KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: March 14, 2012 at 1:30 PM
Place: U.S. Dressage Federation Building, Kentucky Horse Park, Lexington, KY

Members Present: Chairman Robert M. Beck, Jr.; Vice-Chairman Tracy Farmer; Commissioner Edward S. "Ned" Bonnie; Commissioner Allan Wade Houston, Sr.; Commissioner Frank Jones, Jr.; Commissioner Franklin S. Kling, Jr.; Commissioner Elizabeth S. Lavin; Commissioner Alan J. Leavitt; Commissioner Burr Travis, Jr.; Commissioner John T. Ward, Jr.; Commissioner Jerry Yon, M.D.; Commissioner Foster Northrop, D.V.M.; and Commissioner Thomas Conway

Ex-officio Members Present: Secretary Robert D. Vance representing the Public Protection Cabinet and Mr. George Burgess, representing the Cabinet of Economic Development

KHRC Staff Present: Marc A. Guilfoil, Acting Executive Director; Susan B. Speckert, General Counsel; Timothy A. West, Assistant General Counsel; Mary Scollay, DVM, Equine Medical Director; Jamie Eads, Director of Breeders Incentives and Development; and Greg Lamb, Supervisor of Pari-Mutuel Wagering

Others Participating: Corey Johnsen, President, Kentucky Downs

Meeting called to order and roll call performed by Chairman Beck. A quorum was recognized.

AGENDA ITEM	*TRANSCRIPT PAGE NUMBER(S)*	*DISCUSSION / CONCLUSIONS / RECOMMENDATIONS*	*ACTION TAKEN*
Tab 1 Approve Minutes of February 15, 2012 meeting	5 – 7	Mr. Kling requested amendments to the Minutes provided in the Agenda Book to correct typographical errors. A copy of the Minutes, as amended, is attached hereto.	Motion to approve as amended by Mr. Travis. Second by Ms. Lavin. Motion carried with no objections or abstentions.
Tab 2 Approve roster of race officials for Thunder Ridge	7 – 8	Mr. Guilfoil stated that by letter dated March 1, 2012 approval was requested for the roster of racing officials for its 2012 harness meet. All racing officials are accredited and have performed the duties for which they were listed. Staff recommended approval.	Motion to approve recommendation by Mr. Bonnie. Second by Mr. Kling. Motion carried with no objections or

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		A copy of the request and cover memorandum provided in the Agenda Book are attached hereto.	abstentions.
Tab 3 Approve license applications to conduct Advance Deposit Account Wagering for: a. AmWest; b. Ebet; c. Keeneland Select; d. Premier Turf Club; e. Racing 2Day; f. TVG; g. TwinSpires; and h. Xpressbet	8 – 13	Ms. Speckert stated that the new regulations giving the KHRC jurisdiction to license ADWs went into effect on November 4, 2011 and the deadline for submission of the first round of applications expired on January 3, 2012. Eight (8) applications were received. The ADW License Application Review Subcommittee comprised of Chairman Beck, Mr. Bonnie, Mr. Kling and KHRC staff members was established to aid in the application process and review submitted Applications. This subcommittee conducted a public meeting on February 29, 2012, during which representatives from each applicant attended and made presentations for their respective companies and Applications. Background checks were run on the principals of each applicant. Ms. Speckert referred the Commission members to copies of the redacted Applications, without attachments, and her summary cover memorandum provided in the Agenda Book. Complete copies of the Applications, with attachments, are available for review at the KHRC offices. Staff recommended approval of all eight (8) Applications. Chairman Beck requested a single vote be taken on the staff's recommendations for approval of all eight (8) Applications. Redacted copies of each Application, without attachments, and the summary cover memorandum provided in the Agenda Book are attached hereto.	Motion to approve recommendations by Vice-Chairman Farmer. Second by Mr. Jones. Motion carried with no objections or abstentions.

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Tab 4 Approve totalizator license application for United Tote Company	13 – 15	Mr. West stated that the new regulations requiring totalizator companies to be licensed went into effect on October 7, 2011 and the deadline for submission of applications for totalizator companies already doing business in Kentucky expired on December 6, 2011. United Tote's Application was timely submitted. The Application was reviewed and due diligence performed by KHRC staff and Mr. Kling. Criminal and credit checks were conducted on all employees who would have access to wagering data in Kentucky. United Tote has agreed to comply with Kentucky's Totalizator Standards as set out in the regulations. Staff recommended approval of the Application. A redacted copy of the Application, without attachments, and summary cover memorandum were included in the Agenda Book. A complete copy of the Application, with attachments, is available for review at the KHRC offices. A copy of the redacted Application and the summary cover memorandum provided in the Agenda Book is attached hereto.	Motion to approve recommendation by Mr. Kling. Second by Mr. Travis. Motion carried with no objections or abstentions.
Tab 5 Request of Kentucky Colt Association to change McCracken County Fair date	15 – 16	Ms. Eads stated that by letter dated March 2, 2012, the Kentucky Colt Association requested approval to change the McCracken County Fair dates from June 25 and 26, 2012 to a one-day race on June 25, 2012. The request is due to a shortage of horses and the possibility of only four (4) races each day. The 7:00 PM post time would remain the same.	Motion to approve recommendation by Mr. Leavitt. Second by Mr. Kling. Motion carried with no objections or abstentions.

