

**NEW JERSEY RACING COMMISSION
WEDNESDAY, NOVEMBER 17, 2021
TELEPHONE MEETING**

A public meeting of the New Jersey Racing Commission ("NJRC" or "Commission") was held on Wednesday, November 17, 2021 by telephone.

The following were present:

Pamela J. Clyne, Chairman
Michael J. Arnone, D.D.S., Commissioner
Lawrence DeMarzo, Commissioner
Francis X. Keegan, Jr., Commissioner
Charles E. Tomaro, Commissioner
Glen Vetrano, Commissioner
Judith A. Nason, Executive Director
Jeffrey Nielsen, Associate Counsel, Governor's Authorities Unit
SDAG George Cohen

Executive Director Nason read the following resolution:

"This meeting today conforms with 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 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 N.J.S.A. 10:4-12(b), the 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 the grant of 2022 standardbred permits to conduct racing at New Meadowlands Racetrack and Freehold Raceway; the grant of 2022 thoroughbred permits to conduct racing at Monmouth Park and the Meadowlands (including the special steeplechase permit for racing at Moorland Farm); and the allocation of race dates to the permit holders.
- 2) Legal advice concerning the distribution of the Casino Simulcasting Special Fund monies (accumulated in 2020) totaling \$184,505.53.
- 3) Legal advice concerning the settlement agreement in the matter of Steve Klesaris v. New Jersey Racing Commission, OAL Docket No. RAC 14932-2017.

- 4) Legal advice concerning the proposed amendments to N.J.A.C. 13:74A-1.1, 2.1, 2.2, 3.1, 4.1, 4.2, 5.1, 5.2, 6.1 and 6.2 to extend the self-exclusion rules to apply to fixed odds wagering.

- 5) Other legal advice.

Discussion of the above matters falls 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."

Commissioner Keegan motioned to adjourn into Executive Session. Chairman Clyne seconded the motion. All of the Commissioners voted to affirm. The Commission then adjourned to Executive Session.

Commissioner Keegan made a motion to adjourn from Executive Session into the Public Session. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

The Executive Session ended.

CONSIDER APPROVAL OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF THE SEPTEMBER 22, 2021 COMMISSION MEETING.

Commissioner Keegan made a motion to approve the public and executive session minutes of the September 22, 2021 Commission meeting. Commissioner Tomaro seconded the motion and all of the Commissioners voted yes.

CONSIDER RATIFICATION OF THE CANCELLATION OF THOROUGHBRED RACING AT THE MEADOWLANDS ON OCTOBER 30, 2021 AND APPROVAL OF THE PICK 6 CARRY-OVER POOL.

Executive Director Nason stated that on October 30, 2021, Darby Development, LLC contacted the Commission to report unsafe racing conditions for the turf course at the New Meadowlands Racetrack ("NMR") due to heavy rain in connection with the n'oreastern storm earlier that week. The track sought approval to cancel racing on that date. Given the dangerous weather conditions, staff approved the cancellation of racing subject to the Commission's ratification.

Executive Director Nason explained that as a result of the cancellation, the Commission needs to determine a race date for the carry-over of the \$21,457 (plus accrued interest) in the Pick 6 pool. Darby Development has requested that the Commission approve the carry-over of this pool to Monmouth Park's opening race day in 2022.

Chairman Clyne made a motion to ratify the approval granted to Darby Development, LLC for the cancellation of racing due to heavy rain which created unsafe racing conditions at the

NMR on October 30, 2021. Commissioner Keegan seconded the motion and all of the Commissioners voted yes.

In addition, Commissioner Vetrano made a motion to approve the carry-over of the Pick 6 pool with the stipulation that the funds be deposited into an interest bearing account until opening day of Monmouth Park's meet in 2022. Commissioner Keegan seconded the motion and all of the Commissioners voted yes.

CONSIDER THE GRANT OF 2022 STANDARDBRED PERMITS TO CONDUCT RACING AT NMR AND FREEHOLD RACEWAY; THE GRANT OF 2022 THOROUGHBRED PERMITS TO CONDUCT RACING AT MONMOUTH PARK AND THE MEADOWLANDS (INCLUDING THE SPECIAL STEEPLECHASE PERMIT FOR RACING AT MOORLAND FARM); AND THE ALLOCATION OF RACE DATES TO THE PERMIT HOLDERS.

