

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: April 16, 2019 at 1:30 PM

Place: Central Kentucky Riding for Hope, 4185 Walt Robertson Drive, Kentucky Horse Park, Lexington, KY 40511

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman Mark Simendinger; Commissioner J. Gatewood Bell, Jr.; Commissioner Larry Bisig; Commissioner Stuart E. Brown, II, DVM; Commissioner Kerry Cauthen; Commissioner Kiki Courtelis; Commissioner Pat Day; Commissioner Douglas A. Hendrickson; Commissioner Lesley Ann May Howard; Commissioner Kenneth A. Jackson; Commissioner Brereton C. Jones, Jr.; Commissioner Foster Northrop, DVM; and Commissioner J. David Richardson, M.D.

Ex-officio Members Present: Leigh Powers, by proxy and on behalf of Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet; 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; and Barbara Borden, Chief State Steward

Others Participating: None.

<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 56	Meeting called to order and roll call performed by Chairman Kling. A quorum was recognized. Chairman Kling noted for the record that Ex-officio members, Leigh Powers, by proxy for Secretary Parkinson, and Secretary Gail Russell were present at the meeting.	No action taken.
II. New Business Tab 1 Minutes from February 19, 2019	4 – 91 4 – 5	Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to adopt the proposed minutes of the February 19, 2019 Commission meeting. Motion by Commissioner Bisig. Second by Commissioner Courtelis.	Chairman Kling called for a vote to approve the proposed minutes as presented. With all Commissioners present

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		<p>Ms. Eads presented the minutes of the February 19, 2019 Commission meeting as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	<p>voting "Yes," the proposed minutes were approved as presented.</p>
<p>Tab 2 Kentucky Downs' 2019 September Meet KTDF Allotments</p>	<p>5 – 7</p>	<p>Chairman Kling requested a motion from the Commission to address the recommendations submitted by the Kentucky Thoroughbred Development Fund (KTDF) Advisory Committee to approve the proposed KTDF purse structure, the proposed KTDF purses for Kentucky Downs' 2019 meet, the proposed KTDF advertising expense, and the proposed transfer of KTDF funds from Kentucky Downs to Ellis Park. Motion by Commissioner Day. Second by Commissioner Richardson.</p> <p>Ms. Eads presented Kentucky Downs' initial request dated March 13, 2019 and updated supplemental request dated March 27, 2019, as outlined in the agenda materials and which included \$5.1 million in KTDF purse money for the 2019 Kentucky Downs meet, \$75,000 in KTDF advertising expenditure, and a transfer of \$2.2 million in KTDF funds to Ellis Park. Ms. Eads stated that at its March 19, 2019 meeting, the KTDF Advisory Panel approved recommendation of Kentucky Downs' initial request and the proposed supplemental request reflected in the updated March 27, 2019 letter.</p> <p>Approval was recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the requests as presented. Motion carried with no objections or abstentions.</p>
<p>Tab 3 Ellis Park's 2019 Summer Meet KTDF Allotments</p>	<p>7 – 9</p>	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the KTDF Advisory Committee to approve the proposed KTDF purse structure, the proposed KTDF purses for Ellis Park's 2019 meet, and the proposed transfer of KTDF funds from Kentucky Downs to Ellis Park. Motion by Commissioner Jones. Second by Commissioner Northrop.</p>	<p>Chairman Kling called for a vote to approve the requests as presented. Motion carried with no objections or abstentions.</p>

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		<p>Ms. Eads presented Ellis Park’s initial request dated March 13, 2019 and updated supplemental request dated March 25, 2019, as outlined in the agenda materials and which included the transfer of \$2.2 million in KTDF funds from Kentucky Downs and \$3.3 million in KTDF purse money for the 2019 Ellis Park meet. Ms. Eads stated that at its March 19, 2019, the KTDF the Advisory Panel approved recommendation of Ellis Park’s initial request and the proposed supplemental request reflected in the updated March 25, 2019 letter.</p> <p>Approval was recommended by the KHRC staff.</p>	
<p>Tab 4 2019 Kentucky Sire Stakes Promotion in Accordance with KRS 230.770</p>	<p>9 – 11</p>	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the Kentucky Sire Stakes (KYSS) Advisory Panel to approve a proposed Kentucky Standardbred Development Fund expenditure of up to \$100,000 for the promotion of the Kentucky Sire Stakes. Motion by Commissioner Jackson. Second by Commissioner Day.</p> <p>Ms. Eads presented the KYSS Advisory Panel’s recommendation as outlined in the agenda materials.</p> <p>Approval was recommended by the KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the recommendation as presented. Motion carried with no objections or abstentions.</p>
<p>Tab 5 Kentucky Colt Association Approval Request for Date Change at the Washington County Fair</p>	<p>11 – 12</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by the Kentucky Colt Association (KCA) to approve the proposed date change for the Washington County Fair. Motion by Commissioner Richardson. Second by Commissioner Howard.</p> <p>Ms. Eads presented the KCA’s request as outlined in the agenda materials.</p> <p>Approval of the request was 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>

