
Full Commission Meeting
Thursday, January 20, 2022 – 4:00 p.m. CST
Microsoft Teams Meeting ([LINK](#))

AGENDA

- 1) Call to Order
- 2) Roll Call
- 3) Adoption of Agenda
- 4) Approval of Minutes

Committee Reports

- 5) Report from December 29, 2021 Finance Committee Meeting

New Business – Action Items

- 6) Approval of Official Medication Testing Laboratory for 2022
- 7) Request to utilize ADW Regulatory Fees for Commission Laboratory Testing Costs
- 8) Approval of MTA request for 2021 Stallion Auction Incentive Award
- 9) Approval of Additional Racing Steward

New Business – Informational Items

- 10) Status Reports
 - a. Canterbury Park Entertainment
 - b. Running Aces Casino, Hotel, and Racetrack
- 11) Deputy Director's Report
 - a. Licensing Report
 - b. ADW Report
 - c. Other
- 12) Executive Director's Report
 - a. COVID-19 Update
 - b. Legislative Update
 - c. Rulemaking Update
 - d. Contract Approvals
 - i. Running Aces Contract for New Casino Chips
 - ii. Running Aces Contract for Content Management
 - iii. Running Aces Contract for Totalizator Services

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- iv. Running Aces Contract for Scientific Games Blackjack hardware/software
 - e. Other
- 13) MQHRA/MTA/MHRI/MNHBPA Reports
 - 14) Future Meetings
 - a. Thursday, February 17, 2022 – Full Commission Meeting – Location to be determined
 - b. Proposed Meeting Calendar for 2022
 - 15) Closed Session Pursuant to Minn. Stat. 13D.01 subd. 2 (2)
 - a. Quasi-judicial discussion of a disciplinary matter
 - 16) Re-Open Public Meeting
 - 17) Adjourn

The Commission meeting packet may contain not public data pursuant to the Minnesota Government Data Practices Act. Commission staff has marked such data as not public. Please discard the data in a safe and confidential manner. Should you have questions about the classification of any data please contact Commission staff.

Item 4 – Approval of Minutes

MINNESOTA RACING COMMISSION

Full Commission Meeting
Thursday December 16, 2021, 4:00 p.m. CST
Microsoft Teams Meeting

MINUTES

Call to Order:

Agenda Item 1 – First Vice Chair Colombo called the meeting to order at 4:00 p.m. CST

Roll Call:

Agenda Item 2 – Present – First Vice Chair Colombo, Second Vice Chair Johnson, Commissioners Dehn, Erhart, Goodman, Idelkope, and Gingold. A quorum was acknowledged. Chair McArdle was absent for the December 16 meeting but was present for the reconvened meeting on December 28.

Other participants – Steve May (Executive Director, Minnesota Racing Commission), E. Joseph Newton (General Counsel, Minnesota Racing Commission), Andrew Offerman (Vice President of Racing Operations, Canterbury Park), Taro Ito (President/CEO, Running Aces Casino, Hotel, and Racetrack), Steve Carpenito (Director of Racing, Running Aces Casino, Hotel, and Racetrack), Lynn Hovda, DVM (Chief Commission Veterinarian, Minnesota Racing Commission), Bob Schiewe (Deputy Director, Minnesota Racing Commission), Cathy Dessert (Vice President, Minnesota Harness Racing, Inc.), Mike Cronin (Minnesota Horsemen's Benevolent and Protective Association), Cameron Mahlum, (Minnesota Thoroughbred Association).

Adoption of Agenda:

Agenda Item 3 – Executive Director May offered up a new agenda item, 14e to recognize an additional fallen horseman. Commissioner Dehn motioned to approve the amended agenda; Second by Commissioner Johnson; Motion carried.

Approval of Minutes:

Agenda Item 4 – Commissioner Dehn made a motion to approve the minutes, second by Commissioner Goodman; Motion carried.

New Business Action Items:

Agenda Item 5 – Renewal of Class B License – Canterbury Park Entertainment, LLC

Mr. Newton spoke briefly and explained the status of Canterbury Park Entertainment and recommended approval. Motion by Commissioner Goodman to approve the application, Second by Gingold. Motioned passed unanimously on a roll call vote.

Agenda Item 6 – Renewal of Class B License – North Metro Harness Initiative (d/b/a Running Aces Casino and Racetrack)

Mr. Newton spoke on this issue and recommended that the license be renewed. Motion by Erhart to approve renewal, second by Dehn. Motioned passed unanimously on a roll call vote.

Agenda Item 7 - 2022 Live Racing Requests from Canterbury Park Entertainment, LLC

- a. Live Race Day Application
- b. Televised Race Days
- c. Racing Officials

Mr. Offerman spoke on the three matters. He explained the materials in the packet did not format properly but the documents with the SEC had formatted properly. Motion to approve by Commissioner Goodman, second by Gingold. Motioned passed unanimously on a roll call vote.

Agenda Item 8 – 2021 Live Racing Requests from North Metro Harness Initiative (d/b/a Running Aces Casino and Racetrack)

- a. Live Race Day Application
- b. Televised Race Days
- c. Racing Officials

Vice Chair Colombo asked Mr. May if this item should be discussed now or wait. Mr. May recommends waiting as there was notice of concerns with the schedule brought at the last minute. Motion to table by Commissioner Goodman. Second by Johnson. Motioned passed unanimously on a roll call vote.

Agenda Item 9 – Approval of Minnesota Thoroughbred Association Request for Stallion Auction Award Ms. King spoke on the details of this program. Anticipates 18-22 foals and this will be a second season of the program. They asked for \$30,000 from the Commission. The MTA would cover funds over that to make sure everybody gets the incentive who applies. Comments by Mr. Schiewe and Mr. Mahlum supported this plan. Motion to approve by Gingold, second by Commissioner Johnson. Motioned passed unanimously on a roll call vote.

New Business - Informational Items:

Agenda Item 10a– Status Report by Canterbury Park Entertainment - Mr. Offerman gave the status report. He commented on racing dates. Mr. May asked about racing dates shifting in other states. Mr. Offerman answered there has been some shifts. Mr. Sampson offered comments as well.

Agenda Item 10b– Status Report by Running Aces Casino, Hotel and Racetrack - Mr. Ito thanked the commission and apologized for the race days communication problem. Mr. Carpenito gave the status report and commented on racing nights and on racing days in other states. Mr. May commended the good relationship between Cal Expo and Running Aces. Mr. Ito added that the covid protocols will be in place for next racing season.

Agenda Item 11a – Deputy Director’s Licensing Report - Mr. Schiewe gave this report. Mr. Offerman asked about how three-year owner licensing impacted the single year owners license sales. Mr. Schiewe promised to investigate that.

Agenda Item 11b- Deputy Director’s Personnel Update – Mr. Schiewe gave this update.

Agenda Item 11c – Deputy Director’s ADW Report - Mr. Schiewe gave this report and offers comments.

Agenda Item 12a– Executive Director’s COVID-19 Update - Mr. May gave the update and said the commission staff were following mask rules.

Agenda Item 12b– Executive Director’s Legislative Update - Mr. May gave this update. He was grateful to the help from the legislative group.

Agenda Item 12c– Executive Director’s Rulemaking Update - Mr. May spoke on the events of the HISA update symposium. Said the state racing commissions will be responsible for post-race testing through 2022. He spoke at length on multiple issues including financing, testing, laboratories, and possible legislative updates. Commissioner Columbo asked for Mr. May’s opinion on how the Commission should go forward as an agency with these issues. Mr. May said HISA was not required to offer updates until

April of 2022 for financing. Mr. May spoke at length on the questions that are unanswered with HISA going forward.

Agenda Item 12d– Executive Director’s Rule Making Update – Mr. May gave Jeff Kase at the State Revisor’s Office a great deal of credit and thanked the entire rulemaking team.

Agenda Item 12e– Executive Director’s other Update- Vice Chair Columbo thanked the MRC staff and praised Executive Director May and Mr. Newton. Commissioner Johnson asked Mr. May about the total sport revenue pool that exists and wonders what competition the pari-mutuel wagering has with the new types of sports wagering available to the public? Mr. May spoke at length on the answer. Mr. Ito offered comments on fixed odds wagering and commented on sports betting legalities in Minnesota. Mr. May added comments on sports betting and tote companies.

Agenda Item 13 - MQHRA/MTA/MHRI/MNHBPA Reports

MTA – Ms. King spoke for the MTA and wished all happy holidays and comments on how busy they are with the stallion auction.

Minnesota Harness Racing, Inc. – Ms. Dessert offered condolences to Mr. Corey on the loss of his brother and commented on plans for annual awards and upcoming directors’ meetings. Offered words of support for Kentucky who suffered a tornado.

Minnesota Horsemen’s Benevolent and Protective Association – Mr. Cronin praised the upcoming racing schedule and plans to meet with Canterbury Park for new stable designs. Praised “This Old Horse.”

Agenda Item 14 - Tribute to Minnesota Horsepersons

- a. Jay Corey, Standardbred Breeder and Brother of Presiding Judge Bob Corey
- b. Ramiro Flores, Track Superintendent, Canterbury Park
- c. Cliff Owens, Harness Trainer/Driver
- d. Steve Wiseman, Harness Owner/Trainer/Driver
- e. Rodney Pinske, Harness Owner/Trainer
- f. Nat Wess, Racing Executive, Canterbury Park

Many people offered a variety of stories, memories and thoughts of the passed horsemen. The stories were very touching, and the deceased were well memorialized.

Announce Future Meetings:

Agenda Item 15 December 29th at 1 pm a Minnesota Racing Commission Finance Committee Meeting

Motion to Recess by Goodman, 2nd by Commissioner Idelkope. Roll call vote, Dehn did not vote but motion passed.

