

## Massachusetts Horse Racing Committee Meeting Minutes

**Date/Time:** October 18, 2017– 11:30 a.m.

**Place:** Massachusetts Gaming Commission  
101 Federal Street, 12<sup>th</sup> Floor  
Boston, Massachusetts

**Present:** Stephen M. Reilly, Jr., Chairman  
Commissioner Gayle Cameron, Member  
Shawn Collins, Member  
Frank Frisoli, Member  
Peter Goldberg, Member

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Catherine Blue, General Counsel  
Dr. Alexandra Lightbown, Director of Racing

### Call to Order

Chairman Stephen Reilly called the Horse Racing Committee (“Committee”) meeting to order at 11:30 a.m.

### Approval of Minutes

*Commissioner Cameron moved for the approval of the May 2, 2017, Horse Racing Committee Meeting minutes, subject to any correction of typographical errors. Motion seconded by Mr. Goldberg.*

### Housekeeping and Future Schedule

Mr. Goldberg stated that in the minutes of the May 2, 2017 meeting on page 2 the minutes reflect a statement that he suggested that the committee meet in October. Mr. Goldberg wanted to clarify that he was expressing the fact that the committee should have met in October 2016. It was agreed that the clarification would be included in the minutes of this meeting.

*Shawn Collins abstained from the vote as he was not present at the meeting. Motion passed 4 to 0 with 1 abstention.*

Chairman Reilly asked that the committee address housekeeping matters first and that he would like to discuss how to proceed in 2017 and then have a meeting early in 2018. Commissioner Cameron explained that the retroactive application of the split last year caused some concerns so we should try to get on schedule if we can. Attorney Frisoli suggested meeting after the legislature recesses, perhaps in December. Chairman Reilly was thinking about the necessity of updating the reports for the 2018 racing year.



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Attorney Goldberg stated that the legislative session has nothing to do with 2017 and that in 2018 we will have the 2017 metrics when looking at a 2018 request. Attorney Frisoli stated that December may be an appropriate time to meet; the landscape may be different. He also noted that the industry needs to know what funding will be available. Thoroughbreds start racing in late spring while the Standardbreds begin their meet in April.

Chairman Reilly suggested that position statements could be due in mid-December with a committee meeting in January and asked the committee members for dates that work for them. After reviewing dates, it was determined that position papers are due to the committee by December 29, 2017; replies to the position papers are due by January 17, 2018 and the committee will hold a meeting on January 24, 2018 at 11:30 a.m. in the Gaming Commission's offices.

### **Report from Commission Staff**

Chairman Reilly asked for a report from staff. Racing Director Dr. Alex Lightbown presented on the racing applications received from Plainridge Park and Sterling Suffolk. She advised the committee that Plainridge Park requested 100 racing days and Sterling Suffolk requested 6 racing days. Dr. Lightbown stated that the Gaming Commission will review the applications and make a decision on them at its November 9, 2017 meeting.

General Counsel Blue described the race horse development fund and the balance remaining in the fund. She also described racing legislation pending before the legislature. Commissioner Cameron discussed the race horse development fund and the language in the Gaming Commission's racing bill and its impact on the committee.

### **Reports from the Industry**

Attorney Goldberg presented the Standardbred position. He stated that the Standardbred position is simple; the committee is tasked with protecting the interests of the Commonwealth. He explained that since 2014 the metrics have flipped. With increased purses, all of the Standardbred metrics have improved. Attorney Goldberg stated that most Standardbreds are in Massachusetts all year long. Racing is better at Plainridge Park and the race horse development fund is working exactly as intended. Notwithstanding that improvement, Attorney Goldberg stated that Plainridge Park is still in the bottom half of racetracks in the North East in terms of purses. Breeding metrics have increased steadily from 36 Standardbred foals in 2014 to 111 Standardbred foals in 2017. He described for the committee the amount of time between breeding a foal and when the horse is ready to race. Attorney Goldberg stated that he might argue that Standardbreds deserve 95-100% of the race horse development fund money, but he believes that a 75/25 split, with 75% going to the Standardbreds would be appropriate retroactive to January 1, 2017.

Attorney Frisoli presented the thoroughbred position. He stated that the intent of the statute was to help both industries. Attorney Frisoli stated that the discussion should be about the difference in the metrics between 2015 and 2016. He stated that he accepted the Standardbred analysis on the need for purses but did not accept the conclusion. The thoroughbred position is that it is good

that the Standardbred industry has revived but the Standardbred report dealt with generalities while the thoroughbred report was specific. Attorney Frisoli stated that he applauded Plainridge Park's support of local owners and trainers by writing races that they could enter. Attorney Frisoli stated that the thoroughbred position is that the split should remain the same and he reminded the committee that most wagering is done on simulcasting of thoroughbred racing. Attorney Frisoli went on to add that the Standardbreds have enough money and have achieved their objective. He added that giving the Standardbreds more money will not change this year but may change things in future years.

