

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: October 16, 2018 at 1:30 PM

Place: The Central Kentucky Riding for Hope Center, 4158 Walt Robertson Drive, Lexington, KY 40511

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

Ex-officio Members Present: Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet; Jessica Burke, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development; and Acting Secretary K. 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: Kevin Flanery, President, Churchill Downs Racetrack, and Senior Vice President, Churchill Downs Incorporated

<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. Roll call was performed by Chairman Kling. A quorum was recognized.	No action taken.
II. New Business Tab 1 Minutes from June 19, 2018 and July 17, 2018	5 – 46 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 June 19, 2018 Commission meeting. Motion by Commissioner Richardson. Second by Commissioner Jackson. Ms. Eads presented the minutes of the June 19, 2018 Commission meeting as outlined in the agenda materials.	Chairman Kling called for a vote to approve the June 19, 2018 meeting minutes as presented. Motion carried with no objections or abstentions.

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	6 – 7	<p>Approval is recommended by KHRC staff.</p> <p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed minutes of the July 17, 2018 Special Meeting. Motion by Commissioner Brown. Second by Commissioner Courtelis.</p> <p>Ms. Eads presented the minutes of the July 17, 2018 Special Meeting as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to approve the July 17, 2018 Special meeting minutes as presented. Motion carried with no objections or abstentions.</p>
Tab 2 Conditions of Racing Association Licensing 2019	7 – 9	<p>Approval is recommended by KHRC staff.</p> <p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed Conditions of Racing Association Licensing for 2019. Motion by Commissioner Hendrickson. Second by Commissioner Jones.</p> <p>Mr. Forgy presented the KHRC staff request as outlined in the agenda materials.</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>
Tab 3 Conditions to Conduct Historical Horse Races for 2019	9 – 10	<p>Approval is recommended by KHRC staff.</p> <p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed Conditions to Conduct Historical Horse Races for 2019. Motion by Commissioner Brown. Second by Commissioner Richardson.</p> <p>Mr. Forgy presented the KHRC staff request as outlined in the agenda materials.</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>

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<p>Tab 4 Racing Association Applications and Race Dates for 2019</p>	<p>10 – 14</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed applications for a license to conduct live horse racing, simulcasting, and pari-mutuel wagering for 2019 and the proposed race dates and host status dates for 2019. Motion by Commissioner Hendrickson. Second by Commissioner Jones.</p> <p>Mr. Forgy presented the renewal applications for the seven currently licensed thoroughbred and standardbred racetracks as outlined in the agenda materials. He stated that the Race Dates Committee had reviewed the applications and recommended approval by the Commission.</p> <p>Mr. Forgy stated that KHRC staff recommended approval of Ellis Park, Kentucky Downs, The Red Mile, Keeneland and Churchill Downs’ applications. He further stated that recommendation for approval of Players Bluegrass Downs and Turfway Park’s applications is conditioned upon the Commission’s receipt of each track’s agreement with the horsemen.</p>	<p>Chairman Kling called for a vote to approve the applications of Ellis Park, Kentucky Downs, The Red Mile, Keeneland and Churchill Downs as presented. Motion carried with no objections or abstentions.</p> <p>Chairman Kling called for a vote to approve the applications of Players Bluegrass Downs and Turfway Parks’ conditioned upon receipt of their horsemen’s contracts.</p>
<p>Tab 5 Churchill Downs’ Backside Improvement Proposal</p>	<p>14 – 15</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs for approval of an estimated proposed expenditure of \$660,000 from the Backside Improvement Fund. Motion by Commissioner Brown. Second by Commissioner Northrop.</p> <p>Ms. Eads presented Churchill Downs’ request dated September 22, 2018 as outlined in the agenda materials. KHRC staff has reviewed and confirmed the projects fulfil the statutory requirements and that Churchill Downs has the funds available in the Backside Improvement Fund. Upon completion of the projects, KHRC staff will inspect the repair work and confirm completion. Copies of all</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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		<p>invoices, photographs and communications will be kept on file at the KHRC office.</p> <p>Approval is recommended by KHRC staff.</p>	
<p>Tab 6 Churchill Downs' Proposed 2018 Fall Meet KTDF Allotments</p>	<p>15 – 16</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve the proposed KTDF purse structure for Churchill Downs' 2018 Fall meet. Motion by Commissioner Richardson. Second by Commissioner Jackson.</p> <p>Ms. Eads presented Churchill Downs' request dated October 2, 2018 as outlined in the agenda materials. The KTDF Advisory Committee reviewed, discussed and approved recommendation of Churchill Downs' request at its October 9, 2018 meeting.</p> <p>Approval is recommended by KRHC 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 7 Turfway Park's Proposed 2018 Holiday Meet & 2019 Winter Spring Meet KTDF Allotments</p>	<p>16 – 18</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Turfway Park to approve the proposed KTDF purse structure for Turfway Park's 2018 Holiday meet and 2019 Winter/Spring meet. Motion by Commissioner Northrop. Second by Commissioner Brown.</p> <p>Ms. Eads presented Turfway Park's request dated October 3, 2018 as outlined in the agenda materials. The KTDF Advisory Committee reviewed, discussed and approved recommendation of Turfway Park's request at its October 9, 2018 meeting.</p> <p>Approval is recommended by KRHC 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 8 Turfway Park's 2018 Holiday Meet & 2019 Winter Spring Meet Race</p>	<p>18 – 19</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Turfway Park to approve its proposed roster of racing officials and the dates preference system for the</p>	<p>Chairman Kling called for a vote to approve the request as presented as</p>