Meeting reconvened at 4:00 p.m. CST on Tuesday, December 28, 2021

–Commissioner’s present - McArdle, Colombo, Dehn, Erhart, Gingold, Goodman, Idelkope, Johnson,

Agenda Item 6 – Renewal of Class B License – North Metro Harness Initiative (d/b/a Running Aces Casino and Racetrack)- Mr. Newton again spoke on this issue and recommended that they be renewed. Motion by Erhart to approve renewal, Seconded by Dehn. Motioned passed unanimously on a roll call vote.

Agenda Item 8 – 2021 Live Racing Requests from North Metro Harness Initiative (d/b/a Running Aces Casino and Racetrack)

- a. Live Race Day Application

- b. Televised Race Days
- c. Racing Officials

Mr. May explained this item. There was an issue with draw schedule, and it was resolved. Commission staff recommended the approval of these items. Commissioner Erhard motioned to approve; Second by Colombo. Commissioner Dehn asked what transpired since the last meeting, as this seemed to be the same request and documentation as last time. Chair McArdle explained there was a horse safety concern and the timing of the draw raised informational concerns on the horses. Motioned passed unanimously on a roll call vote.

Chair McArdle offered comments for the record on chain of command at the Minnesota Racing Commission and proper communications procedures.

Announce Future Meetings: The next Full Commission Meeting will take place Thursday, January 20th, 2022, 4:00 p.m. CST at a location that is to be determined.

Agenda Item 16 -Adjournment: Motion by Colombo; Second by Dehn. Motion carried. Chair McArdle adjourned the meeting on Tuesday, December 28th, 2021 at 4:27 p.m. CST.

THESE MEETING MINUTES HAVE BEEN APPROVED ON THIS ___ DAY OF 2022 BY A QUORUM OF THE MINNESOTA RACING COMMISSION.

DRAFT

Item 5 –
Report from December
29, 2021 Finance
Committee Meeting

Memorandum

To: Minnesota Racing Commission Members

From: Steve May, Executive Director, Minnesota Racing Commission

Date: January 11, 2022

RE: Report from December 29, 2021 Minnesota Racing Commission Finance Committee Meeting

On Wednesday, December 29, 2021, the Minnesota Racing Commission Finance Committee (“Finance Committee”) met via Microsoft Teams. Commissioners Johnson and Erhart participated in this meeting.

This meeting was conducted primarily in response to a request from Andrew Offerman, Senior Vice President of Racing Operations at Canterbury Park. That request came to the Minnesota Racing Commission (“Commission”) via letter on December 3, 2021¹.

In December 2020 the Commission approved the use of Advance Deposit Wagering (“ADW”) Regulatory Fees to cover 90% of the cost of regulating live racing and simulcasting while billing the racetracks for the remaining 10%. That approval did not include the cost of medical testing as Commission staff was not certain that Minn. Stat. 240.24² allowed for the use of funds to cover medical testing.

The request from Canterbury Park was to amend the allocation of ADW Regulatory Fees to apply the funds to cover “medical testing of horses running at racetracks licensed by the Commission” in same manner as the coverage of other regulatory costs. This request follows changes to Minn. Stat. 240.24³ that were passed in 2021 that clarified that the Commission could bill the racetracks for a portion of the medical testing costs.

The ADW statute states that “fees collected under [Minn. Stat. 240.131] must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.” Minn. Stat. 240.131 Subd. 7. Recovering the costs of medical testing of horse would fall within this statutory allowance of recovering costs associated with regulating horse racing as drug testing is a necessary component of regulation.

¹ 2021-12-03-Andrew Offerman, MRC Finance Committee Meeting Request

² [2020 Minn. Stat. 240.24](#)

³ [2021 Minn. Stat. 240.24](#)

Deputy Director Bob Schiewe prepared a memorandum⁴ in which he estimated the amount of ADW Regulatory Fees available to the Commission at the end of April 2021 after accounting for expected revenues and expenses. After discussing this item and reviewing the memorandum from Deputy Director Schiewe, the Finance Committee **voted to recommend** to the Commission the use of ADW Regulatory Fees to cover 90% of the medical testing costs incurred by the Commission that occurred in calendar year 2021 and in fiscal year 2022. The proposed approval would apply to both Canterbury Park and Running Aces Casino, Hotel, and Racetrack (“Running Aces”). The specific amounts to be incurred by the ADW Regulatory Fees account would be as follows:

- \$108,697.00 of ADW Regulatory Fee funds to cover Laboratory Testing Services incurred in calendar year 2021 for fiscal year 2022 at Canterbury Park; and
- \$57,287.00 of ADW Regulatory Fee funds to cover Laboratory Testing Services incurred in calendar year 2021 for fiscal year 2022 at Running Aces.

Additional discussion on this topic occurred included both Canterbury Park and Running Aces advocating for the Commission to explore any options available to utilize ADW Regulatory Fees to cover the regulatory costs of regulating live racing and simulcasting. Executive Director May cautioned the overuse of these funds, especially without clear guidance and knowledge of the fiscal impact of the implementation of the Horseracing Integrity and Safety Authority (“HISA”) but assured those participating in the meeting that the Commission would always be good stewards of these ADW Regulatory Fees.

Executive Director Steve May briefed the Finance Committee on several additional items, including ADW application revisions, an update on the pari-mutuel wagering rulemaking process, and what is known about the implementation of HISA.

⁴ 2021-12-17-Bob Schiewe, ADW Regulatory Fees Update



December 3, 2021

Mr. Steve May
Executive Director
Minnesota Racing Commission
1100 Canterbury Road
Shakopee, MN 55379

RE: Request for Finance Committee Review 2021 Equine Medical Testing Reimbursements

As a result of the change to Minnesota Statutes §240 relative to equine medical testing reimbursement expenses effective June 30, 2021, Canterbury Park respectfully requests a meeting of the Minnesota Racing Commission's Finance Committee no later than January 2022 to discuss potential changes to the reimbursement of equine medical testing expenses relative to the 2021 live race meet at Canterbury Park.

As I'm certain you recall, this past spring Minnesota Statutes §240 was amended to read as follows:

Subd. 2a. Reimbursement.

Increased expenses related to the use of upgraded drug testing technologies and procedures are deemed to be necessary costs within the meaning of section 240.155 and the commission ~~shall~~ may be reimbursed for these expenses from receipts from card playing activities regulated by the commission.

Subd. 3. Fees.

The commission shall establish by rule a fee or schedule of fees that may be used to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall cover the cost of the medical testing laboratory. Fee receipts shall be deposited in the state treasury and credited to the racing reimbursement account.

Canterbury Park requests that equine medical testing be treated in the same manner as the reimbursement expenses related to Veterinarians and Stewards with 90% of these costs to be covered by the Racing Commission through the use of proceeds in the ADW Regulatory Fee Account.

As has been discussed thoroughly at numerous meetings of the Minnesota Racing Commission, this account has grown substantially both as a result of the 2020 increase in this fee from 1% of ADW handle to 2% of ADW handle and through the extreme growth of ADW handle throughout the pandemic.

Immediately following a final determination by the Commission as to how these expenses shall be allocated, Canterbury Park will be certain to remit payment for outstanding reimbursement invoices as directed by the Commission.

Your consideration of this request is very much appreciated,

A handwritten signature in black ink, appearing to read "Andrew Offerman". The signature is fluid and cursive, with a large initial "A" and "O".

Andrew Offerman
Sr. Vice President of Racing Operations
Canterbury Park Entertainment, LLC

Memorandum

To: Minnesota Racing Commission Finance Committee
From: Bob Schiewe, Deputy Director, Minnesota Racing Commission
Date: December 20, 2021
RE: ADW Regulatory Fees – Status Report

The effective date on which the ADW Regulatory Fee increased from 1% to 2% was May 28, 2020, and from that date to November 30, 2021, the Minnesota Racing Commission (“MRC”) has collected a total of \$1,147,675 in regulatory fees from the “Temporary” 1% fee. This fee is imposed on all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. MRC collected an equal amount of \$1,147,675 from the “Permanent” 1% fee on ADW wagering handle during this same time period.

In the eighteen months ending November 30, 2021 (June 1, 2020 to November 30, 2021) MRC staff collected a total of \$2,295,350 in ADW Regulatory Fees from the 2% fee (1% Permanent fee + 1% Temporary fee) imposed on all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider.

During the same eighteen months, MRC staff withdrew a total of \$1,451,001 from the ADW Regulatory Fees account to fund costs associated with the regulation of live horse racing, costs which normally will have been paid by Canterbury Park and Running Aces as monthly expense reimbursements billed by and paid directly to the State of Minnesota. This constitutes the “relief” that MRC has provided to the racetracks using income earned from the “Temporary” 1% fee on ADW handle.

It is appropriate to refer to this relief as a pass through. That is, MRC staff has collected fees paid by ADW operators who are licensed by MRC, and staff has passed some of this fee income through to the industry by reducing the financial burden to the racetracks of the State of Minnesota’s cost of regulating live horse racing.

\$826,610 in relief to Canterbury Park plus \$624,391 in relief to Running Aces equals \$1,451,001 in total relief provided between June 1, 2020 and November 30, 2021.

The cash balance in the ADW Regulatory Fees account is \$1,266,333 as of December 1, 2021.

MRC will incur relatively few costs with respect to the regulation of live horse racing at this time of the year, until May 2021, when live horse racing will resume at both racetracks.

Staff projects that the ADW Regulatory Fees account will earn monthly income of \$100,000 from the 2% fee which is imposed on all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider during the month of December 2021.

