



**Task Force on the Future of Off-Track Betting in
New York State**

**MINUTES
MEETING OF JULY 30, 2009**

A meeting of the Task Force on the Future of Off-Track Betting in New York State was held on Thursday, July 30, 2009 at 11:00am at the Nevele Pride room in the clubhouse at Saratoga Gaming and Raceway, Saratoga New York.

In Attendance Were:

Chairman John Van Lindt
Vice-Chair John Crotty
Jon J. McCloskey
Jerry Skurnik
Thomas Casaregola, Secretary

Also In Attendance Were:

Martin Basinait, Western OTB
John Signor, Capital OTB
Marc Corazzini, FAN
Ed Fontaine, NY Post
Nancy Priputen Madrian, Capital OTB
Rob Palumbo, NYRA
Hal Handel, NYRA
Charlie Hayward, NYRA
Richard Dirkes, Getnick & Getnick
Bruce Cogan, Saratoga Gaming
Bill Crowel, Witeman, Osterman et al.
Patrick Kehoe, NYRA
Pete Pagliaro, NYS OSC
Harry Snyder, NYS Racing Commission
Sylvia Hamer, Governor's Office
Lisa Marrello, Wilson Elser
Skip Piscatelli, Wilson Elser
Nick Antenucci, Wilson Elser
Jessica Morelli, NYSAC
Michael Wilton, P. Lynch Assoc.
Jeffery Casale, Suffolk OTB
David Needham, Suffolk OTB
Charles Vickery
Robert Hemsworth, Capital OTB

Brad Fischer, NYS Senate & Senate nominee to the Task Force
 Joni Yoswein, YNY/SOA
 Abby Jenkins, NYSAC
 Dick Powell, RGS
 Valerie Lucanera, Catskill OTB
 Linda Casse, Ocala owner
 Donald Groth, Catskill OTB
 Michael Amo, Orange County Legislator / ThoroFan
 Bruce Benedict, GVE
 Don Braim, Saratoga Gaming
 George Wiley, Saratoga Gaming
 John Mattarazo, Saratoga Gaming
 Mike Hoblock, Catskill
 Honorable J. Gary Pretlow, NYS Assembly, Chair of the Assembly Racing & Wagering
 Committee
 Steve Bochnak, NYS Assembly
 Paul Post, Saratogian
 Kristin Buckley, NYSRWB
 John Googas, NYSRWB
 Ronald Ochrym, NYSRWB
 Joseph Mahoney, NYSRWB

Call to Order

The meeting was called to order at 11:02 a.m.

Minutes of Previous Meeting

Chairman Van Lindt requested a motion to approve the minutes of the meeting held on June 24, 2009. A motion was made by Chairman Van Lindt and seconded by Jerry Skurnik. The minutes were approved unanimously.

Introductory Remarks

Chairman Van Lindt reported the total New York State handle (bets placed in NYS) at \$2.45 million with \$1.8 million being wagered at the six regional Off-Track Betting Corporations. A summary of what the task force has done so far was also provided as well as mention of the pending requests for legal opinions from the New York State Attorney General’s office regarding out-of-state Advance Deposit Wagering providers. A summary of the 216 total recommendations received to date was made. These recommendations were received from 61 individuals and or entities as follows:

NYS Tracks	6
Tote Companies	3
Local Municipalities	12
Horsemen and Breeders	7
NYS Off-Track Betting Corporations	5
Bettors / Public / Fans	28
	<u>61</u>

The only authorized pari-mutuel wagering entities that have yet to submit comments to the Task Force are New York City OTB, Finger Lakes Raceway, Vernon Downs and Tioga Downs.

Financial Reports and Analysis

Tom Casaregola reported that financial summaries and analysis were performed on all of the New York State Off-Track Betting Corporations and racetracks. The analysis was compiled from information filed with the New York State Racing and Wagering Board and information from the New York State Lottery for the past five years. The information is to be posted on the Task Force's web site by tomorrow (July 31st) so that it may be reviewed by all interested parties along with the members of the Task Force. Mr. Casaregola noted that the task Force has not come to any conclusions regarding this information but rather is considering it as comments and suggestions are made. It was noted that some information is not yet available for disclosure as some issues regarding Freedom of Information disclosure are being addressed.

