
Full Commission Meeting
Thursday, November 17, 2022, 4:00 p.m. EDT
Nutrena Conference Center
1801 Dudley Avenue Saint Paul, MN 55108

AGENDA

- 1) Call to Order
- 2) Roll Call
- 3) Adoption of Agenda
- 4) Approval of Minutes from Thursday, October 20, 2022

New Business – Informational Items

- 5) Status Reports
 - a. Canterbury Park Entertainment
 - b. Running Aces Casino, Hotel, and Racetrack
- 6) Executive Director's Report
 - a. Licensing Report
 - b. ADW Report
 - c. Staffing Update
 - d. HISA Update
- 7) MQHRA/MTA/MHRI/MNHBPA Reports
- 8) Future Meetings
 - a. Full Commission Meeting - ***December 15, 2022***
- 9) 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 – Minutes
from
Thursday, October
20th, 2022

Full Commission Meeting
Thursday, October 20, 2022 – 4:00 p.m.
Nutrena Conference Center
1801 Dudley Avenue, St. Paul, MN 55108

MINUTES

Call to Order:

Agenda Item 1 – Call to Order

Chair McArdle called the meeting to order at 4:03 p.m.

Roll Call:

Agenda Item 2 – Roll Call

Present – Chair McArdle, Vice Chair Colombo, Second Vice Chair Johnson, Commissioners Dehn, Goodman, Gingold, and Erhart. A quorum was acknowledged.

Other participants – Charlene Briner (Interim Executive Director, Minnesota Racing Commission) E. Joseph Newton (General Counsel, Minnesota Racing Commission), Andrew Offerman (Vice President Canterbury Park and Entertainment), Amber Carlisle, (Racing Operations Manager, Canterbury Park) Randy Blaseg, (Chief State Steward, Minnesota Racing Commission) Kay King (Executive Director, Minnesota Thoroughbred Association), Cathy Dessert (Vice President, Minnesota Harness Racing, Inc.), Mike Cronin (Minnesota Horsemen’s Benevolent and Protective Association), Christy Klatt DVM (Veterinarian Minnesota Racing Commission).

Adoption of Agenda:

Agenda Item 3 – Approval of Agenda

Commissioner McArdle made a motion to Amend the Agenda to add in item 7.5 Approval of Racing Labs for Quarter Horses and Standardbred Sample Testing, Commissioner Johnson Second. Motioned to approve the agenda; by Commissioner Dehn Second by Commissioner Erhart; Motion carried. Mr. Offerman requested Items 8 and 9 order be switched. Commissioner Dehn motioned to Amend the Amendment to include the change in items 8 and 9, second by Gingold.

Approval of Minutes:

Agenda Item 4 – Approval of Minutes

Motion to approve the minutes by Johnson; Second by Colombo. Motion passed. Discussion on amending rule

Agenda Item 5 Committee Reports

a. Racing Committee

Commissioner Colombo presented on two issues: Racing Labs and Revised Rules Packet. New rules final draft was distributed this afternoon as well as an amendment to Rule 7869.0100 Definitions Subp. 51a. Racing Day distributed at meeting.

b. Racehorse Aftercare Committee

Commissioner Goodman presented. 3 things: 1 The reviewed application for the RFP. 2 Classification Issues for

the RFP and 3 Moving forward with the RFP process. Motion by Goodman to approve the RFP, Colombo second. Ms. Briner to post then publish following State procedures.

New Business – Action Items

Agenda Item 6 Authorizing Resolution to proceed with Rulemaking and Publish Request for Comments:

a. Horse Racing, Definitions, Stabling, Class C Licenses, TG/QH Races, Harness Races, Horse Medication, Medical Testing, Breeders' Fund and Prohibited Acts

Discussion on the language of Rule 7869.0100 Definitions Subp. 51a. Racing Day. Commissioner McArdle summarized discussion as consensus with Mr. Offerman's suggested changing of wording from 4 horses to 5 horses. Commissioner Dehn motioned to approve the rule packet with the amendment to Rule 7869.0100 Definitions Subp. 51a be adopted with the exception of changing the wording from 4-horse field to a 5-horse field.

Agenda Item 7 Consideration of Racehorse Aftercare's Recommendation

Covered this item in 5.b. No further action needed.

Agenda Item 7.5 Approval of Racing Labs for Quarter Horses and Standardbreds

Commissioner McArdle presented. Five-year contract limit came to end. HISA taking over Thoroughbreds. RFP's sent out and three proposals reviewed by the Racing Committee and recommend continuing contract with Industrial Labs. Mr. Newton suggested the motion should be: to Award the contract for Equine Drug Testing for Quarter Horse and Standardbreds to Industrial Labs, Motion made by Colombo, second by several, motion passes.

Agenda Item 9 (Order Switched with 9 by Amendment above) Staff Reports

a. Chief Commission Veterinarian's Report

Dr. Klatt added a general overview of the meet. Corrected Medication Violations to add 6 pending. 5 of which were resolved in hearings last week, 1 is still pending. The 5 resolved resulted in Trainers were not found responsible, the feed contamination happened at the feed mill and the Horses were disqualified.

i. Canterbury Park End-of-Meet Report

ii. Running Aces End-of-Meet Report

b. Chief State Steward's Report End-of-Meet Report

Mr. Blaseg gave the report. Complement to Canterbury Park Management on filling stands and making successful meet. Added he truly enjoys Canterbury Park as a steward. Offered thoughts on HISA changes and recommendations from report for improvements.

c. Presiding Judge's Report End-of-Meet Report

Agenda Item 8 Status Reports

a. Canterbury Park Entertainment

Mr. Offerman introduced Amber Carlisle; 9 seasons with Canterbury Park, has been promoted to Racing Operations Manager, will be assuming some of Mr. Offerman's duties. Mr. Offerman offered some clarification on the Chief State Steward's EOM report. Gave an update on Stable Area construction/demo and Track Lighting Project. Negotiations with HBPA on 2023 Race Dates, next meeting 10/28/22. Retired Racehorse fee collection, disbursement, and match, \$125,000 will be dispersed starting in October/November and 2023 1st Qtr. NTRA Safety Report received.

Commission McArdle added comment on Mr. Offerman; He is someone special to MN Racing, highest level of professionalism and wished Andrew the best of success and thanked for 18 years. Mr. Offerman thanked the industry for 18 years, 4 directors, 1 vet and many commissioners. He is happy to have made a difference.

b. Running Aces Casino, Hotel and Racetrack

Agenda Item 10 Executive Director's Report

a. Contract Approvals

Approved Track Lighting Project contract

b. Licensing Report

c. HISA Update

Update at November Meeting, including assessment for 2023

d. Rulemaking Update

On track with robust timeline.

e. ADW Report

f. Other

Staffing update.

Agenda Item 11 MQHRA/MTA/MHRI/MNHBPA Reports

MTA – Ms. King updated Leg up Fund 3 of 4 Jockey's still paying. Received a \$10,000 check for the Leg Up Fund. Fund doing well and making plans for moving forward in the future. Breeders Fund was also mentioned.

