

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: September 6, 2016 at 1:30 PM

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

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

Ex-officio Members Present: Secretary David Dickerson, representing the Public Protection Cabinet; Acting Secretary Erik Dunnigan, representing the Cabinet of Economic Development; and Leigh Powers by proxy on behalf of Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Director of Incentives and Development; John L. Forgy, General Counsel; Mary Scollay, DVM, Equine Medical Director; Barbara Borden, Chief State Steward; Rich Williams, Presiding Judge; and Steve May, Director of Pari-Mutuel Wagering

Others Participating: Ron Geary, Owner and President, Ellis Park Race Course (Ellis Park); and Marty Maline, Executive Director, Kentucky Horsemen’s Benevolent and Protective Association (KyHBPA)

| AGENDA ITEM | TRANSCRIPT PAGE NUMBER(S) | DISCUSSION / CONCLUSIONS / RECOMMENDATIONS | ACTION TAKEN |
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| 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. |

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| <p>II. New Business</p> <p>Tab 1 Minutes from August 2, 2016 Meeting</p> | 5 | Chairman Kling requested a motion to approve the minutes as presented of the August 2, 2016 meeting. | Motion to approve as presented by Commissioner Cauthen. Second by Commissioner Richardson. Motion carried with no objections or abstentions. |
| <p>Tab 2 Proposed 2016 Keeneland Fall KTDF Allotments</p> | 5 – 7 | <p>Chairman Kling requested a motion to approve Keeneland’s proposed 2016 Fall KTDF allotments.</p> <p>Ms. Eads presented Keeneland’s KTDF purse structure request. By letter dated August 9, 2016, Keeneland requested approval of its KTDF purse structure for the 2016 Fall meet and the ability to pay out KTDF purses on eligible horses first through last place.</p> <p>Keeneland has projected to card KTDF purses in the range of \$789,600, which is based on a payout of approximately 80% of the amount carded and daily earnings of \$22,617. KHRC staff has confirmed a \$329,518 surplus at the end of the 2016 Spring meet.</p> <p>The KTDF Advisory Committee approved recommendation of Keeneland’s request at its August 25, 2016 meeting. Approval is recommended.</p> | Motion to approve as presented by Commissioner Holt. Second by Commissioner Northrop. Motion carried with no objections or abstentions. |
| <p>Tab 3 Proposed 2016 Churchill Downs’ Fall KTDF Allotments</p> | 7 – 8 | <p>Chairman Kling requested a motion to approve Churchill Downs’ proposed 2016 Fall KTDF allotments.</p> <p>Ms. Eads presented Churchill Downs’ request dated August 25, 2016 for approval of its KTDF purse structure for the 2016 Fall</p> | Motion to approve by Commissioner Northrop. Second by Commissioner Holt. Motion carried with no objections or |

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| | | <p>meet and the ability to pay out KTDF purses on eligible horses first through last place.</p> <p>Churchill Downs has projected to card KTDF purses in the range of \$250,000-400,000, which is based on a payout of approximately 83% of the amount carded and daily earnings of \$11,960. KHRC staff has confirmed a \$12,097.18 deficit at the end of the 2016 Spring meet.</p> <p>The KTDF Advisory Committee approved recommendation of Churchill Downs' request at its August 25, 2016 meeting. At this time, approval is recommended.</p> | abstentions. |
| <p>Tab 4 Proposed 2016 Keeneland Fall Race Meet Officials</p> | 8 – 10 | <p>Chairman Kling requested a motion to approve Keeneland's roster of racing officials and dates preference system for the 2016 Fall meet.</p> <p>Ms. Borden presented Keeneland's request dated August 15, 2016 for approval of its roster of racing officials and dates preference system for the 2016 Fall 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 openings. Staff recommends approval.</p> | Motion to approve by Commissioner Cauthen. Second by Commissioner Holt. Motion carried with no objections or abstentions. |
| <p>Tab 5</p> <ul style="list-style-type: none"> a. Thoroughbred Rulings b. Standardbred Rulings c. Pari-Mutuel Wagering Division d. Confidential - Litigation and Regulations | <p>10</p> <p>10 – 11</p> <p>11 – 17</p> | <p>a. Ms. Borden presented the thoroughbred ruling report through August 2016. She noted there were no updates.</p> <p>b. Mr. Williams presented the standardbred ruling report through August 29, 2016. He noted there were no updates.</p> <p>c. Mr. May presented the pari-mutuel wagering reports for live racing, account deposit wagering and historical horse racing.</p> | Informational items only. No action taken. |

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| | 17 | d. Status Report on Litigation and Regulations – For Informational Purposes Only. | |
| III. Other Business 6. Proposed KTDF Registration Fee Structure | 17 – 21 | Chairman Kling requested a motion to approve the proposed new registration fee structure of the Kentucky Thoroughbred Development Fund (KTDF). Mr. Morris presented the proposed new registration fee structure for the KTDF as approved by the KTDF Advisory Committee at its August 25, 2016 meeting. | Motion to approve by Commissioner Brown. Second by Commissioner Bell. Motion carried with no objections or abstentions. |
| 7. Medication & Drug Testing | 21 – 47 | For informational and educational purposes, Dr. Scollay presented to the Commissioners an overview of the KHRC’s medication and drug testing protocols and policies. | Informational item only. No action taken. |
| 8. Ellis Park & KyHBPA Present Historical Horse Racing Contribution to KBIF | 47 – 50 | Mr. Geary, on behalf of Ellis Park, and Mr. Maline on behalf of the KyHBPA, presented a check to the Kentucky Breeders’ Incentive Fund (KBIF) in the amount of \$110,000 representing Ellis Park’s historical horse racing contribution. | Informational item only. No action taken. |
| IV. Adjournment | 50 | Chairman Kling requested a motion to adjourn. | Motion to adjourn by Commissioner Cauthen. Second by Commissioner Richardson. Motion carried with no objections or abstentions. |

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.