

**NEW JERSEY RACING COMMISSION  
WEDNESDAY, MARCH 19, 2014  
“RENAISSANCE DINING ROOM”  
FREEHOLD RACEWAY  
FREEHOLD, NEW JERSEY**

A meeting of the New Jersey Racing Commission was held on Wednesday, March 19, 2014, in the Renaissance Dining Room, located at Freehold Raceway, Freehold, New Jersey.

The following were present:

Anthony T. Abbatiello, Commissioner  
Michael J. Arnone, Commissioner  
Pamela J. Clyne, Commissioner  
Peter J. Cofrancesco, III, Commissioner  
Anthony G. DePaola, Commissioner  
Francis X. Keegan, Jr., Commissioner  
Peter T. Roselle, Commissioner (by phone)  
Frank Zanzuccki, Executive Director  
DAG Judith A. Nason

The following were absent:

Manny E. Aponte, Commissioner  
Anthony R. Caputo, Commissioner

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:

1. Legal advice concerning the approval of the Thoroughbred Breeders' Association of New Jersey 2014 budget;
2. Legal advice concerning the approval of the New Jersey Thoroughbred Horsemen's Association's 2014 budget;
3. Legal advice concerning the approval of the Standardbred Breeders' and Owners' Association of New Jersey 2014 budget;
4. Legal advice concerning the approval of the New Jersey Jockey's Health and Welfare Trust 2014 budget;
5. Legal advice concerning the approval of the Racing Commission's 2014 budget;
6. Legal advice concerning the advertisement of proposed amendments to N.J.A.C. 13:70-14A and N.J.A.C. 13:71-23 (Medication and Testing Procedures);
7. Legal advice concerning the ratification, revision or modification of the April 14, 2014 deadline for submission of petitions from permit holders to continue to make progress on an annual basis on establishing an off-track wagering facility within their share in accordance with N.J.S.A. 5:5-130;
8. Legal advice concerning the Notice of Return-Failure to Appear involving Victor Santiago v. New Jersey Racing Commission, OAL Docket No. RAC 13532-2013S; and
9. 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."

It was noted that Commissioner Roselle is participating by telephone.

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

The Commission ended the execution session and Commissioner DePaola 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 JANUARY 15, 2014 COMMISSION MEETING

Commissioner Abbatiello made a motion to approve the public and executive minutes of the January 15, 2014 public meeting. Commissioner Arnone seconded the motion and all Commissioners voted yes.

CONSIDER ADOPTION OF A RESOLUTION RECOGNIZING PROBLEM GAMBLING AWARENESS MONTH

Commissioner Clyne read the following resolution into the record:

WHEREAS, Governor Chris Christie has issued a Proclamation recognizing March 2014 as Problem Gambling Awareness Month, and;

WHEREAS, The New Jersey Racing Commission is cognizant of the need for education, treatment and prevention of Compulsive Gambling, and;

WHEREAS, Compulsive Gambling has recently been identified as a behavioral addiction by Diagnostic and Statistical Manual of Mental Disorders, and;

WHEREAS, Gambling opportunities in this State have recently been expanded to include on-line casino gambling, and;

WHEREAS, The Racing Industry fully supports gambling addiction awareness efforts through posting of educational materials at their facilities and in their racing programs and reference to 1-800-gambler contact on their web sites, and;

WHEREAS, The Racing Industry has given financial support to Gambling Addiction Programs having donated over \$2.2 million to date, and;

WHEREAS, The Commission and Gaming Enforcement have agreed to cross accept each agency's applications, including the recent addition of online gambling, for inclusion on a self exclusion list thus expanding locations for the convenience of the applicant, and;

WHEREAS, The Racing Commission will continue to work with the Council on Compulsive Gambling of New Jersey to provide assistance in combating this addiction including participation in a focus group of gaming regulators to identify priorities and programs, and;

NOW THEREFORE, BE IT RESOLVED that the members of the New Jersey Racing Commission, on behalf of all its members past and present and the citizens which it serves, recognize the need for education, prevention, and treatment of Compulsive Gambling Addiction and pledge to continue its support of programs dedicated to these efforts.