Executive Director Nason stated that the New Jersey Thoroughbred Horsemen's Association ("NJTHA"), NMR, LLC and FR Park Racing, LP have all applied to renew their racing permits for calendar year 2022 and each has filed its request for race dates. Executive Director Nason explained that the NJTHA has applied to renew its three permits and has requested a total of 72 thoroughbred race dates. She stated that the NJTHA proposes to race 60 days at Monmouth Park starting May 7th and ending September 17th; 11 days at Meadowlands starting September 23rd and ending October 29th (Turf only); and 1 day at Moorland Farm on October 15th (special steeplechase permit).

Executive Director Nason pointed out that this is an increase of 9 days over the race dates requested for 2021. The NJTHA submitted its written consent to the thoroughbred date request.

Executive Director Nason explained that on November 3rd, the Commission, pursuant to N.J.S.A. 5:5-38.2, provided the notice to the Borough of Far Hills and Bedminster Township regarding the steeplechase meet. She pointed out that the statute grants them 30 days to object. She stated that on November 16th, the Commission received a resolution from Bedminster Township in support of the NJTHA's application to conduct the one-day steeplechase meet. Executive Director Nason explained that the Commission has not yet received a response from Far Hills, which has until December 3, 2021 to file an objection. Executive Director Nason advised the Commission to table action on the special steeplechase permit application until the Commission's next meeting in January.

Executive Director Nason explained that NMR has applied to renew its harness permit and has requested 90 standardbred race dates. She stated that NMR proposes to race 65 days starting on January 7th and ending on August 6th; 7 days in September and 18 days starting on November 4th and ending on December 31st.

Executive Director Nason noted that NMR requested the same number of race dates as 2021. She indicated that the SBOA has submitted its written consent to these race dates.

Executive Director Nason explained that FR Park Racing, LP has applied to renew its two harness permits and has requested 85 standardbred race dates. She stated that Freehold Raceway

proposes to race 47 days starting on January 1st and ending on May 28th; and 38 days starting on August 26th and ending on December 31st.

Executive Director Nason pointed out that this is an increase of 3 race dates over 2021 and indicated that the SBOA has submitted its written consent to these race dates.

The Executive Director announced that the Commission was opening the telephone line to accept public comments or questions regarding the requested race dates. No comments or questions were asked by the public.

Executive Director Nason explained that in considering the allocation of race dates, the Commission must consider the four public interest factors set forth in N.J.S.A. 5:5-44. These factors are: 1) protect the State's revenue; 2) provide for the continuity of year-round racing to promote the racing industry and the employment which it provides; 3) provide recreational opportunities for residents; and 4) maintain and improve the State's competitive position with regard to neighboring racing states.

Executive Director Nason asked if there is a motion to table action regarding the special steeplechase permit for the Far Hills Steeplechase Meet.

Commissioner Vetrano made a motion to table action regarding the special steeplechase permit. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

Commissioner Tomaro made a motion to motion to renew all of the permits for 2022 and allocate the race dates requested for Monmouth Park, the Meadowlands (thoroughbred), NMR and Freehold Raceway. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

CONSIDER APPROVAL OF FREEHOLD RACEWAY'S OFFICIALS, POOLS, POST-TIME, PRICES AND WAGERING FORMAT FOR THE 2022 WINTER/SPRING MEET.

Executive Director Nason stated that the Commission is being asked to approve the racing and wagering format for Freehold Raceway's 2022 winter/spring meet. She explained that the winter/spring meet will begin on January 1st and continue through May 28th with a post-time of 12:30 pm. She stated that live racing will take place on Thursday, Friday and Saturday in January and on Friday and Saturday thereafter. Executive Director Nason pointed out that the department heads and wagering format remain the same as those the Commission approved for the 2021 summer/fall meet, which is currently taking place at Freehold Raceway.

