downs before, and we're sort of --  
12 You know, the horses that had started at the  
13 track in '12 and '13 and '14 may not  
14 necessarily still be in training. And as a  
15 way to encourage local horsemen to come back  
16 and to try to get some of the Race Horse  
17 Development Fund money into local wallets and  
18 purses, we wrote races in 2015 specifically  
19 for horses that had already started at the  
20 meet. In 2016, we updated that condition to  
21 be for Mass. bred horses or horses that had  
22 started at the meet in an attempt to, again,  
23 try to keep things local.

24                   Part of our ongoing conversation

1 with the New England HBPA is whether or not  
2 we can implement some sort of bonus system  
3 for local people, but as I have broached the  
4 conversation with Dr. Lightbown, we're  
5 looking at ways that we can do that that  
6 would be most effective and not -- you know,  
7 I mean, we certainly wouldn't want to write  
8 races for, you know, people who had started  
9 in at Suffolk Downs, people who had started  
10 horses there in 2014, and then, you know, all  
11 sorts of horses from other people end up in  
12 the care of that person. You know, so we're  
13 trying to make sure that we do it in a way  
14 that rewards people locally but doesn't game  
15 the system.

16 COMMISSIONER ZUNIGA: Now, the  
17 breeder, the breeding moneys that came from  
18 the Race Horse Development Fund are going to  
19 start kicking in with two-year-olds next year  
20 or the year after that. What can you tell us  
21 relative to that money as a source  
22 of additional activity?

23 MR. TUTTLE: We create the  
24 conditions for the races that we card and

1 run. The Mass. Thoroughbred Breeders  
2 Association sort of creates its own  
3 conditions. They administer their own  
4 funding, and then they sort of tell us what  
5 they would like the races to be, and we card  
6 them and provide the venue.

7 So they will have the bulk of the  
8 say in how that money is going to get  
9 allocated and distributed, but certainly if  
10 there are enough competitive two-year-olds in  
11 training, we would consider carding those  
12 races.

13 We also want to -- you know, we  
14 want to maintain the professional standards  
15 and the safety standards that we've worked  
16 with you on so hard over the last several  
17 years and competitive standards as well.  
18 Nobody is interested -- or betters aren't  
19 interested, the public is not interested in a  
20 three-horse race where one horse is clearly  
21 dominant.

22 So you know, there are ways to do  
23 that, too, and maybe some races are  
24 exhibitions in order to reward the people who

1 have stuck with the business in Massachusetts  
2 and worked through this process so that  
3 there's be exhibition races for purse money,  
4 but not wagering events and things like that.  
5 So that's all part of the conversation.

6 COMMISSIONER ZUNIGA: Thank you.

7 COMMISSIONER CAMERON: Any other  
8 questions for Mr. Tuttle? Mr. Barnett, you  
9 wanted to speak to this application as well  
10 or no?

11 MR. BARNETT: I did not. I didn't  
12 realize it was a speaking sign-up list when I  
13 had gotten here.

14 COMMISSIONER CAMERON: Okay. Very  
15 good. Thank you.

16 MR. TUTTLE: Just in case you have  
17 any questions, then he is here.

18 COMMISSIONER CAMERON: Thank you,  
19 Mr. Tuttle. Then we'll go to the list.  
20 Representing the NEHBPA is Paul Umbrello.

21 MR. UMBRELLO: Thank you. Thank  
22 you, members of the Commission. My name is  
23 Paul Umbrello. I am the interim executive  
24 director of the NEHBPA at this time. I'm

1 here to represent the NEHBPA's position on  
2 supporting Sterling Suffolk Racecourse racing  
3 license application for 2017. The NEHBPA  
4 strongly supports increasing as many racing  
5 days as we possibly can for the 2017 racing  
6 meet with Suffolk Downs.

7 The NEHBPA agrees that increasing  
8 the number of the days is in the best  
9 interest of preserving live racing and  
10 breeding in Massachusetts. It provides  
11 additional opportunities to restore earned  
12 income opportunities for local horsemen and  
13 women and those involved and associated with  
14 thoroughbred racing. This may also require,  
15 as we've been having discussions about,  
16 additional funding from the Race Horse  
17 Development Fund for each race day added to  
18 the race days approved in 2016.