BE IT FURTHER RESOLVED, that this resolution be spread upon the permanent records of the New Jersey Racing Commission.

Commissioner Keegan seconded the motion and all Commissioners voted yes.

**CONSIDER RATIFICATION OF THE APPROVAL GRANTED CONCERNING THE FOLLOWING HANDICAPPING CONTESTS:**

- a) Monmouth Park Racetrack:
  - 2014 Simulcast Series Challenge on Sunday, February 16, 2014.
  - 2014 Simulcast Series Challenge on Saturday, March 15, 2014.
  
- b) New Meadowlands Racetrack:
  - \$400 Harness Handicapping Contest on Saturday, February 22, 2014.

- c) Favorites at Woodbridge:
  - 2014 Series of Handicapping Challenges on Sunday, February 23, 2014.
  - 2014 Series of Handicapping Challenges on Sunday, April 6, 2014.
- d) Request of Borgata Hotel Casino and Spa to conduct the second of four handicapping contests in a four-part series on Saturday, March 8, 2014.

Commissioner Clyne motioned to ratify the approval granted to conducted the noted handicapping contests. Commissioner DePaola seconded the motion. A discussion occurred regarding the timing of the contests and whether there was a way in which the requests can be considered to coincide with scheduled Commission meetings. Mr. William Knauf of Monmouth Park responded that efforts are made to coordinate handicapping contests in the regional area, however, it is very difficult to determine these contests months in advance of a public meeting. The Executive Director stated that the handicapping approvals are granted consistent with the requirements of the regulations and are conditionally granted to ensure the permit holders are not offering a contest in violation of the Racing Act. The Commissioners were in agreement to that this procedure continue. A roll call of the Commissioners indicated that all Commissioners voted yes to approve the contests.

**CONSIDER THE REQUEST OF MONMOUTH PARK TO CONDUCT A SIMULCAST SERIES CHALLENGE HANDICAPPING CONTEST ON SATURDAY, APRIL 5, 2014**

Commissioner Keegan motioned to approved the request of Monmouth Park to conduct the April 5, 2014 handicapping contest. Commissioner Clyne seconded the motion and all Commissioners voted yes.

**CONSIDER THE REQUEST OF THE NEW MEADOWLANDS RACETRACK TO CONDUCT THE WORLD HARNESS HANDICAPPING CHAMPIONSHIP FINAL ON SATURDAY, APRIL 19, 2014**

Commissioner Keegan motioned to approved the request of the New Meadowlands Racetrack to conduct the April 19, 2014 handicapping contest. Commissioner DePaola seconded the motion and all Commissioners voted yes.

CONSIDER THE RATIFICATION OF THE APPROVAL GRANTED TO THE NEW MEADOWLANDS RACETRACK TO ADD LIVE RACING DATES ON MARCH 13, 2014 AND MARCH 20, 2014 TO REPLACE THE TWO SCHEDULED RACING DATES ON JANUARY 2, 2014 AND FEBRUARY 13, 2014 THAT WERE CANCELLED DUE TO INCLEMENT WEATHER

Executive Director Zanzuccki noted that the Commission is in receipt of approval from the New Jersey standardbred horsemen's association for the racetrack to reschedule live race dates. Commissioner Keegan made a motion to ratify approval granted to the New Meadowlands Racetrack to add March 13 and March 20 as live dates to replace the cancelled dates of January 2 and February 13. Commissioner Arnone seconded the motion and all Commissioners voted yes.