Commissioner Keegan motioned to approve Freehold Raceway's racing and wagering format for the 2022 winter/spring meet. Commissioner Vetrano seconded the motion and all of the Commissioners voted yes.

CONSIDER APPROVAL OF NMR'S OFFICIALS, POOLS, POST-TIME, PRICES AND WAGERING FORMAT FOR THE 2022 STANDARD BRED MEET.

Executive Director Nason stated that the Commission is being asked to approve the race and wagering format for the standardbred dates allocated to NMR. Executive Director Nason explained that the 2022 standardbred meet will begin on January 7th and continue through December 31st with a post-time of 6:20 pm except for Hambletonian Day on August 6th, which will be 12 noon. She explained that there will be 11 to 13 races on Friday and Saturday and 9 to 11 races on Thursday. Executive Director Nason pointed out that the department heads and wagering format remain the same as those the Commission approved for the meet, which is currently taking place at NMR with two exceptions. The position of Security Manager will be filled by Jim Davis and the racetrack will eliminate the position of Assistant Racing Secretary and Timer.

Commissioner Tomaro motioned to approve the race and wagering format for NMR's 2022 standardbred meet. Commissioner Keegan seconded the motion and all of the Commissioners voted yes.

CONSIDER THE RENEWAL OF LICENSES FOR 2022 FOR THE OFF-TRACK WAGERING FACILITIES ("OTWS") LOCATED IN TOMS RIVER, WOODBRIDGE, BAYONNE, GLOUCESTER TOWNSHIP, HILLSBOROUGH AND EGG HARBOR TOWNSHIP.

Executive Director Nason reported that the Commission received timely applications from the NJTHA, ACRA Turf Club, LLC, Freehold Raceway Off-Track and NMR, LLC to renew their respective off-track wagering licenses for each of the six OTWs for calendar year 2022. She explained that staff reviewed the applications and determined them to be complete and in compliance with N.J.A.C. 13:74-2.3. She stated that each of the licensees remain in good standing with the Commission and that each permit holder is in compliance with the required, minimum number of race dates, which is a condition for renewal of the OTW licenses.

The Executive Director explained that draft orders with proposed conditions were provided to the Commissioners and explained that one condition is that any decision to renew the off-track wagering licenses shall be subject to the review and approval of the Attorney General. She stated that staff recommend the renewal of the OTW licenses.

Chairman Clyne moved that the Commission approve the renewal of each of the off-track wagering licenses and authorize the Executive Director to issue the orders renewing the licenses on the Commission's behalf. Commissioner Vetrano seconded the motion and all of the Commissioners voted yes.

CONSIDER THE RENEWAL OF THE ACCOUNT WAGERING LICENSE FOR 2022.

Executive Director Nason reported that the New Jersey Sports and Exposition Authority filed a timely application to renew the account wagering license for calendar year 2022. She explained that staff reviewed the application and determined it to be complete and in compliance with the requirements of N.J.A.C. 13:74-3.2. She stated that the Authority remains in good standing with the Commission, Darby Development, LLC will continue to manage the account wagering system and TVG Network will continue to provide the platform services. Sportech Racing LLC, which is now known as Global Tote, LLC, will continue to provide the totalizator

services for the account wagering system. Executive Director Nason noted that each permit holder is in compliance with the required, minimum number of race dates, which is a condition for renewal of the account wagering license.

The Executive Director indicated that a draft Final Determination and Order with proposed conditions was provided to the Commissioners. One condition is that any decision to renew the account wagering license shall be subject to the review and approval of the Attorney General. Executive Director Nason stated that staff recommend renewal.

Commissioner Keegan moved that the Commission approve the renewal of the account wagering license for calendar year 2022 and authorize the Executive Director to issue the final determination and order on the Commission's behalf. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

CONSIDER APPROVAL OF THE NEW JERSEY PERMIT HOLDERS' REQUESTS TO CONDUCT SENDING AND RECEIVING, INTRA AND INTERSTATE SIMULCASTING WITH RACETRACKS, OTWS AND THE ACCOUNT WAGERING SYSTEM IN 2022 AND TO CONDUCT COMMON POOL AND SEPARATE POOL PARIMUTUEL WAGERING THEREUPON.

