

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: August 15, 2012

Place: U.S. Dressage Federation Building, Kentucky Horse Park, Lexington, KY

Members Present: Chairman Robert M. Beck, Jr.; Commissioner Edward S. "Ned" Bonnie; Commissioner Frank Jones, Jr.; Commissioner Franklin S. Kling, Jr.; Commissioner Alan J. Leavitt; Commissioner Burr Travis, Jr.; Commissioner Allan Wade Houston, Sr.; Commissioner Thomas Conway; Commissioner Foster Northrop, D.V.M.; Commissioner John Phillips; Commissioner Jerry Yon, M.D.; and Commissioner Michael Pitno

Ex-officio Members Present: Secretary Robert D. Vance representing the Public Protection Cabinet; Mr. William Dexter, representing the Tourism, Arts and Heritage Cabinet; and Mr. George Burgess, representing the Cabinet of Economic Development

KHRC Staff Present: John T. Ward, Jr., Executive Director; Marc A. Guilfoil, Deputy Executive Director; Susan B. Speckert, General Counsel; Mary Scollay, DVM, Equine Medical Director; Jamie Eads, Director of Breeders Incentives and Development; Greg Lamb, Supervisor of Pari-Mutuel Wagering; Will Farmer, DVM; and Barbara Borden, Acting Chief State Steward

Other Participating: Mr. Corey Johnsen, President, Kentucky Downs

Meeting called to order and roll call performed by Chairman Beck. A quorum was recognized.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
Not applicable	5	Chairman Beck announced that Commissioner Tom Ludt had resigned and that a replacement had not yet been appointed. Chairman Beck noted the arrival of Commissioners Bonnie and Travis.	No action taken. Informational items only.
Tab 1 Approve minutes of May 16, 2012 and June 13, 2012	5	Chairman Beck presented the minutes of the meetings of May 16, 2012 and June 13, 2012 for approval.	Motion to approve by Commissioner Kling. Second by Commissioner Travis. Motion carried with no objections or abstentions.

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Tab 2 Approve Kentucky Downs Roster of Race Officials for 2012 Meet	5 – 8	<p>Mr. Guilfoil stated that by letter dated July 9, 2012, Kentucky Downs requested approval of its roster of racing officials for the 2012 meet.</p> <p>All stewards are ROAP accredited and all officials have previously performed the duties for which they were listed. Mr. Guilfoil noted Carol Renn, listed as “horse identifier” had served a 7-day suspension for failure to report a violation and was to appear before the License Review Committee following the adjournment of the Commission meeting.</p> <p>Staff recommended approval.</p>	<p>Motion to approve recommendation by Commissioner Jones. Second by Commissioner Yon. Motion carried with Commissioner Travis abstaining and no objections.</p>
Not applicable	7	<p>Chairman Beck noted the arrival of Commissioner Conway.</p>	<p>No action taken. Informational item only.</p>
Tab 3 Approve Turfway Park’s Roster of Officials for 2012 Fall Meet	8 – 9	<p>Mr. Guilfoil stated that by letter dated August 7, 2012, Turfway Park requested approval of its roster of racing officials for the Fall 2012 Meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they were listed.</p> <p>Staff recommended approval.</p>	<p>Motion to approve recommendation by Commissioner Travis. Second by Commissioner Jones. Motion carried with no objections or abstentions.</p>
Tab 4 Approve changes in The Red Mile’s 2012 Roster of Officials	9 – 10	<p>Mr. Guilfoil stated that by letter dated July 30, 2012, The Red Mile requested approval of changes to its roster of racing officials for the 2012 Meet. All officials have previously performed the duties for which they were listed. Personnel changes requested are for the positions of Program Coordinator, Charter and Clerk of Course; and Starter.</p> <p>Staff recommended approval.</p>	<p>Motion to approve recommendation by Commissioner Bonnie. Second by Commissioner Yon. Motion carried with no objections or abstentions.</p>