CONSIDER RATIFICATION OF THE APPROVAL GRANTED TO FREEHOLD RACEWAY TO ADD LIVE RACING DATES ON MONDAYS - FEBRUARY 24, MARCH 3 AND MARCH 10, 2014 TO REPLACE 3 SCHEDULED RACING DATES ON JANUARY 3, 11 AND FEBRUARY 13, 2014 THAT WERE CANCELLED DUE TO INCLEMENT WEATHER

The Executive Director noted that the Commission is in receipt of approval from the New Jersey standardbred horsemen's association in regard to the rescheduled live dates. Commissioner Keegan motioned to ratify approval granted to Freehold Raceway to add February 24, March 3 and March 10 as live dates to replace the cancelled dates of January 3, January 11 and February 13. Commissioner Clyne seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF OFFICIALS, POOLS, POST-TIMES, ETC. FOR ATLANTIC CITY RACING ASSOCIATION'S 2014 MEET

Commissioner Abbatiello motioned to approve the 2014 race format as submitted by Atlantic City Race Course. Commissioner Clyne seconded the motion and all Commissioners voted yes.

CONSIDER APPROVAL OF OFFICIALS, POOLS, POST-TIMES, ETC. FOR MONMOUTH PARK'S 2014 MEET

Commissioner Keegan motioned to approve the 2014 race format as submitted by Monmouth Park. Commissioner Arnone seconded the motion and all Commissioners voted yes.

CONSIDER THE REQUEST OF THE BORGATA HOTEL CASINO & SPA TO ENTER INTO AN AGREEMENT (WHICH MAY CALL FOR THE PAYMENT OF NOT MORE THAN 9 PERCENT OF THE CASINO PARI-MUTUEL POOL TO THE SENDING TRACK) TO RECEIVE THE SIGNAL OF THE FOLLOWING RACES PURSUANT TO N.J.S.A. 5:12-201B:

- 8 percent for the Wood Memorial from Adqueduct Racetrack on April 5, 2014
- 9 percent for the Kentucky Oaks from Churchill Downs on May 2, 2014
- 9 percent for the Kentucky Derby from Churchill Downs on May 3, 2014
- 9 percent for the Preakness from Pimlico Race Course on May 17, 2014
- 8 percent for the Belmont Stakes from Belmont Park on June 7, 2014
- 8 percent for the Travers Stakes from Saratoga on August 23, 2014.

Commissioner Abbatiello motioned to approve the Borgata's receipt of the noted races. Commissioner Clyne seconded the motion and all Commissioners voted yes.

#### CONSIDER APPROVAL OF THE THOROUGHBRED BREEDERS' ASSOCIATION OF NEW JERSEY'S 2014 BUDGET

Executive Director Zanzuccki noted that a revised budget was handed out to the Commission prior to today's meeting which concerns a minor revision in a rent expense item. The Executive Director stated that the budget remains the same with a total budget for 2014 of \$208,205 which represents a decrease from the prior year budget and a decrease from the prior year's expenditures. The TBA is anticipating in-house revenue of \$22,040 thus when netted against the projected expenses, the TBA will need to utilize \$186,165 from the Breeders' Award revenue and this represents a decline from last year's budget. The Executive Director stated that staff has reviewed the budget and recommends approval of the budget as amended.

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

#### CONSIDER APPROVAL OF THE NEW JERSEY THOROUGHBRED HORSEMEN ASSOCIATION'S 2014 BUDGET

Executive Director Zanzuccki explained that the Commission is considering two budgets—the 2.9 percent statutory budget and the public purpose budget. The Executive Director explained that the 2.9 budget anticipates expenditures in 2014 to be \$906,370 which represents a decrease in the prior year budget and a decrease in the prior year's actual expenditures. The Executive Director continued that based upon the regulation which

governs this budget, it appears that more than 70 percent of the statutory amount, which is, \$789,000, will be spent on approved programs; however, the THA is projecting a deficit of \$117,370 which is said to be funded from balances on account in the organization.

The Executive Director questioned Michael Musto as to what account the unfunded balance of \$117,370 will be deducted. Mr. Musto replied the money will come from \$135,000 currently with the Commission and an additional \$60,000 from budgeted savings.

Commissioner DePaola motioned to approve the 2.9 percent statutory budget. Commissioner Keegan seconded the motion and all Commissioners voted yes.

