

**Approved Minutes**  
**Agriculture & New York State Horse Breeding Development Fund**  
**Board of Trustees Meeting**  
**NYS Racing and Wagering Board Offices**  
**Schenectady, N.Y.**  
**Dec. 13, 2012**

Present: NYSR&WB Chairman John Sabini; Deputy Commissioner Matt Morgan, NYS Dept. of Agriculture and Markets, and trustees Joseph Angiolillo and Keith Hamilton. Audience included NYSR&WB staff members Kristen Buckley, Ron Ochrym, Tom Casaregola, Brian Barry and Lee Park; NYSR&WB counsel Rick Goodell and Mark Stuart; Connie Richardson and Tony Sellars of the Agriculture Fund; Peter Arrigenna, Vice President, and Betty Holt, Executive Director of the Harness Horse Breeders of New York State, and Joe Spadaro.

The meeting was called to order at 2:10 p.m.

**Agenda Item #1 Public Comment:**

Chairman Sabini called for public comment. Joe Spadaro rose to offer praise for the chairman's performance during his term in office.

**Agenda Item #2 Approval of the Minutes:**

Chairman Sabini asked for a motion to approve the minutes of the Sept. 27, 2012 meeting. Trustee Morgan makes the motion. Trustee Hamilton seconds. All in Favor.

**Agenda Item #3 Executive Session:**

Chairman Sabini asked for a motion for the board to enter executive session, asking that Messrs. Ochrym, Casaregola, Barry, Stuart and Goodell remain for the session.

Motion made by trustee Angiolillo. Seconded by Trustee Morgan. All in favor.

Executive Session commenced at 2:22.

Executive Session concludes with return to public session at 2:28.

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**Agenda Item #4 Office of Racing Promotion and Development:**

Chairman Sabini opens discussion of the new Office of Racing Promotion and Development, which had been signed into law early in 2012. The office will be housed in the New York State Gaming Commission, but will be separate and independent of the commission. The office is also to provide administrative services (legal, IT, accounting, etc.,) to the Fund, which must be relocated from its Albany offices to the commission offices in the Lottery Building in Schenectady no later than Feb. 1, 2013.

The first step in the transition was the negotiated buyout of the lease in Albany with Harmony

Mills. Mr. Casaregola negotiated the buyout for \$10,000, or about half of the remaining lease payments. The buyout would be the 4<sup>th</sup> Amendment to the original lease with Harmony Mills. Chairman Sabini asked for a motion to approve the buyout. Trustee Angiolillo made the motion; trustee Morgan seconded. All in favor.

Chairman Sabini then began discussion of the Memos of Understanding that needed to be adapted, at a later date, involving administrative services that the new Gaming Commission would be providing to the Fund. The Chairman said the process for writing the MOUs was underway.

#### **Agenda Item #5 Harness Horse Breeders of NYS Contract:**

Chairman Sabini asked Mr. Mullaney to open discussion concerning the annual contract with the Harness Horse Breeders of New York State. This year's contract calls for monthly payments of \$25,000, a total of \$300,000 over the calendar year 2013, with the expectation that the HHB would perform additional duties involving registry of yearlings; monitoring of sustaining payments; dissemination (postage and distribution) of promotional materials; organizational help in hosting award banquets; expertise in scheduling of Sire Stake, Excelsior, and County Fair races, etc.,. Mr. Mullaney spoke of Mr. Arrigenna's invaluable assistance in putting together the Sire Stakes schedule and provided the board with a breakdown of salaries and expenses that the HHB said it would incur during calendar year 2013. Mr. Mullaney recommended that the contract be approved, with the addition of a clause calling for an audit. Betty Holt of the HHB addressed the board to further detail her organization's intent, and agreed to the inclusion of the audit clause.

On this matter, Chairman Sabini asked for two related motions to be approved: 1.) A motion to approve the resolution determining that the HHBNYS is a sole-source provider and 2.) A motion to approve the contract with the addition of the audit clause. Trustee Hamilton made the motion on the first matter, trustee Angiolillo seconded; trustee Angiolillo made the motion on the second matter, trustee Hamilton seconded. All in favor.