Staff projects that the ADW Regulatory Fees account will earn monthly income of \$50,000 and a total of approximately \$600,000 in 2022 after the “Temporary” 1% fee expires on December 31, 2021.

Staff further projects to withdraw \$18,925 per month or a total of approximately \$95,000 from the ADW Regulatory Fees account between December 1, 2021 and May 1, 2022 to cover the small percentage of agency costs which are normally paid by ADW Regulatory Fees.

Finally, staff projects that the cash balance in the ADW Regulatory Fees accounts will be \$1,471,333 on April 30, 2022.

In short, MRC has effectively “borrowed” from the “Permanent” 1% fee account to continue to provide relief to the racetracks by using ADW regulatory fee income to cover 90% of MRC’s expenses relative to the regulation of live horse racing since June 1, 2020, to include the cost of vets, judges, racing stewards, etc., but which have not included laboratory testing. These expenses are normally paid in full by the racetracks as monthly expense reimbursements.

It is important to note that accountants in St. Paul deposit all ADW Regulatory Fees collected, from both the “Permanent” and “Temporary” 1% fees, or 2% total, into the same account. While staff has accounted for the income earned from the Temporary 1% fee as separate from income earned from the Permanent 1% fee, per the Commissioners’ instructions and on the advice of the Department of Administration, all fee income is deposited into one account.

MRC staff’s use of ADW fees collected, both under Tom DiPasquale’s and Steve May’s leadership, to cover the cost of regulating live horse racing, whether to cover operating shortfalls under Tom and Steve, or during the past 18+ months to provide relief to the racetracks since last June 2020, complies with the language in Minnesota Statute 240.131. The relevant language is printed immediately below.

Subd. 7. Payments to state. (a) A regulatory fee is imposed at the rate of two percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

Summary of ADW Regulatory Fees Collected by MRC 2018 - 2022					
2018 - 2022 ADW Fees	2018 Total	2019 Total	2020 Total	2021 YTD Total	2022 Projected
ADW Wagering Handle	\$ 39,637,196	\$ 41,474,418	\$ 76,059,764	\$ 65,155,240	\$ 59,669,823
1% ADW Regulatory Fee	\$ 396,372	\$ 414,744	\$ 760,598	\$ 651,552	\$ 596,698
0.25% Breeders Fund Admin Fee	\$ 99,093	\$ 103,686	\$ 190,149	\$ 162,888	\$ 149,175
1% "Temporary" ADW Regulatory Fee (effective 05/28/2020 to 12/31/2021)	N/A	N/A	\$ 496,122	\$ 651,552	N/A
Total ADW Regulatory Fee (Permanent 1% fee + Temporary 1% fee)	\$ 396,372	\$ 414,744	\$ 1,256,720	\$ 1,303,105	\$ 596,698

Item 6 –
Laboratory Contract
Approval

Memorandum

To: Minnesota Racing Commission Members

From: Steve May, Executive Director, Minnesota Racing Commission

Date: January 12, 2022

RE: Contract to Provide Drug Testing Services for the 2022 Live Racing Season

The contract between the Minnesota Racing Commission (“Commission”) and The Industrial Laboratories Company, Inc. (“Industrial”) is set to expire on April 14, 2022. Commission staff and Commission Judges/Stewards have been satisfied with the work performed by Industrial over the past several years. Industrial has a solid reputation for performing high quality drug testing services, and the Commission has had few, if any, instances of delays in drug testing reports being submitted to the Commission.

This contract may be amended to extend the contract through April 14, 2023. If the Commission were to enter into a contract with Industrial for the 2022 live racing season no other terms, such as cost of testing, testing parameters, time expectations, or other substantive items would be different.

The only potential change in drug testing procedures would center on the expectation that the Horseracing Integrity and Safety Authority (“HISA”) will begin operations during the 2022 live racing season and could initiate new drug testing requirements. While this is slated to begin on July 1, 2022, all indications from HISA are that the Commission will be expected to conduct post-race testing and adjudication of positive test results for calendar year 2022 in Minnesota. In the rare event that HISA requires the Commission to change our official testing laboratory during calendar year 2022, the Commission could withdraw from contractual obligations with Industrial with a 30-day notice.

Commission staff is requesting permission from the Commission to enter into a new contract with Industrial through April 14, 2023. If the Commission chooses not to enter into a new contract with Industrial then the Commission staff will need to commence a new procurement process promptly in order to secure a new drug testing contract prior to the start of the 2022 live racing season at both Minnesota pari-mutuel racetracks.

Item 7 –
Request to Utilize ADW
Regulatory Fees for
Commission Laboratory
Testing Costs

Memorandum

To: Minnesota Racing Commission Members

From: Steve May, Executive Director, Minnesota Racing Commission

Date: January 12, 2022

RE: Canterbury Park Request to Utilize ADW Regulatory Fees for Minnesota Racing Commission Medication Testing Costs

Minnesota statutes allow for the Minnesota Racing Commission (“Commission”) to assess fees¹ and require reimbursement² from licensees to “pay the costs of providing the services and all other costs necessary to allow the commission to fulfill its regulatory oversight duties”.

Minn. Stat. 240.131, Subd. 7(a)³ allows for the use of offsetting costs associated with horse racing and pari-mutuel wagering in Minnesota. Under this statute it is appropriate to use those fees for equine medical testing as that is a cost associated with horse racing, but interpretations of Minn. Stat. 240.24⁴ (prior to legislative changes in 2021) limited the ability of the Commission to utilize these funds to cover a portion of medical testing costs.

In November 2020, the Commission passed a resolution to direct Commission staff to amend its prior use funds in the Advance Deposit Wagering Regulatory Fees (“ADW Regulatory Fees”) account to increase the coverage of the costs of regulating horse racing and pari-mutuel wagering pursuant to Minn. Stat. 240.131, Subd. 7(a). Commission staff has since utilized ADW Regulatory Fees to cover 90% of those costs while billing the racetracks for 10% of those costs through reimbursements for regulatory costs other than medical testing.

Canterbury Park has requested that the Commission amend its current allocation of ADW Regulatory Fees to apply the funds to cover “medical testing of horses running at racetracks licensed by the Commission” in same manner as the coverage of other regulatory costs. This request follows changes

¹ [Minn. Stat. 240.03\(10\)](#)

² [Minn. Stat. 240.155](#)

³ [Minn. Stat. 240.131, Subd. 7\(a\)](#)

⁴ [2020 Minn. Stat. 240.24](#)

to Minn. Stat. 240.24⁵ that were passed in 2021 that clarified that the Commission could require reimbursement from the racetracks for a portion of the medical testing costs.

The Commission Finance Committee met on December 29, 2021 and **voted to recommend** to the Commission the use of ADW Regulatory Fees to cover 90% of the medical testing costs incurred by the Commission that occurred in calendar year 2021 and in fiscal year 2022. The proposed approval would apply to both Canterbury Park and Running Aces Casino, Hotel, and Racetrack (“Running Aces”).

Deputy Director Bob Schiewe prepared a memorandum⁶ for the Finance Committee meeting to show the current balance of the ADW Regulatory Fees account and to estimate the impact on the fund if this plan were to be approved by the Commission. Based on this memorandum, and additional work that is shown on the following page, a summary of this impact is as follows:

- The balance of the account (as of December 28, 2021) was \$1,425,518.43.
- The projected balance on April 20, 2022, according to Mr. Schiewe’s memorandum, is approximately \$1,471,333.00.
- The amounts of medication testing costs for both racetracks to be covered by the ADW Regulatory Fee account is \$149,385.60.
- The projected remaining balance of the ADW Regulatory Fee account on April 30, 2022, less the amount of medication testing costs for both racetracks to be covered by the ADW Regulatory Fee account would be \$1,321,947.40.

As mentioned during the Finance Committee meeting report, additional discussion on this topic occurred included both Canterbury Park and Running Aces advocating for the Commission to explore any options available to utilize ADW Regulatory Fees to cover the regulatory costs of regulating live racing and simulcasting. Executive Director May cautioned the overuse of these funds, especially without clear guidance and knowledge of the fiscal impact of the implementation of the Horseracing Integrity and Safety Authority (“HISA”) but assured those participating in the meeting that the Commission would always be good stewards of these ADW Regulatory Fees.

Based on the statutory changes that allow the Commission to utilize ADW Regulatory Fee funds to cover the cost of medication testing, along with the projected balance of \$1,321,947.40 after the proposed use of these funds in this manner, Commission staff recommends approval of this request from Canterbury Park and apply the request in the same manner to medical testing costs at Running Aces.

⁵ [2021 Minn. Stat. 240.24](#)

⁶ 2021-12-17-Bob Schiewe, ADW Regulatory Fees Update

FY 2022 Laboratory Testing Services Invoices

	CBY	RA
July	\$ 17,367.00	\$ 6,886.00
Aug	\$ 30,171.00	\$ 24,452.00
Sept	\$ 20,215.00	\$ 6,248.00
Oct	\$ 39,028.00	\$ 13,481.00
Nov	\$ 1,916.00	\$ 6,220.00
	<u>\$ 108,697.00</u>	<u>\$ 57,287.00</u>
		<u>\$ 165,984.00</u>
10% of FY 2022 Laboratory Testing Services Invoices to be Billed to Racetracks	\$ 10,869.70	\$ 5,728.70
		<u>\$ 16,598.40</u>
90% of FY 2022 Laboratory Testing Services Invoices to be Billed to ADW-R Account	\$ 97,827.30	\$ 51,558.30
		<u>\$ 149,385.60</u>
Cash Balance of ADW-R Account as of 12/28/2021		\$ 1,425,518.43
Less Amount of Laboratory Testing Services Invoices to be Billed to ADW-R Account		<u>\$ 149,385.60</u>
Remaining Balance in ADW-R Account after Laboratory Testing Service Invoices		<u>\$ 1,276,132.83</u>
Projected ADW-R Balance on April 30, 2022		\$ 1,471,333.00
Less payment of 90% of Laboratory Testing Services from ADW-R Account		<u>\$ 149,385.60</u>
Revised Projected ADW-R Balance on April 30, 2022		<u>\$ 1,321,947.40</u>



December 3, 2021

Mr. Steve May
Executive Director
Minnesota Racing Commission
1100 Canterbury Road
Shakopee, MN 55379

RE: Request for Finance Committee Review 2021 Equine Medical Testing Reimbursements

As a result of the change to Minnesota Statutes §240 relative to equine medical testing reimbursement expenses effective June 30, 2021, Canterbury Park respectfully requests a meeting of the Minnesota Racing Commission's Finance Committee no later than January 2022 to discuss potential changes to the reimbursement of equine medical testing expenses relative to the 2021 live race meet at Canterbury Park.