MN Harness – Ms. Dessert contract negotiations with RA. She made comments about a MN trotter competing at Woodbine Mohawk Park, part harness racing's triple crown.

HBPA – Mr. Cronin said "Thank you" to Mr. Offerman.

Agenda Item 12 Future Meetings

a. Full Commission Meeting – November 17, 2022; and December 15, 2022

Agenda Item 13 Adjourn

Motion to adjourn by Colombo, Dehn second.

Chair McArdle adjourned the meeting on Thursday, October 20th, 2022 at 5:24 p.m.

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

Item 5a- Status
Report
Canterbury Park



Canterbury Park - October 2022 Minnesota Racing Commission Status Report

Summary of Canterbury Park Card Casino Operations

Business Segment	2022		2021		2020		% Comparison				
	October	Year-to-Date	October	Year-to-Date	October	Year-to-Date	October 2021	2021 Year-to-Date	October 2020	2020 Year-to-Date	Segment
Table Games	\$2,412,220	\$25,024,593	\$2,673,769	\$23,494,398	\$2,108,756	\$13,979,308	-9.78%	6.51%	14.39%	79.01%	Table Games
Poker	\$1,045,826	\$8,830,065	\$839,966	\$7,228,283	\$612,680	\$4,290,102	24.51%	22.16%	70.70%	105.82%	Poker
Total Card Casino Revenue	\$3,458,046	\$33,854,658	\$3,513,735	\$30,722,681	\$2,721,436	\$18,269,410	-1.58%	10.19%	27.07%	85.31%	Total CC

Summary of Canterbury Park Player Pool

CPE Minimum Player Pool Balance	Jackpot Balances	\$373,959	25% MVP Balance	\$165,307	25% Trailing TG Revenue	\$70,100	
				CPE Minimum Player Pool Balance 10/31/22	\$609,366		
CPE Maximum Player Pool Balance	Jackpot Balances	\$373,959				6% Trailing TG Revenue	\$1,682,403
				CPE Maximum Player Pool Balance 10/31/22	\$2,056,362		
CPE Actual Player Pool Balance				CPE Actual Player Pool Balance as of 10/31/2022		\$1,556,210	

Summary of Canterbury Park Pari-Mutuel Operations

Business Segment	2022		2021		2020		% Comparison				
	October	Year-to-Date	October	Year-to-Date	October	Year-to-Date	October 2021	2021 Year-to-Date	October 2020	2020 Year-to-Date	Segment
Live Racing Days	-	64	-	65	-	53	N/A	-1.54%	N/A	20.75%	Live Racing Days
Live Handle	\$0	\$9,827,064	\$0	\$8,469,777	\$0	\$3,690,732	N/A	16.03%	N/A	166.26%	Live Handle
Simulcast Handle	\$1,337,778	\$16,147,353	\$1,683,893	\$16,987,222	\$1,731,351	\$12,937,633	-20.55%	-4.94%	-22.73%	24.81%	Simulcast
Total On-Track PM Handle	\$1,337,778	\$25,974,416	\$1,683,893	\$25,456,999	\$1,731,351	\$16,628,365	-20.55%	2.03%	-22.73%	56.21%	Total On-Track
Out-of-State Handle	\$0	\$87,786,738	\$0	\$82,391,221	\$0	\$64,909,091	N/A	6.55%	N/A	35.25%	Out-of-State

Summary of Canterbury Park & SMSC Purse Accounts

Beginning CPE TB Purse Balance	10/1/2022	\$2,014,244.13
Live Racing Purse Earnings	\$0.00	
CPE Simulcast Purse Earnings (85% During Mixed Meet)	\$60,590.22	
Running Aces Simulcast Purse Earnings	\$23,232.21	
Card Casino Purse Earnings (91%)	\$396,499.56	
Out-of-State Host Fee Purse Earnings	\$39,072.77	
ADW Purse Earnings from Prior Month (67% of 82%)	\$32,356.61	
Interest Earned (Service Charges)	\$1,686.02	
(Minnesota HBPA Admin Fees Paid)	(\$35,000.00)	
(Thoroughbred Purse Transfers)	\$0.00	
Ending CPE TB Purse Balance	10/31/2022	\$2,522,681.52
Ending CPE TB Purse Balance	10/31/2021	\$1,627,614.84
Ending CPE TB Purse Balance	10/31/2020	\$1,728,041.13
CPE TB Purse Balance Difference 2022 vs 2021	\$895,066.68	
CPE TB Purse Balance Difference 2022 vs 2020	\$794,640.39	

Beginning CPE QH Purse Balance	10/1/2022	\$343,335.19
Live Racing Purse Earnings	\$0.00	
CPE Simulcast Purse Earnings (15% During Mixed Meet)	\$10,639.93	
Running Aces Simulcast Purse Earnings	\$3,468.30	
Card Casino Purse Earnings (9%)	\$39,214.24	
Out-of-State Host Fee Purse Earnings	\$0.00	
ADW Purse Earnings from Prior Month (50% of 18%)	\$5,300.50	
Interest Earned (Service Charges)	\$0.00	
(MN Quarter Horse Racing Association Admin Fees Paid)	\$0.00	
(Quarter Horse Purse Transfers)	\$0.00	
Ending CPE QH Purse Balance	10/31/2022	\$401,858.17
Ending CPE QH Purse Balance	10/31/2021	\$331,987.31
Ending CPE QH Purse Balance	10/31/2020	\$276,865.62
CPE QH Purse Balance Difference 2022 vs 2021	\$69,870.86	
CPE QH Purse Balance Difference 2022 vs 2020	\$124,992.55	

