

# **Kentucky Horse Racing and Gaming Corporation**

Meeting Materials for Special Meeting

September 6, 2024



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HORSE RACING AND  
GAMING CORPORATION

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**Andy Beshear**  
GOVERNOR

**Jamie Eads**  
PRESIDENT & CEO

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR

**KENTUCKY HORSE RACING & GAMING CORPORATION**

4047 Iron Works Parkway  
Lexington, KY 40511  
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**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing & Gaming Corporation  
FROM: Susan B. Speckert, Chief Operating Officer  
DATE: September 3, 2024  
RE: **PROPOSED ORGANIZATIONAL CHART**

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Pursuant to 2024 Senate Bill 299 (SB 299), the Kentucky Horse Racing Commission was abolished, and all its responsibilities assumed by the newly established Kentucky Horse Racing and Gaming Corporation (“Corporation”). Effective July 1, 2024, SB 299 established the Corporation as an independent, de jure municipal corporation and political subdivision of the Commonwealth of Kentucky.

The attached proposed organizational chart represents the current Corporation structure with some additional positions and realignments to ensure operational clarity and continuity. As the transition proceeds, the structure may evolve.

The proposed organizational chart was unanimously approved by the Transition Committee at its meeting on August 27<sup>th</sup>.

KHRGC staff recommends approval.

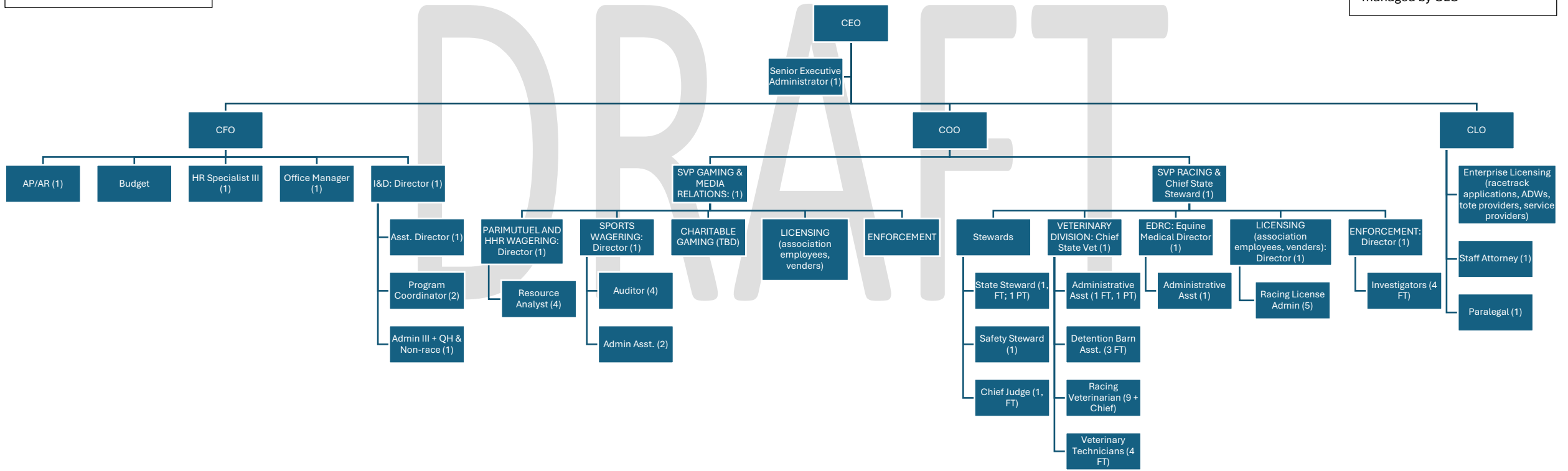
BOARD ACTION

\_\_\_\_\_ Approve  
\_\_\_\_\_ Defer  
\_\_\_\_\_ Deny

KHRGC Org Chart V5

Human Resources: Outsourced & managed by CFO

Litigation: Outsourced & managed by CLO



NOTES:

This proposal duplicates the current organizational structure and adds the following positions:

- CFO (law requires).
  - Budget direct report to CFO
- Admin (I&D) to support QH and Non-race programs.
- SVP, Gaming & Media Relations (transition T. Manley from Interim GC).
  - Licensing (currently managed by A Conway & H Simms teams).
  - Enforcement (currently managed by A Conway & H Simms teams).
- SVP, Racing (expands upon current Chief State Steward role).
  - One FT judge added to account for increase in SB business.
- CLO
  - Adds Enterprise Licensing to cover duties related to the approvals of racetrack applications, service providers, tote & ADW applications.
  - Outsourced litigation to be managed by CLO.
- Outsourced HR can be managed by CFO or CLO or COO.



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**Jonathan Rabinowitz**  
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**TO:** Kentucky Horse Racing & Gaming Corporation  
**FROM:** Susan B, Speckert, Chief Operating Officer  
**DATE:** September 3, 2024  
**RE:** **REQUEST FOR PROPOSALS FOR OUTSOURCED FINANCE AND HUMAN RESOURCE SERVICES**

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Pursuant to 2024 Senate Bill 299 (SB 299), the Kentucky Horse Racing Commission was abolished, and all its responsibilities assumed by the newly established Kentucky Horse Racing and Gaming Corporation (“Corporation”). Effective July 1, 2024, SB 299 established the Corporation as an independent, de jure municipal corporation and political subdivision of the Commonwealth of Kentucky. Notwithstanding creation of the Corporation, employees of the Corporation participate in the state retirement, health insurance, life insurance and deferred compensation programs.

On July 1, 2024, the Corporation entered into Memoranda of Agreement with the Personnel and Public Protection Cabinets to ensure continuity of services and operations while the Corporation prepares to transition relevant functions and processes from the Commonwealth per SB 299. Specifically, the Corporation is preparing to transition finance and human resources management, operations and functions.

Recognizing the complexity of establishing functions heretofore provided by the Commonwealth, approval is sought from the Board to issue an RFP to outsource these services in the short-term.

Services to be transitioned include, but are not limited to the following:

- Transition fund accounting systems from the Commonwealth to a modern, cloud-based fund accounting solution expected to manage up to 20 separate funds.
- Transition and establish accounts payable/receivable systems and workflow, including controls to allow for ACH, check or credit card payments and invoicing.
- Payroll.
- Month end closing and reporting obligations.
- Annual budget development and management, including preparation of financial statements.
- Annual audit support.
- Inventory management system.
- Tax compliance.
- Implement and maintain HR Information Systems Management

- Compliance and Risk Management

Outsourcing these services will enable the Corporation to assume these responsibilities in an efficient, timely and cost-effective manner. Over time, certain services may transition in-house as determined necessary and cost-effective.

Estimated cost: Up to \$35,000 per month or \$420,000 annually.

The Transition Committee unanimously approved issuing the RFP at its August 27<sup>th</sup> meeting.

KHRGC staff recommends approval.

BOARD ACTION

\_\_\_\_\_ Approve

\_\_\_\_\_ Defer

\_\_\_\_\_ Deny