



Agriculture & NYS Horse Breeding Development Fund

MINUTES

Agriculture and NYS Horse Breeding Development Fund
Board of Directors Meeting
Harness Racing Museum, Goshen, New York
April 9, 2019

Present: Trustee Peter Arrigenna; Agriculture and Markets Deputy Commissioner Jackie Czub (Richard Ball designee); Ron Ochrym, Director of the Division of Horse Racing at the Gaming Commission (Barry Sample designee); Executive Director of the Agriculture & NYS Horse Breeding Development Fund Kelly Young; Fund Office Manager Dawn Bennett and Executive Assistant Connie Richardson; and NYS Gaming Commission Assistant Counsel Melanie LaCour. Vendor representatives: Brian Buff and Sarah Buck, Capital Hill Management Services, and Eliza Bianco and Jason Politi, Baker Public Relations.

Agenda Item #1 – Establishment of Quorum: A quorum was present and the meeting of the Agriculture & New York State Horse Breeding Development Fund was called to order at 11:03 a.m. Jackie Moody-Czub, Deputy Commissioner of the New York State Department of Agriculture and Markets was designated to represent Department of Agriculture and Markets Commissioner Richard Ball, as he was not able to attend. She noted that Chairman of the New York State Gaming Commission Barry Sample, a member, was not able to attend and Ron Ochrym, Director of the Division of Horse Racing at the Gaming Commission, would be his designee. Fund Board member Peter Arrigenna was in attendance.

Agenda Item #2 - Designate a Board Member as Presiding Officer: A motion was made by designee Ochrym to designate Ms. Moody-Czub, as Presiding Officer of the meeting and seconded by Member Arrigenna. All in favor.

Before going to the agenda, Presiding Officer Moody-Czub made a few remarks. She noted that in addition to the Members, the following staff were present: Kelly Young, the Executive Director of the Agriculture and New York State Horse Breeding Development Fund, and Dawn Bennett and Connie Richardson, who provide staff support to the Fund. Melanie LaCour, Assistant Counsel to the Gaming Commission, was serving as counsel. The Presiding Officer also noted the location at the Harness Racing Museum and thanked Museum Director Janet Terhune and her staff for hosting the meeting.

Presiding Officer Moody-Czub then opened the meeting to Public Comment. Betty Holt, Executive Director of the Harness Horse Breeders of New York State, wanted to make the Board aware that horse owner and breeder Wanda Polisseni had opened a Standardbred adoption program in Oxford, N.Y. Her goal is to take horses off the track and retrain and adopt them out. She will be seeking grants and plans to provide educational programs. Ms. Holt also noted that she retains her position at Harness Horse Breeders while also working for the adoption center. There were no other comments and Presiding Officer Moody-Czub moved on to the agenda.

Agenda Item #3 – Consideration of Meeting Minutes for December 17, 2018: Minutes of the regular meeting of December 17, 2018 were presented for review and approval. A motion was made by Member

Arrigenna to accept the Minutes as presented and seconded by Moody-Czub. Designee Ochrym abstained as he did not attend the previous meeting. All others in favor.

Agenda Item #4 – Consideration of Grant Applications: Presiding Officer Moody-Czub noted that the Fund previously approved a budget that provides up to \$150,000 in grant funding in 2019 and also set an application deadline of March 1 for grant applications. The Trustees received six grant requests, but one was later withdrawn. The Trustees had the opportunity to review the applications in advance. Presiding Officer Moody-Czub then invited representatives of each entity forward for a presentation and questions from the Trustees.

1. The **Harness Racing Museum and Hall of Fame** submitted a grant proposal for \$50,000 to support the Education Department and its programs. It was noted that under Section 332.1(i) of the Racing, Pari-Mutuel Wagering and Breeding Law, the Fund is authorized to distribute monies received by it “to support and promote research, educational programming, and preservation of the history and traditions of harness and trotting horse racing through acquiring and maintaining collections of artifacts, memorabilia and documents related to such history.” Presiding Officer Moody-Czub noted that this grant proposal meets that standard.