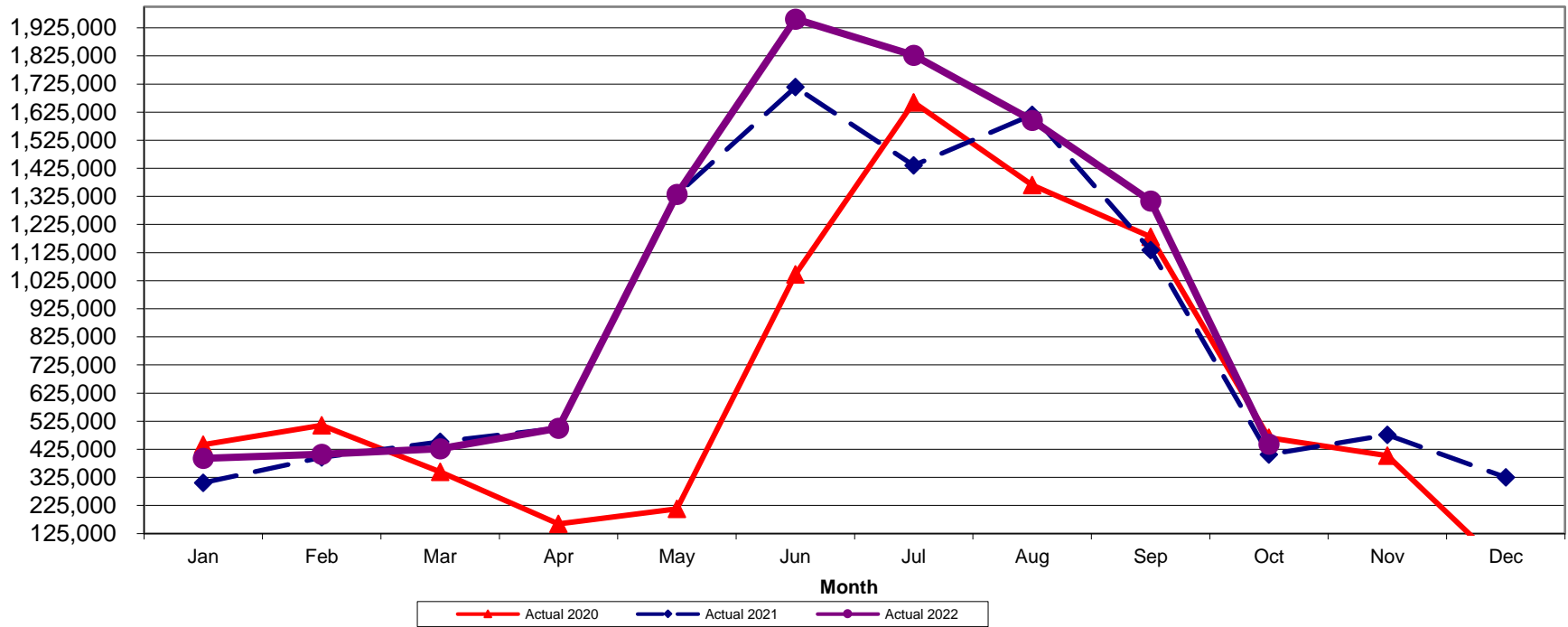
Beginning SMSC TB Purse Balance	10/1/2022	\$73.09
SMSC Contributions & Interest Earnings (89%)	\$0.00	
SMSC Thoroughbred Purse Paid	\$0.00	
HBPA Account Transfer	(\$73.09)	
Ending SMSC TB Purse Balance	10/31/2022	\$0.00
Ending SMSC TB Purse Balance	10/31/2021	\$36.10
Ending SMSC TB Purse Balance	10/31/2020	\$27.26
SMSC TB Purse Balance Difference 2022 vs 2021	(\$36.10)	
SMSC TB Purse Balance Difference 2022 vs 2020	(\$27.26)	

Beginning SMSC QH Purse Balance	10/1/2022	\$0.00
SMSC Contributions & Interest Earnings (11%)	\$0.00	
SMSC Quarter Horse Purse Paid	\$0.00	
Marketing Fund Transfers	\$0.00	
Ending SMSC QH Purse Balance	10/31/2022	\$0.00
Ending SMSC QH Purse Balance	10/31/2021	\$4.46
Ending SMSC QH Purse Balance	10/31/2020	\$4.61
SMSC QH Purse Balance Difference 2022 vs 2021	(\$4.46)	
SMSC QH Purse Balance Difference 2022 vs 2020	(\$4.61)	

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 - 2020	441,696	509,949	344,381	159,865	213,522	1,047,197	1,660,012	1,365,475	1,181,486	466,131	402,863	-	<u>7,389,714</u>
Actual - 2021	306,119	395,952	451,773	499,702	1,331,141	1,713,897	1,435,469	1,615,458	1,133,474	406,328	476,837	325,376	<u>9,289,313</u>
Actual - 2022	392,759	407,351	427,516	500,305	1,332,187	1,956,449	1,827,592	1,596,316	1,308,391	443,970			<u>10,192,835</u>

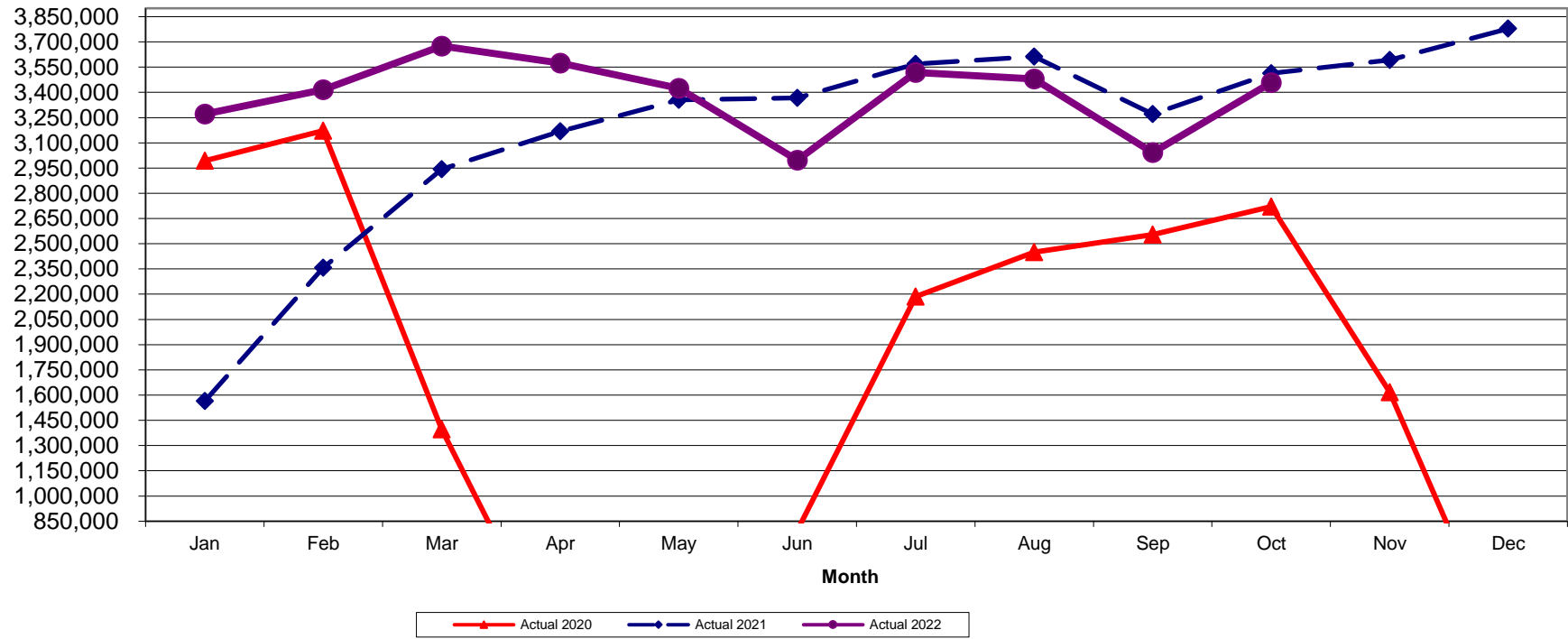
PARI - MUTUEL REVENUES



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 - 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>18,269,410</u>
Actual - 2021	1,564,531	2,356,944	2,943,218	3,168,717	3,354,977	3,366,893	3,569,586	3,612,728	3,270,867	3,513,735	3,592,718	3,778,557	<u>30,722,681</u>
Actual - 2022	3,270,587	3,415,147	3,675,582	3,573,730	3,424,229	2,996,925	3,518,208	3,479,705	3,042,499	3,458,046			<u>33,854,658</u>