Executive Director Nason stated that the permit holders and account wagering licensee submitted requests to participate in intra and interstate simulcasting, both sending and receiving, for calendar year 2022. She explained that the requests seek approval to conduct common and separate pool wagering on the simulcasts and simulcasting approval for the off-track wagering facilities and account wagering system. She further explained that the requests also seek the Commission's consent to the interstate wagers pursuant to the Interstate Horseracing Act. She stated that staff recommends the approval subject to the conditions in Schedules E, F and G.

Commissioner Vetrano made a motion to consent to the interstate wagers, approve the requests to conduct intra and interstate simulcasting and allow pari-mutuel wagering on the signals subject to the conditions in Schedules E, F and G. Commissioner Arnone seconded the motion and all of the Commissioners voted yes.

CONSIDER APPROVAL OF THE REQUEST OF THE BORGATA HOTEL, CASINO AND SPA ("BORGATA") TO ACCEPT INTRA AND INTERSTATE SIMULCASTING FROM APPROVED RACETRACKS AND TO CONDUCT INTRA AND INTERSTATE COMMON POOL AND SEPARATE POOL PARIMUTUEL WAGERING IN 2022.

Executive Director Nason stated that the Borgata is seeking approval to receive intra simulcasts from the New Jersey racetracks, to receive interstate simulcasts and to conduct pari-mutuel wagering upon those simulcast signals in calendar year 2022. She explained that the Commission would need to consent to the interstate wagers pursuant to the Interstate Horseracing Act. She indicated that each permit holder is in compliance with the required, minimum number of race dates, which is a condition for participation in casino simulcasting. The Executive Director stated that staff recommends that the Commission approve the intra and interstate simulcasting and pari-mutuel wagering subject to compliance with the conditions in Schedules B and C.

Commissioner Tomaro made a motion that the Commission consent to the interstate wagers and approve the request of the Borgata Hotel, Casino & Spa subject to the conditions in Schedules B and C. Commissioner Arnone seconded the motion and all of the Commissioners voted yes.

CONSIDER APPROVAL OF GLOBAL TOTE US, LLC TO CONTINUE TO PROVIDE TOTALISATOR SERVICES AND ACT AS THE HUB FACILITY AT THE MOUNT LAUREL DATA CENTER IN 2022 FOR RACETRACKS, THE OTWS, THE BORGATA AND THE NEW JERSEY ACCOUNT WAGERING SYSTEM.

Executive Director Nason explained that Global Tote US, LLC operates the Quantum Data Center in Mount Laurel, NJ where it acts as the hub facility and provides totalizator services for the racetracks, OTWs, the Borgata and the New Jersey account wagering system. She indicated that Global Tote continues to be in good standing with the Commission. The Executive Director stated that staff recommends approval subject to compliance with the conditions in Schedule D.

Commissioner Keegan made a motion to approve Global Tote US, LLC to continue to provide totalizator services and act as the hub facility in 2022 subject to the conditions in Schedule D. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

CONSIDER THE REQUEST OF THE RACETRACK PERMIT HOLDERS, THE OTWS, THE BORGATA AND THE NEW JERSEY ACCOUNT WAGERING SYSTEM TO CONDUCT ADVANCE WAGERING (FULL OR PARTIAL CARD) ON CERTAIN DESIGNATED RACES OF NATIONAL INTEREST IN 2022.

Executive Director Nason explained that the racetracks, OTWs, account wagering system and the Borgata have sought the Commission's approval to offer and conduct advanced wagering full or partial card, on certain designated races of national interest in 2022. She indicated that the list of the races has been provided to the Commissioners and explained that staff recommends approval of these requests subject to two conditions:

- 1) No advance wagering shall commence until the program information has been received from the host track and is approved by the Supervisor of Mutuels; and
- 2) All wagering shall be in compliance with the common pool procedures and rules of this Commission.