As I'm certain you recall, this past spring Minnesota Statutes §240 was amended to read as follows:

Subd. 2a. Reimbursement.

Increased expenses related to the use of upgraded drug testing technologies and procedures are deemed to be necessary costs within the meaning of section 240.155 and the commission ~~shall~~ may be reimbursed for these expenses from receipts from card playing activities regulated by the commission.

Subd. 3. Fees.

The commission shall establish by rule a fee or schedule of fees that may be used to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall cover the cost of the medical testing laboratory. Fee receipts shall be deposited in the state treasury and credited to the racing reimbursement account.

Canterbury Park requests that equine medical testing be treated in the same manner as the reimbursement expenses related to Veterinarians and Stewards with 90% of these costs to be covered by the Racing Commission through the use of proceeds in the ADW Regulatory Fee Account.

As has been discussed thoroughly at numerous meetings of the Minnesota Racing Commission, this account has grown substantially both as a result of the 2020 increase in this fee from 1% of ADW handle to 2% of ADW handle and through the extreme growth of ADW handle throughout the pandemic.

Immediately following a final determination by the Commission as to how these expenses shall be allocated, Canterbury Park will be certain to remit payment for outstanding reimbursement invoices as directed by the Commission.

Your consideration of this request is very much appreciated,

A handwritten signature in black ink, appearing to read "Andrew Offerman". The signature is fluid and cursive, with a large initial "A" and "O".

Andrew Offerman
Sr. Vice President of Racing Operations
Canterbury Park Entertainment, LLC

Memorandum

To: Minnesota Racing Commission Finance Committee
From: Bob Schiewe, Deputy Director, Minnesota Racing Commission
Date: December 20, 2021
RE: ADW Regulatory Fees – Status Report

The effective date on which the ADW Regulatory Fee increased from 1% to 2% was May 28, 2020, and from that date to November 30, 2021, the Minnesota Racing Commission (“MRC”) has collected a total of \$1,147,675 in regulatory fees from the “Temporary” 1% fee. This fee is imposed on all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. MRC collected an equal amount of \$1,147,675 from the “Permanent” 1% fee on ADW wagering handle during this same time period.

In the eighteen months ending November 30, 2021 (June 1, 2020 to November 30, 2021) MRC staff collected a total of \$2,295,350 in ADW Regulatory Fees from the 2% fee (1% Permanent fee + 1% Temporary fee) imposed on all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider.

During the same eighteen months, MRC staff withdrew a total of \$1,451,001 from the ADW Regulatory Fees account to fund costs associated with the regulation of live horse racing, costs which normally will have been paid by Canterbury Park and Running Aces as monthly expense reimbursements billed by and paid directly to the State of Minnesota. This constitutes the “relief” that MRC has provided to the racetracks using income earned from the “Temporary” 1% fee on ADW handle.

It is appropriate to refer to this relief as a pass through. That is, MRC staff has collected fees paid by ADW operators who are licensed by MRC, and staff has passed some of this fee income through to the industry by reducing the financial burden to the racetracks of the State of Minnesota’s cost of regulating live horse racing.

\$826,610 in relief to Canterbury Park plus \$624,391 in relief to Running Aces equals \$1,451,001 in total relief provided between June 1, 2020 and November 30, 2021.

The cash balance in the ADW Regulatory Fees account is \$1,266,333 as of December 1, 2021.

MRC will incur relatively few costs with respect to the regulation of live horse racing at this time of the year, until May 2021, when live horse racing will resume at both racetracks.

Staff projects that the ADW Regulatory Fees account will earn monthly income of \$100,000 from the 2% fee which is imposed on all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider during the month of December 2021.

Staff projects that the ADW Regulatory Fees account will earn monthly income of \$50,000 and a total of approximately \$600,000 in 2022 after the “Temporary” 1% fee expires on December 31, 2021.

Staff further projects to withdraw \$18,925 per month or a total of approximately \$95,000 from the ADW Regulatory Fees account between December 1, 2021 and May 1, 2022 to cover the small percentage of agency costs which are normally paid by ADW Regulatory Fees.

Finally, staff projects that the cash balance in the ADW Regulatory Fees accounts will be \$1,471,333 on April 30, 2022.

In short, MRC has effectively “borrowed” from the “Permanent” 1% fee account to continue to provide relief to the racetracks by using ADW regulatory fee income to cover 90% of MRC’s expenses relative to the regulation of live horse racing since June 1, 2020, to include the cost of vets, judges, racing stewards, etc., but which have not included laboratory testing. These expenses are normally paid in full by the racetracks as monthly expense reimbursements.

It is important to note that accountants in St. Paul deposit all ADW Regulatory Fees collected, from both the “Permanent” and “Temporary” 1% fees, or 2% total, into the same account. While staff has accounted for the income earned from the Temporary 1% fee as separate from income earned from the Permanent 1% fee, per the Commissioners’ instructions and on the advice of the Department of Administration, all fee income is deposited into one account.

MRC staff’s use of ADW fees collected, both under Tom DiPasquale’s and Steve May’s leadership, to cover the cost of regulating live horse racing, whether to cover operating shortfalls under Tom and Steve, or during the past 18+ months to provide relief to the racetracks since last June 2020, complies with the language in Minnesota Statute 240.131. The relevant language is printed immediately below.

Subd. 7. Payments to state. (a) A regulatory fee is imposed at the rate of two percent of all amounts wagered by Minnesota residents with an authorized advance deposit wagering provider. The fee shall be declared on a form prescribed by the commission. The ADW provider must pay the fee to the commission no more than 15 days after the end of the month in which the wager was made. Fees collected under this paragraph must be deposited in the state treasury and credited to a racing and card-playing regulation account in the special revenue fund and are appropriated to the commission to offset the costs associated with regulating horse racing and pari-mutuel wagering in Minnesota.

Summary of ADW Regulatory Fees Collected by MRC 2018 - 2022					
2018 - 2022 ADW Fees	2018 Total	2019 Total	2020 Total	2021 YTD Total	2022 Projected
ADW Wagering Handle	\$ 39,637,196	\$ 41,474,418	\$ 76,059,764	\$ 65,155,240	\$ 59,669,823
1% ADW Regulatory Fee	\$ 396,372	\$ 414,744	\$ 760,598	\$ 651,552	\$ 596,698
0.25% Breeders Fund Admin Fee	\$ 99,093	\$ 103,686	\$ 190,149	\$ 162,888	\$ 149,175
1% "Temporary" ADW Regulatory Fee (effective 05/28/2020 to 12/31/2021)	N/A	N/A	\$ 496,122	\$ 651,552	N/A
Total ADW Regulatory Fee (Permanent 1% fee + Temporary 1% fee)	\$ 396,372	\$ 414,744	\$ 1,256,720	\$ 1,303,105	\$ 596,698

Item 8 –
Approval of MTA
request for 2021
Stallion Auction
Incentive Award

Memorandum

To: Minnesota Racing Commission Members

From: Steve May, Executive Director, Minnesota Racing Commission

Date: January 12, 2022

RE: Request from the Minnesota Thoroughbred Association for Stallion Auction Awards for 2021 Stallion Auction

On November 23, 2020, the Minnesota Racing Commission (“Commission”) received a letter from the Minnesota Thoroughbred Association (“MTA”) requesting up to \$30,000.00 from the Commission ADW Breeders’ Fund Special Revenue Account for the 2021 MTA Stallion Auction for horses that foal in 2022. This request went before the Thoroughbred Breeders’ Fund Advisory Committee (“Committee”) on December 16, 2020, and the Committee voted in favor of the proposal.

While reviewing this proposal, it was discovered that this was not presented to the Commission for final approval in late 2020 or early 2021. At this point no contract has been established between the Commission and the MTA for processing these awards and no funds have been expended as this program is for foals that have likely not been delivered in 2022.

This proposal complies with Minn. Stat. 240.131, Subd. 7¹ as the funds are being used to “promote horse breeding in Minnesota. Commission staff recommends approval of up to \$30,000.00 to be paid from the for this program.

If approved, Commission staff will ensure that a proper process is in place to oversee the award process and to confirm that all stallion seasons were purchased through the MTA Online Stallion Auction and the mares are registered with the State of Minnesota in 2022.

¹ [2021 Minn. Stat. 240.131, Subd. 7\(b\)](#)



November 23, 2020

To: Bob Schiewe
Nicole Edstrom
Andrew Offerman

From: Cameron Mahlum, President of the MTA

The Minnesota Thoroughbred Association (MTA) would like to request the following proposal be placed on the agenda for consideration at the next Thoroughbred Advisory Committee meeting. The proposal will be offered as an opportunity to increase the quantity and quality of Minnesota registered foals via an incentive to be paid to individuals who purchase stallion seasons in the 2021 MTA Stallion Auction and foal in Minnesota in 2022.