CARD CASINO REVENUES



Item 5b-
Status Report Running
Aces Casino, Hotel, and
Racetrack

Pages 7 - 9 have been
omitted under 2020
Minnesota Statutes
Chapter 13D.05

Item 6a -
Executive
Director's
Licensing Report

Minnesota Racing Commission

October 2022 Licensing Report

Class C Applications Processed at Canterbury Park: **21**

Class C Applications Processed at Running Aces: **44**

Class C Large Racing/Gaming Vendors: 0

Class C Small Racing/Gaming Vendors: 0

Class C Non-racing/Gaming Vendors: 0

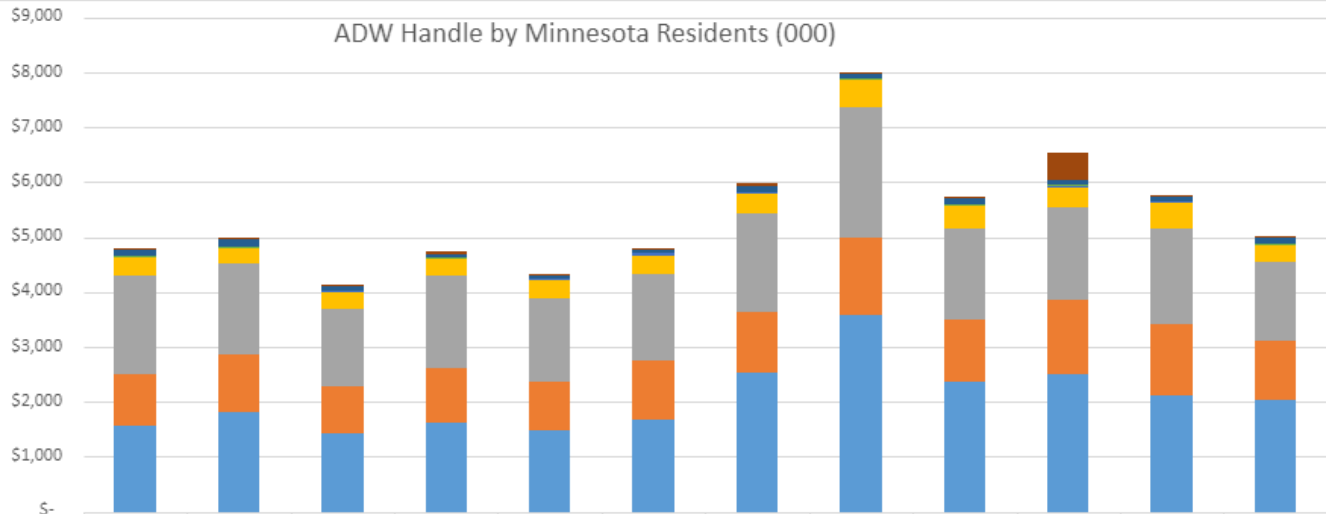
Class C Licensing Fees for October: **\$705** Fingerprint

Fees for October: **\$775**

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

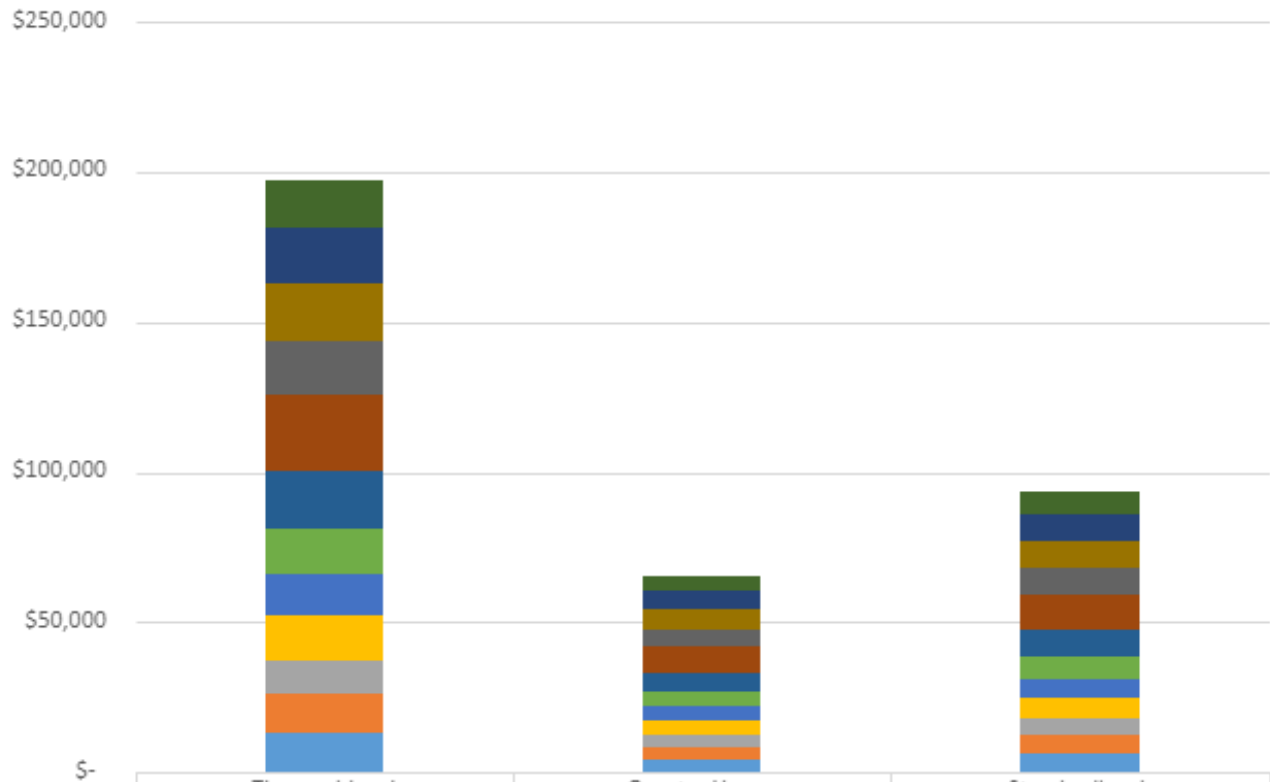
Fines Collected during 2022 Racing Season: **\$26,375**

