

**NEW JERSEY RACING COMMISSION
WEDNESDAY, FEBRUARY 10, 2016
NEW MEADOWLANDS RACETRACK
“THE GALLERY” GRANDSTAND BUILDING
EAST RUTHERFORD, NEW JERSEY**

A meeting of the New Jersey Racing Commission was held on Wednesday, February 10, 2016 in the Gallery, located in the Grandstand Building at the New Meadowlands Racetrack.

The following were present:

Pamela J. Clyne, Chairman
Anthony T. Abbatiello, Commissioner
Manny E. Aponte, Commissioner (by phone)
Michael J. Arnone, Commissioner (by phone)
Peter J. Cofrancesco, III, Commissioner
Francis X. Keegan, Jr., Commissioner
Peter T. Roselle, Commissioner (by phone)
Frank Zanzuccki, Executive Director
SDAG George Cohen

The following were absent:

Anthony G. DePaola, Commissioner
David C. Gruskos, Commissioner

Executive Director Frank Zanzuccki read the following statement:

“This meeting today conforms with Chapter 231, P.L. 1975, called the “Open Public Meetings Act,” and as per the requirements of the statute, notification of this meeting has been filed with the Secretary of State and with the following newspapers: Daily Racing Form, Bergen Record, Asbury Park Press, Courier-Post and the Newark Star Ledger.

WHEREAS in order to protect the personal privacy and to avoid situations wherein the public interest might be disserved, the Open Public Meetings Act permits bodies to exclude the public from that portion of a meeting at which certain matters are discussed.

NOW, THEREFORE, be it resolved that consistent with the provision of N.J.S.A. 10:4-12(b), the New Jersey Racing Commission will now adjourn to executive session to obtain legal advice protected from disclosure by the attorney-client privilege on the following matters:

1. Legal advice concerning request of the Standardbred Breeders' & Owners' Association to release purse money to recipients in advance of receiving post-race test results in races conducted at the Meadowlands and Freehold Racetracks. The SBOA proposes to guarantee such payments up to a maximum of \$25,000 if the owner fails to return the purse upon order of the Racing Commission;
2. Legal advice concerning the request of Darby Development, LLC on behalf of the Thoroughbred Horsemen's Association to place pari-mutuel wagering devices in the new restaurant located on the grounds of the racetrack;
4. Legal advice concerning a proposed settlement agreement in the matter of Douglas Nunn v. New Jersey Racing Commission, OAL Docket No. RAC 11819-2014S; and
5. Other matters requiring legal advice.

Discussion of the above matters fall within the exceptions under the law; specifically matters falling within the attorney-client privilege, to the extent that confidentiality is required in order for the Commission's attorney to exercise his ethical duties as a lawyer and/or matters involving pending or anticipated litigation."

It was noted that Commissioner Aponte and Commissioner Arnone are participating by telephone.

Commissioner Keegan motioned to adopt the resolution to adjourn. Commissioner Arnone seconded the motion. The Commission then adjourned to Executive Session.

Commissioner Cofrancesco made a motion to adjourn from Executive Session. Commissioner Arnone seconded the motion and the Executive Session ended. Commissioner Roselle joined the meeting by telephone.

CONSIDER APPROVAL OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF THE NOVEMBER 18, 2015 COMMISSION MEETING

Commissioner Cofrancesco made a motion to approve the public and executive minutes of the November 18, 2015 public meeting. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER RATIFICATION OF THE APPROVAL GRANTED TO MONMOUTH PARK TO CONDUCT THE FIRST HANDICAPPING CONTEST IN ITS “2016 SIMULCAST SERIES CHALLENGE” ON SATURDAY, DECEMBER 5, 2015