As summarized below, a breeder will receive \$1,000 from the MRC's ADW Breeders Fund Special Revenue Fund, in accordance with MS 240.131 which directs such funds to be appropriated to the commission to offset the cost of administering the breeders fund and promote horse breeding in Minnesota. It is our opinion that this program will promote horse breeding in Minnesota by incentivizing breeders to select higher quality stallions by reducing related breeding costs including transportation and stud fees.

Summary of Stallion Auction Incentive Program

- Any breeder who purchases a stallion season via the 2021 MTA stallion auction and who's mare is registered in the State of Minnesota in 2022 will become eligible when a live foal is reported and registered with the Minnesota Racing Commission(MRC)/Breeders Fund prior to June 30th of 2022.
- Once the above criteria have been met, the MRC, with confirmation from the MTA, will issue a check to the registered breeder in the amount of \$1,000.
- The MRC/Breeders Fund will be asked to set aside a maximum of \$30,000 for the program, though the estimated total amount of incentives is \$18,000. Any additional incentives above the \$30,000 will be the responsibility of the MTA to pay to the breeders.

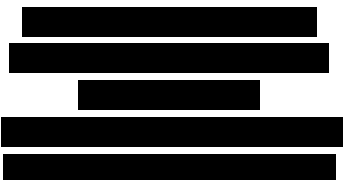
I welcome any questions prior to the next meeting and will make myself available to any members of the advisory committee prior to the next meeting for comments and input.

--

Kay M. King
Executive Director
Minnesota Thoroughbred Association
952-233-4802

Item 9 –
Approval of Additional
Racing Steward

Reuben E. Rivera



OBJECTIVE:

To continue working as a Steward which requires insight, maturity and sound decisions. To be backed up with experience and consistency. The Stewards are responsible to the Commission for the conduct of the race meeting in accordance with the laws of the State and these rules. The Stewards shall enforce these rules and the racing laws of this jurisdiction. The Stewards' authority includes supervision of all racing officials, track management, licensed personnel, other persons responsible for racing and patrons, as necessary to ensure compliance with these rules. The Stewards shall have the authority to resolve conflicts or disputes related to racing and to discipline violators in accordance with the provisions of these rules.

WORK HISTORY:

I am presently working as a State Steward at Zia Park in Hobbs, New Mexico and worked at Ruidoso Downs and SunRay Park in Farmington for the 2021 race meet.

Worked as a State Steward at Sunland Park, Ruidoso Downs and Zia Park for the 2020 racing season.

Worked from May 2005 to the present as a State Steward (off and on, seasonally) for the New Mexico Racing Commission.

State Steward at Zia Park at Hobbs, NM for the first three weeks for 2019 season.

Ismael "Izzy" Trejo, Agency Director

State Steward at Ruidoso Downs 2019, May through September 2, 2019

Ismael "Izzy" Trejo, Agency Director

State Steward at Zia Park Racetrack and Casino in Hobbs New Mexico
September 15 to December 19, 2018

Ismael "Izzy" Trejo, Agency Director

State Steward at Ruidoso Downs and Casino

April 25 to September 3, 2018

Ismael "Izzy" Trejo, Agency Director

State Steward at Sunland Park Race Track and Casino

December 27th, 2017 to April 22, 2018

Ismael "Izzy" Trejo

Worked the above position for 2015 as a State Steward.

Clerk of Scales at Sunland Park Racetrack and Casino

December 07, 2014 to April 13, 2015 (end of the racing season)

Dustin Dix – Director of Racing

Rick Baugh- General Manager

State Steward at Sun Ray Park in Farmington, New Mexico

April 17th, to the middle of July 2014

Vince Mares – Agency Director

Presiding State Steward at The Downs at Albuquerque

August 08, 2014 to October 26th, 2014

Vince Mares- Agency Director

Worked in the same jobs as above for the years from 2009 to 2014.

Association Steward

May 23, 2009 to Present. Association Steward, Yavapai Downs at Prescott Valley, AZ.

Gary Spiker- General Manager

Randy Fozzard- Director of Racing

Clerk of Scales at Sunland Park Race Track & Casino

December 15, 2008 to May 2nd, 2009 (end of Sunland Park racing season).

Harold Payne- General Manager

Dustin Dix- Director of Racing

Clerk of Scales Zia Race Track

Also worked as an Entry Clerk.

October 7, to December 13, 2008, (end of the 2008 racing season)

Rick Baugh- Director of Racing

Association Steward

May 12, to September 3rd, 2008. Association Steward at Yavapai Downs at Prescott Valley in Arizona.

Jim Grundy- General Manager

Randy Fozzard- Director of Racing

Assistant Racing Secretary- Placing Judge

Manor Downs, Austin, Texas

February 7th to April 27th, 2008

Jerry Richards- Racing Secretary

State Steward

Ruidoso Downs summer of 2005

Zia Park at Hobbs, NM, 2005 opening year.

General Manager, Randy Fozzard

State Steward

Two and half years prior at all the New Mexico race tracks.

State Investigator IV

Worked as a NMRC State Investigator for three years before becoming a Steward.

EDUCATION

Bachelor's Degree in criminal justice, New Mexico State University in Las Cruces, 2001.

Minor in computer crimes.

Notary Public for the State of New Mexico since 2005.

SOFTWARE/SYSTEM SKILLS

Microsoft office (Words, Excel, PowerPoint)

LANGUAGE SKILLS

Speak, read, and write fluent Spanish

REFERENCES

Dustin Dix, Director of Racing at Sunland Park Racetrack, [REDACTED]

Rick Baugh, General Manager at Sunland Park, [REDACTED]

Item 10a -
Status Report
Canterbury Park
Entertainment



Canterbury Park - December 2021 Minnesota Racing Commission Status Report

Summary of Canterbury Park Card Casino Operations

Business Segment	2021		2020		2019		% Comparison				
	December	Year-to-Date	December	Year-to-Date	December	Year-to-Date	December 2020	2020 Year-to-Date	December 2019	2019 Year-to-Date	Segment
Table Games	\$2,672,498	\$28,851,813	\$0	\$15,217,103	\$2,194,886	\$24,605,379	100.00%	89.60%	21.76%	17.26%	Table Games
Poker	\$1,106,059	\$9,242,143	\$0	\$4,668,759	\$894,539	\$9,800,817	100.00%	97.96%	23.65%	-5.70%	Poker
Total Card Casino Revenue	\$3,778,557	\$38,093,956	\$0	\$19,885,862	\$3,089,425	\$34,406,196	100.00%	91.56%	22.31%	10.72%	Total CC

Summary of Canterbury Park Player Pool

CPE Minimum Player Pool Balance	Jackpot Balances	\$674,511	25% MVP Balance	\$153,212	.25% Trailing TG Revenue	\$69,368	
				CPE Minimum Player Pool Balance 12/31/21			\$897,091
CPE Maximum Player Pool Balance	Jackpot Balances	\$674,511				6% Trailing TG Revenue	\$1,664,842
				CPE Maximum Player Pool Balance 12/31/21			\$2,339,353
CPE Actual Player Pool Balance				CPE Actual Player Pool Balance as of 12/31/2021			\$1,647,638

Summary of Canterbury Park Pari-Mutuel Operations

Business Segment	2021		2020		2019		% Comparison				
	December	Year-to-Date	December	Year-to-Date	December	Year-to-Date	December 2020	2020 Year-to-Date	December 2019	2019 Year-to-Date	Segment
Live Handle	\$0	\$8,469,777	\$0	\$3,690,732	\$0	\$10,628,839	N/A	129.49%	100.00%	-20.31%	Live Handle
Simulcast Handle	\$1,092,907	\$19,927,680	\$0	\$14,134,545	\$1,815,727	\$26,644,186	N/A	40.99%	-39.81%	-25.21%	Simulcast
Total On-Track PM Handle	\$1,092,907	\$28,397,457	\$0	\$17,825,277	\$1,815,727	\$37,273,026	N/A	59.31%	-39.81%	-23.81%	Total On-Track
Out-of-State Handle	\$0	\$82,391,221	\$0	\$64,909,091	\$0	\$30,005,461	N/A	26.93%	100.00%	174.59%	Out-of-State