Item 6b -
Executive
Director's ADW
Report



	October	November	December	January	February	March	April	May	June	July	August	September
Horse Tourneys	\$31	\$45	\$43	\$46	\$32	\$32	\$46	\$26	\$18	\$493	\$35	\$20
Lien Games	\$120	\$131	\$62	\$64	\$51	\$55	\$100	\$97	\$111	\$89	\$78	\$130.00
WatchandWager.com LLC	\$20	\$14	\$13	\$19	\$13	\$8	\$11	\$10	\$11	\$11	\$12	\$9.00
eBet Technologies	\$12	\$14	\$18	\$16	\$27	\$38	\$33	\$19	\$9	\$33	\$34	\$14
NYRA Bets (NewCo Ventures)	\$313	\$287	\$302	\$284	\$331	\$339	\$346	\$478	\$411	\$364	\$461	\$310
TVG (ODS Tech)	\$1,803	\$1,643	\$1,421	\$1,683	\$1,507	\$1,568	\$1,801	\$2,400	\$1,654	\$1,688	\$1,745	\$1,422
Xpressbet, LLC	\$931	\$1,050	\$846	\$1,008	\$889	\$1,083	\$1,119	\$1,385	\$1,148	\$1,335	\$1,290	\$1,082.00
Twinspires.com	\$1,573	\$1,816	\$1,435	\$1,620	\$1,484	\$1,678	\$2,519	\$3,594	\$2,361	\$2,516	\$2,117	\$2,033

Incremental Breeders Awards via ADW



	Thoroughbred	Quarter Horse	Standardbred
September-22	\$15,937	\$5,301	\$7,558
August-22	\$18,294	\$6,085	\$8,676
July-22	\$19,260	\$6,406	\$9,134
June-22	\$18,156	\$6,039	\$8,611
May-22	\$25,307	\$8,417	\$12,002
April-22	\$18,902	\$6,287	\$8,964
March-22	\$15,185	\$5,050	\$7,202
February-22	\$13,703	\$4,558	\$6,499
January-22	\$14,997	\$4,981	\$7,103
December-21	\$11,119	\$3,698	\$5,214
November-21	\$13,448	\$4,486	\$6,397
October-21	\$12,980	\$4,317	\$6,156

Item 6c -
Executive Directors
HISA Update

Horseracing Integrity and Safety Authority
401 W Main Street, Suite 222
Lexington, Kentucky 40507

Charlene Briner
Minnesota Racing Commission
Via email – charlene.briner@state.mn.us

Dear Ms. Briner,

I am writing to advise you of Minnesota's HISA financial assessment for 2023 and all related details.

As indicated in the state-by-state assessment document attached to this email, Minnesota's 2023 HISA assessment is \$1,024,072, with the potential to be decreased by over \$350,000 as detailed below.

The assessment represents Minnesota's gross total obligation for 2023 in accordance with the HISA cost assessment methodology approved by the Federal Trade Commission. The assessment includes financial support for:

- The Anti-Doping and Medication Control (ADMC) Program that will be administered nationally by the Horseracing Integrity and Welfare Unit (HIWU);
- HISA's Racetrack Safety Program;
- HISA's technology build and maintenance to support all of its Programs; and
- HISA administration, including staff salaries and organizational operations.

The assessment also includes funding to defend the four lawsuits that have been filed challenging the constitutionality of HISA. To date, federal courts in both Texas and Kentucky have dismissed these claims as meritless. These cases have been appealed by the plaintiffs; further, there are additional cases pending in Louisiana and Texas alleging largely the same claims as asserted in the appealed cases. To date, HISA has spent over \$2.0 million defending these claims.

We have attached as Addendum 1 HISA's 2023 budget so that you may review the specific investments designated for each area of HISA's mandate.

Minnesota is eligible for the following monetary credits against the assessment if it chooses to provide services to HISA/HIWU:

- \$290,000 for HIWU-Authorized Collection Personnel in your state. The Minnesota Racing Commission (MRC) will be eligible to receive this full credit so long as it ensures that HIWU-Authorized Collection Personnel are provided to perform Race Day testing, as agreed to in a Voluntary Implementation Agreement with HIWU. Race Day Testing includes, but is not limited to, Post-Race Samples and TCO2 testing and may include other collections conducted by HIWU-Authorized Collection Personnel on Race Days. This amount is calculated based on the current projections for the number of 2023 Race Days, thus may be adjusted if the number of Race Days changes.

- Please note that this credit may be reduced by HISA on a pro-rata basis if it has been determined by HIWU that the MRC has failed to materially satisfy its obligations in connection with the ADMC Program under any voluntary agreement entered into among HISA, HIWU and the MRC.
- An estimated potential of \$60,000 for additional HIWU-Authorized Collection Personnel in your state to conduct out-of-competition testing, not collected on Race Day. The MRC will be credited for the amount of out-of-competition testing conducted by HIWU-Authorized Collection Personnel, as agreed to by the MRC and HIWU.
- For the use of MRC investigative staff, costs and expenses in an amount agreed to between HIWU and the MRC. This can either be in the form of a credit or a direct reimbursement to the MRC.

Please take note of the fact that HISA's full jurisdiction over anti-doping and medication control enforcement means that, starting January 1, 2023, your state will not have any direct fiscal responsibilities related to anti-doping and medication control procedures for thoroughbred horses at Canterbury. For example, the MRC will not be responsible for laboratory fees or any legal expenses associated with prosecuting anti-doping and medication control violations or defending challenges to the ADMC Program. To put that in context, HIWU has budgeted \$275,000 in laboratory fees for samples collected at Minnesota racetracks (which is inclusive of associated sample collection equipment, shipping, and laboratory analysis).

HISA is committed to delivering a cost-effective world-class anti-doping and medication control program that takes advantage of efficiencies derived from a national, uniform approach. The budget approved by the HISA Board represents a careful balance between cost sensitivity and the fact that as an industry we have historically underinvested in safety and integrity. Nonetheless, we will approach the deployment of the ADMC Program with the appropriate fiscal conservatism and any overall budget surplus remaining at the end of the calendar year will be rolled over as a credit for 2024. In addition, HISA is seeking funding sources outside of the industry with the goal of easing the industry's burden for future years.

Finally, we recognize that HISA preempting and assuming the administration of Minnesota's anti-doping and medication control program is a monumental change for racing in Minnesota and we appreciate your support during the transition. Both HISA and HIWU wish to work collaboratively with your state to make the new arrangement a success, providing the quality of services the sport needs and deserves as efficiently as possible.

The deadline to advise HISA whether the state will opt-in to the financial assessment is November 16, 2022. Please be advised that while we would prefer that the state fully opt-in, HISA will accept partial payments from the state if that is your preference. Should Minnesota choose not to opt in, we will need the racetracks referenced above to submit their proposed Covered Person allocation for paying the assessment by December 10, 2022. Regardless of whether Minnesota opts in, HISA will accept payment in installments should that be preferred.

