

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: March 13, 2013 at 1:30 PM

Place: Rolex Hospitality Room, Kentucky Horse Park, Lexington, KY

Members Present: Chairman Robert M. Beck, Jr.; Commissioner Edward S. "Ned" Bonnie; Commissioner Burr Travis; Commissioner Franklin S. Kling, Jr.; Commissioner Alan J. Leavitt; Commissioner Jerry Yon, M.D.; Commissioner John Phillips; Commissioner Neil Howard; and Commissioner Wade Houston

Ex-officio Members Present: Mr. Robert D. Vance, representing the Public Protection Cabinet; Mr. William Dexter, representing the Tourism, Arts and Heritage Cabinet; and Ms. Holly Spade, representing the Cabinet for Economic Development

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

Others Participating: Chip Bach, Turfway Park

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>
Tab 1 Approve minutes of February 13, 2013	5 – 6	Chairman Beck presented the minutes of the meeting of February 13, 2013 for approval. Ms. Speckert noted two non-substantive amendments to the Minutes as provided in the Agenda materials to correct typographical errors.	Motion to approve as amended by Commissioner Yon. Second by Commissioner Leavitt. Motion carried with no objections or abstentions.

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Tab 2 Approve Churchill Downs' roster of Racing Officials for Spring meet	6 – 7	<p>Mr. Guilfoil stated that by letter dated February 28, 2013, Churchill Downs requested approval of the roster of racing officials and date preference system for its 2013 Spring meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed. All officials will be licensed prior to the first racing date.</p> <p>Staff recommended approval.</p>	Motion to approve the recommendation by Commissioner Travis. Second by Commissioner Kling. Motion carried with no objections or abstentions.
Tab 3 Approve KTDF Purse Structure for Churchill Downs' Spring meet	7 – 8	<p>Ms. Eads stated that by letter dated February 28, 2013, Churchill Downs requested approval of its KTDF purse structure for its 2013 Spring meet. Churchill Downs requested to card KTDF purses in the range of \$1,600,000 to \$1,700,000, based on projected daily earnings of \$30,834 and an expected KTDF payout percentage of 76%, and to be able to pay out KTDF purses on eligible horses first through last place. KHRC staff has confirmed that Churchill Downs had a surplus of \$151,278 at the end of the 2012 Fall meet.</p> <p>The KTDF Advisory Committee approved Churchill Downs' request at its March 4, 2013 meeting and approval was recommended.</p>	Motion to approve the recommendation by Commissioner Bonnie. Second by Commissioner Leavitt. Motion carried with no objections or abstentions.
Tab 4 Approve KTDF Purse Structure for Keeneland's Spring meet	11 – 12	<p>Ms. Eads stated that by letter dated February 20, 2013, Keeneland requested approval of its KTDF purse structure for its 2013 Spring meet. Keeneland requested to card KTDF purses in the range of \$750,000, based on a payout of approximately 76% and KTDF purses representing 16% of purses, and to be able to pay out KTDF purses on eligible horses first through last place. KHRC staff has confirmed that Keeneland had a surplus of \$164,832 at the end of the 2012 Fall meet.</p> <p>The KTDF Advisory Committee approved Keeneland's request at its March 4, 2013 meeting and approval was recommended.</p>	Motion to approve the recommendation by Commissioner Bonnie. Second by Commissioner Travis. Motion carried with no objections or abstentions.

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Tab 5 Reports a. Thoroughbred Rulings b. Veterinary Division c. Pari-Mutuel Wagering Division d. Regulations and Litigation	12 – 19	a. Ms. Borden presented the thoroughbred ruling report. She noted that a 2012 fine, no longer reflected on the report, remains unpaid and that the trainer has been suspended and will remain suspended until the fine is paid. In response to an inquiry from Commissioner Bonnie, she explained that recently individuals who have requested a stay pending appeal and subsequently upon no factual basis have withdrawn their appeal, have been given an additional suspension day and the Stewards determine the days the suspension is to be served. Commissioner Bonnie stated for the record that he believed penalties should not be a matter of convenience.	No action taken. Informational items only.
	19 – 24	b. In response to an inquiry by Commissioner Leavitt, Dr. Scollay explained that the report concerning fatalities that occurred while horses were in training would be included in the chief veterinarian's report provided at the end of each meet. The report for the Turfway Park winter/spring meet will be presented at the April 2013 meeting. Dr. Scollay presented the veterinary report on the Race-related Fatal Injury Occurrence over time report. She stated that there were two race-related fatalities in February. She noted that a specific cause had not been identified. The horses had been subjected to necropsy and the pathologies observed in these horses were not substantially different than those observed in other horses at other meets. Mr. Ward noted that one goal for the upcoming year is to look closer and harder at the use of shock wave therapy.	
	24 – 25	c. Mr. Lamb presented the report for historical horse racing at Kentucky Downs and Ellis Park and live handle report for Turfway	

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	25	<p>Park for February 2013. He stated that the total handle in February 2013 for wagering on historical racing went over \$25 million and was the most outstanding month yet at both Kentucky Downs and Ellis Park. He noted that running 6 fewer days than in 2012 definitely impacted the handle at Turfway Park.</p> <p>Mr. Lamb also noted that reports for 2012 from licensed Advance Deposit Account Wagering companies are due March 15, 2013.</p> <p>d. Status Report on Regulations and Litigation – For Informational Purposes Only.</p>	
Other Business	29 – 30	Mr. Bach invited the Commissioners to attend the 2013 Spiral Stakes on March 23, 2013 and the post draw for the Spiral and Bourbonette on March 20, 2013.	No action taken. Informational items only.
Tab 6 Executive Session	26 26 – 27 27 – 29	<p>1) Chairman Beck requested a motion for the Commission to go into executive session to deliberate in its role as a quasi-judicial body as permitted by KRS 61.810(1)(j) and to discuss proposed or pending litigation against or on behalf of the agency as permitted by KRS 61.810(1)(c).</p> <p style="text-align: center;">EXECUTIVE SESSION</p> <p>2) Chairman Beck requested a motion for the Commission to return to open session.</p> <p>3) In the matter of Richard E. Dutrow, Jr. v. Kentucky Horse Racing Commission, Administrative Action No. KHRC-TB-11-005, the Final Order as prepared by the staff adopting and incorporating the Findings of Fact, Conclusions of Law and Recommended Order of the Hearing Officer affirming the License Review Committee’s denial of Mr. Dutrow’s 2011 application for licensure was approved.</p>	<p>1) Motion to go into executive session by Commissioner Kling. Second by Commissioner Houston. Motion carried with no objections or abstentions.</p> <p>2) Motion to return to open session by Commissioner Yon. Second by Commissioner Bonnie. Motion carried with no objections or abstentions.</p>

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			3) Motion and amended motion to adopt the Hearing Officer's Recommended Order and approve the Commission's Final Order incorporating the Recommended Order by Commissioner Travis. Second on motion and amended motion by Commissioner Bonnie. Motion carried with no objections or abstentions.
Adjournment	30	Chairman Beck requested any additional motions.	Motion to adjourn by Commissioner Travis. Second by Commissioner Bonnie. Motion carried with no objections or abstentions.

NOTE: A copy of all that was provided in the Agenda materials, and any amendments thereto, subject to any applicable exemptions are to be attached hereto and incorporated herein.