Commissioner Vetrano made a motion that the Commission approve the requests to conduct advance wagering, full or partial card, on certain designated races of national interest in 2022 subject to the two conditions recommended by staff. Commissioner Tomaro seconded the motion and all of the Commissioners voted yes.

CONSIDER THE REQUEST OF THE RACETRACK PERMIT HOLDERS, THE OTWS, THE BORGATA AND THE NEW JERSEY ACCOUNT WAGERING SYSTEM TO OFFER CERTAIN DESIGNATED SPECIAL WAGERS OF NATIONAL INTEREST AND TO CONDUCT ADVANCE WAGERING IN 2022.

Executive Director Nason explained that the racetracks, OTWs, account wagering system and the Borgata have sought the Commission's approval to offer and conduct advanced wagering on special wagers of national interest in 2022. She indicated that the special wagers have been provided to the Commissioners and explained that staff recommends the approval of these requests subject to compliance with the conditions in Schedule F and H. Executive Director Nason explained that throughout the calendar year, the Commission receives additional requests to offer special wagers of national interest and to conduct advance wagering upon them. She further explained that last year, the Commission authorized the Executive Director to consider and approve additional requests filed for 2021 subject to the conditions in Schedules F and H.

Commissioner Keegan moved that the Commission approve the requests to offer special wagers of national interest and to conduct advance wagering on those wagers subject to the conditions set forth in Schedules F and H. Commissioner Tomaro seconded the motion and all of the Commissioners voted yes.

In addition, Commissioner Keegan made a motion that the Commission grant the Executive Director the authority to consider and approve, in calendar year 2022, any future requests to offer special wagers of national interest and to conduct advance wagering upon them subject to the conditions in Schedules F and H. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

CONSIDER THE DISTRIBUTION OF THE CASINO SIMULCASTING SPECIAL FUND ("CSSF") MONIES (ACCUMULATED IN 2020) TOTALING \$184,505.53.

Executive Director Nason explained that at the September 22, 2021 meeting, the Commission closed the record and appointed Chairman Clyne, Commissioner Keegan and Commissioner Tomaro to the CSSF committee to consider the requests and report back with their recommendations for the distribution of these monies. She stated that the committee met on October 7, 2021 to discuss the submissions from the permitholders and the horsemen's associations.

The Executive Director then summarized the committee's findings and recommendations. She reported that each of the racetracks requested monies pursuant to N.J.S.A. 5:12-205(d)(1) and (d)(2). She stated that Monmouth Park requested "the most significant share of available CSSF monies." Freehold Raceway requested "a reasonable portion of available funds." NMR requested "an appropriate portion" of the monies. Executive Director Nason explained that the committee considered category N.J.S.A. 5:12-205(d)(1) (a racetrack can demonstrate that "its financial well-being has been negatively affected by casino simulcasting") and also considered N.J.S.A. 5:12-205(d)(2) (the Commission finds the racetrack "to be financially distressed"). She pointed out that the committee found that all three racetracks should qualify under both N.J.S.A. 5:12-205(d)(1) and (d)(2) as they are all negatively affected by casino simulcasting and the racetracks all have been able to show that they are financially distressed.

The Executive Director explained that regarding N.J.S.A. 5:12-205(d)(1), based upon the racetrack's submissions, the committee recommends that the Commission find that each racetrack

has demonstrated that its financial well-being has been negatively affected by casino simulcasting. She further explained that in considering the submissions of the racetracks, the committee did not agree with Monmouth Park's assertion that it was more negatively affected by casino simulcasting than the other two racetracks. The committee found that Monmouth Park did not submit data in support of that assertion.

Executive Director Nason explained that regarding N.J.S.A. 5:12-205(d)(2), the committee recommends that the Commission find that each racetrack has demonstrated that it is financially distressed. In reaching its finding, the committee considered that Freehold Raceway reported a net loss of \$6.4 million from track operations and NMR reported a combined net loss of \$3,852,000 with an ongoing financial debt obligation to racing that exceeds \$100 million. While 2020 resulted in a net profit for Monmouth Park, the NJTHA continues to have outstanding debt obligations to the Sports and Exposition Authority that exceed \$9 million through 2024.

