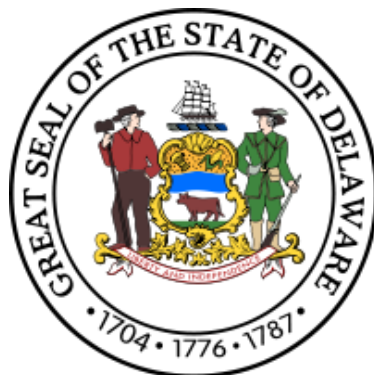


2017 Annual Report



2017 Delaware Harness Racing Commission

Mission Statement

To protect, promote, serve and regulate the Harness Racing Industry and uphold its honesty and integrity in a competent and impartial manner.

Purpose

The Delaware Harness Racing Commission (DHRC) regulates and oversees the sport of harness racing in the state of Delaware.

Objectives

1. To protect, preserve and promote agriculture and horse racing through effective and efficient efforts to prevent and eliminate corrupt practices.
2. To ensure fairness in any decision affecting licensees and patrons; and ensure due process in administrative proceedings.
3. To be responsive to the public and licensees and provide information concerning the industry and DHRC operations.

Table of Contents

Executive Summary

DHRC Commission Board	1
DHRC Race Officials	1
DHRC Paddock and Other Personnel	1
Training and Accreditation	2
Licensing Office Data	3
Equine Drug Testing Summary	4
Human Drug Testing- Post Race	4
Race Track Handle Statistics	5
Lottery and Purse Statistics	6
Delaware Standardbred Breeders' Fund	7

Executive Summary

Purse, Race and Handle Statistics

Delaware enjoyed another very successful harness racing season in 2017, with 159 race days and 2,026 races total. Including stake races, Dover Downs (DD) and Harrington Raceway Inc. (HRI) distributed \$16.2M and approximately \$8.2M, respectively for total of over \$24M in 2017. The total revenue for the casinos (from slots, tables, sports and pari-mutuel) held close to 2016 levels, down less than 1%. The Net Funds for Purses was just about \$19.8M, which is less than a 1% reduction. When compared to 2016, the 2017 total on-track and off-track handle combined was down 14%.

In 2017, expenses associated with Delaware Standardbred Owners Association (DSOA) deducted from the purse account were as follows: \$684, 000 for operations; \$239,500 for pensions, and \$2,483,600 for insurance.

The Delaware Standardbred Breeders' Fund (DSBF) successfully promotes the production and improvement of Delaware-based Standardbreds, as well as the prominence of the state's harness racing industry in North America. The DSBF distributed about \$3.33M in 2017.

Commission Rules/Procedures

Through adherence to the highest standards of integrity, the Delaware Harness Racing Commission (DHRC) effectively regulated the sport of harness racing in the First State. Various improvements were made to internal procedures and regulatory protocols. Continuous review and improvement is standard practice. Human drug testing protocols were assessed and improved, and additional changes will be made in 2018.

Commission Personnel

The more than twenty DHRC personnel are strongly encouraged to cross-train, thereby improving morale and operational flexibility. In addition, the DHRC maintains high standards of training and continues to participate in the national accreditation program. Additional Paddock Inspectors were hired in 2017 due to turnover, and to meet anticipated and often high rates of illness which occur when racing the winter months at Dover Downs.

Chief Veterinarian Annie Renzetti, VMD left the DHRC to join the University of Delaware as an instructor. We were very fortunate to be able to hire Kristen Near, VMD and add her

knowledge and skills to the DHRC team. John Whiston, DVM was promoted to Chief Veterinarian; a well-deserved acknowledgement of his contributions.

In 2016, Lauren Torres was hired as Chief Investigator and Handley Orr as a new Investigator. The DHRC was able utilize a fully staffed Investigative Team in 2017, which also included Dan Caldwell and Bob Delisi (part-time).

