

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: January 15, 2015 at 1:30 PM

Place: Kentucky Room, 4th Floor, Keeneland Association, Lexington, KY

Members Present: Chairman Robert M. Beck, Jr.; Commissioner Edward S. “Ned” Bonnie; Commissioner Tom Conway; Commissioner Allen Houston; Commissioner Burr Travis; Commissioner Alan J. Leavitt; Commissioner J. David Richardson, M.D.; Commissioner John Phillips; Commissioner Neil Howard; and Commissioner Foster Northrop, DVM (joined via telephone during Executive Session)

Ex-officio Members Present: Peter Irvin, representing the Public Protection Cabinet; William Dexter, representing the Tourism, Arts and Heritage Cabinet; and Hollie Spade, representing the Cabinet of Economic Development

KHRC Staff Participating: John T. Ward, Jr., Executive Director; Marc A. Guilfoil, Director of Racing; Mary Scollay, DVM, Equine Medical Director; Susan B. Speckert, General Counsel; Katherine M. Paisley, Deputy General Counsel; Greg Lamb, Supervisor of Pari-Mutuel Wagering; Barbara Borden, Chief State Steward; William Farmer, DVM, Chief Racing Veterinarian; and Jamie Eads, Director of Incentives and Development

Others Participating: None

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 Kentucky Horse Breeders’ Incentive Fund Period IV applications	4 – 7	<p>Ms. Eads presented the Period IV applications for 2015-2017 of the Kentucky Horse Breeders’ Incentive Fund (KHBIF). She noted a mock award distribution chart assuming approval of all 11 applications is included for informational purposes. In response to an inquiry by Chairman Beck, Ms. Eads stated that if any of the remaining six applications is not recommended for approval by the KHBIF Advisory Committee, the payout percentages would be redistributed accordingly.</p> <p>Eleven applications were submitted and the advisory committee of the KHBIF (KHBIF Advisory Committee) met on January 7, 2015 and</p>	<p>Motion to approve by Commissioner Richardson. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p>

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		<p>reviewed those applications. At this time, the KHBIF Advisory Committee recommends the following five applications for approval: Kentucky Quarter Horse Association; Kentucky Saddlebred Owners and Breeders Association; Kentucky South Central Hackney Association; Kentucky Walking Horse Association; and Mountain Pleasure Horse Association. Additional information for the remaining six applications is required and has been requested. The KHBIF Advisory Committee will review the remaining six applications when the requested information is provided and present their recommendation on those applications to the Commission for consideration at a future meeting of the Commission.</p>	
<p>Tab 2 Approve Backside Improvement Fund Request: Keeneland Association</p>	<p>7 – 9</p>	<p>Mr. Guilfoil stated that by letter received December 17, 2014, Keeneland requested approval for expenditure of backside improvement funds for the following projects:</p> <ol style="list-style-type: none"> 1) Partial barn shed row replacements; 2) Lighting upgrade; and 3) Sprinkler pipe systems upgrade for barn area. <p>KHRC staff has inspected the areas in the proposal and has confirmed the necessity of the renovations. Keeneland has provided photographs and one bid for each project. Due to the scope and total cost of the projects, Keeneland is also requesting the ability to have discretion with the amount allocated to each project and the timeline to complete each project.</p> <p>KHRC staff has confirmed a balance of \$165,673 in Keeneland’s backside improvement fund for fiscal year 2015. Upon completion of the project, KHRC staff will inspect the renovations and confirm completion. Copies of all invoices, photographs and communications will be kept on file at the KHRC office.</p>	<p>Motion to approve by Commissioner Travis. Second by Commissioner Richardson. Motion carried with no objections or abstentions.</p>

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Tab 3 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Regulations and Litigation	<p>9</p> <p>9</p> <p>9 – 11</p> <p>12 – 13</p> <p>13 – 15</p> <p>15 – 16</p>	<p>Staff recommends approval.</p> <p>a. Ms. Borden presented the thoroughbred ruling report. She noted one update: Ruling No. 14-0095 has been paid.</p> <p>b. Mr. Guilfoil was present and available to answer any questions concerning the standardbred ruling report. No questions were presented.</p> <p>c. Dr. Farmer presented the reports for the Churchill Downs Fall 2014 meet and the Turfway Park Holiday 2014 meet. He noted a correction to the Turfway Park report, the addition of one training fatality. In response to an inquiry by Commissioner Bonnie, Dr. Farmer stated that all horse fatalities that occur on a licensed association's grounds are necropsied at the Kentucky Veterinary Diagnostic Laboratory (KDVL) and that the KHRC receives a final report for KVLD.</p> <p>Dr. Scollay presented the Race-related Fatal Injury Over Time report. She noted that over time from 2007 through 2014, there has been a consistent steady decline in the occurrence of fatalities in Kentucky. She attributed the decline to the collaborative efforts of KHRC veterinarians, practicing veterinarians, trainers, owners, racetrack management and the Commission.</p> <p>In response to an inquiry by Commissioner Bonnie, Dr. Scollay presented an updated report on the drug testing laboratory.</p> <p>d. Mr. Lamb presented the reports for historical horse racing at Kentucky Downs and Ellis Park for December 2014. Historic racing handle was up 2.6% compared to December 2013. He</p>	<p>No action taken. Informational items only.</p>

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	16	<p>also reported Turfway Park's handle was up over 20% from last year.</p> <p>e. Status Report on Regulations and Litigation – For Informational Purposes Only.</p>	
Other Business	16 – 17	Chairman Beck acknowledged and commended Dr. Scollay's receipt of the Clay Pruett Award at the 2014 Racetrack Symposium in Arizona.	No action taken. Information item only.
Executive Session	17 – 18 18 18 – 22	<p>Chairman Beck requested a motion to go into executive session to: 1) deliberate in a role as a judicial or quasi-judicial body regarding individual adjudications as permitted by KRS 61.810(1)(j); and 2) to discuss proposed or pending litigation against or on behalf of the public agency as permitted by KRS 61.810(1)(c).</p> <p style="text-align: center;"><u>EXECUTIVE SESSION</u></p> <p>Chairman Beck requested a motion to return to public session.</p> <p>Chairman Beck presented a statement in connection with a letter received from People for the Ethical Treatment of Animals (PETA) asserting allegations of possible violations of Kentucky regulations against trainer, Steve Asmussen; his assistant trainer, Scott Blasi; and KDE Equine d/b/a Steve Asmussen Racing Stables, and requesting the KHRC to conduct an investigation.</p> <p>He noted that copies of his statement and the Commission's Report of the investigation were available and the Report would be posted on the KHRC's website. He also stated that all questions should be directed to Dick Brown.</p>	<p>Motion to go into executive session by Commissioner Bonnie. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p> <p>Motion to return to public session by Commissioner Richardson. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p>

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Adjournment	22	Chairman Beck requested a motion for adjournment.	Motion to adjourn by Commissioner Travis. Second by Commissioner Northrop. 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.