Executive Director Nason reported that as a result, the committee recommends that the Commission determine that all three racetracks qualify to receive CSSF monies pursuant to N.J.S.A. 5:12-205(d)(1) and 205(d)(2). She explained that the committee recommends, based upon what the Commission has done in prior years, that 80% of the CSSF monies (\$147,604.42) be distributed equally among the three racetracks. She explained that 80% percent of the CSSF monies would result in \$49,201.47 being distributed to each of the three racetracks. The committee recommends that Monmouth Park receive the extra penny.

Executive Director Nason explained that the committee then considered the next priority category which is N.J.S.A. 5:12-205(d)(3) (horsemen's organization which will use the money to fund a project that the Commission determines "beneficial to the racing industry"). She explained that in its submission, the SBOA requested "a fair distribution" of the remaining funds, which will be used for the Health and Welfare Trust and to support the Backstretch Community Assistance Program. She stated that the SBOA indicates that it would be willing to distribute approximately 12% of the funds it receives to the Standardbred Retirement Foundation and approximately 3% to Horse Rescue United. She explained that the NJTHA requested 5% of the CSSF funds which will be used for health programs that include dental, prescription and eyeglasses as well as sponsoring a weekly health clinic. In addition, the TBA requested \$30,750.92, which is an equal share for the racetracks and horsemen's organizations, to go towards the 2021 New Jersey-bred incentive program.

Executive Director Nason explained that the committee found, and recommends that the Commission find, that all three horsemen's organizations have identified projects that are beneficial to the horse racing industry. She explained that the committee recommends that the remaining 20% (\$36,901.11) of the CSSF monies be divided equally by breed. She stated that this distribution is consistent with what the Commission has done in prior years.

Executive Director Nason explained that the committee recommends that the Commission distribute \$18,450.55 to the SBOA; \$9,225.28 to the THA; and \$9,225.28 to the TBA. The committee recommends that the Commission determine that the SBOA shall use \$15,682.96 for the health benefit program, \$2,214.07 for the Standardbred Retirement Fund and \$553.52 for Horse Rescue United. She explained that the committee recommends that the Commission direct that

the monies distributed to the NJTHA shall be used to fund the health, dental, prescription and eyeglass benefit programs identified in the THA's submission and direct that the monies distributed to the TBA shall be used for its 2021 New Jersey-bred incentive program.

Executive Director Nason stated if the Commission agrees with these recommendations, no monies would remain for distribution pursuant N.J.S.A. 5:12-205(d)(4), the last category, which is all racetracks on an equal basis.

Executive Director Nason then asked Chairman Clyne, Commissioner Keegan and Commissioner Tomaro if she accurately summarized the committee's determinations, findings and recommendations. Chairman Clyne, Commissioner Keegan and Commissioner Tomaro concurred that the Executive Director accurately summarized the committee's determinations, findings, recommendations and thanked Deputy Director John Tomasello for his assistance with the committee.

Executive Director Nason summarized, once again, the committee's recommendations as to how the CSSF monies should be distributed to each racetrack and horsemen's organization.

Commissioner Keegan made a motion to adopt the findings of the CSSF Committee and to distribute the CSSF monies accumulated in 2020 as recommended by the committee. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

CONSIDER APPROVAL OF THE 2022 BACKSTRETCH ADVISORY COMMITTEE BUDGET.

Executive Director Nason explained that N.J.S.A. 5:5-44.8 creates a Backstretch Benevolency Programs Fund, which is funded by designated charity race days and monetary penalties imposed by the Commission for statutory and regulatory violations. In addition, the NJTHA and SBOA both provide financial assistance to the Program which is used to promote the health, safety and welfare of backstretch employees.

She explained that the Backstretch Advisory Committee met by telephone on November 4, 2021 and voted to approve a 2022 budget for submission to the Commission. The proposed budget is \$197,225, which is a \$10,000 increase over 2020 and 2021. This is a 5.3% increase as compared to the 2021 budget. The proposed increase results from a rise in consulting fees for the professional services to be offered.

