

MINUTES

NEW YORK STATE RACING AND WAGERING BOARD

SPECIAL BOARD MEETING OF JUNE 25, 2003

A special meeting of the New York State Racing and Wagering Board was held on Wednesday, June 25, 2003 at 10:00 a.m. at the Racing & Wagering Board's Albany Office located at 1 Watervliet Avenue Extension, Albany, New York.

The meeting was called to order at 12:27 p.m.

In Attendance Were:

Michael J. Hoblock, Jr., Chairman

Cheryl Buley, Member

Ed Martin, Executive Director

Sheila Osterhout, Secretary to the Board

Robert Feuerstein, General Counsel

Tom Casaregola, Director of Audits & Investigations

Joe Lynch, Chief of Racing Operations

Also in Attendance Were:

Dianne Landor, NYSR&WB

Stacy Clifford, NYSR&WB

Jeff Katt, NYSR&WB

Gregg Schreffler, NYSR&WB

Jim Kellogg, NYSR&WB

Ira Block, New York City OTB

Ray Casey, New York City OTB

Peter O'Connell, Western Regional OTB

Michael Hutter, Capital District OTB

Dennis Yusko, Times Union

Michael Connery, Capital District OTB

John Signor, Capital District OTB

Shirin Parsavand, Daily Gazette

Charles Coppola, Coppola, Ryan, McHugh

James Ryan, Coppola, Ryan, McHugh

Paul D'Onofrio, Monticello Raceway

Bill Crowell, Hinman Straub

OPEN COMMENT PERIOD: (Started: 10:02 a.m.) James Ryan discussed NYRA's takeout throughout the years and the impact it has had on the OTB's. Mr. Ryan handed out information and read from an Attorney General Opinion from 1996. The Chairman asked if there was any statistical studies done regarding previous changes in takeout and the effect on the OTB's. Mr. Ryan stated that each OTB has an analysis and that most impacts were substantial. Discussion took place regarding rules and regulatory issues. Joe Lynch asked if the check that is given to the localities is broken down and if the total revenue will be changed due to this takeout overall. Ira Block discussed the impact on takeout plus the new regulatory fee. He also stated that there was no justification for this takeout and that there needs to be an evaluation period first. Mr. Block stated that New York City OTB does not support the application. Ray Casey discussed revenues, simulcasting and the regulatory fee impacting the net revenue as well as the prospect of lower takeout. Pete O'Connell submitted a hand out and stated that there was an obligation to look into the total impact this would have on the OTB's. The Board asked if the OTB's could put together figures to submit to the Board regarding the projected effect the takeout will have. Mr. Hutter and Mr. Casey stated that they could get figures together but needed more time. Discussion took place about a timeframe when the OTB's could submit the figures to the Board. After hearing the objections and the issues brought to their attention, the Board asked NYRA to provide more information and suggested that there be further review of the possible impact on OTB's and the localities. The Board also suggested that there should have been discussion with NYRA and the OTB's and tracks in an effort to work together. (Ended: 12:13 p.m.)

1. NYRA REQUEST TO LOWER TAKEOUT IN REGULAR AND MULTIPLE POOLS

The Board deferred action on NYRA's request to lower the takeout on a regular pari-mutuel pools a full percentage point from fourteen (14.0%) to thirteen (13.0%). Also deferred was a reduction of takeout in all multiple pari-mutuel pools from the current seventeen and one-half percent (17.5%) to a flat seventeen percent (17.0%), effective July 1, 2003.

The meeting was adjourned at 12:45 p.m.