

KENTUCKY HORSE RACING COMMISSION
MINUTES OF THE MEETING

Date: February 18, 2020 at 1:30 PM

Place: Central Kentucky Riding for Hope Conference Room, 4185 Walt Robertson Road, Kentucky Horse Park, Lexington, Kentucky

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman Frank Jones, Jr.; Commissioner J. Gatewood Bell, Jr.; Commissioner Stuart E. Brown, II, DVM; Commissioner Kerry T. Cauthen; Commissioner Douglas A. Hendrickson; Commissioner Kenneth A. Jackson; and Commissioner Brereton C. Jones, Jr.; Commissioner Charles O’Connor; Commissioner J. David Richardson, M.D., and Commissioner Mark Simendinger

Ex-officio Members Present: Secretary Mike Berry, Tourism, Arts & Heritage Cabinet; Secretary Kerry B. Harvey, Public Protection Cabinet; and Interim Secretary Larry Hayes, Cabinet for Economic Development

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; Jennifer Wolsing, General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Bruce Howard, DVM, Interim Equine Medical Director and Chief Racing Veterinarian; and Barbara Borden, Chief State Steward

Others Participating: Mike Zeigler, Executive Director of Racing, Churchill Downs; Ken Mimmack, Ellis Park; Sarah Reeves on behalf of Vince Gabbert, Keeneland; Ted Nicholson, Senior Vice-President, Kentucky Downs; and Shannon Cobb, Chief Financial Officer, The Red Mile

<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 of the Kentucky Horse Racing Commission (KHRC) called to order and roll call performed by Chairman Kling. A quorum was recognized. Chairman Kling also welcomed Jennifer Wolsing as KHRC’s new General Counsel. He also noted the arrival of Commissioner Brown for the record.	No action taken.
II. New Business Tab 1 Minutes from October 29, 2019 and December 9, 2019	5 – 143 5 – 6	Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed	Chairman Kling called for a vote to approve the proposed minutes as

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	6 – 7	<p>minutes of the October 29, 2019 Commission meeting. Motion by Commissioner Richardson. Second by Commissioner Hendrickson.</p> <p>Ms. Eads presented the proposed minutes of the October 29, 2019 Commission meeting as outlined in the agenda materials.</p> <p>Approval was 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 December 9, 2019 Commission meeting. Motion by Commissioner Jones. Second by Commissioner Brown.</p> <p>Ms. Eads presented the proposed minutes of the December 9, 2019 Commission meeting as outlined in the agenda materials. Commissioner Brown requested an amendment to the proposed December 9, 2019 minutes. Under Tab 6 on page 5 of 13, under #(5) on transcript page numbers 51 – 53, to amend the first sentence to read “Consideration of eliminating <i>electronic</i> therapeutic treatments on race day, <i>with the exception of nebulization.</i>”</p> <p>Approval was recommended by KHRC staff.</p>	<p>presented. Motion carried with no abstentions or objections.</p> <p>Chairman Kling called for a vote to approve the proposed minutes as amended. Motion carried with no abstentions or objections.</p>
<p>Tab 2 Keeneland’s 2020 Spring Meet KTDF Purse Structure</p>	8 – 9	<p>Chairman Kling requested a motion for the Commission to address the recommendation of the Kentucky Thoroughbred Development Fund Advisory Committee (KTDF Advisory Committee) to approve the proposed KTDF purse structure for Keeneland’s 2020 Spring meet. Motion by Commissioner Richardson. Second by Commissioner Bell.</p> <p>Ms. Eads presented Keeneland’s request dated January 24, 2020 as outlined in the agenda materials. Ms. Eads stated that at its January 28, 2020 meeting, the KTDF Advisory Committee approved the</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>recommendation. Keeneland will pay out KTDF funds through last place and in the event of a dead heat, the KTDF portion will be handled the same as the purses.</p> <p>Approval of the KTDF Advisory Committee's recommendation was recommended by KHRC staff.</p>	
<p>Tab 3 Churchill Downs' 2020 Spring Meet KTDF Purse Structure</p>	<p>9 – 11</p>	<p>Chairman Kling requested a motion for the Commission to address the recommendation of the KTDF Advisory Committee to approve the proposed KTDF purse structure for Churchill Downs' 2020 Spring meet. Motion by Commissioner Brown. Second by Commissioner Jackson.</p> <p>Ms. Eads presented Churchill Downs' request dated January 24, 2020 as outlined in the agenda materials. Ms. Eads stated that at its January 28, 2020 meeting, the KTDF Advisory Committee approved the recommendation. Churchill Downs will pay out KTDF funds through last place and in the event of a dead heat, the KTDF portion will be handled the same as the purses.</p> <p>Approval of the KTDF Advisory Committee's recommendation was 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>
<p>Tab 4 Churchill Downs' Proposed Backside Improvement Requests</p>	<p>11 – 12</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve the proposed Backside Improvement Fund expenditure of \$174,200. Motion by Commissioner Brown. Second by Commissioner Bell.</p> <p>Ms. Eads presented Churchill Downs' request dated January 30, 2020 as outlined in the agenda materials.</p> <p>Approval was 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 5 Requested Approval of Wager Format Changes for the Keeneland Spring Meet, Fall Meet and Breeders' Cup Meet</p>	<p>12 – 17</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Keeneland to amend their Super High 5 wager for the 2020 Spring and Fall meets and for the 2020 Breeders' Cup World Championship. Motion by Commissioner Simendinger. Second by Commissioner Richardson.</p> <p>Mr. May presented the request from Keeneland dated January 15, 2020 as outlined in the agenda materials.</p> <p>Approval was 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>
<p>Tab 6 Keeneland Red Mile Request to Offer PariMAX Historical Horse Racing Pari-Mutuel Wagering Pools Version 3.19</p>	<p>17 – 20</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by KRM Wagering, LLC (KRM) to approve offering PariMAX Version 3.19, historical horse racing pari-mutuel wagering pools and associated entertainment themes. Motion by Commissioner Jackson. Second by Commissioner Jones.</p> <p>Mr. May presented the request from KRM dated February 4, 2020 as outlined in the agenda materials.</p> <p>Conditional approval was recommended by KHRC staff contingent upon the completion of the two (2) conditions as outlined in the agenda materials.</p>	<p>Chairman Kling called for a vote to approve the request as presented and contingent upon completion of the two (2) conditions set out in the agenda materials. Motion carried with no objections or abstentions.</p>
<p>Tab 7 Churchill Downs' Requested Approval to Add Ainsworth Game Technology Pools and Entertaining Game Themes</p>	<p>20 – 25</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs Racetrack, LLC by and through its wholly owned subsidiary Derby City Gaming, LLC (Derby City Gaming) to approve four (4) additional Ainsworth game technology historical horse racing pari-mutuel wagering pools, five (5) additional associated entertaining game themes, and one (1) additional associated entertaining game theme based on previously approved pari-mutuel wagering pool. Motion by Commissioner Hendrickson. Second by Commissioner Richardson.</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>Mr. May presented the request from Derby City Gaming dated February 4, 2020 as outlined in the agenda materials.</p> <p>Approval was recommended by KHRC staff.</p>	
N/A	25	Chairman Kling noted for the record, the arrival of Secretary Berry.	No action taken. Informational item only.
Tab 8 Churchill Downs' Requested Approval of Scientific Games Historical Horse Racing Wagering Pools and Entertaining Game Themes	25 – 37	<p>Chairman Kling requested a motion from the Commission to address the request for approval of the request submitted by Derby City Gaming to approve several HHR pari-mutuel wagering pools and entertaining game themes in Kentucky. Motion by Commissioner Cauthen. Second by Commissioner Jackson.</p> <p>Mr. May presented the request from Derby City Gaming dated February 4, 2020 as outlined in the agenda materials, noting a few typographical errors that were included in the meeting materials.</p> <p>Approval was recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve five (5) Scientific Games Corporation historical horse racing pari-mutuel wagering pools and ten (10) associated entertainment game themes. Motion carried with no objections or abstentions.
Tab 9 Keeneland's Proposed 2020 Spring Race Meet Officials and Date Preference System	37 – 38	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Keeneland to approve the proposed 2020 Spring meet roster and racing officials and dates preference system. Motion by Commissioner Brown. Second by Commissioner Jones.</p> <p>Ms. Borden presented Keeneland's request dated January 28, 2020 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>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 10 Churchill Downs' Proposed 2020 Spring Race	38 – 40	Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve the proposed	Chairman Kling called for a vote to approve the