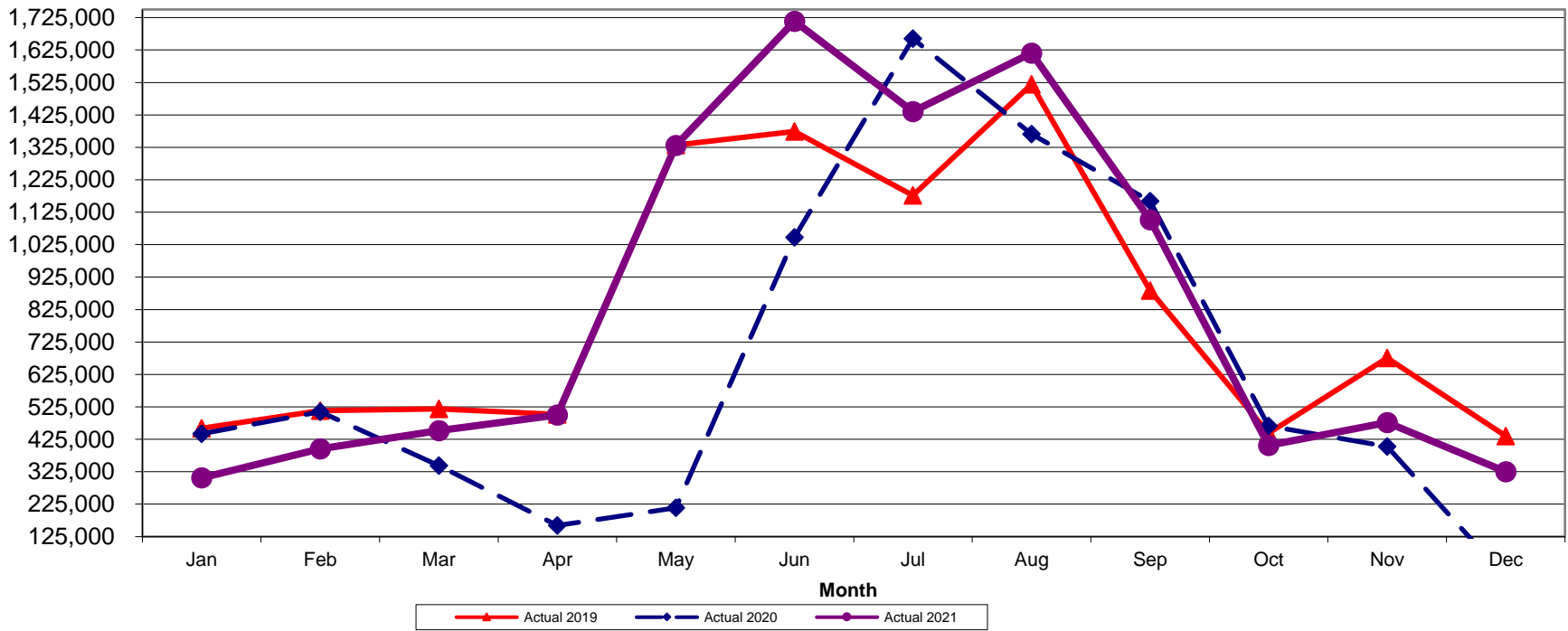
Summary of Canterbury Park & SMSC Purse Accounts

Canterbury Park TB Purse Accounts			Canterbury Park QH Purse Accounts			SMSC TB Purse Accounts			SMSC QH Purse Accounts		
Beginning CPE TB Purse Balance	12/1/2021	\$2,138,087.52	Beginning CPE QH Purse Balance	12/1/2021	\$322,868.31	Beginning SMSC TB Purse Balance	12/1/2021	\$36.11	Beginning SMSC QH Purse Balance	12/1/2021	\$4.46
Live Racing Purse Earnings		\$0.00	Live Racing Purse Earnings		\$0.00	SMSC Contributions & Interest Earnings (89%)		\$0.00	SMSC Contributions & Interest Earnings (11%)		\$0.00
CPE Simulcast Purse Earnings (85% During Mixed Meet)		\$62,404.03	CPE Simulcast Purse Earnings (15% During Mixed Meet)		\$1,227.41	SMSC Thoroughbred Purses Paid		\$0.00	SMSC Quarter Horse Purses Paid		\$0.00
Running Aces Simulcast Purse Earnings		\$18,673.07	Running Aces Simulcast Purse Earnings		\$1,696.77	Marketing Fund Transfers (89%)		\$0.00	Marketing Fund Transfers (11%)		\$0.00
Card Casino Purse Earnings (91%)		\$433,249.33	Card Casino Purse Earnings (9%)		\$42,848.83						
Out-of-State Host Fee Purse Earnings		\$0.00	Out-of-State Host Fee Purse Earnings		\$0.00						
ADW Purse Earnings from Prior Month (6% of 82%)		\$27,384.86	ADW Purse Earnings from Prior Month (50% of 18%)		\$4,486.05						
Interest Earned (Service Charges)		\$161.42	Interest Earned (Service Charges)		\$0.00						
(Minnesota HBPA Admin Fees Paid)		\$0.00	(MN Quarter Horse Racing Association Admin Fees Paid)		\$0.00						
(Thoroughbred Purse Transfers)		\$0.00	(Quarter Horse Purse Transfers)		\$0.00						
Ending CPE TB Purse Balance	12/31/2021	\$2,679,960.23	Ending CPE QH Purse Balance	12/31/2021	\$373,127.37	Ending SMSC TB Purse Balance	12/31/2021	\$36.11	Ending SMSC QH Purse Balance	12/31/2021	\$4.46
Ending CPE TB Purse Balance	12/31/2020	\$2,118,875.06	Ending CPE QH Purse Balance	12/31/2020	\$286,416.61	Ending SMSC TB Purse Balance	12/31/2020	\$7.26	Ending SMSC QH Purse Balance	12/31/2020	\$4.61
Ending CPE TB Purse Balance	12/31/2019	\$527,029.84	Ending CPE QH Purse Balance	12/31/2019	\$71,156.84	Ending SMSC TB Purse Balance	12/31/2019	\$640,816.88	Ending SMSC QH Purse Balance	12/31/2019	\$272,069.40
CPE TB Purse Balance Difference 2021 vs 2020		\$561,085.17	CPE QH Purse Balance Difference 2021 vs 2020		\$86,710.77	SMSC TB Purse Balance Difference 2021 vs 2020		\$28.85	SMSC QH Purse Balance Difference 2021 vs 2020		(\$0.15)
CPE TB Purse Balance Difference 2021 vs 2019		\$2,152,930.38	CPE QH Purse Balance Difference 2021 vs 2019		\$301,970.53	SMSC TB Purse Balance Difference 2021 vs 2019		(\$640,780.77)	SMSC QH Purse Balance Difference 2021 vs 2019		(\$272,064.94)

CANTERBURY PARK - CPE
Pari-Mutuel Revenue - Trend

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>YTD Total</u>
Actual - 2019	459,020	513,260	518,529	502,265	1,331,695	1,374,116	1,176,584	1,519,150	883,107	444,188	675,662	435,368	<u>9,832,944</u>
Actual - 2020	441,696	509,949	344,381	159,865	213,522	1,047,197	1,660,012	1,365,475	1,159,045	466,131	402,863	-	<u>7,770,136</u>
Actual - 2021	306,119	395,952	451,773	499,702	1,331,141	1,713,897	1,435,469	1,615,458	1,102,010	406,328	476,837	325,376	<u>10,060,063</u>

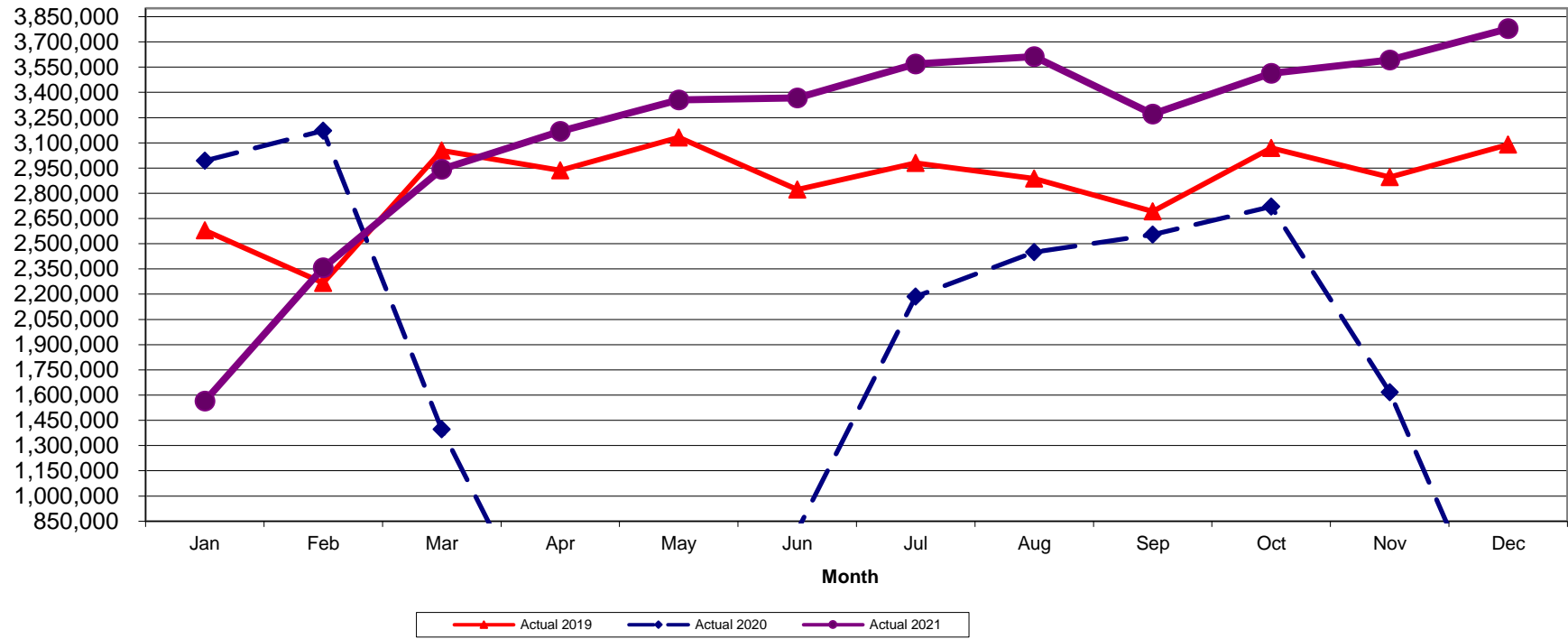
PARI - MUTUEL REVENUES



CANTERBURY PARK - CPE
Card Casino Revenue - Trend

	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>	<u>YTD Total</u>
Actual - 2019	2,579,696	2,266,974	3,053,294	2,936,958	3,132,286	2,821,761	2,979,571	2,888,090	2,692,274	3,069,283	2,896,583	3,089,426	<u>34,406,196</u>
Actual - 2020	2,992,752	3,172,174	1,396,246	-	-	795,194	2,186,413	2,450,255	2,554,940	2,721,436	1,616,452	-	<u>19,885,862</u>
Actual - 2021	1,564,348	2,356,728	2,943,218	3,168,717	3,354,977	3,366,893	3,569,266	3,612,728	3,270,867	3,513,735	3,592,718	3,778,557	<u>38,093,956</u>