The attached Addendum 2 contains the specific amounts that would fall to each racetrack in Minnesota to cover should the MRC choose to opt-out and pass the financial assessments to the individual racetracks.



Addendum 3 provides a breakdown of all of the assessment costs by state and Addendum 4 provides a breakdown of all of the assessment costs by racetrack.

Should you wish to discuss any of these matters, I am available at your convenience.

Thank you for your kind consideration of the above.

Sincerely,

A handwritten signature in blue ink that reads 'Lisa J. Lazarus'.

Lisa Lazarus
HISA CEO

HISA

2023 Summary Budget

Acct #	Account Name		
Revenue			
4810	Investment Interest & Dividends	\$	-
4200	State Racetrack Fees	\$	-
Total Revenue		\$	-
Expenses			
5200	Salaries	\$	4,106,500
5210	Payroll Tax Expense	\$	322,745
5290	Other Employee Benefits	\$	393,860
5300	Temporary Staffing	\$	-
5310	Board & Committee Compensation	\$	36,000
5410	Rent	\$	97,200
5420	Telecommunications	\$	12,000
5430	Meeting Expenses	\$	161,000
5440	Travel	\$	463,000
5480	Interest Expense	\$	-
5490	Bank & Credit Card Fees	\$	2,640
5500	Supplies	\$	176,150
5810	Accounting	\$	63,000
5815	Public Relations Services	\$	360,000
5820	Legal - General	\$	800,000
5821	Legal - Lawsuits	\$	1,000,000
5825	Technology	\$	802,109
5830	Organizational Insurance	\$	115,000
5840	Payroll	\$	24,000
5890	Other Professional Services	\$	6,266,178
5910	DFS/HIWU	\$	37,367,280
5915	Accreditation Services	\$	386,000
5920	Racetrack Surface Testing	\$	780,000
5925	Science, Lab & Research	\$	18,775,000
5930	Results Mgt. & Investigation Svcs.	\$	-
5935	Other Testing	\$	-
Total Expenses		\$	72,509,662
Total Change in Net Assets		\$	(72,509,662)

HISA
2023 Budget
Racetrack Safety Dept.

Account			
#	Name		Total
5200	Salaries	\$	1,404,000
5210	Payroll Tax Expense	\$	112,320
5290	Other Employee Benefits	\$	142,560
5430	Meetings	\$	155,000
5440	Travel	\$	105,800
5500	Supplies	\$	29,150
5890	Professional Services	\$	540,000
5915	Accreditation Services	\$	386,000
5920	Racetrack Surface Testing	\$	780,000
		<u>\$</u>	<u>3,654,830</u>

HISA
2023 Budget
ADMC

Account			
#	Name		Total
5200	Salaries	\$	220,000
5210	Payroll Tax Expense	\$	17,600
5290	Other Employee Benefits	\$	17,600
5440	Travel	\$	15,000
5500	Supplies	\$	2,500
5890	Professional Services	\$	1,693,778
5910	HIWU	\$	37,367,280
5925	Lab Testing	\$	18,775,000
		<u>\$</u>	<u>58,108,758</u>

**Horseracing Integrity & Welfare Unit
2023 Budget**

Salaries	\$	5,493,440
Payroll Tax Expense	\$	360,732
Other Employee Benefits	\$	897,810
Rent	\$	97,150
Office Expense	\$	112,250
Telecommunications	\$	34,760
Travel	\$	771,500
Supplies	\$	25,000
Professional Services	\$	2,718,650
Technology	\$	769,950
Organizational Insurance	\$	262,375
Resources and Education	\$	47,500
Taxes - Other	\$	13,750
ADMC Collection Costs	\$	23,317,825
Management Fees	\$	2,444,588
	\$	<u>37,367,280</u>

HISA
2023 Budget
Technology Dept.

Account			
#	Name		Total
5200	Salaries	\$	635,000
5210	Payroll Tax Expense	\$	63,500
5290	Other Employee Benefits	\$	102,200
5440	Travel	\$	161,000
5500	Supplies	\$	126,500
5825	Technology	\$	802,109
5890	Professional Services	\$	3,576,400
		\$	5,466,709

HISA
2023 Budget
Admin

Account			
#	Name		Total
5200	Salaries	\$	1,847,500
5210	Payroll Tax Expense	\$	129,325
5290	Other Employee Benefits	\$	131,500
5310	Board/Committee Compensation	\$	36,000
5410	Rent	\$	97,200
5420	Phone	\$	12,000
5430	Meetings	\$	6,000
5440	Travel	\$	181,200
5480	Interest Exp.	\$	-
5490	Bank Fees	\$	2,640
5500	Supplies	\$	18,000
5810	Accounting Svcs.	\$	63,000
5815	P/R Svcs.	\$	360,000
5820	Legal-Gen'l	\$	800,000
5821	Legal-Lawsuits	\$	1,000,000
5830	Insurance	\$	115,000
5840	Payroll Svcs.	\$	24,000
5890	Professional Services	\$	456,000
		<u>\$</u>	<u>5,279,365</u>