Commissioner Abbatiello motioned to ratify approval granted to Monmouth Park to conduct a handicapping contest on December 5, 2015. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER DELEGATION TO THE EXECUTIVE DIRECTOR, OR HIS DESIGNEE, OF THE COMMISSION’S AUTHORITY TO REVIEW, APPROVE AND OVERSEE HANDICAPPING CONTESTS UPON APPLICATION BY PERMIT HOLDERS OR THE CASINO SIMULCASTING LICENSEE IN ACCORDANCE WITH N.J.S.A. 5:5-63.2, N.J.A.C. 13:70-29.63 AND N.J.A.C. 13:71-27.61 FOR CALENDAR YEAR 2016

Chairman Clyne made the following motion:

I move that the Commission delegate the authority to review, approve and oversee handicapping contests to the Executive Director, or his designee, for calendar year 2016 in accordance with N.J.A.C. 13:70-29.63 and N.J.A.C. 13:71-27.61 without requiring that he obtain ratification from the Commissioners. I also move that the Commission authorize the Executive Director to execute the draft Order provided to us regarding this matter on the Commission’s behalf.

Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE STANDARDBRED BREEDERS' & OWNERS' ASSOCIATION TO RELEASE PURSE MONEY TO RECIPIENTS IN ADVANCE OF RECEIVING POST-RACE TEST RESULTS IN RACES CONDUCTED AT THE MEADOWLANDS AND FREEHOLD RACETRACKS. THE SBOA PROPOSES TO GUARANTEE SUCH PAYMENTS UP TO A MAXIMUM OF \$25,000 IF THE OWNER FAILS TO RETURN THE PURSE UPON ORDER OF THE RACING COMMISSION

Mark Ford, President of the SBOA, addressed the Commission and stated that it is a tremendous hardship for the horsemen to have purse checks held for a 23 to 25 day period. He indicated that the SBOA would like to guarantee purses for overnight races up to \$25,000 in advance of receiving post-race test results from the laboratory. It was noted that the purse money being held involves the owner, driver and trainer. The Executive Director questioned Mr. Ford regarding the source of the guaranteed money and indicated that there are certain statutory requirements that restrict the horsemen's use of money. Mr. Ford replied that the money will be derived from the appropriate account.

Chairman Clyne recommended that this request be approved on a trial basis and that the Executive Director be granted the authority to cease this procedure at any time. Commissioner Confrancesco made a motion to approve the request on a trial basis with the Executive Director having the authority to cease the procedure at any point. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF DARBY DEVELOPMENT, LLC ON BEHALF OF THE THOROUGHBRED HORSEMEN'S ASSOCIATION TO PLACE PARI-MUTUEL WAGERING DEVICES IN THE NEW RESTAURANT LOCATED ON THE GROUNDS OF THE RACETRACK

Executive Director Zanzuccki indicated that there are statutory requirements that must be met by a permit holder before a mutuel device can be placed on the grounds of a racetrack which includes: 1) the mutuel device must be located on the grounds or enclosure of a racetrack; 2) the mutuel device shall be equipped with automatic ticket issuing and capable of accurate and speedy determination of the amount of pool money; and 3) the mutuel device and mutuel board will display mutuel information or any other information that is necessary to the general public.

John Heims, Esq. stated to the Commission that the pari-mutuel devices will be located in the new restaurant which is located on the grounds adjacent to the racetrack. He indicated that the mutuel machines will provide all necessary information to the wagering public, that the distribution of the pari-mutuel handle is considered an on-track wager and there will be no take-out provided to the restaurant operator.

Commissioner Keegan made a motion to approve the request of Darby subject to compliance with State and Federal laws. Commission Cofrancesco seconded the motion and all Commissioners voted yes.

CONSIDER THE THOROUGHBRED BREEDERS' ASSOCIATION'S 2016 BUDGET

Executive Director Zanzuccki stated that the TBA is projecting a 2016 budget of \$186,656 which is a reduction from its 2015 budget. The TBA anticipates revenue projection to increase to \$34,000 and it will utilize \$152,000 from TBA awards to balance the budget. Executive Director Zanzuccki asked TBA Executive Director Michael Campbell why last year's revenue projection was not reached. Mr. Campbell explained that the TBA had anticipated the NJ Thoroughbred Festival would have generated more revenue and that was not the case.