Drug Testing

Both the frequency and quality of the drug screening programs are continuously assessed and adjusted for improvement. In 2017, a total of 2,691 pre-race tests were completed in-house. Dalare Lab continues to service the Commission by providing analysis of post-race (blood/urine) and out-of-competition (blood) samples. A total of 2,036 (blood) and 1,655 (urine) post-race samples and a record setting 128 out-of-competition samples were collected and analyzed in 2017. In addition, the DHRC conducted multiple sampling events at qualifying races, collecting 22 samples and resulting in two positive tests. In 2015, the DHRC passed new rules related to the use of cobalt. In order to monitor the use of cobalt and enforce the new regulation related to its use, the DHRC initiated a blood plasma cobalt testing protocol. A total of 244 samples were collected and analyzed for cobalt in 2017.

In 2017, 7,558 breathalyzer screenings were conducted, and 165 human urine samples were collected for drug testing, resulting in 4 positives. The continued monitoring of possible drug use/abuse in human and equine participants is paramount to maintaining the highest standards of integrity in Delaware horse racing. Our drug testing sample collection and analytical protocols, as well as testing parameters, are constantly monitored for quality improvement.

Budget

It is important to remember the state fiscal year (SFY) runs from July 1st to June 30th and the annual report is based on the calendar year. In general, the following relates to the 2017 calendar year. Casino revenue is a source of funding for the DHRC and DSBF operations. Some costs are directly paid by the tracks, such as laboratory services (not shown in the DHRC Operating Budget), and other costs are covered by funds channeled through the Lottery Office to the DHRC. The majority of the DHRC budget is provided from lottery accounts and not the purse account. The SFY2017 DHRC budget was approximately \$1.6M, including personnel, travel, contractual, supplies, and fingerprints. DHRC operations are performed well within budgeted parameters. In fact, the DHRC again plans to complete the SFY under budget.

Conclusion

As the 2014 economic impact study showed, Delaware horse racing is a vibrant and healthy industry, contributing \$182M to the State's economy annually and accounting for 1,540 jobs. However, the reductions in gaming revenue and total handle over the last few years cannot be ignored. The DHRC is mindful of and responsive to this situation. Many DHRC cost saving measures have been implemented since 2014 and that practice will continue. The DHRC constantly reviews internal procedures and we will continue the practice of on-going assessment and improvement to reduce costs and increase efficiency. The DHRC will also continue to identify methods and measures (education, rules, procedures, testing, and investigation) to ensure the integrity of racing in the First State.

It will take all stakeholders (regulators, politicians, casinos/tracks, horsemen, and support businesses) working together to ensure the continued success of this important industry, which contributes significantly to our history and economy. Solutions which consider the needs of and provide a positive impact to both the horsemen and casino/tracks must be identified and implemented.

2017 Delaware Harness Racing Commission

Delaware Harness Racing Commission

Chairman, Beverly Steele
Vice-Chairman, Patt Wagner
Commissioner, George P. Staats
Commissioner, Jack Berberian
Commissioner, Stephanie Liguori
Executive Director, Mark A. Davis
Counsel, Andrew Kerber, ESQ
Counsel, Stacey Cohee, ESQ
Administrative Specialist, Donna Krol*

DHRC Judges

Presiding Judge, Dan Kazmaier
Associate Judge, Brian Manges*
Associate Judge, Brent McLaren
Alternate Judge, Norman Short (fill-in)
Paddock Judge, Wayne Truitt
Paddock Judge, Bob Delisi*

DHRC Veterinarians

John Whiston, DVM
Annie Renzetti, VMD
Kristen Near, VMD

Investigative Unit

Chief Investigator, Lauren Torres
Investigator, Dan Caldwell
Investigator, Handley Orr
Investigator, fill-in, Robert Delisi*

Blood Gas Analyst

Wes Gerardi*
Jennifer Hobbs*
Trish MacDonald*

Office of Licensing

Holly Ventura*
Alyssa Anderson
Robert Moore

Equine Identifiers

Trish MacDonald*
Ryan Rogers*
Bob Delisi*

BAC Technician

Robin Killen

Chief Paddock Inspectors

Jennifer Hobbs*
Kaitlyn Leonard*

Paddock Inspector

Jennifer Hobbs*
Dean Armstrong*
Kaitlyn Leonard
Lynn Dodenhoff*
Mollie Moore
Morgan Nichols
Richie Cannon
Jonathan Moore

DE Standardbred Breeders Fund

Administrator, Judy Davis-Wilson

*Denoted personnel trained in more than one job function

2017 Delaware Harness Racing Commission

Personnel Training and Conferences

Cross-training continues to be a cornerstone of the DHRC personnel management strategy. Cross-training strengthens both the individual employee and the operation as a whole. DHRC personnel are cross-trained in multiple job duties whenever possible; and as noted on the personnel roster, many DHRC paddock staff have been trained in multiple job functions.