**Horseracing Integrity and Safety Authority
2023 Assessments by Track
Minnesota**

Track	2023 Assessment
Canterbury Park	\$ 1,024,072

2023 Assessments by State

State	Purses (Paid)	Starts	Purses/ Start	% of Starts	% of Purses	% Purses/ % Starts	Start Fee for Projected Starts	Start Fee for Projected Purse Starts	Total Start Fee	Initial State Total	10% Cap Adjustment	Revised State Total with 10% of Purse Cap	
AR	\$ 44,867,150	5,520	\$8,128	2.4%	3.8%	1.62	\$155.56	\$251.31	\$406.86	\$2,245,879	\$ (8,852)	\$ 2,254,732	
AZ	19,076,265	7,712	\$2,474	3.3%	1.6%	0.49	\$155.56	\$76.48	\$232.03	\$1,789,448	\$ (7,053)	\$ 1,796,501	
CA	131,726,512	20,845	\$6,319	8.9%	11.2%	1.26	\$155.56	\$195.38	\$350.94	\$7,315,305	\$ (28,834)	\$ 7,344,139	
CO	\$ 3,496,215	1,865	\$1,875	0.8%	0.3%	0.37	\$155.56	\$57.96	\$213.52	\$398,208	\$ 48,586	\$ 349,622	
DE	\$ 19,797,533	4,415	\$4,484	1.9%	1.7%	0.89	\$155.56	\$138.64	\$294.20	\$1,298,882	\$ (5,120)	\$ 1,304,002	
FL	96,412,404	22,108	\$4,361	9.5%	8.2%	0.87	\$155.56	\$134.83	\$290.39	\$6,419,921	\$ (25,305)	\$ 6,445,226	
IA	\$ 15,406,291	3,601	\$4,278	1.5%	1.3%	0.85	\$155.56	\$132.28	\$287.83	\$1,036,490	\$ (4,085)	\$ 1,040,576	
IL	18,000,152	6,606	\$2,725	2.8%	1.5%	0.54	\$155.56	\$84.25	\$239.80	\$1,584,132	\$ (6,244)	\$ 1,590,376	
IN	\$ 30,547,280	6,946	\$4,398	3.0%	2.6%	0.87	\$155.56	\$135.97	\$291.53	\$2,024,956	\$ (7,981)	\$ 2,032,938	
KY	162,108,703	15,453	\$10,490	6.6%	13.8%	2.09	\$155.56	\$324.35	\$479.90	\$7,415,914	\$ (29,230)	\$ 7,445,145	
LA	70,528,364	20,693	\$3,408	8.9%	6.0%	0.68	\$155.56	\$105.38	\$260.93	\$5,399,521	\$ (21,283)	\$ 5,420,804	
MD	67,214,562	11,475	\$5,857	4.9%	5.7%	1.16	\$155.56	\$181.10	\$336.66	\$3,863,155	\$ (15,227)	\$ 3,878,381	
MN	\$ 13,536,314	3,867	\$3,500	1.7%	1.2%	0.70	\$155.56	\$108.23	\$263.78	\$1,020,052	\$ (4,021)	\$ 1,024,072	
NE	2,618,095	2,665	\$982	1.1%	0.2%	0.20	\$155.56	\$30.37	\$185.93	\$495,502	\$ 233,693	\$ 261,810	
NJ	32,106,218	4,878	\$6,582	2.1%	2.7%	1.31	\$155.56	\$203.50	\$359.05	\$1,751,467	\$ (6,904)	\$ 1,758,371	
NM	23,510,811	6,531	\$3,600	2.8%	2.0%	0.72	\$155.56	\$111.30	\$266.86	\$1,742,845	\$ (6,870)	\$ 1,749,715	
NY	181,741,126	19,333	\$9,401	8.3%	15.5%	1.87	\$155.56	\$290.65	\$446.20	\$8,626,469	\$ (34,002)	\$ 8,660,471	
OH	50,445,055	16,111	\$3,131	6.9%	4.3%	0.62	\$155.56	\$96.81	\$252.36	\$4,065,826	\$ (16,026)	\$ 4,081,851	
OK	23,584,217	7,391	\$3,191	3.2%	2.0%	0.63	\$155.56	\$98.66	\$254.21	\$1,878,893	\$ (7,406)	\$ 1,886,298	
PA	94,568,863	23,539	\$4,018	10.1%	8.1%	0.80	\$155.56	\$124.22	\$279.77	\$6,585,522	\$ (25,957)	\$ 6,611,479	
VA	\$ 14,563,863	2,055	\$7,087	0.9%	1.2%	1.41	\$155.56	\$219.12	\$374.67	\$769,955	\$ (3,035)	\$ 772,990	
WA	\$ 7,059,483	2,679	\$2,635	1.1%	0.6%	0.52	\$155.56	\$81.47	\$237.03	\$635,000	\$ (2,503)	\$ 637,503	
WV	49,687,633	16,779	\$2,961	7.2%	4.2%	0.59	\$155.56	\$91.56	\$247.11	\$4,146,319	\$ (16,343)	\$ 4,162,662	
										\$ 72,509,662	\$ 0	\$ 72,509,662	
										1,172,603,109	233,067		
										100.0%	100.0%		

Note 1: this excludes states that don't have tracks conducting Covered Horseraces, including Idaho, Montana, Nevada, North Dakota, Oregon, Texas, & Wyoming.

Note 2: the above Purses Paid and Starts data is for the period Oct. 1, 2021 thru Sep. 30, 2022. This excludes Breeders' Cup at Del Mar.