CARD CASINO REVENUES



Item 10b -
Status Report for
Running Aces Casino
and Racetrack

Pages 35-37 have
been omitted
under 2020
Minnesota
Statutes Chapter
13D.05

December 2021 Licensing Report

Class C Applications Processed @ Canterbury Park: **435**

Class C Applications Processed @ Running Aces: **370**

Class C Large Gaming/Racing Vendors: **4**

Class C Small Gaming/Racing Vendors: **2**

Class C Non-Gaming/Racing Vendors: **8**

Class C Licensing Fees: **\$33,200**

Fingerprint Fees: **\$2,850**

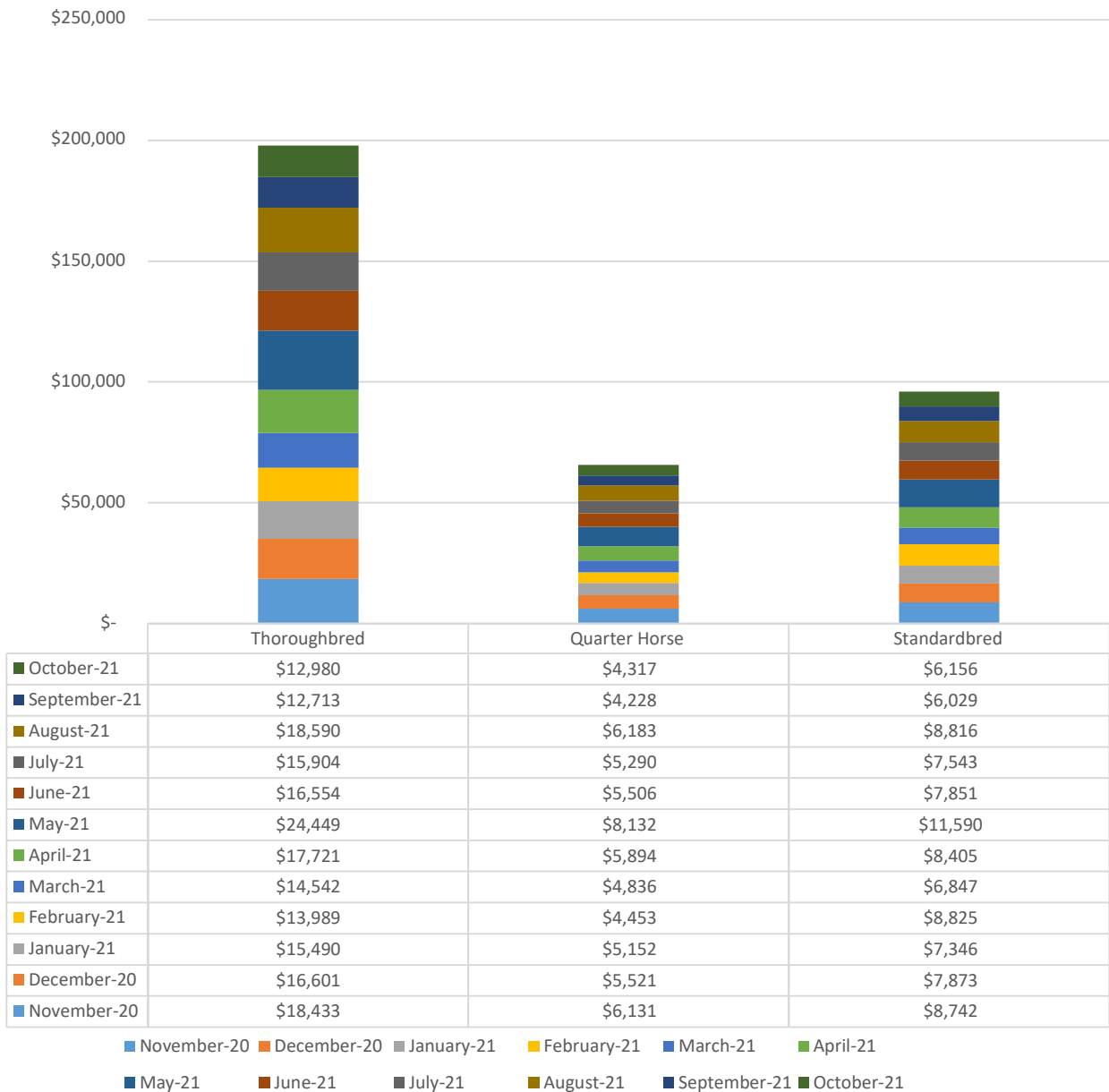
(Fingerprint fees are forwarded to Public Safety for processing reports)

Fines Collect during FY22: **\$19,566**

Item 11b- Deputy Director's ADW Report

	2021 January	2021 February	2021 March	2021 April	2021 May	2021 June	2021 July	2021 August	2021 September	2021 October	2022 November	Last 12 months	Last 12 months
\$	2,154	\$ 1,817	\$ 1,759	\$ 2,151	\$ 3,491	\$ 1,990	\$ 2,081	\$ 2,203	\$ 1,648	\$ 1,573	\$ 1,816	\$ 21,288	44.66% Twinspires.com
\$	1,195	\$ 1,122	\$ 1,211	\$ 1,325	\$ 1,447	\$ 1,022	\$ 987	\$ 1,045	\$ 913	\$ 931	\$ 1,050	\$ 11,194	23.48% Xpressbet, LLC
\$	1,885	\$ 1,610	\$ 2,006	\$ 2,693	\$ 3,546	\$ 2,588	\$ 2,352	\$ 3,054	\$ 1,699	\$ 1,803	\$ 1,643	\$ 12,053	25.29% TVG (ODS Tech)
\$	346	\$ 272	\$ 334	\$ 306	\$ 485	\$ 437	\$ 388	\$ 384	\$ 334	\$ 313	\$ 287	\$ 2,367	4.96% NYRA Bets (NewCo Ventures)
\$	15	\$ 7	\$ 19	\$ 35	\$ 14	\$ 32	\$ 25	\$ 51	\$ 14	\$ 12	\$ 14	\$ 81	0.17% eBet Technologies
\$	14	\$ 18	\$ 17	\$ 22	\$ 29	\$ 18	\$ 17	\$ 42	\$ 10	\$ 20	\$ 14	\$ 521	1.09% WatchandWager.com LLC
\$	114	\$ 99	\$ 43	\$ 38	\$ 39	\$ 32	\$ 30	\$ 50	\$ 65	\$ 120	\$ 131	\$ 164	0.34% Lien Games
							\$ 53	\$ 54	\$ 48	\$ 31	\$ 45		HorseTourneys
												\$ -	
\$	5,723	\$ 4,945	\$ 5,389	\$ 6,570	\$ 9,051	\$ 6,119	\$ 5,933	\$ 6,883	\$ 4,731	\$ 4,803	\$ 5,000	\$ 47,668	100%

Incremental Breeders Awards via ADW



	Thoroughbred	Quarter Horse	Standardbred
July-December-16	\$ 24,032	\$ 7,993	\$ 11,397
January-17	\$ 9,687	\$ 3,222	\$ 4,601
February-17	\$ 10,468	\$ 3,482	\$ 4,964
March-17	\$ 10,998	\$ 3,655	\$ 5,211
April-17	\$ 10,505	\$ 3,494	\$ 4,982
May-17	\$ 12,053	\$ 4,009	\$ 5,716
June-17	\$ 8,291	\$ 2,757	\$ 3,932
July-17	\$ 7,491	\$ 2,491	\$ 3,553
August-17	\$ 7,953	\$ 4,009	\$ 3,772
September-17	\$ 6,332	\$ 2,106	\$ 3,003
October-17	\$ 6,234	\$ 2,074	\$ 2,957
November-17	\$ 14,095	\$ 4,688	\$ 6,684
December-17	\$ 10,174	\$ 3,384	\$ 4,825
January-18	\$ 9,795	\$ 3,258	\$ 4,645
February-18	\$ 10,254	\$ 3,411	\$ 4,863
March-18	\$ 12,086	\$ 4,020	\$ 5,732
April-18	\$ 9,693	\$ 3,224	\$ 4,597
May-18	\$ 12,289	\$ 4,087	\$ 5,828
June-18	\$ 8,996	\$ 2,979	\$ 4,247
July-18	\$ 8,287	\$ 2,756	\$ 3,930
August-18	\$ 9,098	\$ 3,026	\$ 4,315
September-18	\$ 7,494	\$ 2,492	\$ 3,554
October-18	\$ 6,920	\$ 2,301	\$ 3,282
November-18	\$ 13,718	\$ 4,563	\$ 6,506
December-18	\$ 10,155	\$ 3,378	\$ 4,816
January-19	\$ 10,388	\$ 3,455	\$ 4,926
February-19	\$ 9,947	\$ 3,308	\$ 4,718
March-19	\$ 10,809	\$ 3,595	\$ 5,126
April-19	\$ 9,149	\$ 3,043	\$ 4,339
May-19	\$ 14,528	\$ 4,832	\$ 6,890
June-19	\$ 11,187	\$ 3,721	\$ 5,306
July-19	\$ 9,959	\$ 3,312	\$ 4,723
August-19	\$ 11,930	\$ 3,968	\$ 5,658
September-19	\$ 7,261	\$ 2,415	\$ 3,444
October-19	\$ 7,755	\$ 2,579	\$ 3,678
November-19	\$ 14,024	\$ 4,666	\$ 6,653
December-19	\$ 10,416	\$ 3,464	\$ 4,775
January-20	\$ 11,686	\$ 3,887	\$ 5,542
February-20	\$ 12,352	\$ 4,108	\$ 5,858
March-20	\$ 15,541	\$ 5,169	\$ 7,370
April-20	\$ 20,346	\$ 6,767	\$ 9,649
May-20	\$ 17,064	\$ 9,001	\$ 12,835
June-20	\$ 23,166	\$ 7,705	\$ 10,986
July-20	\$ 21,560	\$ 7,171	\$ 10,225
August-20	\$ 19,982	\$ 6,646	\$ 9,476