19 So as Mr. Tuttle had said, we are  
20 in our negotiations for a purse agreements  
21 contract. If nothing more, we want to try to  
22 help. The term of local horsemen, as he  
23 said, we are looking at ways. We discussed  
24 about bonus awards for local horsemen in

1 New England, nonbetting events. So we're  
2 actively, as the board, engaged trying to do  
3 as much as we can to do just that, try to  
4 provide and come to a purse agreement to get  
5 more racing days for the horsemen.

6 COMMISSIONER CAMERON:

7 Mr. Umbrello, is training a challenge, where  
8 to train these horses without a track open  
9 without stabling opportunities, is that --

10 MR. UMBRELLO: Say that one more  
11 time.

12 COMMISSIONER CAMERON: Training  
13 opportunities. In order to get your horse  
14 ready to race without a place to stable, is  
15 that a real challenge?

16 MR. UMBRELLO: Well, and again,  
17 it's your definition of, again, as we always  
18 term, local horsemen. In fairness, your  
19 majority, and there's statistics I've shared,  
20 that there's 495 owners and trainers that  
21 raced at Suffolk Downs in 2014. 80 percent  
22 of those were owners. Other remaining  
23 percentage and the equity base online  
24 application that's available that you can do

1 your stats by owner, by trainer, by horse, by  
2 track. You'll see, and I actually did the  
3 stats on that database, that there's only 25  
4 trainers that raced in 2014 that aren't  
5 racing in 2016.

6 So to my point, as most of our  
7 trainers, when your meet ends, so you run  
8 from X days to X days, you pack up your car,  
9 your family, your house sometimes, and your  
10 five horses or 50 horses and you go race at  
11 another track. That's the nature of your  
12 business. But there are those that want to  
13 stay local and stay home, and we understand  
14 that, and don't want to maybe ship out, pay  
15 those expenses or costs.

16 But, yes, I mean, part of it is  
17 they can theoretically go to another track  
18 and train at that track, but that is one of  
19 the things I am trying to work with in our  
20 discussions with Mr. Tuttle to maybe provide  
21 extra days for the local horsemen that don't  
22 ship out a training facility. I am also  
23 looking at other sites outside of Suffolk  
24 Downs to give those horsemen a chance to



1 train and get the horses ready for our 6, 12,  
2 whatever number of days we can come to as an  
3 agreement to raise that.

4 But again, your majority, the  
5 majority of your population does ship out,  
6 though, to answer your question.

7 COMMISSIONER CAMERON: Thank you.

8 MR. UMBRELLO: Any other questions?

9 COMMISSIONER ZUNIGA: I have a  
10 question. I'm ever trying to understand the  
11 business model, which I find fascinating and  
12 often complex and multi -- with many  
13 dynamics.

14 CHAIRMAN CROSBY: We've been  
15 working on this for four years actually.

16 COMMISSIONER ZUNIGA: Yes. And I  
17 read an article a little while ago about a  
18 track in New Jersey that would assess a fee  
19 on any horse people that left to come to a  
20 festival meet like the one in Suffolk Downs.  
21 Isn't there -- I don't know how they come up  
22 with that fee amount. You know, you're not  
23 them.

24 MR. UMBRELLO: No. That's not

1 my -- That's the discretion of the track if  
2 they want to imposed that. That's part of  
3 the problem is just the horse population of  
4 us just trying to put on, whether it's a  
5 three-day meet or a 60-day meet, as Chip even  
6 touched upon, is getting the horses to run  
7 during a meet and what that population is.  
8 So yeah, a lot of tracks get concerned when  
9 you have a trainer that's pulling out,  
10 especially a large trainer with 50 horses is  
11 pulling out of the track.

12 COMMISSIONER ZUNIGA: What would --

13 MR. UMBRELLO: I kind of agree with  
14 that concept if you want to ship out, maybe  
15 take -- charge a fee, but put it towards a  
16 scholarship or a horsemen's fund or whatnot  
17 to do better with the money.