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		Staff recommended approval. A copy of the request and cover memorandum are attached hereto.	
Tab 6 Churchill Downs spring meet KTDF allotments	16 – 17	Ms. Eads stated that by letter dated February 14, 2012, Churchill Downs requested approval to card KTDF purses in the range of $1,500,000 to $1,600,000 for the 2012 spring meet and to pay KTDF purses from first to last place to all eligible horses. Projections are based on daily projected earnings of $32,146 and an anticipated payout percentage of 80%. The KTDF Advisory Committee reviewed the proposal on February 20, 2012 and approval was recommended. A copy of the request and cover memorandum are attached hereto.	Motion to approve recommendation by Mr. Jones. Second by Ms. Lavin. Motion carried with no objections or abstentions.
Tab 7 KHBIF applicants for Period III	17 – 18	Ms. Eads stated that twelve (12) applications were received for the KHBIF Period III covering 2012-2014. At the February 15, 2012 Commission meeting, nine (9) were applications presented and approved and three (3) applications were deferred to the Commission's March meeting. Of the three (3) deferred applications, the KHBIF Advisory Committee reviewed and considered the applications of: 1) the Kentucky Mountain Saddle Horse Association of Kentucky; and 2) the Kentucky South Central Hackney Association. The KHBIF Advisory Committee recommended approval of these two (2) applications. Because the application of the Kentucky Paso Fino Horse Association was 52 days late, the KHBIF Advisory Committee did not consider the application and recommended denial of the application.	Motion to approve recommendations by Mr. Bonnie. Second by Mr. Travis. Motion carried with no objections or abstentions.

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		A copy of the summary cover memorandum is attached hereto.	
Tab 8 Thoroughbred Rulings	19 – 20	Mr. Guilfoil, on behalf of Rick Williams, Acting Chief State Steward, presented the Thoroughbred Rulings report. A copy of the Thoroughbred Rulings report provided in the Agenda Book is attached hereto.	No action taken. Informative item only.
Tab 9 Report from Veterinary Division	20 – 22	Dr. Scollay informed the Commissioners that there was one race-related fatal injury during December, 2011 and none during the months of January and February, 2012 at Turfway Park. This represents one fatality out of 4,532 starts. She attributed the accomplishment to the collaborative efforts of the KHRC veterinary team, the management of Turfway Park and the horsemen and private veterinarians. A copy of the Race-related Fatal Injury Occurrence table provided in the Agenda Book is attached hereto.	No action taken. Informative item only.
Tab 10 Report from Supervisor of Pari-Mutuel Wagering	22 – 26	Mr. Lamb presented the Wagering on Historical Races report. He confirmed that the total dollar amount contributed from historical horse wages to the purse fund through February 29, 2012 was $522,796.52. In response to an inquiry from Mr. Bonnie, Mr. Lamb stated that as soon as the data was available he would provide a separate report for advance account deposit wagering. Dr. Yon asked if any of the new machines were in play at Kentucky Downs yet. Chairman Beck asked if the new machines were included in the total figures through February 29, 2012.	No action taken. Informative item only.

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		Mr. Corey Johnsen stated that 30 new machines were added about half-way through February, so only part of the month of February included the new machines. A copy of the Wagering on Historical Races report provided in the Agenda Book is attached hereto.	
Tab 11 Regulation and Litigation Status Report	26	Not discussed. For informational purposes only.	No action taken. Informative item only.
Tab 12 a. *Rodney Stewart v. KHRC* **Tab 13** *b. Rick Dutrow v. KHRC*	26 – 27	1) Chairman Beck requested a motion to go into executive session pursuant to KRS 61.810(1)(c) to discuss proposed or pending litigation against or on behalf of the Commission. 2) Chairman Beck requested a motion to return to public session.	1) Motion to go into executive session by Dr. Yon. Second by Mr. Kling. Motion carried with no objections or abstentions. 2) Motion to return to public session by Ms. Lavin. Second by Mr. Travis. Motion carried with no objections or abstentions. a. No action taken. Discussion item only. b. No action taken. Discussion item only.
Adjournment	27 – 28	Chairman Beck requested any other motions to come before the Commission.	Motion to adjourn by Mr. Travis. Second by Vice-Chairman Farmer. Motion carried with no objections or abstentions.