September-20	\$	19,018	\$	6,325	\$	9,020
October-20	\$	15,241	\$	5,069	\$	7,228
November-20	\$	18,433	\$	6,131	\$	8,742
December-20	\$	16,601	\$	5,521	\$	7,873
January-21	\$	15,490	\$	5,152	\$	7,346
February-21	\$	13,989	\$	4,453	\$	8,825
March-21	\$	14,542	\$	4,836	\$	6,847
April-21	\$	17,721	\$	5,894	\$	8,405
May-21	\$	24,449	\$	8,132	\$	11,590
June-21	\$	16,554	\$	5,506	\$	7,851
July-21	\$	15,904	\$	5,290	\$	7,543
August-21	\$	18,590	\$	6,183	\$	8,816
September-21	\$	12,713	\$	4,228	\$	6,029
October-21	\$	12,980	\$	4,317	\$	6,156
November-21	\$	13,448	\$	4,486	\$	6,397

Item 12d(i)-
Running Aces Contract
for New Casino Chips

Contract Review

Contracted Vendor Name: Avalon Gaming, Inc.

Contract for: CP RA

Date of Contract: November 4, 2021 Amount of Contract: ██████████

Vendor Contract Received by MRC: November 23, 2021

Vendor License issued: YES NO Not Required

License # 1144

	Affects Integrity of Racing or Card playing	Does NOT affect integrity of Racing or Card Playing	Pre-Race or Cards Construction OR Start-up Contracts	Utility Contracts	Outside Live Meet/ No Impact on Racing or Card Playing
Under \$50,000	Executive Director	Executive Director may waive	Waived	Waived	Waived
Greater than \$50,000 and up to \$250,000	ED with concurrence of Chair & Admin. Committee Chair	Executive Director may waive	Waived	Waived	Waived
Greater than \$250,000 and up to \$1,000,000	Full Commission	ED may waive with concurrence of Chair & Admin Committee Chair	Waived	Waived	Waived
Over \$1,000,000	Full Commission	ED may waive with concurrence of Chair & Admin Committee Chair	Review and approve or waive approval under criteria applicable to other contracts	Waived	Waived

Description of Contract: Contract for new casino chips

Recommended for Approval (please select one option)

_____ No

YES Yes, with Concurrence from Chair and Admin. Comm. Chair

_____ Waived

Reviewed by:

Print Name Steve May, Executive Director

Signature 

Date December 13, 2021

Item 12d(ii) - Running Aces Contract for Content Management

Contract Review

Contracted Vendor Name: NYRA Content Management Solutions, LLC

Contract for: CP RA

Date of Contract: July 1, 2022 Amount of Contract: ██████████

Vendor Contract Received by MRC: December 20, 2021

Vendor License issued: YES NO Not Required

License #

	Affects Integrity of Racing or Card playing	Does NOT affect integrity of Racing or Card Playing	Pre-Race or Cards Construction OR Start-up Contracts	Utility Contracts	Outside Live Meet/ No Impact on Racing or Card Playing
Under \$50,000	Executive Director	Executive Director may waive	Waived	Waived	Waived
Greater than \$50,000 and up to \$250,000	ED with concurrence of Chair & Admin. Committee Chair	Executive Director may waive	Waived	Waived	Waived
Greater than \$250,000 and up to \$1,000,000	Full Commission	ED may waive with concurrence of Chair & Admin Committee Chair	Waived	Waived	Waived
Over \$1,000,000	Full Commission	ED may waive with concurrence of Chair & Admin Committee Chair	Review and approve or waive approval under criteria applicable to other contracts	Waived	Waived

Description of Contract: NYRA Content management contract to oversee simulcast contracts.

Recommended for Approval (please select one option)

_____ No

YES Yes, with Concurrence from Chair and Admin. Comm. Chair

_____ Waived

Reviewed by:

Print Name Steve May, Executive Director

Signature  _____

Date December 20, 2021

Item 12d(iii) - Running Aces Contract for Totalizator Services

Contract Review

Contracted Vendor Name:

Contract for: CP RA

Date of Contract: Upon Regulatory Approval Amount of Contract: ██████████

Vendor Contract Received by MRC: December 23, 2022

Vendor License issued: YES NO Not Required

License # 1221

	Affects Integrity of Racing or Card playing	Does NOT affect integrity of Racing or Card Playing	Pre-Race or Cards Construction OR Start-up Contracts	Utility Contracts	Outside Live Meet/ No Impact on Racing or Card Playing
Under \$50,000	Executive Director	Executive Director may waive	Waived	Waived	Waived
Greater than \$50,000 and up to \$250,000	ED with concurrence of Chair & Admin. Committee Chair	Executive Director may waive	Waived	Waived	Waived
Greater than \$250,000 and up to \$1,000,000	Full Commission	ED may waive with concurrence of Chair & Admin Committee Chair	Waived	Waived	Waived
Over \$1,000,000	Full Commission	ED may waive with concurrence of Chair & Admin Committee Chair	Review and approve or waive approval under criteria applicable to other contracts	Waived	Waived

Description of Contract: Totalizator provider for Running Aces Casino, Hotel, and Racetrack.

Recommended for Approval (please select one option)

_____ No

YES Yes, with Concurrence from Chair and Admin. Comm. Chair

_____ Waived

Reviewed by:

Print Name Steve May, Executive Director

Signature _____

Date _____

Item 12d(iv) - Running
Aces Contract for
Scientific Games
Blackjack
hardware/software

Contract Review

Contracted Vendor Name:

Contract for: CP RA

Date of Contract: November 16, 2021 Amount of Contract: ██████████

Vendor Contract Received by MRC: January 6, 2022

Vendor License issued: YES NO Not Required

License # 1147

	Affects Integrity of Racing or Card playing	Does NOT affect integrity of Racing or Card Playing	Pre-Race or Cards Construction OR Start-up Contracts	Utility Contracts	Outside Live Meet/ No Impact on Racing or Card Playing
Under \$50,000	Executive Director	Executive Director may waive	Waived	Waived	Waived
Greater than \$50,000 and up to \$250,000	ED with concurrence of Chair & Admin. Committee Chair	Executive Director may waive	Waived	Waived	Waived
Greater than \$250,000 and up to \$1,000,000	Full Commission	ED may waive with concurrence of Chair & Admin Committee Chair	Waived	Waived	Waived
Over \$1,000,000	Full Commission	ED may waive with concurrence of Chair & Admin Committee Chair	Review and approve or waive approval under criteria applicable to other contracts	Waived	Waived

Description of Contract: Additional hardware/software for proprietary Blackjack tables.

Recommended for Approval (please select one option)

_____ No

___ YES ___ Yes

_____ Yes, with Concurrence from Chair and Admin. Comm. Chair

_____ Waived

Reviewed by:

Print Name Steve May, Executive Director

Signature _____

Date _____

Item 15b - Proposed Meeting Calendar

Memorandum

To: Minnesota Racing Commission

From: Steve May, Executive Director, Minnesota Racing Commission

Date: January 10, 2022

RE: Proposed Schedule for 2022 Minnesota Racing Commission Monthly Meetings

In December 2021, the Minnesota Racing Commission (“Commission”) approved live racing dates for Canterbury Park and Running Aces Casino, Hotel, and Racetrack (“Running Aces”). The general schedule for the two locations is as follows:

Sunday

Canterbury Park (First Post 1:00 p.m. CDT)
Running Aces (First Post 7:00 p.m. CDT)

Monday

No Racing

Tuesday

Running Aces (First Post 7:00 p.m. CDT)

Wednesday

Canterbury Park (First Post 5:00 p.m. CDT)

Thursday

Canterbury Park (First Post 5:00 p.m. CDT)
Running Aces (First Post 7:00 p.m. CDT)

Friday

No Racing

Saturday

Canterbury Park (First Post 5:00 p.m. CDT)

As in calendar year 2021, this will cause a problem with the Commission’s normal meeting schedule of 4:00 p.m. CDT on the third Thursday of the month as it does not allow for the participation of key

Commission staff, most notably the Chief State Steward, Presiding Judge, and/or Chief State Veterinarian.

In calendar year 2021, the Commission met on the third Monday of the month at 4:00 p.m. CDT during the live racing season. That is an option for calendar year 2022. In addition, the third Tuesday of every month at 4:00 p.m. CDT would likely work as the Commission meetings would generally conclude well in advance of live racing at Running Aces.

It is worth noting that the months with the most conflict are May, June, and August as the July meeting will be during the Twin Cities Summer Jam if the meeting is conducted on the third Thursday of the month. September also has five Thursdays, and the meeting could potentially be held on September 22, which is the fourth Thursday of the month but after the racing season has concluded at both racetracks.

Two other options exist that were both rejected in calendar year 2021. The first is to hold the Commission meetings earlier in the afternoon, on almost any day of the week, or hold the meetings on Friday afternoon.

Commission staff is seeking guidance on when to schedule the meetings from April through September is will accommodate any proposed schedule for these meetings that will maximize participation.