

Racing Committee Minutes

February 3, 2011 – 3:30 p.m.

Present: Chairman Peck; Supervisors Collyer, M. Johnson, Southworth, Veitch, Yepsen, Richardson, Wright and Wood; Spencer Hellwig, Mgmt. Analyst; Todd Shimkus, Greg Dixon, Saratoga Chamber of Commerce; Steve Dorsey, County Attorney.

Chairman Peck called the meeting to order and welcomed all in attendance.

On a motion made by Mr. Veitch, seconded by Mrs. Southworth the minutes of the September 9, 2011 meeting were approved unanimously.

Chairman Peck announced the appointment of Mr. Veitch as Vice Chair of the Racing Committee.

Mr. Peck proposed sending a resolution that would go out to the Governor's office and all legislators reiterating the counties interest in host community benefits to the City of Saratoga Springs, and Saratoga County. This was an expense that was born by the community when they were asked to do this, he said.

Mrs. Yepsen said more than anyone, the City of Saratoga Springs has experienced layoffs because of the lack of money. Based on the budget address and the fact that it is going in the opposite direction, she said that she didn't think this was going to happen this year. She suggested putting efforts in a different basket where they might be more successful. This is something that we could have done a few years ago, but not now, not until the economy turns around. Mrs. Yepsen said it is her perception that the money isn't there, so we are not going to get it this year. We are a host city and a host county and for that we should not be charged a surcharge either. Mrs. Yepsen said she would like the Racing Committee to eventually do something legislatively to lobby against the surcharge on purses that the Governor is proposing. I think that we have a better chance of getting that removed as opposed to cash that is non-existent. The casinos and VLT's are making money, but that money will go into the State's deficit, she said.

Mr. Peck said he agreed, but he said we should remind the legislature that we are still here, and that we think that it is important from the original agreement that it continues.

Mr. Veitch said he understands the State's fiscal situation, but at the end of the day he represents the City of Saratoga Springs as Supervisor, and as a whole we represent Saratoga County as the Board of Supervisors. We still need to protect our interests as a city and county even though the State is in a dire fiscal situation. The intent of this resolution should be to remind the State that we are still here and seeking those funds

even if they are not available. It is important that we continue to make that stand as a county and city moving forward with the state.

Ms. Yepsen suggested that an amendment should be put in the resolution that indicates when the economy turns around that we will begin to receive those funds once again.

Mr. Peck said what is important is that there was an agreement at the time, and it is important to remind them the agreement was made and we need to live up to our obligations. It has been a practice as fiscal times at the State change they change the agreements.

Ms. Yepsen said the Genting issue is big because right now there is a huge threat in the Catskills and Genting is beginning to question whether they have made the right decision. If they are going to move forward with the entire deal over the years, we need to protect our VLT revenues first or else we will never be in line for any of them.

Mr. Veitch said there are two other parts to this equation. The Assembly and the Senate have yet to work on the budget. If we insert our needs at this point it is going to the Governor as well, but the Senate and Assembly both have a say in this budget going forward.

A motion was made by Mrs. Southworth, seconded by Mrs. Johnson urging Governor Cuomo and the New York State Legislature to authorize the reinstatement of VLT revenues for Saratoga Springs and Saratoga County. Unanimous.

Mr. Peck said he would propose to the Governor and Legislature to remove the horse racing purse surcharge that is a hamper to Economic Development, which is another way of tax when you say you are not taxing. The horse racing industry is in such a delicate position right now as we continue to battle New Jersey and Pennsylvania in their efforts to steal away our horses, and the limelight that comes with New York Racing. It would be detrimental to the state of horse racing to further try and reduce the purses.

Ms. Yepsen said to add to that also is the fact that the owners and breeders are saying that this surcharge could be a wash with the VLT progress that has been made. It doesn't make any sense for the State to do this.

Mr. Veitch said he was completely in agreement with that.

A motion was made by Mrs. Johnson, seconded by Ms. Yepsen to approve a resolution to be sent to the Governor and the Legislature requesting the removal of the surcharge on horse racing purses. Unanimous.