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Tab 6 Educational Presentation of Bisphosphonates	13 – 56	Dr. Scollay gave an educational presentation on bisphosphonates.	Informational item only. No action taken.
Tab 7 Request by Churchill Downs to Amend Pari-Mutuel Wagering Format April 27-May 10	56 – 63	<p>Chairman Kling requested a motion from the Commission to address the requests submitted by Churchill Downs to approve a proposed additional wager, a proposed amendment to a previous approved wager and a proposed optional wager. Motion by Commissioner Northrop. Second by Commissioner Brown.</p> <p>Mr. May presented Churchill Downs’ requests dated March 27, 2019 as outlined in the agenda materials.</p> <p>Approval as conditioned in the agenda materials was recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the requests as presented. Motion carried with no objections or abstentions.
Tab 8 Ratification of Ainsworth Game Technology Historical Horse Racing Wager Updates	63 – 66	<p>Chairman Kling requested a motion from the Commission to address ratification of the KHRC’s Executive Director’s conditional approval of the request submitted by Churchill Downs Racetrack, LLC, by and through its wholly owned subsidiary, Derby City Gaming, LLC (Churchill Downs/Derby City Gaming) to approve changes in Ainsworth Game Technology (Ainsworth) to historical horse racing pari-mutuel wagering pools. Motion by Commissioner Northrop. Second by Commissioner Richardson.</p> <p>Mr. May presented the request submitted by Churchill Downs/Derby City Gaming for ratification of the KHRC’s Executive Director’s conditional approval of the request as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	Chairman Kling called for a vote to ratify the KHRC’s Executive Director’s conditional approval of the request as presented. Motion carried with no objections or abstentions.

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<p>Tab 9 Request by Churchill Downs to Add Eight Ainsworth Game Technology Historical Horse Racing Pools</p>	<p>66 – 70</p>	<p>Chairman Kling requested a motion for the Commission to address the request submitted by Churchill Downs/Derby City Gaming, to approve eight proposed additional Ainsworth historical horse racing pari-mutuel wagering pools and eight proposed associated entertaining game themes. Motion by Commissioner Cauthen. Second by Commissioner Northrop.</p> <p>Mr. May presented the request submitted by Churchill Downs/Derby City Gaming dated March 30, 2019 to approve the request as outlined in the agenda materials.</p> <p>Approval was 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 10 Keeneland/Red Mile Request for PariMAX Version 3.15</p>	<p>70 – 74</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Keeneland/The Red Mile (KRM) to approve the proposed PariMAX release of Version 3.14.2 and 3.15. Motion by Commissioner Richardson. Second by Commissioner Jones.</p> <p>Mr. May presented KRM’s request as outlined in the agenda materials.</p> <p>Approval was 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 11 Keeneland/Red Mile Request to Amend Designated Area for Historical Horse Racing</p>	<p>74 – 77</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by KRM to expand the historical horse racing designated area. Motion by Commission Hendrickson. Second by Commissioner Bisig.</p> <p>Mr. May presented KRM’s request dated April 8, 2019 as outlined in the agenda materials.</p> <p>Approval as conditioned in the agenda materials was 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>

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Tab 12 Ratification of Keeneland/Red Mile Amendment of Operational Hours	77 – 79	<p>Chairman Kling requested a motion from the Commission to address ratification of the KHRC’s Executive Director’s conditional approval of the request submitted by KRM to amend the operational hours of the historical horse racing designated area. Motion by Commission Jackson. Second by Commissioner Northrop.</p> <p>Mr. May presented the request submitted by KRM for ratification of the KHRC’s Executive Director’s conditional approval of the request as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to ratify the KHRC’s Executive Director’s conditional approval of the request as presented. Motion carried with no objections or abstentions.</p>
Tab 13 Request to Approve 2019 Advance Deposit Account Wagering License for NYRABets, LLC	79 – 82	<p>Chairman Kling requested a motion from the Commission to address the request submitted by NYRABets, LLC (NYRABets) to approve their 2019 license application to provide advance deposit account wagering in the Commonwealth of Kentucky. Motion by Commissioner Jackson. Second by Commissioner Richardson.</p> <p>Mr. May presented NYRABets’ request as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with one objection by Commissioner Holt and no abstentions.</p>
Tab 14 Ellis Park’s 2019 Proposed Race Meet Officials and Date Preference System	82 – 84	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Ellis Park to approve the proposed roster of racing officials and date preference system for the 2019 meet. Motion by Commissioner Northrop. Second by Commissioner Richardson.</p> <p>Ms. Borden presented Ellis Park’s request dated March 26, 2019 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>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>

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Tab 15 Bluegrass Downs; Proposed 2019 Race Meet Officials	84 – 85	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Bluegrass Downs to approve their proposed 2019 spring meet officials. Motion by Commissioner Richardson. Second by Commissioner Jackson.</p> <p>Ms. Borden presented Bluegrass Downs’ request dated April 2, 2019 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 was 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 16 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Confidential – Litigation and Regulations	85 – 91 85 – 86 86 – 87 87 – 88 88 – 91 91	<p>a. Ms. Borden presented the thoroughbred rulings report as outlined in the agenda materials. She noted the following updates: 1) Ruling 19-0032 - the appeal has been withdrawn; and 2) Ruling 19-0033 - disqualification of the horse and purse redistribution has been completed.</p> <p>b. Chairman Kling noted that there was no Standardbred ruling activity to report.</p> <p>c. Dr. Scollay presented the veterinary division report as outlined in the agenda materials.</p> <p>d. Mr. May presented the pari-mutuel wagering division report as outlined in the agenda materials.</p> <p>e. Litigation and Regulation report is for informational purposes only.</p>	No action taken. Informational items only.

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III. Executive Session During the meeting on April 16, 2019 the Commission will go into closed session pursuant to KRS 61.810(1)(C) to discuss pending litigation	91	Chairman Kling announced that the Executive Session would be deferred until a future date.	No action taken. Informational item only.
N/A	91 – 92	Vice Chairman Simendinger addressed the Commission and commended the staff on their successful completion of the Red Tape Reduction of the Commission’s administrative regulations.	No action taken. Informational item only.
IV. Adjournment	92 – 93	Chairman Kling requested a motion to adjourn. Motion by Commissioner Cauthen. Second by Commissioner Jones. 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.