18 COMMISSIONER ZUNIGA: What would  
19 you say influences or mitigates that fee?  
20 What would be a factor in New England, here  
21 in Massachusetts, that could benefit that  
22 practice of mitigating; more race days, more  
23 purses?

24 MR. UMBRELLO: I'm trying to

1 understand. So you're trying to say what  
2 prevents tracks from charging a fee to leave?

3 COMMISSIONER ZUNIGA: If you're a  
4 horseman and racing in New Jersey, you're  
5 facing a decision, ship out. There's costs  
6 in shipping out. There's benefits because  
7 there's a potential meet and there's higher  
8 purses, and then I'm going to have to factor  
9 in the fact that I need to pay whatever else,  
10 the restocking. I don't know what the term  
11 is.

12 MR. UMBRELLO: Yeah. You're saying  
13 if you had a meet just like most, you're  
14 saying in New Jersey they have a meet, and  
15 they're running a meet, they don't want their  
16 horses to ship out, if more days. But again,  
17 the nature of the business is just that,  
18 horses ship out all over the country from  
19 track to track day to day.

20 COMMISSIONER ZUNIGA: I guess my  
21 question is what could happen here that could  
22 make that practice go away?

23 MR. UMBRELLO: I think if you even  
24 ran more days, that's not a solution. You'll

1 still always have trainers that ship in and  
2 ship out horses day in and day out.

3 COMMISSIONER ZUNIGA: So what if  
4 the fee becomes higher and higher?

5 MR. TUTTLE: I should point out,  
6 Commissioner, that Monmouth actually ended up  
7 waiving that fee and didn't charge it because  
8 it was not particularly popular with their  
9 horsemen, and they felt they were setting a  
10 precedent that would be very, very difficult  
11 around the country. There's sort of this --  
12 there's a quid pro quo that if you stable  
13 your horses at my facility, you're going to  
14 support the racing program as much as  
15 possible, and it's sort of understood between  
16 the track and the horsemen.

17 But there are lots of factors for  
18 why you, as an individual owner, might take  
19 your horse and ship someplace else. It could  
20 be that the category of racing that best  
21 suits your horse just hadn't been carded.  
22 They haven't been able to fill that race at  
23 the track, but we put up a race that the  
24 conditions are actually perfect for your

1 horse, and so you want to move around.

2 I do think it was very fair of  
3 Monmouth last year to raise the point that we  
4 no longer have the ability to reciprocate.  
5 Right. If we don't have our barn area open,  
6 then there aren't horses shipping from  
7 Suffolk Downs down to Monmouth.

8 It's actually one of the  
9 difficulties for us in potentially expanding  
10 is, you know, we've been able to do this with  
11 three weekends of racing, and if 20 horses  
12 leave the barn area at Belmont Park or  
13 Aqueduct and come up, the New York Racing  
14 Association has said, hey, good for them.  
15 They've got this ability to go up there and  
16 earn some additional money. But if we were  
17 to expand it and expand it and still not have  
18 our barn area open to reciprocate, we may run  
19 into additional problems at tracks.

20 COMMISSIONER ZUNIGA: Precisely.

21 MR. UMBRELLO: Part of that --  
22 Thank you, Chip. I was trying to get to  
23 that, too. Part of that is it's your horse.  
24 Your horse could be, as we say, moving up a

1 class or dropping down a class, and you need  
2 to find a place to fit for your horses. I  
3 can tell you my trainer specifically,  
4 Mr. Bernardini, was racing at Maryland, in  
5 New Jersey. The competition was very tough,  
6 so he moved part of his stable to West  
7 Virginia where the competition wasn't as  
8 challenging for him, and he's had a  
9 successful meet there.

