

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: June 19, 2018 at 1:30 PM

Place: Grand Prix Seminar Room of the United States Dressage Federation, 4051 Iron Works Parkway, Kentucky Horse Park, Lexington, KY 40511

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman John C. Roach; Commissioner Stuart E. Brown, II, DVM; Commissioner Patrick A. Day; Commissioner Douglas A. Hendrickson; Commissioner Gerald W. Holt; Commissioner Kenneth A. Jackson; Commissioner; Commissioner Foster Northrop, DVM; Commissioner J. David Richardson, M.D.; and Commissioner Mark Simendinger

Ex-officio Members Present: Leigh Powers, by proxy and on behalf of Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet; Jessica Burke, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development (arrived after Roll Call performed); and Acting Secretary Gail Russell, Public Protection Cabinet

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; John L. Forgy, General Counsel; Shawn D. Chapman, Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Mary Scollay, DVM, Equine Medical Director; Bruce Howard, DVM, Chief Racing Veterinarian; and Barbara Borden, Chief State Steward

Others Participating: Robin Little, President, Mountain Pleasure Horse Association; and Mike Zeigler, Churchill Downs

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
I. Call to Order and Roll Call	4 – 5	Meeting called to order and roll call performed by Chairman Kling. A quorum was recognized.	No action taken.
II. New Business Tab 1 Minutes from April 17, 2018	5 – 52 5 – 6	Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed minutes of the April 17, 2018 Commission meeting. Motion by Commissioner Brown. Second by Commissioner Richardson. Ms. Eads presented the minutes of the April 17, 2018 Commission meeting as outlined in the agenda materials.	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.

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<p>Tab 2 Consideration of the MPHA Application, Conditionally Approved on 02.20.18</p>	<p>6 – 15</p>	<p>Chairman Kling requested a motion from the Commission to address the recommendation of the KHRC staff regarding the disposition of the MPHA’s application for participation in the Kentucky Horse Breeders’ Incentive Fund (KHBIF) through 2018. Motion by Commissioner Hendrickson. Second by Commissioner Jackson.</p> <p>Ms. Eads presented the KHRC’s recommendation as outlined in the agenda materials. Ms. Little addressed the Commission and presented the MPHA’s position.</p> <p>Approval of the KHRC’s recommendation to rescind the conditional approval granted by the Commission on February 20, 2018 is recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the recommendation as presented. Motion carried with a 7-3 vote with Commissioners Day, Richardson and Ms. Powers on behalf of Secretary Don Parkison voting no. There were no abstentions.</p>
<p>Tab 3 EDRC Research Proposal: Interferon Response Inhibition by Equine Herpesvirus-1</p>	<p>15 – 17</p>	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the Kentucky Equine Drug Research Council (EDRC) to appropriate \$69,754 from the EDRC fund for a research project titled <i>Interferon Response Inhibition by the Equine Herpesvirus-1</i>. Motion by Commissioner Northrop. Second by Commissioner Jackson.</p> <p>Dr. Scollay presented the EDRC’s recommendation as outlined in the agenda materials. The EDRC reviewed, discussed and approved the recommendation to fund the project at its May 16, 2018 meeting.</p> <p>Approval of the funding is recommended by the KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the EDRC’s recommendation as presented. Motion carried with no objections or abstentions.</p>
<p>N/A</p>	<p>17</p>	<p>Chairman Kling noted the arrival of Jessica Burke by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development.</p>	<p>No action taken.</p>
<p>Tab 4 EDRC Research Proposal: Inflammation in</p>	<p>17 – 22</p>	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the EDRC to approve \$164,488 from the EDRC fund for the study of <i>Inflammation in</i></p>	<p>Chairman Kling called for a vote to approve the EDRC’s recommendation</p>

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Catastrophically Injured Thoroughbreds		<p><i>Catastrophically Injured Thoroughbreds.</i> Motion by Commissioner Hendrickson. Second by Commissioner Northrop.</p> <p>Dr. Scollay presented the EDRC's recommendation as outlined in the agenda materials. The EDRC reviewed, discussed and approved the recommendation to fund the project at its May 16, 2018 meeting.</p>	as presented. Motion carried with no objections or abstentions.
Tab 5 EDRC Revisions to KHRC Withdrawal Guidelines and Thresholds	22 – 26	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by KHRC staff to amend the KHRC's Withdrawal Guidelines and Thresholds, which are incorporated by reference in 810 KAR 1:040. Motion by Commissioner Richardson. Second by Commissioner Holt.</p> <p>Dr. Scollay presented the recommendation as outlined in the agenda materials and stated that the EDRC met and considered the amendments in public meetings held on February 1, 2017, April 4, 2017 and May 16, 2018. The proposed amendments would reflect new research on certain drugs and other data.</p> <p>Approval is recommended by KRHC staff.</p>	Chairman Kling called for a vote to approve the recommendation as presented. Motion carried with no objections or abstentions.
Tab 6 KHRC Uniform Drug, Medication, and Substance Classification Schedule: Clarification of Classification Criteria	26 – 28	<p>Chairman Kling requested a motion from the Commission to address the proposed recommendation submitted by KHRC staff to amend the KHRC's Uniform Drug, Medication and Substance Classification Schedule, which is incorporated by reference in 810 KAR 1:040. Motion by Commissioner Northrop. Second by Commissioner Day.</p> <p>Dr. Scollay presented the recommendation as outlined in the agenda materials. The EDRC met and considered the amendments in public meetings held on February 1, 2017 and April 4, 2017. The proposed amendments would reflect new research on certain drugs and other data concerning the appropriate classification of various drugs, medications, and substances, and to harmonize the classification</p>	Chairman Kling called for a vote to approve the recommendation as presented. Motion carried with no objections or abstentions.