DHRC personnel are also encouraged to utilize the state training/education programs through OMB. The state offers courses in First State Financial system (FSF), management education, personal skill building and others.

In 2017, DHRC Executive Director, Mark Davis attended:

- Dan Patch Awards, Florida, in February
- USTA Board of Director's Meeting, Ohio, in March
- USTA Judges School at the Meadows Racetrack, in November
Along with Brian Manges and Brent McLaren
- Standardbred Horse Sale, Harrisburg, PA, in November

Chief Investigator, Lauren Torres attended the 2017 Organization of Racing Investigators (ORI) annual training seminar.

Personnel Accreditation

Judges working at Delaware's Harness tracks are fully licensed by the United States Trotting Association (USTA) and accredited through the University of Louisville. The Judges regularly attend continuing education sessions through the Racing Officials Accreditation Program (ROAP); www.horseracingofficials.com

2017 Delaware Harness Racing Commission

Licensing Office Activity

LICENSE TYPE	FEE	# Issued	Year to Date
OWNER 1 YR	\$50.00	511	\$25,550.00
TRAINER 1 YR	\$50.00	71	\$3,500.00
DRIVER 1 YR	\$50.00	10	\$500.00
OWN/TRNR/DRIVER 1 YR	\$50.00	49	\$2,450.00
OWNER 2 YR	\$100.00	84	\$8,400.00
TRAINER 2 YR	\$100.00	11	\$1,000.00
DRIVER 2 YR	\$100.00	1	\$100.00
OWN/TRNR/DRIVER 2 YR	\$100.00	7	\$700.00
OWNER 3 YR	\$150.00	178	\$26,700.00
TRAINER 3 YR	\$150.00	18	\$2,700.00
DRIVER 3 YR	\$150.00	6	\$900.00
OWN/TRNR/DRIVER 3 YR	\$150.00	31	\$4,650.00
AUTH. AGENT	\$50.00	3	\$150.00
VENDOR	\$50.00	4	\$200.00
VENDOR EMPLOYEE	\$20.00	10	\$200.00
GROOM	\$20.00	309	\$6,180.00
TRACK PERSONNEL	\$20.00	70	\$1,400.00
TOTAL LICENSES		1,373	\$85,330.00
FINGERPRINTS	\$79 – 65	331	\$22,845.00
APPEALS	\$400.00	0	
FINES	vary	91	\$27,195.00
TOTALS			\$135,370.00

2017 Delaware Harness Racing Commission

Equine Drug Testing Program

TYPE	2015 TOTALS	2016 TOTALS	2017 TOTALS
No. of Starters	19,121	18,102	16,417
Pre-Race Testing (BG, In-house)	4,293	3,075	2,691
Post-Race Testing (Dalare)	Urine: 2,459 Blood: 2,745	Urine: 2,074 Blood: 2,464	Urine: 1,655 Blood: 2,036
Out of Competition Testing (Dalare)	18	26	128 OCT 22 Qualifiers <i>(w/ 2 positives)</i> 11 Tongue Ties
Cobalt	128	385	344
GRAND TOTALS	9,643	8,024	6,887

Human Drug Testing Program and Searches

TYPE	2015 TOTALS	2016 TOTALS	2017 TOTALS
Human (Urine) Drug Testing	185	232	165
Breathalyzer (In-house)	8,828	8,635	7,558
GRAND TOTALS	9,013	8,867	7,723
Truck/Trailer Searches	345	410	400