10 So you kind of -- you've got to go  
11 where kind of your stable is dictating and  
12 where your business. You know, even your  
13 owners. Your owners are what really pay for  
14 the cost of the horse, and where they want  
15 their horse to race. A lot of your owners  
16 will tell you where they want their horses to  
17 race; meaning, if I'm in New York and I'm  
18 racing in New York and there's a nice race at  
19 Suffolk Downs, I'll go to you as my trainer  
20 and say, hey, ship my horse to race at  
21 Suffolk Downs. They like the purse. They  
22 like the condition. And maybe I have a  
23 relative I want to go see up there.

24 The last thing, and just really I

1        didn't have -- I just wanted to say as part  
2        of our -- the NEHBPA is why we're continuing  
3        these festivals, as we put it, trying to get  
4        more days to help the local horsemen. The  
5        NEHBPA's primary goal still is -- and I can  
6        tell you we're closer to now narrowing down  
7        for our horse park, our nonprofit horse park,  
8        is three sites, and I expect and hope to have  
9        by the end of this month or early November  
10       those three sites finalized that we'll  
11       probably start to make public.

12                So we continue to make forward  
13       progress on the nonprofit horse park. And I  
14       truly believe that's what's in the best  
15       interest for everybody in the equine  
16       industry. But during then, we are kind of  
17       thankful and working with Suffolk Downs to  
18       run. I know it is 3, 6, 12 days, but it's  
19       still helping. Contrary to some misnomers,  
20       it's still helping give money back to the  
21       local horsemen and jobs.

22                COMMISSIONER CAMERON: Thank you  
23       for that update.

24                COMMISSIONER STEBBINS: Just two

1       quick points. Certainly stay in touch with  
2       us on the developments around the horse park.  
3       If you can just kind of collectively  
4       summarize your membership's feelings over the  
5       six race days this year, what was the  
6       reaction from the members?

7               MR. UMBRELLLO: Well, again, I think  
8       we've seen the -- I have to make a comment,  
9       too, because this is my first week as interim  
10      executive director. So you guys are hitting  
11      me with a lot of good questions I have to now  
12      get used to fielding.

13             No. That's just it. When you look  
14      at -- And again, statistics will show you  
15      when you look at equity base, the majority of  
16      your horsemen, the population is smaller than  
17      what you think. Less than 50 percent even  
18      live in New England as owners and even  
19      trainers. Right. So again, your population  
20      is always moving, always moving, always  
21      moving.

22             As far as us, we saw -- and again,  
23      I'll still look at the purses and the money  
24      we gave out did help a lot of those local



1       horsemen. When I look at their residence and  
2       their addresses in Massachusetts, I mean,  
3       everybody loves coming back home to race, and  
4       whether it's one race or five races they get  
5       in, a lot of them seem happy to be back just  
6       to see family and friends. But again, when  
7       you look at your membership, your membership  
8       as owners are all over the country.

9               COMMISSIONER STEBBINS: Okay.

10      Thank you.

11              MR. UMBRELLO: Thank you.

12              COMMISSIONER CAMERON: Next we have  
13      Paddy Reardon representing MTHA.

14              MS. REARDON: Thank you,  
15      Commissioners.

16              CHAIRMAN CROSBY: Hello.

17              MS. REARDON: Hi. How are you?

18              COMMISSIONER CAMERON: Good. How  
19      are you?

20              MS. REARDON: I'm here today to see  
21      if you could make it so that there would be  
22      the full 50 days of racing. The money is  
23      there. They have full simulcast money. We  
24      have Race Horse Development money to fill the

1 purses.

2 As they've said, organizations  
3 don't want to ship out and come here. It's  
4 hurting their park, \$1,000 fine. And a  
5 \$60,000 unanimous grant was put into a fund  
6 so that they'd come from Monmouth. By  
7 extending more festival days, it strains the  
8 relationship between the other parks and the  
9 other horsemen's organization just because of  
10 what's going on.

11 It's a failure. It's not a  
12 success, it's a failure. A success for few.  
13 And if we had full 50 days of racing stabling  
14 in a few just three months or something like  
15 that, those horsemen can go on and move to  
16 another track. But coming back and not  
17 reciprocating, as Chip has said, it puts a  
18 strain on everything. And by extending your  
19 days on a weekend, as they mentioned,  
20 Thursday, Friday, Saturday, and Sunday, those  
21 horses can still only run one of those days.  
22 They can only capture one purse because they  
23 can't run one day and then the next or skip a  
24 day and run the next. It would have to be

1 stretched out.