Chairman Clyne motioned to approve the TBA 2016 budget. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE STANDARD BRED BREEDERS' AND OWNERS' ASSOCIATION'S 2016 BUDGET

Executive Director Zanzuccki stated that staff has requested additional information in connection with the SBOA 2016 budget, therefore, he recommends that this matter be tabled. Commissioner Aponte motioned to table the agenda item. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE JOCKEY'S HEALTH AND WELFARE'S 2016 BUDGET

Executive Director Zanzuccki stated that the Jockey's Health and Welfare Trust is projecting a 2016 budget of \$194,191.68 which is a 13 percent increase from last year's budget. The Executive Director inquired of John Heims, Esq. to explain the increase in the budget and to detail the \$16,000 in administrative costs. Mr. Heims explained to the Commission that the increase in this year's budget is due to health insurance costs and he detailed the administrative costs. The Executive Director asked in the future that the Trust list the administrative expenses in detail.

Commissioner Keegan motioned to approve the budget. Commissioner Cofrancesco seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE RACING COMMISSION'S 2016 PROGRAM BUDGET

Commissioner Keegan motioned to approve the 2016 Commission program budget in the amount of \$7,620,394. Commissioner Arnone seconded the motion and all Commissioners voted yes.

CONSIDER A PROPOSED SETTLEMENT AGREEMENT IN THE MATTER OF DOUGLAS NUNN V. NEW JERSEY RACING COMMISSION

Commissioner Keegan recused himself from this agenda item.

Chairman Clyne motioned to approved the settlement agreement. Commissioner Cofrancesco seconded the motion and all Commissioners voted yes except for Commissioner Keegan who had left the room for this agenda item.

CONSIDER APPROVAL OF THE 2016 CHARITY DAYS

Commissioner Abbatiello motioned to approve the 2016 charity days. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE MEADOWLANDS RACETRACK & FREEHOLD RACEWAY FOR APPROVAL OF THE DECISION TO CANCEL LIVE RACING ON SATURDAY, JANUARY 23, 2016 AS SCHEDULED IN ACCORDANCE WITH THEIR RACING PERMITS, DUE TO THE EFFECTS OF THE BLIZZARD "JONAS"

Commissioner Cofrancesco motioned to approve the decision of the Meadowlands Racetrack and Freehold Raceway to cancel live racing on January 23, 2016 due to blizzard "Jonas." Commissioner Keegan seconded the motion and all Commissioners voted yes.

In response to questions raised by Executive Director Zanzuccki, Jason Settlement, on behalf of the Meadowlands Racetrack, stated that he is working with the SBOA to determine whether to make up the canceled day. Howard Bruno, on behalf of Freehold Raceway, stated that management has not yet made a decision on whether to reschedule the day and will wait to see what effect the remainder of the winter will have on racing before making a decision.

ITEMS FOR DISCUSSION AND INFORMATION

Acknowledge receipt of the Standardbred Breeders' & Owners' Association's health benefits plan audited financial statement for the year ended December 31, 2014

Commissioner Aponte asked questions of Mark Ford, President of the SBOA, regarding funding of the pension plan and the audited statement. Mr. Ford was unable to answer the Commissioner's questions and indicated that he will get back to the Commission with the appropriate answers.

Statistics regarding the 2015 equine and human drug testing programs

The Executive Director read the following 2016 statistics:

Equine: 20,861 standardbred blood and urine samples were tested resulting in 19 positives

6,874 thoroughbred blood and urine samples were tested resulting in 14 positives

Human: 340 fluid samples were tested resulting in 10 positives compared to 322 fluid samples tested in 2014 resulting in one positive

There being no further discussion or comments from the public, Commissioner Keegan moved that the meeting be adjourned. Chairman Clyne seconded the motion and it was approved unanimously.

ATTEST:



Executive Director Frank Zanzuccki