



Massachusetts Horse Racing Committee Meeting Minutes

Date/Time: June 10, 2019 – 11:00 a.m.

Place: Massachusetts Gaming Commission
101 Federal Street, 12th Floor
Boston, MA 02110

Present: Brian Fitzgerald, Chair
Commissioner Gayle Cameron, MGC Representative
Peter Goldberg, Standardbred Representative
Joe Savage, Thoroughbred Representative
Emily Kowtoniuk, Treasurer's Representative

Catherine Blue, MGC General Counsel
Dr. Alexandra Lightbown, MGC Director of Racing
Cathy Judd-Stein, MGC Chair
Chad Bourque, MGC Financial Analyst
Steve O'Toole, Plainridge Park Casino Director of Racing
Nancy Longobardi, SOM Secretary/Treasurer
Alice Szpila Tisbert, HHANE
Robert McHugh, President, HHANE
Paul Umbrello, Executive Director, NEHBPA
Leslie Fleming

Call to Order

The Chair called the Horse Racing Committee ("Committee") meeting to order at 11:08 a.m. He introduced himself and stated that he looks forward to serving on the Committee. He made note that there are two new members, Joe Savage, and Emily Kowtoniuk, and asked that all members introduce themselves,

Attorney Savage then introduced himself, stating that he is a partner at Goodwin's Securities Litigation & White Collar Defense group, and is a Fellow of the American College of Trial Lawyers and the Litigation Counsel of America. He also served on Massachusetts Governor Deval Patrick's Task Force on Ethics Reform and is a founding board member and former chairman of the New England Innocence Project. He is looking forward to serving on the Committee.

Ms. Kowtoniuk then introduced herself to the Committee, stating that she serves as Deputy Legislative Director at Massachusetts State Treasury. She also looks forward to serving on the Committee.

Approval of Minutes

The Committee will post the minutes from the meeting of October 18, 2017, in draft form in lieu of a vote, due to lack of quorum at this meeting. Commissioner Cameron and Mr. Goldberg both stated that they find the¹minutes to be accurate with no typographical errors.

Update by Dr. Alexandra Lightbown, Director of Racing, Massachusetts Gaming Commission, on the 2019 Racing Season

Dr. Lightbown summarized the 2019 racing calendar for the members. She then gave an overview of the history of racing in Massachusetts as well as of the Committee's activity since 2015 for the new members.

Dr. Lightbown updated the Committee on the status of the 2018 annual report, stating that it will be completed in a few weeks, and will go to the Commission at that time for approval at a Commission meeting.

Commissioner Cameron requested a more detailed presentation from Dr. Lightbown for the new members at the next meeting. Dr. Lightbown agreed to have such a presentation ready for the next meeting.

Update by Catherine Blue, MGC General Counsel on Racing Bills before the Legislature

Ms. Blue stated that there are three bills before the legislature. HB 3819 has made it through the house and is in front of the senate ways and means currently. She also described HB 13, which is very broad and regulates racing through regulation promulgation. Lastly, she described the SB 101 Senator Boncore bill, which is much more specific in terms of take-outs of wagers, allows Standardbred and Thoroughbred racing to have a 5-year license, and allows for a simulcasting license as long as the establishment is looking to develop a racetrack. The Commission will continue to monitor these bills.

Mr. Savage inquired about carving out health and welfare and breeding support in the legislature. Ms. Blue stated that there is breeder legislature out there, and the Commission will continue to monitor its status.

Ms. Kowtoniuk stated that there was a provision in the legislature that swept \$15M from the Horse Race Development Fund. Ms. Blue noted for the committee that this has been filed in the past but has not made it to the final budget.

¹¹ Lack of a to the fact that only 2 members currently on the Committee attended the October 27, 2017 meeting. The balance of the current members were appointed after the October 27, 2017 meeting.

Discussion of Next Steps

The Chair felt it was appropriate to meet again soon to discuss a plan about moving forward. He then suggested scheduling a meeting in the fall, perhaps in October.

Commissioner Cameron suggested addressing the split, racing days, and the economics around racing. She suggested the submission of a brief from each of the racing groups regarding the split, addressing whether or not it should be changed and if changed, what the split should be. Commissioner Cameron suggested that this be an agenda item for the next meeting.

Mr. Goldberg stated that the committee is late on the split for 2019. He asked if it was prudent to skip a year as the committee needs to rely on the previous years' metrics to calculate split proposals. He then stated that the committee owes it to the statute to re-look at the split for 2019. In the past, the committee has been late and has asked to make it retroactive. Commissioner Cameron stated that this kind of postponement affects the breeders. Mr. Goldberg added that it also affects owners, trainers, breeding centers, farms, and training centers. He stated that the committee needs to look at 2017 and 2018 as soon as possible, get the metrics done and calculate 2019.

Commissioner Cameron asked if there are any legal issues with that, to which Ms. Blue stated that looking at two years of metrics should be fine.

Mr. Savage stated that he is in favor of having all the information available. He suggested waiting to see what action is taken by the legislature on renewing racing legislation before scheduling the next meeting date. Mr. Savage stated that the committee needs more info before it can start to prepare briefs in favor of a change in the split.

Mr. Goldberg stated that 2017 is done and the committee can use those figures and suggested that there be no delay. He asked when the 2018 report numbers will be complete, to which Dr. Lightbown answered that 2018 would be completed in July, and then it can be put on the next meeting agenda. She stated that in the past, she has given the data out while with the caveat that it has not been approved by the Commission.

Mr. Savage stated that it is most helpful to the committee if an expert reviews the numbers and advises. This would determine whether or not it makes sense to change the split or anything at all.

There was discussion around what the statute states, and the intent of the statute to protect racing.

Commissioner Cameron stated that thoroughbred and standardbred hasn't changed dramatically and that giving extra time is appropriate to thoroughly analyze the data first. Mr. Goldberg noted that he is not in favor of taking until the fall to start the process.

It was confirmed that members will receive 2017 and 2018 data. Mr. Savage asked for partial numbers from 2019 and stated that he would like to focus on economic

development for the breeders. He then requested that more detailed information be provided, to include focused economic data.

Mr. Goldberg suggested the middle of July for the next meeting. Mr. Savage proposed October 16, 2019, with a briefing schedule set prior to the meeting date. After discussion by the committee, September 18, 2019, was agreed upon for the next meeting to take place, and due date of September 4, 2019, for position papers.

Mr. Goldberg moved to schedule the next meeting for September 18, 2019, with position papers due on September 4, 2019, two weeks prior to the meeting. Commissioner Cameron seconded the motion.

The motion passed unanimously.

A further motion to adjourn the meeting was made by Ms. Kowtoniuk. Commissioner Cameron seconded the motion.

The motion passed unanimously.

The meeting adjourned at 11:47 a.m.