Executive Director Nason explained that the Backstretch Benevolency Program provides extremely worthwhile programs and services to backstretch employees, which include counseling, health clinics, screenings and educational programs. In 2021, the program hosted 20 full medical clinics, 8 mobile health screenings, and 4 flu shot clinics as well as working closely with Centra State Medical Center in securing supplies and medical staff necessary for more than 1,000 backstretch workers to be vaccinated against COVID-19.

In addition, she pointed out that the NJTHA and SBOA continue to provide financial assistance to help offset the expenses of the backstretch programs. Executive Director Nason

explained that staff recommend approval of the 2022 budget totaling \$197,225 and recommend equal quarterly payments of \$49,306.25 be made starting on or about January 1, 2022.

Commissioner Vetrano made a motion to approve the budget with equal quarterly payments starting on or about January 1, 2021. Commissioner DeMarzo seconded the motion and all of the Commissioners voted yes.

CONSIDER THE APPROVAL OF THE 2021 BUDGET FOR THE STANDARD BRED BREEDERS AND OWNERS ASSOCIATION OF NEW JERSEY.

The Executive Director explained that the SBOA submitted a 2021 budget. The budgeted income for 2021 is \$2,324,500 which is \$25,000 higher than its 2020 budget. The SBOA anticipates that \$1,712,950 will be dedicated to benevolent programs. This works out to be 73.69% of its funding, which exceeds the 70% minimum required by N.J.A.C. 13:71-1.25(g) by \$87,800.

Commissioner Vetrano made a motion to approve the budget with equal quarterly payments starting on or about January 1, 2022. Commissioner Arnone seconded the motion and all of the Commissioners voted yes.

CONSIDER THE REQUEST OF FREEHOLD RACEWAY AND NMR FOR A WAIVER OF N.J.A.C. 13:71-16.5 IN 2022 TO ALLOW THE UNCOUPLING OF HORSES WITH COMMON OWNERS OR TRAINERS.

Executive Director Nason explained that on November 2nd, the Commission received a written request from Freehold Raceway asking that the Commission continue to waive the standardbred coupling rule for 2022 to allow separate betting interests in the case of common ownership or a common trainer. Noting that the Commission waived this rule in 2019, 2020 and 2021 on an experimental basis, General Manager Howard Bruno reported positive results from the past waivers. Mr. Bruno indicated that the separate betting interests lead to more wagering options and a higher handle, pointing out that coupled entries often create heavy favorites and lower handle. NMR has joined in this request.

Executive Director Nason explained that the requests for a waiver are made pursuant to N.J.A.C. 13:71-1.34(b) which states, in part, that the Commission may grant a waiver if it determines "that such a waiver will benefit the horse racing industry in this State." Both racetracks have reported positive results. She explained that staff are not aware of any negative impact from the prior waivers of the coupling rule. The Commission may decide to waive the coupling rule if it determines that the waiver will benefit horse racing in this State. The Executive Director asked the Commissioners if they decide to waive the coupling rule for 2022 and that they also consider granting her the authority, as they have done in prior years, to terminate the waiver if any problems arrive.

Executive Director Nason reported that staff have drafted proposed amendments to both the standardbred and thoroughbred coupling rules, which are proceeding through the required review process. In addition, she reported that staff anticipate that the draft proposals will be ready for the Commission's consideration at the January meeting.

Commissioner Vetrano inquired as to whether or not the Commission has data to support the proposed waiver benefits to the horseracing industry. Executive Director Nason stated that the racetracks have reported more wagering interest, which results in a higher handle. She added that the NJRC's judges have not noticed any problems with integrity and explained that the Commission's rules authorize the judges to impose penalties should one horse with common interests be used to the tactical advantage of another horse that shares those interests.

Commissioner Keegan made a motion to waive the coupling rule for the 2022 at Freehold Raceway and NMR and to allow for the uncoupling of common trainers and common ownership interests. He included in this motion the provision to grant the Executive Director the authority to terminate the waiver if she believes it is warranted. Commissioner Arnone seconded the motion and all of the Commissioners voted yes.