2017 Delaware Harness Commission Racetrack Handle and Funding Statistics

	TOTAL RACING STATISTICS				
	2013 Totals	2014 Totals	2015 Totals	2016 Totals	2017 Totals
Live Racing Days	194	189	176	176	159
Races	2,712	2,711	2,474	2,277	2,026
Races per Day (avg.)	13.9	14.3	14.1	14	13
Total On-track Live Handle	\$3,230,610	\$3,069,987	\$2,945,924	\$2,286,306	\$1,846,505
Total Off-track Handle	\$90,497,040	\$90,124,176	\$77,120,856	\$67,172,168	\$57,780,063
Total Live Handle	\$93,727,560	\$93,194,163	\$79,976,777	\$69,458,474	\$59,632,568

These figures are summed from the Monthly Administrator's Report

Sources and Uses of Lottery "Purse" Funds															
Category	Dover Downs					Harrington					Totals				
	2014	2015	2016	2017	2016 -2017 % Change	2014	2015	2016	2017	2016 -2017 % Change	2014	2015	2016	2017	2016 -2017 % Change
Purses Paid	\$17,728,510	\$16,182,935	\$17,455,200	\$16,233,030	-7.0	\$9,798,770	\$9,076,500	\$8,543,865	\$8,240,133	-3.6	\$27,527,280	\$25,259,435	\$25,999,065	\$24,473,163	-6.24
Stakes Races	(\$1,897,710)	(\$2,049,500)	(\$1,658,000)	(\$1,887,160)	13.8	(\$210,000)	(\$150,000)	(\$150,000)	(\$150,000)	0.0	(\$2,107,710)	(\$2,199,500)	(\$1,808,000)	(\$2,037,160)	11.25
DSBF	(\$1,840,000)	(\$1,779,000)	(\$1,780,000)	(\$1,330,000)	-25.3	(\$1,780,000)	(\$1,667,500)	(\$1,672,000)	(\$1,589,900)	-4.9	(\$3,620,000)	(\$3,446,500)	(\$3,452,000)	(\$2,919,900)	-18.22
Overnights	\$13,990,800	\$12,234,435	\$14,017,200	\$13,015,870	-7.1	\$7,808,770	\$7,259,000	\$6,721,865	\$6,500,233	-3.3	\$21,799,570	\$19,493,435	\$20,739,065	\$19,516,103	-6.27
Stakes costs paid from Gaming Funds	\$315,000	\$419,280	\$350,000	\$350,000	0.0						\$315,000	\$419,280	\$350,000	\$350,000	0.00
Total Gaming Funds for Overnight Purses	\$14,305,800	\$12,773,715	\$14,367,200	\$13,365,870	-7.0	\$7,808,770	\$7,259,000	\$6,721,865	\$6,500,233	-3.3	\$22,114,570	\$20,032,715	\$21,089,065	\$19,866,103	-6.16
Funding of Purses and Other Uses of Lottery Purse Funds															
Slots	\$15,007,000	\$14,465,100	\$14,352,400	\$13,964,492	-2.7	\$8,835,861	\$8,692,413	\$8,295,700	\$8,778,987	5.8	\$23,842,861	\$23,157,513	\$22,648,100	\$22,743,479	0.42
Tables	\$836,200	\$783,000	\$791,600	\$769,330	-2.8	\$474,475	\$313,577	\$502,323	\$507,842	1.1	\$1,310,675	\$1,096,577	\$1,293,923	\$1,277,172	-1.31
Sports	\$116,600	\$149,600	\$83,000	\$231,800	179.3	\$412,760	\$48,298	\$17,377	\$27,223	56.7	\$529,360	\$197,898	\$100,377	\$259,023	61.25
Parl-mutuel	\$469,100	\$491,400	\$471,300	\$366,283	-22.3	\$441,051	\$361,229	\$311,783	\$368,538	18.2	\$910,151	\$852,629	\$783,083	\$734,821	-6.57
Total of Sources	\$16,428,900	\$15,889,100	\$15,698,300	\$15,331,905	-2.3	\$10,164,147	\$9,415,517	\$9,127,183	\$9,682,590	6.1	\$26,593,047	\$25,304,617	\$24,825,483	\$25,014,495	0.76
DSOA Insurance	(\$1,137,000)	(\$1,089,100)	(\$1,080,400)	(\$1,153,700)	6.8	(\$1,136,934)	(\$1,095,192)	(\$1,036,950)	(\$1,329,900)	28.3	(\$2,273,934)	(\$2,184,292)	(\$2,117,350)	(\$2,483,600)	14.75
DSOA Operations	(\$420,000)	(\$420,000)	(\$450,000)	(\$450,000)	0.0	(\$246,128)	(\$234,000)	(\$233,737)	(\$234,000)	0.1	(\$666,128)	(\$654,000)	(\$683,737)	(\$684,000)	0.04
DSOA Pensions	(\$157,500)	(\$157,500)	(\$147,000)	(\$136,500)	-7.1	(\$121,500)	(\$124,500)	(\$117,000)	(\$103,000)	-12.0	(\$279,000)	(\$282,000)	(\$264,000)	(\$239,500)	-10.23
DSBF Funding	(\$750,000)	(\$750,000)	(\$750,000)	(\$750,000)	0.0	(\$750,000)	(\$750,000)	(\$750,000)	(\$750,000)	0.0	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	0.00
DHRC Personnel Costs	(\$68,000)	(\$63,700)	(\$66,500)	(\$64,600)	-2.9	(\$50,000)	(\$55,683)	(\$55,467)	(\$58,671)	5.8	(\$118,000)	(\$119,383)	(\$121,967)	(\$123,271)	1.06
Gross Receipts of Purses Paid	(\$71,000)	(\$64,800)	(\$69,900)	(\$64,900)	-7.2	(\$38,355)	(\$36,306)	(\$34,176)	(\$34,217)	0.1	(\$109,355)	(\$101,106)	(\$104,076)	(\$99,117)	-5.00
Total of non-purse uses	(\$2,603,500)	(\$2,545,100)	(\$2,563,800)	(\$2,619,700)	2.2	(\$2,342,917)	(\$2,295,142)	(\$2,227,330)	(\$2,509,788)	12.7	(\$4,946,417)	(\$4,840,242)	(\$4,791,130)	(\$5,129,488)	6.60
Net Funds for Purses	\$13,825,400	\$11,920,000	\$13,134,500	\$12,712,205	-3.2	\$7,821,230	\$7,120,375	\$6,899,853	\$7,172,802	4.0	\$21,646,630	\$19,040,375	\$20,034,353	\$19,885,007	-0.75