Mr. Shimkus said a few weeks ago there was an opportunity to meet with Senator McDonald, Senate Majority Leader Skelos and Senator Farley. The attendance was

limited to ten people, so a broad cross-section of people that were involved in the racing industry were sought. After the meeting everyone was asked to send something in writing.

Mr. Shimkus said they are not looking through this to solve all of the racing issues and challenges that were there. They were pretty Saratoga focused with what would be good for Saratoga and what we all agreed would be good for Saratoga amongst the various interests that were there.

Mr. Peck said Senate Majority Skelos wanted to know how we could fix racing everywhere including next to his district in Belmont. We said that we are here to make sure that racing in New York is successful and that racing in Saratoga is successful.

Mr. Skimkus said the first piece is the VLT at Aqueduct, and we have to be supportive of that. He said one recommendation was that Governor Cuomo should request that the Department of Interior “stop the clock” on its statutorily mandated 45-day evaluation of the Compact until the state can complete the requested financial evaluation. This could be devastating to a number of entities, and there is a report out that shows New York State stands to lose \$407 million and up to 1,000 jobs if it proceeds.

Mr. Skimkus said one of the things that Senator Skelos said was that every year there seems to be a different crisis related to racing, and it would be nice if we could get to a point where we don’t have to deal with that. The following suggestions were made:

- The State must find a solution to the NYCOTB issue that benefits all stakeholders involved. In order for NY racing to remain as the premier racing in the nation, the focus must be on the Host tracks and the racing product. Giving NYRA the ability and flexibility to add off-track betting sites in NYC, improving transportation to Aqueduct and Belmont, and creating incentives for fans to go to the tracks, will begin to restore the eroding fan base for racing in the NYC area, and only lead to more revenues for New York State in the long run.
- Ensure the OTB payments to NYRA are not reduced
- Eliminate the matching funds requirement on the capital investment fund for VLT operators. Encouraging construction at Saratoga Casino and Raceway would create much needed jobs for Saratoga County.
- Allow subsidized free play at Saratoga Casino and Raceway and the other VLT operators in New York State. Subsidized free play would allow them to better compete, while also driving increased revenues for the state through better customer reinvestment.

Mr. Shimkus said we at some point want to get back to promoting New York as the premiere destination for racing, and Saratoga is the highlight of that. When speaking to Majority Leader Skelos it was said that we have one of the best, successful and widely known races in the world right here in New York, Belmont and the Travers. New York spends quite a bit of money every year on marketing New York as a destination to come

“I Love New York”. Let’s see if they can’t cut out a little bit of money to promote those two races, and as a result of that, to promote the industry across New York State.

Mr. Shimkus said part of the New York City OTB issue in December and the crisis in the spring of 2010 with respect to NYRA and its funding, it has created a perception that our local race meet is in jeopardy. We want to make sure that it is crystal clear that July 22, 2011 is the first day of racing in Saratoga Springs, and that races are going forward. There is no better way to do that than to market what you have got going on, and there is no better destination to market than Saratoga.

Mr. Peck proposed a resolution supporting the Saratoga County Chamber of Commerce efforts in their outline racing initiatives.

A motion was made by Mrs. Southworth, seconded by Mr. Collyer to approve a resolution of support for the Saratoga County Chamber of Commerce efforts to preserve horse racing in Saratoga County. Unanimous.

Mrs. Southworth said it is important that we support what the Chamber is doing and also that they are putting together a solid plan of recommendations. Some of the problems that she has heard of in the past is that racing is always crying wolf. This shows them that there is a specific direction that we are looking to go in, and giving our legislators that detailed information on where we want them to go is important.

Mr. Peck said the Racing Committee will again promote Saratoga Day at the Races, sponsored by the Board of Supervisors at the Saratoga meet, and will continue to work on that with NYRA.

Mr. Peck said as the budget moves forward he would like everyone to track things that either help or hinder racing in this state. It is important that we continue to promote racing. Last years sense of jeopardy of the Saratoga meet hurts everybody. We need to make it very clear that Saratoga racing is not in jeopardy and the Saratoga meet is never in jeopardy.

On a motion made by Mrs. Johnson, seconded by Mr. Veitch the meeting was adjourned.

Respectfully submitted,
Chris Sansom