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Officials & Date Preference System		<p>2018 Holiday meet and 2019 Winter/Spring meet. Motion by Commissioner Holt. Second by Commissioner Northrop.</p> <p>Ms. Borden presented Turfway Park’s request dated September 20, 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>	discussed. Motion carried with no objections or abstentions.
Tab 9 Request from Churchill Downs to Approve Five Additional Historical Horse Racing Pools	19	Tab 9 was withdrawn from consideration.	No action taken. Item was withdrawn.
Tab 10 Request from Keeneland/The Red Mile to Approve Pari MAX releases 3.10, 3.10.1, 3.11.1, and 3.12.	19 – 23	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Keeneland/Red Mile to approve PariMAX release 3.10, release 3.10.1, release 3.11.1, and release 3.12. Motion by Commissioner Bisig. Second by Commissioner Richardson.</p> <p>Mr. May presented Keeneland/Red Mile’s request dated September 27, 2018 as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff on the condition that the “Higher Jackpot” option for all PariMAX wager profiles shall not be implemented without prior written approval of the KHRC.</p>	Chairman Kling called for a vote to approve the request as presented and upon the condition as discussed. Motion carried with no objections or abstentions.
Tab 11 Ratification of Cross Country Pick-4 Wager at Kentucky Downs	23 – 24	Chairman Kling requested a motion from the Commission to address ratification of the Executive Director’s approval of the request submitted by Kentucky Downs to offer a Kentucky Downs/Belmont Park Pick 4 wager. Motion by Commissioner Bell. Second by Commissioner Richardson.	Chairman Kling called for a vote to ratify the Executive Director’s approval of the request as presented. Motion

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		<p>Mr. May presented Kentucky Downs' September 7, 2018 request as outlined in the agenda materials.</p> <p>Ratification of the Executive Director's approval is recommended by KHRC staff.</p>	<p>carried with no objections or abstentions.</p>
<p>Tab 12 Ratification of Pick-8 Wager at The Red Mile</p>	<p>25 – 26</p>	<p>Chairman Kling requested a motion from the Commission to address ratification of the Executive Director's approval of the request submitted by The Red Mile to offer The Red Mile Pick 8 wager. Motion by Commissioner Bell. Second by Commissioner Northrop.</p> <p>Mr. May presented The Red Mile's request dated September 10, 2018 as outlined in the agenda materials. Mr. May noted that this was a one time wager on Sire Stakes Finals day only.</p> <p>Ratification of the Executive Director's approval is recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to ratify the Executive Director's approval of the request as presented. Motion carried with no objections or abstentions.</p>
<p>Tab 13 Ratification of Multi-track Pick-4 Wager at Keeneland</p>	<p>26 – 28</p>	<p>Chairman Kling requested a motion from the Commission to address ratification of the Executive Director's approval of the request submitted by Keeneland to offer Keeneland/Woodbind Pick 4 wager. Motion by Commissioner Brown. Second by Commissioner Northrop.</p> <p>Mr. May presented Keeneland's request dated October 8, 2018 as outlined in the agenda materials. Mr. May noted that this was a one time wager on Sire Stakes Finals day only.</p> <p>Ratification of the Executive Director's approval is recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to ratify the Executive Director's approval of the request as presented. Motion carried with no objections or abstentions.</p>

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Tab 14 Memorandum of Agreement with New Vocations Racehorse Adoption Program	28 – 32	<p>Chairman Kling requested a motion from the Commission to approve the request submitted by KHRC staff to support three horses at New Vocations, a racehorse adoption program. Motion by Commissioner Howard. Second by Commissioner Richardson.</p> <p>Dr. Scollay presented the request as outlined in the agenda materials. The EDRC voted unanimously to recommend the request for approval by the Commission at its October 2, 2018 meeting.</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>
Tab 15 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Confidential – Litigation and Regulations	32 – 46 32 – 33 33 – 34 34 – 44 44 – 46	<p>a. Ms. Borden presented the thoroughbred rulings report as outlined in the agenda materials. She provided one update to Ruling No. 18-0084, noting that the fine has been paid.</p> <p>b. Mr. Guilfoil presented the Standardbred rulings report as outlined in the agenda materials. There were no updates to the rulings report.</p> <p>c. Dr. Howard presented the veterinary division report as outlined in the agenda materials. Dr. Scollay noted that the Safety and Welfare Committee has asked, and Ellis Park has agreed, to engage Dr. Mick Peterson to assess Ellis Park’s dirt track and turf course. Dr. Scollay then presented the fatalities report as outlined in the agenda materials. Mr. Flanery described how Dr. Peterson has assisted Churchill Downs in evaluating their track over the years.</p> <p>d. Mr. May presented the pari-mutuel wagering division report as outlined in the agenda materials.</p>	<p>No action taken. Informational items only.</p>

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	46	e. Litigation and Regulation report is for informational purposes only.	
III. Executive Session	46 – 48 46 – 47 47 – 48 48	<p>Chairman Kling requested a motion from the Commission to go into executive session to discuss proposed or pending litigation against or on behalf of the agency as permitted by KRS Chapter 61.810(1)(c). Motion by Commissioner Cauthen. Second by Commissioner Jackson.</p> <p style="text-align: center;"><u>EXECUTIVE SESSION</u></p> <p>Chairman Kling requested a motion from the Commission to return to open session. Motion by Commissioner Richardson. Second by Commissioner Bell.</p> <p>Chairman Kling noted that there was no action to be taken by the Commission as a result of the executive session.</p>	<p>Chairman Kling called for a vote for the Commission to go into executive session. Motion carried with no objections or abstentions.</p> <p>Chairman Kling called for a vote for the Commission to return to open session. Motion carried with no objections or abstentions.</p>
IV. Adjournment	48	Chairman Kling noted there was no other business and requested a motion to adjourn. Motion by Commissioner Cauthen. Second by Commissioner Northrop. 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.