CONSIDER THE SETTLEMENT AGREEMENT IN THE MATTER OF STEVE KLESARIS V. NEW JERSEY RACING COMMISSION, OAL DOCKET NO. RAC 14932-2017.

Executive Director Nason explained that on May 28, 2017, the horse "Spectacular Me", trained by Steve Klesaris, finished second in the eighth race at Monmouth Park. Post-race testing discovered the presence of dextrorphan, which was confirmed by split sample testing. The Board of Stewards conducted a hearing on September 10, 2017 and imposed a 15-day suspension, \$500 fine, disqualified the horse and ordered loss of purse for violation of N.J.A.C. 13:70-14A.1, 14A.6 and 20.7. She further explained that on September 26, 2017, Petitioner appealed the decision and the matter was transmitted to the Office of Administrative Law.

Counsel for the parties have negotiated a proposed settlement agreement. Pursuant to the proposed settlement, Petitioner would serve a 7-day suspension, pay a \$500 fine, forfeit the purse money and withdraw the appeal. Petitioner would have a record of violating N.J.A.C. 13:70-14A.1, 14A.6 and 20.7. The Executive Director stated that staff recommend approval of the proposed settlement agreement.

Chairman Clyne moved that the Commission approve the settlement agreement. Commissioner Arnone seconded the motion and all Commissioners voted yes.

CONSIDER PROPOSED AMENDMENTS TO N.J.A.C. 13:74A-1.1, 2.1, 2.2, 3.1, 4.1, 4.2, 5.1, 5.2, 6.1 AND 6.2 TO EXTEND THE SELF-EXCLUSION RULES TO APPLY TO FIXED ODDS WAGERING.

Executive Director Nason explained that the rules in N.J.A.C. 13:74A, allow persons who perceive themselves to be problem gamblers to request that their names be placed on the Commission's self-exclusion list. She explained that a person whose name is on the list is prohibited from placing pari-mutuel wagers on horse racing in person at the racetracks and OTWs and through the account wagering system.

The Executive Director explained that on August 5, 2021, Governor Murphy approved the Fixed Odds Wagering Act, which will be codified at N.J.S.A. 5:5-190 et seq. "Fixed odds wagering" is "a form of horse racing wagering against odds offered by a bookmaker in which

account holders may lock in their odds when the bet is first placed and no fluctuation in potential payout may occur.” She explained that the Fixed Odds Wagering Act requires that the Commission amend the self-exclusion rules to apply to persons who wish to exclude themselves voluntarily from fixed odds wagering. Fixed-odds wagering will be regulated by the Division of Gaming Enforcement.

Executive Director Nason explained that staff have drafted proposed amendments which extend the self-exclusion rules to apply to fixed odds wagering and the fixed odds wagering licensee. If the proposed amendments are eventually adopted, persons would be able to choose to be excluded from placing fixed odds wagers at the racetracks, OTWs and through an account with the fixed odds wagering licensee.

The Executive Director noted that staff recommend that the Commission approve the publication of the proposed amendments for public comment.

Commissioner Tomaro motioned to approve the draft Notice of Proposal. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

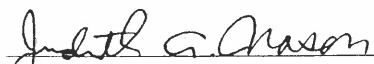
ITEMS FOR DISCUSSION AND INFORMATION

Executive Director Nason indicated that Part A of the formal agenda is concluded and stated Part B contains items for discussion and information.

The Executive Director announced that the list of the 2022 Commission meeting dates are available. The Commission will meet on January 26th, March 23rd, May 18th, July 20th, September 21st and November 16th. The Executive Director acknowledged the availability of the breakdown of New Jersey wagering on the 2021 Preakness Day and the 2021 Breeders’ Cup on November 5th and 6th. In addition, she stated that the Commission acknowledges receipt of the Consolidated Financial Statements and Independent Auditor’s Report for Darby Development, LLC and Affiliate for 2020.

Executive Director Nason then opened the phone line and asked if anyone had any new business to discuss. Hearing none, Commissioner DeMarzo moved to adjourn the meeting. Chairman Clyne seconded the motion and all of the Commissioners voted yes.

ATTEST:


Judith A. Nason, Executive Director