2 And as you've said before, that the  
3 Race Horse Development Fund money can't be  
4 used in that form as you said in Brockton to  
5 supplement the racing format. We have to  
6 find a way of doing this for the full 50 days  
7 until the legislation is changed.

8 That's basically all I have to say  
9 is that I hope, as you've said, Mr. Chairman,  
10 just because you have the power doesn't mean  
11 you have to. You don't have to give the Race  
12 Horse Development Fund unless it benefits the  
13 industry and the people that are in it.

14 And there's been very few breedings  
15 this year, and there'll probably be none come  
16 next spring. We need to do something to show  
17 that we're on the level of a meet, not just a  
18 festival, not just having food trucks come in  
19 and people leave after the third and fourth  
20 race because they've had their fill of the  
21 food trucks. We really need a meet. We need  
22 to build the industry, and if they get their  
23 horse park, which is what everybody would  
24 like, along with any kind of track that would

1 open up, we'll have an industry that's ready  
2 to go. Without this 50-day meet, which is  
3 meager by any standards, it would still help  
4 the breeding industry, which I'm a Mass.  
5 Breeders member. It would help them to know  
6 that we are on strong footing for future of  
7 racing in this state, that we aren't just  
8 limping by to give a few people extra bucks,  
9 that we're here to build an industry and move  
10 forward with that industry. And that's what  
11 I have to say. Thank you.

12 COMMISSIONER ZUNIGA: Thank you.

13 CHAIRMAN CROSBY: Thank you.

14 COMMISSIONER STEBBINS: Thank you.

15 COMMISSIONER CAMERON: Thank you.

16 Mr. Lagorio, also represents the  
17 MTHA.

18 MR. LAGORIO: Hi. Bill Lagorio.  
19 City of Revere my whole life and president of  
20 the Mass. Thoroughbred Husband's Association.  
21 And listening here, I hear a couple of  
22 things. You know, we had three days of  
23 racing in 2015. We had six days of racing in  
24 2016. Where are we now? I don't think we're

1 any further along than we were at the end of  
2 2014.

3 Suffolk Downs' management's happy.  
4 They're chugging along, but the industry  
5 hasn't moved forward. I hear talk of running  
6 races. It wouldn't be betting races because  
7 the horses are far apart. The breeding  
8 industry is gone. Unless we can prove that  
9 we can get some racing in Massachusetts,  
10 there isn't going to be no breeding.

11 The talk about you can go from  
12 place to -- I left a job at Stop and Shop  
13 years ago, a very good job, and became a  
14 full-time trainer and it was full time here.  
15 We had Rockingham Park and we had Suffolk  
16 Downs. So when people contend that -- And  
17 I've heard a million times, and it's been  
18 thrown out there that I'm not a full-time  
19 trainer. Well, that's the card we were dealt  
20 here. This is the full-time area that can  
21 handle full-time racing.

22 We traditionally have run meets,  
23 and we've heard the full crop thing over and  
24 over again. You give people race days, you

1 give them money, and they will come and the  
2 back sides fill up.

3 You talk about the breeders. Well,  
4 the breeders are dwindled down to virtually  
5 nothing, but we have got approval now to run  
6 breeders races at I believe Delaware, Laurel,  
7 and Finger Lakes. That's where they should  
8 run them.

9 There's no reciprocity coming from  
10 Suffolk Downs back to those tracks and  
11 they've had it. We barely skimmed through  
12 this issue with the fees coming from Monmouth  
13 Park. They're upset because Monmouth Park,  
14 when you sign your application, you put your  
15 horses there. They're paying workman's  
16 compensation, they're paying utilities, and  
17 they want you to participate there.

18 Yeah, you can pick your levels and  
19 go run a race at Suffolk Downs, but it  
20 doesn't go back and forth. Nobody's shipping  
21 from Suffolk to those tracks. So that's not  
22 working anymore. The festival formula is not  
23 working on the northeast. Finger Lakes had  
24 remarks on their overnights suggesting that

1 people don't leave. And Monmouth was adamant  
2 about that. So I don't know where we're  
3 headed there.