Attorney Goldberg responded to Attorney Frisoli's presentation by stating that there are 6 weeks left in the Standardbred meet and that they need to keep the momentum going. Attorney Goldberg stated that Plainridge Park has filed for 100 racing days in its application and that the Standardbred horsemen do not agree with the number of days requested. The Standardbred's are still short of horses; the fields are going up but not enough. Attorney Goldberg stated that 55/45 split does not fit the metrics; last year should have been 75/25 in favor of the Standardbreds. Attorney Goldberg stated that the Standardbreds want to attract more breeders and more people to the track.

Commissioner Cameron commented that she thought it was correct to focus on the change between 2015 and 2016 when discussing the split. She noted that Standardbred purses increased to \$58,000 per day from \$40,000 per day and that thoroughbred purses increased to \$2.4 million from \$1.2 million for the meet due to the additional racing days. Commissioner Cameron discussed the number of employees and licensees in each industry as well as the fact that most wagering is done on thoroughbred racing. She further stated that there is no hard data on the number of breeding and training farms in the Commonwealth. Commissioner Cameron stated that she would like to see a new thoroughbred track but so far plans for that have not happened.

Attorney Goldberg responded that data on the breeding and training farms is hard to get but data on the number of foals is available and that the number of Standardbred foals has increased since last year.

Chairman Reilly asked whether the legislature intended to benefit only 2 industries and what was the benefit to the rest of the Commonwealth. He stated that we are talking about breeders and how the split impacts them and that he was trying to weigh the impact on the thoroughbred breeders and what is in the best interests of the Commonwealth. Chairman Reilly asked Attorney Goldberg if the Standardbreds received a 75% share of the race horse development fund where would that put Plainridge Park on the track list in terms of purse money? Attorney Goldberg responded that Plainridge Park would move up a couple spots on the list of tracks. Chairman Reilly asked about the impact calculating the split retroactively. General Counsel Blue explained the possible impact of a retroactive split based upon what occurred last year when the split was calculated retroactively.

Attorney Frisoli stated that the Standardbred meet is almost over, that calculating the split retroactively will not help Plainridge Park move up the track list and will not attract more people to the track. If the split is effective in January, then that will impact who comes to the Plainridge Park 2018 meet. Chairman Reilly stated that he is concerned with what will happen if

the split is calculated retroactively. He stated that he is also concerned about the sustainability of the Standardbred purses if the thoroughbreds came back in the future and the Standardbred split was lowered to accommodate that. Chairman Reilly also raised a concern about the unused money in the race horse development fund.

After hearing the position of the Standardbreds and thoroughbreds. Chairman Reilly stated that he was not in favor of a dramatic change and asked Commissioner Cameron if she had any thoughts on the split. Commissioner Cameron stated that based upon the changed metrics from last year, she could support a 60/40 split in favor of the Standardbreds.

Committee member Shawn Collins stated that he appreciated Commissioner Cameron's comments. He stated that he could support a 60/40 split in favor of the Standardbreds.

Chairman Reilly spoke in support of a 65/35 split in favor of the Standardbreds. Attorney Frisoli stated that he could support a 60/40 split in favor of the Standardbreds. Attorney Goldberg stated that he is supportive of a 65/35 split in favor of the Standardbreds and that he is concerned about losing money if money sits idle in the race horse development fund.

*Peter Goldberg moved that the Horse Racing Committee reallocate the split of the Race Horse Development Fund, with 65% to the Standardbred industry and 35% to the thoroughbred industry.*

Commissioner Cameron stated that she is more comfortable with a 60/40 split in favor of the Standardbreds. Committee member Collins stated that both the presentations and the discussion are persuasive but he is concerned about the retroactive effect of the split on the thoroughbred breeders. He stated that he is more comfortable with a 60/40 split in favor of the Standardbreds.

Attorney Goldberg's motion did not receive a second. Chairman Reilly stated that the motion failed and asked for another motion.

*Commissioner Cameron moved that the Horse Racing Committee reallocate the split of the Race Horse Development Fund, with 60% to the Standardbred industry and 40% to the thoroughbred industry. Motion seconded by Committee member Collins. Attorney Goldberg voted no Motion passed 4 to 1.*

*Committee member Collins moved that the committee recommend to the Massachusetts Gaming Commission that the split approved in the prior motion be calculated retroactive to January 1, 2017. Motion seconded by Commissioner Cameron. Attorney Frisoli abstained from the vote. Motion passed 4 -0 with 1 abstention.*

*A motion to adjourn the meeting was made by Commissioner Cameron. Motion seconded by Attorney Frisoli. Motion passed unanimously.*

The meeting adjourned at 1:40 p.m.

**List of documents and other items used at the meeting:**

1. Massachusetts Horse Racing Committee, Notice of Meeting and Agenda, dated 9/29/17
2. Massachusetts Horse Racing Committee, Draft Meeting Minutes, dated 5/2/17
3. Standardbred Industry position paper regarding split of the Race Horse Development Fund, dated 6/30/17
4. Standardbred Industry reply to thoroughbred industry position paper dated 7/28/17
5. Thoroughbred Industry position paper regarding split of the Race Horse Development Fund, dated 6/30/17
6. Thoroughbred Industry reply to the Standardbred Industry position paper dated 7/27/17
7. Public Comments regarding the split of the Race Horse Development Fund

/s/ Catherine Blue

Asst. Secretary

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