The Commission then considered the public purpose budget in which the THA receives an additional six-hundreds of one percent from the wagering handle which is estimated to be \$156,000 in 2014. The Executive Director stated that the THA anticipates spending all of this money in three categories: political contributions; government relations and legislative; and THA national dues. The Executive Director informed the Commissioners that a Judge in the Monmouth County Chancery Division interpreted a 2005 Settlement Agreement entered in NJRC v. NJ THA as permitting the THA's use of public purpose monies for political contributions as well as other governmental and legislative relations. The Executive Director also noted that the Commission has previously approved the payment of dues to the national horsemen's association, which provides New Jersey horsemen with information about the racing industry across the country, from the public purpose budget. The Executive Director indicated that staff recommends approval of the budget.

Commissioner Clyne motioned to approve the public purpose budget. Commissioner Keegan seconded the motion and all Commissioners voted yes.

#### CONSIDER APPROVAL OF THE STANDARD BRED BREEDERS' & OWNERS' ASSOCIATION'S 2014 BUDGET

It was noted for the record that Commissioner Roselle is recused from this matter. The Executive Director stated that staff is recommending that this matter be tabled pending completion of an ongoing investigation. Commissioner DePaola motioned to table the item. Commissioner Arnone seconded the motion and all Commissioners voted yes with the exception of Commissioner Roselle who was recused.

CONSIDER APPROVAL OF THE NEW JERSEY JOCKEY'S HEALTH AND WELFARE TRUST'S 2014 BUDGET

Executive Director Zanzuccki stated that pursuant to statute, an amount of breakage from uncashed ticket revenue up to \$150,000 from off-track wagering and account wagering on out-of-state races is generated to be used for the New Jersey Jockey's Health and Welfare Trust Fund. He stated that the 2014 budget estimates expenditures of \$221,216.94 which represents a significant reduction in the prior year budget which was over \$321,000. Much of the reduction is attributed to a decrease in the number of active and retired jockeys and a modification to the plan and eligibility requirements of the plan. The Executive Director explained that the trust also projects contributions from enrollments in the amount of \$74,785, in addition to the \$150,000, which totals \$224,000 and results in a surplus of approximately \$3,500. This surplus may also increase depending on the retirement of an active jockey, which will result in a further savings and will reflect a surplus of \$10,000. The Executive Director stated that staff recommends approval of the budget.

Commissioner Abbatiello question whether New Jersey jockeys and trainers are covered by worker's compensation insurance. The Executive Director replied that jockeys, exercise riders, and thoroughbred trainers' employees are covered by the New Jersey Horse Racing Injury Compensation Board policy.

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

CONSIDER APPROVAL OF THE RACING COMMISSION'S 2014 BUDGET

Executive Director Zanzuccki noted that the budget concerns Fiscal Year 2015 and contains a projected total amount of \$7,760,882 which represents approximately a \$510,000 net decrease from the prior year budget due to a savings from privatization of the laboratory testing costs. The Executive Director stated that there is a decrease in the budget despite an increase in the fringe benefit rate expense for employees that increased from 37.8 percent to 43 percent; costs due to the relocation of the Commission offices amounting to \$160,000; and litigation costs associated with sports gambling of approximately \$375,000.

Commissioner Abbatiello motioned to approve the Commission's budget. Commissioner Keegan seconded the motion and all Commissioners voted yes.

**CONSIDER ADVERTISEMENT OF PROPOSED AMENDMENTS TO N.J.A.C. 13:70-14A & N.J.A.C. 13:71-23 (MEDICATION AND TESTING PROCEDURES)**

Executive Director Zanzuccki stated that staff is recommending that this matter be tabled pending further review. Commissioner DePaola motioned to table the item. Commissioner Keegan seconded the motion and all Commissioners voted yes.

The Executive Director announced that the Medication and Testing Committee, comprised of Commissioner Clyne and Commissioner Keegan, met last month with industry representatives from both race breeds to discuss the proposed changes to the medication rules. He stated that the meeting was very productive and the committee should be commended for their efforts. Commissioner DePaolo thanked the committee and complimented them on their fine job.