4 In 2014, Suffolk said they were  
5 getting out of the business, but they're  
6 still in it. Their development plans aren't  
7 there. And I listen to Chip talk about that.  
8 But where are we going right now with the  
9 festival days? Where are we headed here?

10 Commissioner Zuniga, at one  
11 meeting, mentioned should we ask for the  
12 money. First, I thought it was not a bad  
13 idea. I mean, if we're ever going to bring  
14 an investor in to bring racing back, there  
15 should be some money put aside. We've lost  
16 -- We went from 75 percent to 45 percent on  
17 the split of the Race Horse Development Fund,  
18 and rightfully so. We have nothing, and  
19 every year we're coming up with a little more  
20 nothing, and now we're talking about six  
21 days.

22 But to Commissioner Cameron's  
23 point, you have to train, stable, and race.  
24 That's the only way an industry supports

1       itself and that's the only thing that  
2       supports the farms within the Commonwealth  
3       and the farmers. Money goes to local people  
4       during the six days, but just how much goes,  
5       that isn't enough to make ends meet.

6               Paddy gets up to speak, and she  
7       speaks from the heart because her daughter's  
8       in it, and she's -- like many New England  
9       horsemen are in trouble.

10              We had many Mass. THA members  
11      participated in that meet at Suffolk Downs.  
12      One of my charges, one of the horses I  
13      trained for years, won a race there. The  
14      girl that worked for me trains now. And  
15      that's wonderful. But then you go on, and  
16      where do you go from there. Most people are  
17      still in financial trouble.

18              And when we put a meet together  
19      here, it supported local economy. It  
20      supported the local farms. And people that  
21      didn't reside here full time resided here for  
22      four or five months. There was an economic  
23      impact statewide.

24              So I look at where we're headed for



1       2017, and no real plans moving forward. You  
2       know, sometimes you have to take a step back  
3       and say where are we headed here. We've lost  
4       concept of how racing operates in the  
5       country. The purses don't come from a Race  
6       Horse Development Fund. Get rid of it. We'd  
7       be better off. Get rid of it.

8               We ran in 2010 at Suffolk Downs  
9       100 races, 100 days of racing, and we ran for  
10      \$10 million. That money was generated from a  
11      percentage of the simulcast handle, a  
12      percentage of the live handle. And they  
13      weren't giving us the money. There were  
14      times we were over, but we earned that money.  
15      What's happened to that?

16             We've seen legislation that is  
17      reduced to take out of purses. Everybody  
18      operates in the same formula. We need the  
19      pari-mutuel money. A certain part of it  
20      needs to come forward and go and support  
21      purses, and a certain part of simulcasting  
22      needs to support purses. We've seen that  
23      legislation change where negotiating for  
24      simulcast has become miniscule. But those

1 are the tools.

2 You know, Suffolk Downs, maybe they  
3 can't make it because maybe the mom-and-pop  
4 operations can't make it. But you're telling  
5 me that Ohio can do it, Indiana 200 can do  
6 it. All of these states across the country  
7 support racing. There are two new race  
8 tracks in Ohio. But in Boston, it's just too  
9 expensive. We can make it work. We don't  
10 have enough horses. We always fill the barn  
11 area, and we always supported racing.

12 Even in 2014, when it was grim back  
13 there, and the casino went to Mr. Wynn in  
14 Everett and everybody was gloom and doom, we  
15 still made it go till the end. And the  
16 industry can support itself.

17 I don't know -- When I think back  
18 in 23K and the Expanded Gaming Bill and what  
19 the legislative intent was, and of course it  
20 was to prop up the industry. It's the worst  
21 thing going because that became a circle of  
22 moneys and where is it going to go and how  
23 are we going to spend it and who's going to  
24 get money for purses and whose going to get

1 money. We've lost the idea of how purses  
2 were made. This was supposed to augment and  
3 prop up, make us a little better. We were  
4 supposed to go from grade B to grade A or  
5 grade C to grade B. We weren't supposed to  
6 be using this money to throw something  
7 together and use all of that money for purses  
8 and supporting the backside.