2017 Delaware Standardbred Breeders Fund

The Delaware Standardbred Breeders' Fund was created to oversee a state-based breeding program.

- The DSBF Board is made up of 11 appointed members.
- The DSBF Administrator, Judy Davis-Wilson, oversees both the Sires and Racing Programs.
- These programs consist of a minimum of 48 races per year equally divided between two of the Delaware's two harness racing tracks; Dover Downs and Harrington Raceway.
- These 48 races include 2 Eliminations and a \$100k Final at each track, for each division.
- The DSBF strives to maintain a competitive level of purses and to keep the flow of hybrid vigor among Delaware bred Standardbreds, by annually contributing to the base of horses racing at the states' two harness tracks.
- The DSBF Administrator markets and showcases Delaware bred horses at major Standardbred sales (such as the Harrisburg Sale) and supports educational events. These annual events include the Harness Horse Youth Camp and Clyde Hirt Writers' Workshop.
- Another important annual event for the DSBF is Governor's Day, held at the Delaware State Fair each July.

	2013	2014	2015	2016	2017
Stallions Registered	41	40	35	33	37
Mares Bred	360	282	282	217	251
Yearlings Registered	217	192	201	147	153
2&3 Year Old Payments	422	510	473	468	383

Total Bonus Paid to DSBF 2, 3 & 4 Year Olds in DSBF Events: **\$406,319.00**

Total Purses Paid: **\$3,331,400.00**

2017 Final Winners

3 Year Olds @ Dover Downs / 4-11, 12, 13, 2017

Master Clave, Lunar Phase, Spoonful, Bags To Riches

3 Year Olds @ Harrington Raceway/ 7-27-17

Master Clave, Logan's Girl, Spoonful, Bags To Riches

2 Year Olds @ Harrington Raceway / 10-4-17

Bosston Cruiser, Gracefullyforgiven, Star Sapphire, Slick Tony

2 Year Olds @ Dover Downs / 11-30-2017

Star Sapphire, Sky Marshal, Slick Tony, Go Sandy Go

