

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: June 20, 2017 at 1:30 PM

Place: United States Dressage Federation, 4051 Iron Works Parkway, Lexington, KY 40511

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

Ex-officio Members Present: Secretary Don Parkinson, Tourism, Arts, and Heritage Cabinet; Caroline Baesler, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development; and Secretary David A. Dickerson, Public Protection Cabinet

KHRC Staff Participating/Present: Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; John L. Forgy, General Counsel; George L. Seay, Jr., Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Mary Scollay, DVM, Equine Medical Director; Bruce Howard, DVM, Chief Racing Veterinarian; Rich Williams, Presiding Judge; and Barbara Borden, Chief State Steward

Others Participating: Corey Johnsen, Kentucky Downs; and Kevin Flanery, 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 18, 2017	5 – 53 5 – 6	Chairman Kling requested a motion to approve the minutes of the April 18, 2017 Commission meeting. Commissioner Day requested the following amendment: Tab No. 7 under the “Discussion/Conclusions/Recommendations” column, in the second paragraph, numerical “2)” following the word “services” delete the rest of the language in that sentence. Motion to approve as amended by Commissioner Richardson. Second by Commissioner Brown.	Chairman Kling called for a vote. Motion carried with no objections or abstentions.

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Tab 2 The Red Mile's Proposed 2017 Race Meet Officials	6 – 7	<p>Chairman Kling requested a motion to address The Red Mile's proposed 2017 race meet racing officials. Motion by Commissioner Hendrickson. Second by Commissioner Courtelis.</p> <p>Mr. Williams presented The Red Mile's request dated May 18, 2017 for approval of its roster of racing officials for the 2017 race meet. All judges are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet openings. Staff recommends approval.</p>	Chairman Kling called for a vote. The Red Mile's request was approved as presented with no objections or abstentions.
Tab 3 Churchill Downs' Proposed 2017 September Meet Officials	7 – 8	<p>Chairman Kling requested a motion to address Churchill Downs' proposed September 2017 race meet racing officials and dates preference system. Motion by Commissioner Brown. Second by Commissioner Jones.</p> <p>Ms. Borden presented Churchill Downs' request dated June 14, 2017, for approval of its roster of racing officials for the September 2017 race meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opens. Staff recommends approval.</p>	Chairman Kling called for a vote. Churchill Downs' request was approved as presented with no objections or abstentions.
Tab 4 Kentucky Downs' Proposed 2017 Race Meet Officials	8 – 10	<p>Chairman Kling requested a motion to address Kentucky Downs' 2017 race meet racing officials and star preference system. Motion by Commissioner Henderickson. Second by Commissioner Brown.</p> <p>Ms. Borden presented Kentucky Downs' request dated June 8, 2017 for approval of its roster of racing officials for the September 2017 race meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opens. Staff recommends approval.</p>	Chairman Kling called for a vote. Kentucky Downs' request was approved as presented with no objections or abstentions.

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		<p>Approval is recommended on a conditional basis to allow Churchill Downs to finalize its proposal and provide supplemental information for final approval by the Commission.</p> <p>Following the discussion, Chairman Kling requested a motion for conditional approval of Churchill Downs' preliminary request to offer exotic wagering on historical horse races, with final approval to be conditioned upon Churchill Downs' submission of a complete and detailed application in conformance with all applicable regulations and statutes. Motion by Commissioner Hendrickson. Second by Commissioner Northrop.</p>	
<p>Tab 9 Kentucky Downs' Proposed Backside Improvement Request</p>	<p>42 – 43</p>	<p>Chairman Kling requested a motion to address Kentucky Downs' request for expenditure of its backside improvement funds. Motion by Commissioner Simendinger. Second by Commissioner Jones.</p> <p>Ms. Eads presented Kentucky Downs' request dated June 5, 2017, for approval to use funds in the Backside Improvement Fund for two projects: 1) addition of a sink and ejector pump in the veterinarian barn; and 2) addition of an ADA accessible restroom in the backstretch welcome center restroom. The projects estimated cost is between \$23,785 and \$31,885.</p> <p>KHRC staff has reviewed the proposals and invoices, and confirmed that Kentucky Downs has a balance of \$10,090.17 in backside improvement funds. Costs exceeding this available balance will be reimbursed as funds become available. Upon completion of all the projects, KHRC staff will inspect the repair work and confirm completion. Copies of all invoices, photographs, and communications will be kept on file at the KHRC office. Staff recommends approval.</p>	<p>Chairman Kling called for a vote. Kentucky Downs' request was approved as presented with no objections or abstentions.</p>

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Tab 10 KHBIF Advisory Committee Letter of Support: 811 KAR 2:120	43 – 46	<p>Chairman Kling requested a motion to approve the Kentucky Horse Breeders’ Incentive Fund Advisory Committee’s (KHBIF Advisory Committee) request for the Commission’s support to amend 811 KAR 2:120. Motion by Commissioner Brown. Second by Commissioner Richardson.</p> <p>Ms. Eads presented the KHBIF Advisory Committee’s request dated June 14, 2017, for the Commission’s support and permission to begin the process to amend 811 KAR 2:120. Staff recommends approval.</p>	Chairman Kling called for a vote. KHBIF’s request as presented was approved with no objections or abstentions.
Tab 11 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Confidential – Litigation and Regulations	46 – 48 48 48 – 49 49 – 51 51	a. Ms. Borden presented the thoroughbred rulings report. She noted the following update: Regarding Ruling No. 17-0052, the fine has been paid and the individual is now licensed and in good standing. b. Mr. Williams presented the standardbred rulings report. There were no updates to the ruling report. c. Dr. Howard presented the veterinary report. d. Mr. May presented the pari-mutuel wagering division report. e. Litigation and Regulation report is for informational purposes only.	No action taken. Informational items only.
III. Other Business	N/A	None.	Not applicable.
IV. Executive Session 1. Proposed Agreed Order on Disposition in the case of	51 - 53	Chairman Kling requested a motion to go into executive session to: 1) deliberate in a role as a judicial or quasi-judicial body regarding individual adjudications as permitted by KRS 61.810(1)(j); and 2) to discuss proposed or pending litigation against or on behalf of the	Chairman Kling called for a vote. Motion carried with no objections or abstentions.

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<p><u>John Veitch v. Kentucky Horse Racing Commission</u></p>		<p>public agency as permitted by KRS 61.810(1)(c). Motion by Commissioner Hendrickson. Second by Commissioner Richardson.</p> <p style="text-align: center;"><u>EXECUTIVE SESSION</u></p> <p>Chairman Kling requested a motion to return to public session. Motion by Commissioner Day. Second by Commissioner Courtelis.</p> <p>Following the return to public session, Chairman Kling requested a motion to approve the Proposed Agreed Order on Disposition in the matter of <u>Veitch v. KHRC</u>, Administrative Action No. KHRC-TB-11-003, as presented and considered during the Executive Session. Motion by Commissioner Hendrickson. Second by Commissioner Richardson.</p>	<p>Chairman Kling called for a vote. Motion carried with no objections or abstentions.</p> <p>Chairman Kling called for a vote. The Proposed Agreed Order on Disposition was approved as presented and discussed during the executive session with no objections or abstentions.</p>
<p>V. Adjournment</p>	<p>53 – 54</p>	<p>Chairman Kling requested a motion to adjourn. Motion by Commissioner Richardson. Second by Commissioner Holt. Meeting adjourned.</p>	<p>Chairman Kling called for a vote. Motion carried with no objections or abstentions.</p>

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