Public Comment

Chairman Van Lindt noted that the OTB presidents and president of NYRA were invited to address the Task Force at this meeting.

Mr. Charles Hayward, president of NYRA read from a document he prepared for a meeting he had with the OTB presidents in the summer of 2006 concerning consolidating tote, internet wagering platforms, statewide television and video streaming over the internet for simulcasting NY races as well as a statewide marketing. Also suggested consolidating operations and overhead (accounting, marketing, insurance etc.) Mr. Hayward also discussed the monies owed to NYRA by NYCOTB and NYCOTB's poor financial position and encouraged the Task Force to concentrate on the problems of NYCOTB.

Mr. Donald Groth, president of Catskill OTB stated he has been promoting the idea of a statewide television network for racing for decades and hopes the task force recommends it in their report. Supports a statewide tote system for all NY tracks and OTBs and to update the system with current technology. Stated a statewide marketing program is a brilliant idea and suggest the I Love New York campaign be used for this. Mr. Groth also stated that the OTBs meet all the time to try to find ways to save money and consolidate however when asked he offered no examples of implemented programs. Lastly out of state Advance Deposit Wagering (ADW) companies are poaching thousands of dollars of bets from the OTBs and there are too many people living off of OTB.

Mr. Martin Basinait, president of Western OTB stated that Western OTB's position is unique because in addition to operating an OTB they also operate a racetrack and video gaming operations. The gaming business follows the economy of the country, which is now very bad. It's difficult to operate a 20th century business on 19th century laws. The distribution (of revenue) model needs to be changed. Supports a statewide tote operation and statewide player card. Western OTB does not offer nighttime thoroughbred wagering because the statutory payments to do so are too high and stated that they should all support New York racing.

Mr. Jeffery Casale, president of Suffolk OTB stated that Suffolk OTB submitted their proposed business model on how OTB should be run to the Task Force. Their model is more customer

friendly and supports a statewide tote to provide patrons the ability to use one player card or voucher at any New York location (OTB or track). Suffolk OTB currently shares a phone center and print shop with Nassau OTB that works well. Supports the idea of centralized telephone wagering centers, one upstate and one downstate. Suffolk OTB is promoting a statewide handicapping tournament that helps promote New York racing. They are sensitive to their local communities on placing of branches and believe that should continue. Racing is in decline and there needs to be a change to the distribution formulas. The racing product needs to improve, better marketing and larger fields are needed as there is more competition for the betting dollar.

Mr. John Signor, president of Capital OTB stated the decline in racing is a national problem not just New York. Stated that the tracks and OTBs work together all the time and cited how Capital OTB promotes NYRA racing at Saratoga in addition to Finger Lakes and Vernon Downs racing. Nighttime thoroughbred racing was projected to add \$400 million in handle, which did not happen. As a result of the legislation they have to pay too much to the harness tracks based on handle from 2002 as current handle continues to decline. Also stated he believes that the out of state ADWs are having a massive impact on their operations and stated that Youbet told them two years ago that they had \$50 million of New York customer handle and that he believes the amount to be much higher now. They have cut their expenses consistently over the years and run efficient operations and believe it's a good idea to have a statewide tote and television station for racing.

Mr. Michael Amo, Orange County Legislator, Chairman of the OTB committee for the County and Chairman of the Board of ThoroFan, a non-profit organization formed for the benefit of racing fans stated that the Task Force should be sure to remember the fans and be sure not to do or recommend anything that would hurt them. He also stressed its important to educate people to learn about the sport and betting.

New Business

None.

Schedule Next Meeting

The next meeting is tentatively planned to be held towards the end of August. Time and place to be announced.

Adjournment

Chairman Van Lindt requested a motion to adjourn the meeting. A motion was made by John Crotty and seconded by Jon McCloskey. The resolution passed unanimously. The meeting was adjourned at approximately 12:05pm.

Respectfully Submitted,

Thomas Casaregola
Secretary to the Task Force