

**NEW JERSEY RACING COMMISSION
WEDNESDAY, NOVEMBER 16, 2011
RACING COMMISSION OFFICE
140 EAST FRONT STREET, FOURTH FLOOR
TRENTON, NEW JERSEY**

A telephonic meeting of the New Jersey Racing Commission was held on Wednesday, November 16, 2011, in the Racing Commission office located at 140 East Front Street, in Trenton, New Jersey.

The following were present:

Dennis A. Drazin, Chairman
Manny E. Aponte, Commissioner
Peter J. Cofrancesco, III, Commissioner
Francis X. Keegan, Jr., Commissioner
Frank Zanzuccki, Executive Director
DAG Judith A. Nason

The following were absent:

Anthony T. Abbatiello, Commissioner
Anthony R. Caputo, Commissioner

It was noted that this meeting is being conducted by telephone. A roll call of those individuals participating by phone indicated the presence of: Chairman Drazin, Commissioners Aponte, Cofrancesco and Keegan, along with DAG Judith Nason. In attendance in the Commission's Trenton office were Executive Director Zanzuccki, Deputy Director Vukceovich and staff, and members of the public.

Executive Director Frank Zanzuccki read the following statement:

“This meeting today conforms with Chapter 231, P.L. 1975, called the “Open Public Meeting Law,” 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:

Legal advice concerning the proposed to be amended, adopted or readopted rules N.J.A.C. 13:74-1.1, 1.2, 2.1, 2.2, 2.3 and 2.4 (Off-Track Wagering and Account Wagering);

Legal advice concerning the matter of Andrea Hill v. NJRC; and

Other legal advice and/or status of pending litigation.

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 her ethical duties as a lawyer and/or matters involving pending or anticipated litigation."

The Executive Director announced for the record that the Commission will be considering only agenda item Nos. 1, 2, 3 and 4 and item Nos. 15, 16, 17 and 18. Agenda item Nos. 5 through and including No. 14 cannot be dealt with due to a lack of quorum concerning those issues.

The Commission ended the execution session and Chairman Drazin moved to reconvene the public session. Commissioner Keegan seconded the motion and the Commission concurring, the public session resumed.

CONSIDER APPROVAL OF THE MINUTES OF THE PUBLIC AND EXECUTIVE SESSIONS OF THE OCTOBER 7, 2011 COMMISSION MEETING

Chairman Drazin motioned to approve the public and executive session minutes of the October 7, 2011 meeting. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE BILLS

Chairman Drazin made a motion to approve the bills as certified to by staff. Commissioner Keegan seconded the motion and all Commissioners voted to approve the bills as certified to by staff.

CONSIDER A RESOLUTION HONORING COMMISSIONER NOEL LOVE GROSS

Executive Director Zanzuccki read the following Resolution:

WHEREAS, Noel Love Gross served as the “Chairman” of the New Jersey Racing Commission from April, 1994 to January, 2002 and continued to serve as a Commissioner for a total of 17 years through July 2011, and;

WHEREAS, Noel Love Gross was instrumental, during her 8 years as “Chairman,” by advancing many innovative policies that helped to insure the integrity and safety of horse racing, such as the creation of the country’s first blood gas testing and TC02 testing programs, requiring the use of safety vests in both thoroughbred and standardbred racing, the establishment of “The Task Force on Integrity” which included interviewing more than 900 standardbred trainers and industry stakeholders to assist in the development of effective strategies to regulate racing, and;

WHEREAS, Noel Love Gross declared her concern and passion for the welfare of horses at every opportunity and in 1995 established the first “Racehorse Abuse Hotline” to encourage people with information to report anonymously, if they so desired, any mistreatment or abuse of horses to the Racing Commission investigators, and;

WHEREAS, during her tenure as Chairman, Noel Love Gross presided over the industry during the passage of several pieces of “landmark” legislation designed to enhance the economic environment of racing which included the Off-Track and Account Wagering Act, the creation of the New Jersey Horse Racing Industry Compensation Board and legislation that provided funding for backstretch employees, and;

WHEREAS, Noel Love Gross earned the respect and admiration of the racing community for her integrity and effective leadership, and;

NOW, THEREFORE, BE IT RESOLVED, that the members and staff of the New Jersey Racing Commission pay tribute to Noel Love Gross for her outstanding contributions and dedicated service to the horse racing industry and,

BE IT FURTHER RESOLVED, that this resolution be made part of the minutes of the New Jersey Racing Commission and a suitable copy, signed by the members of the Commission, be presented to Noel Love Gross in further appreciation of her efforts on behalf of the Governor and citizens of the State of New Jersey.

Chairman Drazin complimented Commissioner Gross on her years of service and motioned to approve the resolution. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER A REQUEST OF THE BACKSTRETCH ADVISORY BOARD FOR APPROVAL OF THE 2012 BACKSTRETCH PROGRAM BUDGET

The Executive Director indicated that the Backstretch Advisory budget as recommended by the Committee is for a total of \$169,499 which presents a decrease of approximately \$21,000 from last year's request. The reduction is a direct result of the Meadowlands closing its stable area and the elimination of the standardbred chaplaincy program. It was noted for the record that the program is functioning very efficiently and several accomplishments that occurred in 2011 included the loss prevention program that resulted in reduced injuries, the expansion of a mandatory orientation session for all stable employees to include safety matters, random breathalyzer testing conducted on exercise riders at Monmouth Park and more effective screening of those seeking licensure as an exercise rider.