2023 Assessments by Track

State	Track	Starts	Purses Paid	% of purses in state	HISA fee per start	HISA annual cost
AR	Oaklawn	5,520	\$ 44,867,150	100.0%	\$ 408.47	\$ 2,254,732
AZ	Ariz. Downs	920	\$ 1,909,550	10.0%	\$ 195.47	\$ 179,831
AZ	Rillito	307	\$ 492,316	2.6%	\$ 151.02	\$ 46,364
AZ	Turf Paradise	6,485	\$ 16,674,399	87.4%	\$ 242.14	\$ 1,570,306
CA	Del Mar	3,557	\$ 32,582,744	24.7%	\$ 510.71	\$ 1,816,583
CA	Ferndale	193	\$ 362,021	0.3%	\$ 104.58	\$ 20,184
CA	Fresno	267	\$ 925,909	0.7%	\$ 193.34	\$ 51,622
CA	Golden Gate	7,144	\$ 25,435,742	19.3%	\$ 198.50	\$ 1,418,117
CA	Los Alamitos TB	924	\$ 1,417,600	1.1%	\$ 85.54	\$ 79,035
CA	Los Alamitos TB during QH meet	1,345	\$ 8,064,954	6.1%	\$ 334.31	\$ 449,645
CA	Pleasanton	628	\$ 2,167,704	1.6%	\$ 192.45	\$ 120,856
CA	Santa Anita	6,126	\$ 58,190,668	44.2%	\$ 529.60	\$ 3,244,300
CA	Sacramento	372	\$ 1,407,144	1.1%	\$ 210.89	\$ 78,452
CA	Santa Rosa	289	\$ 1,172,026	0.9%	\$ 226.10	\$ 65,344
CO	Arapahoe	1,865	\$ 3,496,215	100.0%	\$ 187.46	\$ 349,622
DE	Delaware Park	4,415	\$ 19,797,533	100.0%	\$ 295.36	\$ 1,304,002
FL	Gulfstream	15,540	\$ 77,890,830	80.8%	\$ 335.07	\$ 5,207,048
FL	Tampa	6,568	\$ 18,521,574	19.2%	\$ 188.52	\$ 1,238,178
IA	Prairie Meadows	3,601	\$ 15,406,291	100.0%	\$ 288.97	\$ 1,040,576
IL	Fanduel (Fairmount)	2,511	\$ 5,623,791	31.2%	\$ 197.88	\$ 496,882
IL	Hawthorne	4,095	\$ 12,376,361	68.8%	\$ 267.03	\$ 1,093,495
IN	Horseshoe (Indiana Grand)	6,946	\$ 30,547,280	100.0%	\$ 292.68	\$ 2,032,938
KY	Churchill Downs	6,171	\$ 84,870,172	52.4%	\$ 631.64	\$ 3,897,821
KY	Ellis Park	1,528	\$ 9,482,710	5.8%	\$ 285.02	\$ 435,511
KY	KY Downs	776	\$ 17,863,298	11.0%	\$ 1,057.22	\$ 820,405
KY	Keeneland	2,676	\$ 32,181,241	19.9%	\$ 552.31	\$ 1,477,984
KY	Turfway	4,302	\$ 17,711,282	10.9%	\$ 189.08	\$ 813,424
LA	Delta Downs	6,201	\$ 19,600,565	27.8%	\$ 242.94	\$ 1,506,498
LA	Evangeline Downs	4,763	\$ 12,007,830	17.0%	\$ 193.77	\$ 922,921
LA	Fair Grounds	5,779	\$ 29,997,299	42.5%	\$ 398.96	\$ 2,305,590
LA	Louisiana Downs	3,950	\$ 8,922,670	12.7%	\$ 173.62	\$ 685,796
MD	Laurel	9,598	\$ 53,798,326	80.0%	\$ 323.43	\$ 3,104,244
MD	Pimlico	1,510	\$ 11,421,349	17.0%	\$ 436.44	\$ 659,029
MD	Timonium	367	\$ 1,994,887	3.0%	\$ 313.65	\$ 115,108
MN	Canterbury	3,867	\$ 13,536,314	100.0%	\$ 264.82	\$ 1,024,072
NE	Columbus	326	\$ 358,623	13.7%	\$ 110.01	\$ 35,862
NE	Fonner	2,339	\$ 2,259,472	86.3%	\$ 96.60	\$ 225,947
NJ	Meadowlands	485	\$ 1,615,629	5.0%	\$ 182.44	\$ 88,484
NJ	Monmouth	4,393	\$ 30,490,589	95.0%	\$ 380.12	\$ 1,669,887
NM	Albuquerque	1,522	\$ 5,088,659	21.6%	\$ 248.82	\$ 378,707
NM	Ruidoso	587	\$ 1,595,627	6.8%	\$ 202.30	\$ 118,749
NM	SunRay Park	888	\$ 3,381,264	14.4%	\$ 283.38	\$ 251,639
NM	Sunland	2,009	\$ 8,051,188	34.2%	\$ 298.25	\$ 599,183
NM	Zia Park	1,525	\$ 5,394,073	22.9%	\$ 263.24	\$ 401,436
NY	Aqueduct	5,521	\$ 47,754,000	26.3%	\$ 412.17	\$ 2,275,611
NY	Belmont at Aqueduct	751	\$ 9,381,350	5.2%	\$ 595.27	\$ 447,047
NY	Belmont	4,824	\$ 59,577,960	32.8%	\$ 588.53	\$ 2,839,056
NY	Finger Lakes	5,009	\$ 15,724,896	8.7%	\$ 149.60	\$ 749,335
NY	Saratoga	3,228	\$ 49,302,920	27.1%	\$ 727.83	\$ 2,349,422
OH	Belterra Park	4,832	\$ 12,334,200	24.5%	\$ 206.55	\$ 998,044
OH	Mahoning Valley	5,911	\$ 17,715,610	35.1%	\$ 242.51	\$ 1,433,490
OH	Thistledown	5,368	\$ 20,395,245	40.4%	\$ 307.44	\$ 1,650,318
OK	Fair Meadows	708	\$ 1,391,875	5.9%	\$ 157.24	\$ 111,324
OK	Remington	5,049	\$ 17,977,468	76.2%	\$ 284.78	\$ 1,437,863
OK	Will Rogers Downs	1,634	\$ 4,214,874	17.9%	\$ 206.31	\$ 337,111
PA	Penn National	7,297	\$ 23,289,645	24.6%	\$ 223.14	\$ 1,628,221
PA	Presque Isle Downs	4,607	\$ 16,643,418	17.6%	\$ 252.57	\$ 1,163,571
PA	Parx	11,635	\$ 54,635,800	57.8%	\$ 328.29	\$ 3,819,687
VA	Colonial	2,055	\$ 14,563,863	100.0%	\$ 376.15	\$ 772,990
WA	Emerald Downs	2,679	\$ 7,059,483	100.0%	\$ 237.96	\$ 637,503
WV	Charles Town	10,095	\$ 35,992,800	72.4%	\$ 298.70	\$ 3,015,355
WV	Mountaineer	6,684	\$ 13,694,833	27.6%	\$ 171.65	\$ 1,147,307
		233,067	1,172,603,109			\$72,509,662

Note 1: this excludes states that don't have tracks conducting Covered Horseraces, including Idaho, Montana, Nevada, North Dakota, Oregon, Texas, & Wyoming. It also excludes individual tracks that aren't conducting Covered Horseraces.

Note 2: the above Purses Paid and Starts data is for the period Oct. 1, 2021 thru Sep. 30, 2022. This excludes Breeders' Cup at Del Mar.

Minnesota Racing Commission Meeting
Thursday, November 17, 2022

November 4, 2022

Lisa Lazarus
CEO
Horseracing Integrity and Safety Authority
401 W. Main Street, Suite 222
Lexington, Kentucky 40507

Via Electronic Mail

Re: 2023 HISA Assessment--Minnesota

Dear. Ms. Lazarus:

On October 17, 2023, the Minnesota Racing Commission (“Commission”) received your letter assessing Minnesota \$1,024,072 for its share of the Horseracing Integrity and Safety Authorities’ (“HISA”) expenses for the calendar year 2023. The letter indicated that the State may receive a decrease of \$350,000 based on conducting certain functions on behalf of HISA. HISA gave the Commission a deadline of November 16, 2022 to decide whether to opt into the financial assessment or decide to pass the costs on to the single thoroughbred track in Minnesota which would be billed in the above stated amount on December 10, 2022.

As you may be aware this assessment is well above the Commission’s annual financial budget and determining where and whether the Commission will obtain that amount of money is going to take considerable time and a detailed examination of potential sources. The Commission last met two days after the letter was received and had no time to meaningfully discuss the assessment at that meeting. The Commission’s next scheduled meeting isn’t until November 17, 2022, one day after the deadline.

Commission staff and the Chair have had numerous discussions, some involving the thoroughbred track’s management, and have made an initial and preliminary analysis of the matter, but, as I am sure you can understand, the Commission will need more time to find the resources and make a determination. Moreover, serious discussions are needed about the availability and staffing necessary to conduct the numerous functions and duties you have requested. I respectfully request an extension of both the November 16, 2022 and the December 10, 2022 deadlines. It is not fair to assess the sole thoroughbred track in the State that soon simply because the Commission had only a month to decide a very serious financial and resource matters that will impact the entire racing and agribusiness economies.

Thank you for your consideration and I look forward to hearing from you. In the meantime, if you have questions or need anything further, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Charlene Briner". The signature is fluid and cursive, with a large loop at the end.

Charlene Briner
Interim Executive Director
Minnesota Racing Commission

Cc: Camille McArdle, Chair, Minnesota Racing Commission
Randy Sampson, CEO, Canterbury Park

Dear Mr. Newton,

We are happy to grant you an extension since you are not racing until later in 2023. Please keep us updated on your progress.

Sincerely,

Lisa Lazarus

CEO

c: 1.914.844.5511

w: www.hisaus.org

a: 401 West Main St. Suite 222, Lexington, KY 40507



**HORSERACING INTEGRITY
AND SAFETY AUTHORITY**