9 And listen, I came up here, and we  
10 tried to get Brockton going. It didn't work  
11 out. You know, there were all kinds of  
12 issues there, but it was just an effort,  
13 certainly, to get the local people back to  
14 work. The local people aren't doing well.

15 And whatever the numbers are for  
16 people who actually reside in Massachusetts  
17 -- and I've certainly been here my whole life  
18 -- there are many that do and many that need  
19 full-time racing.

20 I think at this point in time, the  
21 Commission has within its discretionary power  
22 the ability to say let's take a step back and  
23 let's think about this before we do it.

24 The breeders can run at Laurel.

1       The breeders can run at Finger Lakes. The  
2       breeders can run at Delaware. That's where  
3       they should run, and they should ship amongst  
4       those three tracks. Those three tracks are  
5       paying all the expenses back there. They're  
6       paying the utility bills. They're paying for  
7       the barn area. The breeders all contend we  
8       have nowhere to run, and we're paying  
9       premiums. Anywhere in the country there's  
10      race facilities. So if you race in Maryland  
11      and you're a Mass. bred, you're getting the  
12      premiums.

13               So it's not absolutely necessary to  
14      run at Suffolk Downs to support what's left  
15      of the breeding business. And I say what's  
16      left because there isn't much left. The  
17      breeding business right now is tiny compared  
18      to what it used to be. And not that we have  
19      had huge foal crops, but we had some good  
20      ones. A lot of the farms, including George  
21      Brown's farm, that used to put out -- used to  
22      cover 37, 38, 40 mares and now it's down to  
23      one or two. And that's what we've become.  
24      So I know there was a delay on the split

1       hearing and that's good.

2               I put in a position letter I sent  
3       to you that I don't think the most important  
4       thing is the split anymore. It's returning  
5       full-time racing, with or without the split,  
6       with or without the Race Horse Development  
7       Fund. Find an investor that's interested in  
8       racing. You guys have been great at finding  
9       casino operators. We need to do the same  
10      thing to find a real racetrack operator,  
11      someone that wants to come in and say I can  
12      make it work. Boston is the biggest sports  
13      town in the country. And it can work in  
14      Massachusetts, but I think it's a time to  
15      look at the festival and say let's take a  
16      step back and let's look for somebody who's  
17      interested in something more and how can it  
18      be done.

19              And I thank you for your time. I  
20      thank you and speak on behalf of many of our  
21      members who are interested in certainly  
22      getting full-time racing back.

23              COMMISSIONER CAMERON: Thank you  
24      Mr. Lagorio. We appreciate it. Is there

1 anyone else that would like to comment on  
2 this horse racing license application? Okay.  
3 I think at this time we will conclude the  
4 hearing. Thank you all very much.

5  
6 (Whereupon the hearing was adjourned at 2:46 p.m.)  
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SPEAKERS

GUEST SPEAKERS:

Chip Tuttle, Sterling Suffolk Racecourse

Paul Umbrello, Executive Director NEHBPA

Paddy Reardon, MTHA

Bill Lagorio, MTHA

C E R T I F I C A T E

I, Amie D. Rumbo, an Approved Court Reporter,  
do hereby certify that the foregoing is a true and  
accurate transcript from the record of the  
proceedings.

I, Amie D. Rumbo, further certify that the  
foregoing is in compliance with the Administrative  
Office of the Trial Court Directive on Transcript  
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I, Amie D. Rumbo, further certify I neither am  
counsel for, related to, nor employed by any of  
the parties to the action in which this hearing  
was taken and further that I am not financially  
nor otherwise interested in the outcome of this  
action.

Proceedings recorded by verbatim Stenographic  
means, and transcript was produced from a  
computer.

WITNESS MY HAND this 20th day of October,  
2016.

*Amie D. Rumbo*

Amie D. Rumbo, Notary Public

My Commission expires: 10/23/2020