The Executive Director credited the Backstretch Program, specifically Dr. Samaha, Chaplain Rodriquez and Mike Musto of the Thoroughbred Horsemen's Association, for their efforts in aiding the horsemen and backstretch employees in dealing with Hurricane Irene which occurred this past summer. The individuals did an outstanding job in insuring the safety of the employees as well as the horses in a short period of time.

A discussion occurred concerning funding of the backstretch program. Executive Director Zanzuccki indicated that funding is a concern, however, there will be adequate funds to cover the budget. Ideally, the program would seek to begin the year with the total amount of money to cover the calendar year, however, there will be money generated by the end of the year to fund the budget fully. In the future, the Backstretch Program anticipates expanding some of the programs, therefore, additional revenue will be sought to fund those programs.

Chairman Drazin moved to approve the budget. Commissioner Keegan seconded the motion.

Commissioner Aponte asked questions pertaining to the consulting fees and scholarship funding as they relate to the backstretch budget. Having been satisfied with a response by staff to those questions, a roll call of the Commissioners was taken which revealed that all Commissioners voted yes to approve the budget.

CONSIDER THE PROPOSED TO BE AMENDED, ADOPTED OR READOPTED RULES N.J.A.C. 13:74-1.1, 1.2, 2.1, 2.2, 2.3, 2.4 (OFF-TRACK AND ACCOUNT WAGERING)

Pursuant to a special adoption procedure authorized by the Legislature, the rule amendments and new rules were deemed adopted upon filing by the Commission on May 20, 2011. The Commission was not required at that time to propose the amendments and new rules for comment, respond to any comments, and formally adopt the rules in accordance with the Administrative Procedure Act. The specially adopted rules, as stated in the Legislature, are valid for a period not to exceed 180 days after adoption. The amendments and rules expire today November 16, 2011 and the Commission must propose these rules as mandated by the Administrative Procedure Act.

The Executive Director read the following proposed motion:

Motion to approve the proposal to readopt the special adoption of amendments and new rules applicable to off-track wagering and direct staff to prepare the necessary paperwork for the OAL.

Chairman Drazin moved to approve the motion. Commissioner Cofrancesco seconded the motion and all Commissioners voted yes.

ANDREA HILL V. NJRC, OAL DOCKET NO. RAC 11662-2009N

The Racing Commission is in receipt of an OAL Initial Decision in which the ALJ concluded that the horse "Jeremy's Successor" failed to comply with the requirements of N.J.A.C. 13:71-23.15 prior to entering and winning the race on June 13, 2009 conducted at the Meadowlands Racetrack, and ordered that the horse be disqualified from his win and that the purse be redistributed. The ALJ further concluded that the petitioner's appeal be dismissed. Chairman Drazin moved to accept the Initial Decision. Commissioner Keegan seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF THE NEW JERSEY RACING COMMISSION PROGRAM BUDGETS FOR FY 2012

Executive Director Zanzuccki noted that the total budget for Fiscal Year 2012 is estimated to be \$7,692,841, which represents under a \$2 million reduction from the previous year due to staff reductions that occurred in November. The projected budget represents a 20 percent reduction from the previous year and it is anticipated that as a result of staff reductions in a full calendar period, the impact on the budget will be approximately \$2.5 million dollars less than in the prior fiscal year. The Executive Director indicated that there will be another \$200,000 reduction in regulatory costs realized by the industry as a result of the decision by the State Police to fund personnel assigned to the Integrity Unit. Therefore, a total savings of approximately \$2,145,978 is projected during the current fiscal year.

The Executive Director provided an update on the status of the bidding process concerning the laboratory testing services. In connection with drug testing services, it was noted there are some reductions estimated in the budget concerning laboratory costs because of reduced racing days, however, there may be further reductions realized in future years if a bid is accepted and a contract is entered into which can reduce the costs further.

A discussion occurred regarding mechanisms implemented for regulatory funding. The Executive Director indicated it is the intention of the Racing Commission to issue billings consistent with the law to the licensed entities responsible, in conjunction with the assistance of the Attorney General's office.

Chairman Drazin motioned to approve the program budgets for Fiscal Year 2012. Commission Keegan seconded the motion.

Commissioner Aponte posed a question concerning a 19.8 percent increase in licensing costs. The Executive Director indicated he will have to get back to the Commissioner on what has caused the increase.

Chairman Drazin amended his motion to approve the budget, with the exception of the cost associated under licensing of \$912,884, and requested that additional information be provided regarding this item at a future meeting. Commissioner Keegan seconded the motion and all Commissioners voted yes.

ITEMS FOR DISCUSSION AND INFORMATION

The Executive Director noted that meeting dates for 2012 have been proposed. Chairman Drazin indicated he will be unavailable on the January date and asked that the meeting date be moved back one week

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

ATTEST:



Executive Director Frank Zanzucchi