#### **Agenda Item #6 Agriculture & NYS Horse Breeding Development Fund Budget:**

Chairman Sabini asked Mr. Mullaney to detail the budget. Mr. Mullaney called on help from Messrs. Sellars and Casaregola in explaining the budget and the difficulty in reaching credible numbers, due to in large part to missing and misleading documents and changing personnel in the Fund's accounting department. Budget reflected last year's budget, updated with what were believed to be more accurate numbers. In addition to the traditional items, the budget, under the "Grant" category for accounting

purposes, included a one-time \$100,000 spend as additional help for all the state's county fairs, in addition to traditional funding for 4-H, the Harness Racing Museum in Goshen, the Goshen Historic Track, Morrisville College and the Harness Horse Youth Foundation. Chairman Sabini and Trustees Hamilton and Morgan expressed their understanding of difficulties with the Fund's accounting, and in arriving at a budget and, after several inquiries into the proposal from trustee Hamilton, Chairman Sabini asked for a motion to approve the budget. Trustee Angiolillo made the motion; trustee Hamilton provided the second. All in favor.

#### **Agenda Item #7 Scheduling and Conditions of the New York Sire Stakes Races:**

Chairman Sabini thanked those involved in putting together the Sire Stakes schedule and conditions (Messrs. Hamilton, Barry, Stuart and Mullaney) and asked Mr. Mullaney for a presentation.

Mr. Mullaney expressed his gratitude and admiration for the selfless work of the HHB's Peter Arrigenna for calculating an estimate of purses and negotiating the schedule with executives

from the state's seven pari-mutuel tracks. Although purse money for the Sire Stakes is expected to be down from 2012, due to the impact of the Aqueduct racino opening, Mr. Arrigenna, through his negotiations with Yonkers -- which Mr. Mullaney witnessed -- was able to retain all eight legs of the Sire Stakes, to the satisfaction of the other six standardbred pari-mutuel tracks.

Mr. Arrigenna spoke briefly to the board, after which Chairman Sabini asked for a motion to approve schedules for the Sire Stakes, Excelsior, County Fair and Fall Harvest races. Mr. Angiolillo made the motion, trustee Hamilton seconded. All in favor.

#### **Agenda Item #8 Recalculation of Breeders' Awards:**

Chairman Sabini asked Mr. Mullaney to introduce the HHB's argument that the format calling for Breeders' Award distribution be tweaked to favor breeders whose horses perform well in open company (in races not limited to New York-breds). Ms. Holt addressed the board to further make the case for the change. Chairman Sabini asked for approval of the motion. Trustee Angiolillo made the motion; trustee Hamilton seconded. All in favor.

#### **Agenda Item #9 Tioga Update:**

Tabled.

#### **Agenda Item #10 Zweig Fund:**

Chairman Sabini read from a list of research proposals approved by the Zweig Fund's board of directors at its annual meeting at Cornell in November. Mullaney attended that meeting and provided observations and further detailed some of those proposals for the

board. By statute the Ag Fund is to provide 2% of its revenue to the Zweig Fund. In calendar year 2012 the Fund contributed more than \$250,000 to the Zweig Fund, with the expectation of approximately the same contribution in 2013.

**Agenda Item #11 Finger Lakes Update:**

Chairman Sabini asked Mr. Mullaney for an update on this matter, in which Finger Lakes Racetrack and Casino had overpaid the Thoroughbred Fund \$25,000 and underpaid the Ag Fund by that amount. Mr. Mullaney reported that a check for that amount, from Finger Lakes, had arrived at the Ag Fund's offices and that, according to the terms of the contract worked out Chairman Sabini with the Thoroughbred Fund, Finger Lakes and the Ag Fund, the matter was resolved.

**Agenda Item #12 Authorities Budget Office Policy Enactments:**

Mr. Mullaney reported that the following policies set by the ABO had been enacted at the Ag Fund:

Procurement;

Lobbying;

MWBE;

Investment;

Whistle Blower;

Guidelines Policy and Procedures for Disposal of Property

Chairman Sabini asked for a motion that these policies be approved. Trustee Morgan made the motion; trustee Hamilton seconded. All in favor.

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**Agenda Item #12 New & Old Business:**

Chairman Sabini asked if there was any old or new business to discuss: None was offered.

**Agenda Item #13 Additional Business:**

Chairman Sabini made mention that this would be the last occasion of his being at the helm for Ag Fund board meetings and expressed his gratitude to all in attendance for their service and their passion for the industry. He then asked if there was any additional business to discuss. Harness breeder Joe Spadaro addressed the board and offered his compliments for the Chairman's performance, wisdom and the strength of character he exhibited through his tenure.

Chairman Sabini thanked Mr. Spadaro, bid adieu to those in attendance and declared the meeting adjourned at 3:23 p.m.