



Agriculture & NYS Horse Breeding Development Fund

MINUTES

Agriculture and NYS Horse Breeding Development Fund
Board of Trustees Meeting
Schenectady, New York
July 30, 2015

Present: Agriculture and Markets Commissioner Richard Ball; Trustees: Peter Arrigenna & Mike Kimelman; NYS Gaming Commission Chairman Mark Gearan designee Ron Ochrym;
Also attending: Agriculture & New York State Horse Breeding Development Executive Assistant Connie Richardson; NYS Gaming Commission Senior Accountant Brian Squadere; Agriculture and Markets Deputy Commissioner Jacqueline Czub; NYS Gaming Commission Assistant Counsel Mark Stuart; Harness Horse Breeders of New York State - Executive Director Betty Holt.

Agenda Item #1 – Establishment of Quorum: A quorum was present and the meeting called to order at 11:00 a.m.

Agenda Item # 2 - Designate a Board Member as Presiding Officer: A motion was made to designate Agriculture and Markets Commissioner Richard Ball, a Board Member, as Presiding Officer of the meeting by Board Member Ochrym, seconded by Board Member Kimelman. All in favor.

Agenda Item # 3 - Approval of Minutes of Last Meeting of April 15, 2015: Minutes of the regular meeting of April 15, 2015 were presented for approval. A motion to accept the Minutes of April 15, 2015 was made by Board Member Ochrym, seconded by Board Member Kimelman. All in favor.

Agenda Item # 4 - Harness Horse Breeders of New York State - 2015 Contract Extender: Presiding Officer Ball noted that at the Fund's December 16 meeting, the Members considered a year contract with the HHB. The members had previously approved a six month contract for the period January 1 to June 30, 2015 which increased the funding with the HHB from the prior year contract. This additional funding was provided for work that an Executive Director would normally perform but would now have to be provided by the HHB. Given that an Executive Director has not been appointed, a motion was made to continue the funding for the remainder of calendar year 2015 (6 months – July 1 to December 31, 2015) at the same level as provided in

the first half of the year (\$158,300). Based on the calendar year 2015, the HHB will receive a total of \$316,600. A motion was made by Board Member Kimelman and seconded by Board Member Ochrym. All in favor with one member abstaining – Board Member Arrigenna.

Agenda Item # 5 – Update on the Sire Stakes Program: Presiding Officer Ball noted that we were in the full swing of the Sire Stakes Program. He called on Betty Holt, of the Harness Horse Breeders, who provided a summary of the race schedule and updates on advertising.

Agenda Item # 6 - Consideration of Adopting and Amending Fund Policies – Time and Attendance and Travel:

Presiding Officer Ball noted that both the Gaming Inspector General and the Gaming Commission's Office of Internal Audits reviewed the Fund's operations and issued reports that were discussed at the Fund's April meeting in Goshen. Both audits recommended changes including the need for the Fund to amend its current "Time and Attendance Policy" and adopt a "Travel Policy." The Fund Trustees took the following actions with respect to the two policy recommendations:

1. Travel Policy: It was recommended that the Fund adopt a Travel Policy to avoid some of the problems that were recently experienced and noted in the audits. The new policy proposed included a requirement for a travel voucher that would need to be filed and approved before any traveling on Fund Business. The proposed policy was one currently utilized by many state agencies in New York including the Gaming Commission.
2. Time and Attendance Policy: It was noted that staff conducted a review of the current Time and Attendance Policy of the Fund and proposed, based on the recommendations in the audit reports, that it be amended to ensure an audit of each employee's time sheet on a quarterly basis as well as provide that any out of office travel must adhere to the Travel Policy guidelines also adopted. It was also proposed that the Time and Attendance policy include language to reflect that there are no alternate workstation agreements when not in travel status.

The Members considered first a motion to adopt the "Travel Policy" (noted above as #1) that included a requirement for vouchers when traveling on behalf of the Fund. A motion to accept the proposal was made by Board Member Arrigenna and seconded by Board Member Kimelman. All in Favor.