**CONSIDER RATIFICATION, REVISION OR MODIFICATION OF THE APRIL 14, 2014 DEADLINE FOR SUBMISSION OF PETITIONS FROM PERMIT HOLDERS TO CONTINUE TO MAKE PROGRESS ON AN ANNUAL BASIS IN ESTABLISHING AN OFF-TRACK WAGERING FACILITY WITHIN THEIR SHARE IN ACCORDANCE WITH N.J.S.A. 5:5-130**

Commissioner Keegan made a motion to ratify the April 14, 2014 deadline for submission of petitions from permit holders to continue to make progress on an annual basis in establishing an off-track wagering facility. Commissioner Arnone seconded the motion and all Commissioners voted yes.

**CONSIDER THE NOTICE OF RETURN-FAILURE TO APPEAR INVOLVING VICTOR SANTIAGO V. NEW JERSEY RACING COMMISSION, OAL DOCKET NO. RAC 13532-2013S**

Commissioner DePaola motioned to impose a three-day suspension on jockey Victor Santiago with the days to be run at a time to be determined by the Executive Director and the matter is to be referred to the State Steward for a determination of a frivolous appeal. Commissioner Clyne seconded the motion and all Commissioners voted yes. The Executive Director stated that it is the policy of the Commission that the dates of the suspension will be imposed at a race meet where the infraction occurred. In this instance, the dates imposed on Victor Santiago will be ordered during the 2014 Monmouth Park meeting.

## AGENDA ITEMS FOR DISCUSSION AND INFORMATION

### Exchange Wagering

Executive Director Zanzuccki provided an update to the industry concerning exchange wagering. He advised that proposed rules have been drafted and are currently being reviewed by legal counsel. Subsequent of that review, the rules will be reviewed by Governor's counsel and once that is completed, the proposed rules will be placed on a future Commission agenda for consideration.

The Executive Director announced that staff is presently developing exchange wagering license application forms for discretionary completion by industry parties and anticipate those forms to be available shortly. It was noted that it is staff's intention that upon receipt of an application, along with a non-refundable fee, to begin the investigation into the principals involved in exchange wagering for the purpose of expediting the process.

### Acknowledge receipt of bi-monthly status report from Monmouth Park

The Executive Director acknowledged receipt of Monmouth Park's bi-monthly status report.

### Financial Statements

The financial statements of the New Jersey THA, the SBOA and the TBA were acknowledged by the Executive Director.

### New Business

Commissioner Abbatiello inquired of the New Jersey SBOA if an amount awarded to the standardbred horsemen from the Casino Simulcasting Special Fund was provided to the standardbred retirement foundation. Thomas Luchento, President of the SBOA replied that \$4,000 from the casino fund and an additional \$1,000 from the horsemen's organization was directed to the foundation.

The Commission called upon representatives of Freehold Raceway to inquire about the status of the Gloucester Township off-track wagering facility. Howard Bruno, General Manager of Freehold Raceway, responded that the facility is expected to be open at the end of May. Executive Director Zanzuccki noted that staff has received a very comprehensive report from Freehold Raceway indicating the same.

The Commission called upon William Knauf, Vice President of Monmouth Park, concerning an initial application filed by the THA regarding an off-track wagering facility to be located in Hillsborough, New Jersey. Mr. Knauf advised that the facility is currently under construction and the remaining details of the application will be finalized in the upcoming week. The Executive Director noted that the Commission received the off-track wagering application late last week and staff has reviewed the document and has informed the applicant of additional items that are required. Following completion of any investigation into the application, a public hearing will be conducted in the municipality of Hillsborough at which time all areas of the application will be addressed.

Commissioner DePaola inquired concerning the status of the pilot program. Mr. Knauf responded that Monmouth Park will resubmit a revised application by the end of next week.

There being no further discussion or comments from the public, Commissioner DePaola moved that the meeting be adjourned subject to the provisions of the "Open Public Meeting Act." Commissioner Cofrancesco seconded the motion and it was approved unanimously.

ATTEST:



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Executive Director Frank Zanzuccki