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<p>Tab 5 Request from Kentucky Downs to offer 2 new wagers on Historical Horse Races</p>	<p>10 – 12</p>	<p>Ms. Speckert stated that by letter dated July 24, 2012, Kentucky Downs requested approval to add an additional wager, “Pigs in Mud,” and by letter dated August 6, 2012 requested approval to add an additional wager, “Deep Sea Treasure.”</p> <p>Both wagers are based upon ARCI Model Rule 004-155(A)(4). The staff has reviewed the wagers to ensure compliance with KHRC rules and regulations and Mr. John Walzak has reviewed the wagers addressed in Model Rule 004-155(A)(4) and opined that they are pari-mutuel and on horse racing.</p> <p>Based on the staff’s review and Mr. Walzak’s opinion, the staff recommended approval contingent on the staff’s receipt of a satisfactory functionality report from GLI.</p> <p>Commissioner Yon requested a report of the one-year totals of wagering on historical races.</p>	<p>Motion to approve recommendation by Commissioner Bonnie. Second by Commissioner Leavitt. Motion carried with no objections or abstentions.</p>
<p>Not applicable</p>	<p>12</p>	<p>Chairman Beck noted the arrival of Commissioner Northrop.</p>	
<p>Tab 6 Kentucky Downs KTDF allotments for fall meet</p>	<p>12 – 14</p>	<p>Ms. Eads stated that by letter dated July 5, 2012, Kentucky Downs requested approval of its 2012 fall meet KTDF purse structure and to pay KTDF purses from first to last place to all eligible horses. Projections are based on revenue generated from wagers on historical races of \$700,000 and an anticipated payout percentage of 90%.</p> <p>The KTDF Advisory Committee reviewed the proposal on July 10, 2012 and approval was recommended.</p>	<p>Motion to approve the recommendation by Commissioner Kling. Second by Commissioner Yon. Motion carried with no objections or abstentions.</p>
<p>Tab 7 Kentucky Downs Backside Improvement Project</p>	<p>14 – 16</p>	<p>Ms. Eads stated that by letter dated August 6, 2012, Kentucky Downs requested approval for the following backside improvements:</p>	<p>Motion to approve the recommendation by Commissioner Bonnie.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		<ol style="list-style-type: none"> 1. Repair roof leaks in Barns C, E, D, G and H; 2. Tack room improvements in Barns C, E, D, G and J; 3. Hot water heaters for Barns A and B; 4. Update of backside bathrooms with fixtures and paint; and 5. Add sand to the stable walking ring. <p>Bids for the proposed projects have not been awarded, but written documentation of the completed projects, final photographs and copies of invoices will be submitted to the Commission when reimbursement is requested.</p> <p>Staff has confirmed that Kentucky Downs has \$7,777.28 in available funds from fiscal years 2007 thru 2012. Following completion of its 2012 meet, Kentucky Downs estimates earning \$25,000 in Backside Improvement Funds. The improvements are estimated to exceed \$25,000 and Kentucky Downs will be responsible for the excess funds.</p> <p>Staff recommended approval.</p>	<p>Second by Commissioner Leavitt. Motion carried with no objections or abstentions.</p>
Not applicable	16 – 22	Mr. Johnsen presented an update of Kentucky Downs' operations and wagering on historical horse races.	No action taken. Informational item only.
<p>Tab 8 Approve changes in Ellis Park's 2012 Roster of Race Officials</p>	22 – 23	<p>Mr. Guilfoil stated that by letter dated August 4, 2012 Ellis Park requested approval to amend its roster of race officials for the 2012 race meet. He noted the request was received in August due to the cancellation of the July Commission meeting. All stewards are ROAP accredited and all officials have previously performed the duties for which they were listed.</p> <p>The requested changes are for the positions of Association Steward, Claims Clerk/Program Coordinator, Placing Judge and Outrider.</p>	<p>Motion to approve the recommendation by Commissioner Jones. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p>