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	49 50 – 61 61 – 66	<p>Ms. Wolsing presented the request as outlined in the agenda materials. The proposed amendments would expand the definition of the term “licensed premises” to include an option for an extension facility within a 60-mile radius of an association’s track. The extension facility could not exist within a sixty (60) mile radius of a live racing facility or a forty (40) mile radius of a simulcast facility unless the other facility agrees in writing to the extension facility. The proposed language of the amendments tracks the language in the authorizing statute: KRS 230.210(22). Approval was recommended by KHRC staff.</p> <p>Mr. Zeigler presented on behalf of Churchill Downs and answered questions from members.</p> <p>Ms. Wolsing addressed the Commission with an overview of how the regulation amendment process worked and answered questions from members.</p>	objection by Commissioner Simendinger and no abstentions.
Tab 13 Presentations by Racetracks: Updates on Capital Improvements	67 – 126 67 -73 73 – 78 78 – 88 88 – 106	<p>Chairman Kling announced the presentations of updates on capital improvements by the racetracks.</p> <p>Mr. Zeigler presented and answered questions from members on behalf of Churchill Downs.</p> <p>Mr. Zeigler presented and answered questions from members on behalf of Oak Grove Racing.</p> <p>Mr. Zeigler presented and answered questions from members on behalf of Turfway Park.</p> <p>Mr. Mimmack presented and answered questions from members on behalf of Ellis Park.</p>	No action taken. Informational item only.

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	106 – 107	Commissioner Simendinger requested a break. Chairman Kling granted the request and a break followed.	
	107 – 109	Upon returning from a break, Ms. Reeves presented and answered questions from members on behalf of Keeneland.	
	109 – 113	Mr. Nicholson presented and answered questions from members on behalf of Kentucky Downs.	
	113 – 126	Ms. Cobb presented and answered questions from members on behalf of The Red Mile.	
Tab 14 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Confidential – Litigation	126 – 142 127 – 129 129 129 – 137 137 – 142 142	a. Ms. Borden presented the thoroughbred rulings reports as outlined in the agenda materials. Ms. Borden noted a correction to the “TB Rulings List by Category (through December 31, 2019)” report and the “2019 TB Rulings List by Category” report . She stated that the number of appeals for Class B medication violations was actually 5, and not 3. b. Chairman Kling noted that the Standardbred ruling activity report was informational. c. Dr. Howard presented the veterinary division report as outlined in the agenda materials. d. Mr. May presented the pari-mutuel wagering division report as outlined in the agenda materials. e. Litigation and Regulation report is for informational purposes only.	No action taken. Informational items only.

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		Deputy General Counsel, and of Larry Bisig and Kiki Courtelis as Commissioners. Also, he noted that Commissioner Simendinger would no longer serve as Vice-Chairman. He commended each for their contributions and thanked them for their service.	
IV. Adjournment	146 – 147	Chairman Kling requested a motion to adjourn. Motion by Commissioner Cauthen. Second by Commissioner Jackson. 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.