The Members then considered a motion to amend the current "Time and Attendance Policy" (noted above as #2) to include: (1) a requirement that each employee's time sheet be reviewed and audited on a quarterly basis; (2) a requirement that any out of office travel must adhere to the Travel Policy guidelines (just adopted) including a travel voucher filing when traveling on Fund business; and (3) that there are not alternate workstation agreements when not in travel status. A

motion was made to adopt the proposal by Board Member Ochrym and seconded by Board Member Arrigenna. All in favor.

Agenda Item # 7 – Drug Testing Contract: The Members discussed the need for additional drug testing for both County Fair and Sire Stakes racing programs. Currently the Fund has a contract with the New York Drug Testing and Research Program to conduct testing for the non-pari-mutuel racing, specifically the County Fairs. However, Board Member Arrigenna has advocated for additional testing. Staff had discussed such a process with representatives of the New York Drug Testing and Research Program which it was noted could conduct specific testing on additional samples collected beyond what the Gaming Commission samples. In October of last year, the Fund Members discussed such testing and approved an allocation of \$100,000 be included in the Fund 2015 Budget for off-track horse testing. It was noted that a testing program was discussed and proposed by Dr. George Maylin – Director of the New York Drug Testing and Research Program at Morrisville State College and he suggested a specific initial testing program for the Fund at \$25,000. This testing would include a research component that specifically would examine new suspected drugs that may be being used and determine protocols for such testing to determine their presence.

Before the Members could consider a motion of the funding, the Fund Board Members need to adopt a sole source resolution for such a contract to be approved. Given the unique requirements of the contract and that the New York Drug Testing and Research Program continues to be recognized for providing effective and efficient drug testing of standardbred breeding and racing industries and the lab is uniquely positioned to carry out, on a cost-effective basis, the measurable objectives of the Fund by providing expert drug testing services for the Fund throughout the State of New York, a motion was made by Board Member Ochrym and second by Board Member Kimelman to accept the sole source resolution that will allow the Fund Board member to enter into a contract with the New York Drug Testing and Research Program for the Lab to provide research and testing for specified drugs. All in favor.

The Board Member then considered a motion by Board Member Arrigenna, seconded by Board Member Ochrym, to allow Fund staff to enter into a contract, not to exceed \$25,000, with the New York Drug Testing and Research Program to provide research and testing on specific drugs. All in favor.

Agenda Item #8 – Field Inspector/Investigator: The Members, noting approval of the last item, believed there was now a need for a field inspector/investigator. Presiding Officer Ball noted that the Fund's counterpart on the thoroughbred side, the New York State Thoroughbred Breeding and Development Fund, employs inspectors. Presiding Officer Ball noted that the Fund was looking to secure the services of such a person who would visit the farms, the tracks and work with the Drug Testing Lab. It was noted that since the Fund does not currently employ any staff to perform such field work and the Lab's work is confidential, there was a need to hire an individual who would conduct such inspections and investigate any findings provided by the Drug Lab and report to the Fund Board. Such individual would be hired on a per diem basis and

he/she would receive expenses. A motion was subsequently made by Board Member Kimelman, seconded by Board Member Arrigenna, to allow Fund staff to secure the services of an individual, not to exceed \$20,000 in Calendar year 2015, to conduct such field work on a per-diem basis and provide a final report by year end. All in favor

Agenda Item #9 – New/Old Business. As part of new/old business the following items were noted:

1. NY Sire Stakes & United States Trotting Association District 8 Dinner on November 15
2. Sire Stakes Night of Champions Finals on September 12 and 26 at Yonkers.
3. Horse Sales at Morrisville

Closing Comments: Presiding Officer Ball provided closing comments noting that the next meeting would be sometime in the Fall. He also noted that the Great New York State Fair in Syracuse would be taking place from August 27 through September 7. He encouraged all to visit and enjoy the great exhibits, delicious food and entertainment offered at the Fair. Presiding Officer Ball noted the Fund had concluded its business and called for a motion to adjourn. A motion to adjourn was then made by Board Member Arrigenna and seconded by Board Member Kimelman. All in favor.

Meeting Adjourned at 11:55a.m.