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		Staff recommended approval	
KTDF Advisory Committee appointments	23	Chairman Beck stated that KTDF committee members will be David Richardson, Bill Landes, Peter Salmen, Phil Milliner and Commissioner Lavin. Mr. Richardson and Mr. Landes are recommended by the KTOB, Mr. Salmen is recommended by the KyHBPA, Mr. Milliner is recommended by the race tracks and Commissioner Lavin is recommended by the Commission.	No action taken. Informational item only.
KHBIF Advisory Committee appointments	23 – 24	Chairman Beck stated that Non-race advisory committee members will be Commissioner Bonnie, Colonel Herd and Frank Penn.	No action taken. Informational item only.
Not applicable	24	Chairman Beck announced that the Kentucky Sire Stakes Finals would be held on September 9, 2012 at The Red Mile. Chairman Beck also noted that the deadline for nominating mares to the KBIF was today, August 15, 2012.	No action taken. Informational item only.
Tab 9 Thoroughbred Rulings	25 – 30	Ms. Borden presented the Thoroughbred Rulings report. In response to inquiries from Commission members, Ms. Borden stated that a maximum fine of \$5,000 and license suspension can be imposed for violations of the claiming rule and violators are warned prior to racing in other jurisdictions. Commissioner Jones noted that any licensee that violates the claiming rule in the future should be brought before the Commission before being adjudicated so the Commission could suspend their license. Ms. Speckert noted that a review of the statutes and regulations from a due process standpoint should be done before taking any such action.	No action taken. Informational item only.
Tab 10 Standardbred Rulings	30 – 33	Mr. Guilfoil presented the Standardbred Rulings report on behalf of Rich Williams. He noted that the fines in connection Rulings 5 and 7 have now been paid and the individual in Ruling 10 has been suspended for failure to pay.	No action taken. Informational item only.

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<p>Tab 11 Reports from Veterinary Division</p>	<p>33 – 39</p>	<p>Dr. Farmer presented the veterinary report for Churchill Downs 2012 Spring meet. He noted a mathematical error in connection with the total for the Veterinary List. The correct total should be 58, not 60.</p> <p>Dr. Scollay presented the veterinary report in connection with race-related injury occurrence over time at all Kentucky tracks. She noted that upon identification of the increase in May, new strategies were implemented by the veterinary division to more effectively identify horses of interest that appear to be of increased risk of injury. These new implemented strategies resulted in a significant decrease in June.</p> <p>Dr. Scollay presented the veterinary report for the drug testing summary report for the second quarter of 2012.</p>	<p>No action taken. Informational item only.</p>
<p>Tab 12 Report from Supervisor of Pari-Mutuel Wagering</p>	<p>39 – 41</p>	<p>Mr. Lamb presented the handle report for wagering on historical races totals for June and July 2012 and cumulatively for September 1, 2011 thru June 31, 2012 and September 1, 2011 through July 31, 2012.</p> <p>Chairman Beck noted a drop off in historical racing handle for the month of July. Mr. Johnsen explained that months that have 5 weekends as opposed to months that have 4 weekends has an impact because of the strong business on Friday, Saturday and Sunday.</p>	<p>No action taken. Informational item only.</p>
<p>Tab 13 Regulation and Litigation Status Report</p>	<p>41 – 48</p>	<p>For informational purposes only.</p> <p>In response to an inquiry from Commissioner Conway, Mr. Ward stated that the file date for the new approved regulation on the prohibition of the administration of furosemide on race day has yet to be determined. Ms. Speckert stated the regulation would be</p>	<p>No action taken. Informational item only.</p>

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		filed as an ordinary regulation and would go through the normal regulatory process.	
Adjournment	49	Chairman Beck requested a motion for adjournment.	Motion to adjourn by Commissioner Yon. Second by Commissioner Travis. Motion carried with no objections or abstentions. Meeting was adjourned.

NOTE: A copy of all materials provided in the Agenda Book, and any amendments thereto, are attached hereto and incorporated herein.