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		<p>schedule with the Racing Medication and Testing Consortium (RMTC) and Association of Racing Commissioners International's (ARCI) schedules.</p> <p>Approval is recommended by KRHC staff.</p>	
<p>Tab 7 Kentucky Downs' Request to Add Historical Horse Racing Terminals</p>	<p>28 – 31</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Kentucky Downs to increase the total number of authorized historical horse racing terminals to 1200, which would include an expansion of their facility. Motion by Commissioner Hendrickson. Second by Commissioner Northrop.</p> <p>Mr. May presented Kentucky Downs' request dated March 21, 2018 as outlined in the agenda materials. KHRC staff recommends approval of the increase in terminals and conditional approval of the expansion of the designated area of the facility.</p>	<p>Chairman Kling called for a vote to approve the increase in terminals and a conditional approval of the expansion of the designated area as presented. Motion carried with no objections or abstentions.</p>
<p>Tab 8 Keeneland Red Mile Request to Approve PariMAX version 3.9</p>	<p>31 – 38</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Keeneland/The Red Mile (KRM) to approve the PariMAX release 3.9 which includes two historical horse racing exotic wagering pools along with two new entertaining game themes and a release that includes both fixes, add-ons, and updates to wagering profiles group 1 through 5. Motion by Commissioner Jackson. Second by Commissioner Brown.</p> <p>Mr. May presented KRM's request dated May 23, 2018 as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff contingent upon the following two conditions: 1) a mathematical analysis of the seed pools shall be conducted by PariMAX Holdings, Inc. and verified by Gaming Laboratories International under the direction of KHRC staff;</p>	<p>Chairman Kling called for a vote to approve the request as presented and upon the two conditions as discussed. Motion carried with no objections or abstentions.</p>

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		and 2) the "Higher Jackpot" option for the wager profile P12P6.P9 not to be activated without prior written approval of the KHRC.	
Tab 9 The Red Mile's Request to Amend Wagering Format for 2018 Race Meet	38 – 40	<p>Chairman Kling requested a motion for the Commission to address the request submitted by The Red Mile to approve the proposed wagering format and wagering minimums for the 2018 harness meet, and approve utilizing method 2 of the ARCI model pari-mutuel rules for Pick-4 and Pick-5 pools. Motion by Commissioner Brown. Second by Commissioner Northrop.</p> <p>Mr. May presented The Red Mile's request dated June 1, 2018 as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 10 The Red Mile's Proposed 2018 Race Meet Officials	40 – 41	<p>Chairman Kling requested a motion from the Commission to address the request submitted by The Red Mile to approve its proposed 2018 meet roster of racing officials. Motion by Commissioner Jackson. Second by Commissioner Holt.</p> <p>Ms. Borden presented The Red Mile's request dated June 1, 2018 as outlined in the agenda materials. All listed officials are ROAP accredited and have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 11 Kentucky Downs' Proposed 2018 Race Meet Officials	41 – 43	Chairman Kling requested a motion from the Commission to address the request submitted by Kentucky Downs to approve its proposed roster of racing officials and the dates preference system for the 2018 meet. Motion by Commissioner Day. Second by Commissioner Brown.	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.

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		<p>Ms. Borden presented Kentucky Downs' request as outlined in the agenda materials. All listed officials are ROAP accredited and have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Approval is recommended by KHRC staff.</p>	
<p>Tab 12 Churchill Downs' Proposed 2018 September Race Meet Officials</p>	<p>43 – 44</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve its proposed roster of racing officials and the dates preference system for the 2018 September meet. Motion by Commissioner Day. Second by Commissioner Richardson.</p> <p>Ms. Borden presented Churchill Downs' request as outlined in the agenda materials. All listed officials are ROAP accredited and have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Approval is recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions</p>
<p>Tab 13 Reports</p> <p>a. Thoroughbred Rulings</p> <p>b. Standardbred Rulings</p> <p>c. Veterinary Division</p> <p>d. Pari-Mutuel Wagering Division</p>	<p>44 – 52</p> <p>44 – 45</p> <p>45</p> <p>45 – 49</p> <p>49 – 52</p>	<p>a. Ms. Borden presented the thoroughbred rulings report. There were no updates to the rulings report.</p> <p>b. Ms. Borden presented the Standardbred rulings report. There were no updates to the rulings report.</p> <p>c. Drs. Howard and Scollay presented the veterinary division report.</p> <p>d. Mr. May presented the pari-mutuel wagering division report.</p>	<p>No action taken. Informational items only.</p>

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e. Confidential – Litigation and Regulations	52	e. Litigation and Regulation report is for informational purposes only.	
III. Other Business	52 – 54	Mr. Zeigler presented an update on Churchill Downs’ historical horse racing facility.	No action taken. Informational item only.
IV. Adjournment	54 – 55	Chairman Kling requested a motion to adjourn. Motion by Commissioner Day. Second by Commissioner Holt. Meeting adjourned.	Chairman Kling called for a vote to adjourn. Motion carried with no objections or abstentions.

NOTE: The Agenda materials and any amendments and/or supplements thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.