Janet Terhune, Director of the Museum, provided an update on the microfiche project that she presented to the Trustees the previous year. This involved digitizing all past performances of horses racing from 1973 to 1991—and microfiche is the only medium on which this information is available. She received a new estimate for this work of \$33,000. She has asked the U.S. Trotting Association to collaborate on this project and they are working together, but wanted to keep the Trustees updated.

Next, Kristine Roberts, education coordinator of the Museum, updated the Board on the programs held in 2018 and those planned in 2019. The Museum hosted 73 tours and programs during the previous year, reaching 1,400 students and 300 campers.

Presiding Officer Moody-Czub asked about how coordinating efforts with the Harness Horse Youth Foundation, pony clubs and 4-H was working. Ms. Roberts noted that HHYF does provide a horse to use for demonstrations when they are in town and that is a huge benefit. All efforts go into reaching as many people as possible.

2. **Goshen Historic Track** requested funds in the amount of \$55,000 to make repairs to the Arden Barn and blacksmith shop, one of the most historic barns on the grounds. Under Section 332.1(i) of the Racing, Pari-Mutuel Wagering and Breeding Law, the Fund is authorized to provide such funding in “maintaining a historic racetrack that is designated as a national registered historic landmark.” Presiding Officer Moody-Czub noted that this grant proposal meets that standard.

George Casale, a Board member of Historic Track, spoke with the Trustees. First he noted that the track just had a groundbreaking for a building that will be used to store artifacts for the Harness Racing Museum on the site of the horse barn that burned in the 2017 fire. The track did not need additional stall space, so it did not choose to replace the previous barn. That project has a planned completion of August 2019.

When that is completed, the Track’s attention will turn to the Arden Barn project and the relocation of the blacksmith shop. New stalls, a wash stall and the blacksmith shop will be rebuilt and the project will be approximately \$332,000.

3. **Racing Under Saddle New York** requested \$7,500 for a portion of county fair racing series purses. The program already had a commitment from 10 fairs and was interested in adding demonstrations of Standardbred versatility to further promote the breed. Section 332 of the Racing, Pari-Mutuel Wagering and Breeding Law provides funding at county agricultural society harness racing events and this application would meet that standard. Racing Under Saddle events are well attended at the County Fairs and this racing series has grown to become another way to promote and enhance New York's Standardbred breeding and racing program.

Michelle Miller, the President and Director of Marketing, spoke with the Trustees by video conference and described plans to increase purses to encourage participation and offer versatility demonstrations at the fairs to address post-racing careers for Standardbreds.

Presiding Officer Moody-Czub asked for clarification on where the versatility demonstrations would be offered and Ms. Miller explained it would be on the racetrack before or between the normal race programs. Riders would allow the public to meet the horses and the riders would provide Standardbred aftercare information from the U.S. Trotting Association to the public.

4. The **Harness Horse Youth Foundation** made two requests. The first was for \$7,500 for two hand-on summer youth programs at Goshen Historic Track in 2019: a one-day introductory camp and a five-day Leadership camp for previous graduates of the first program. The second request was for \$5,000 toward capital expenditures to support the educational programs through purchase of a truck and jog carts. Section 332 of the Racing, Pari-Mutuel Wagering and Breeding Law provides funding, as shall be determined by the Fund, but not in excess of one and one-half percent thereof, in an account designated "to support and promote research" and "educational programming." Presiding Officer Moody-Czub noted that the grant request would meet the educational programming standard.

Jennifer Connor, a board member of the Youth Foundation, highlighted changes that the organization is making to their youth camps and described how they are meeting their mission of providing young people and their families with experiences and education about harness horses to foster the next generation of fans and participants. She shared a camp schedule for 2019, outlined the camp curriculum and highlighted some notable graduates of the program.

5. The **New York State 4-H Program**, administered by Cornell Cooperative Extension, submitted a grant request is for \$44,000 for the statewide education program that focuses on advancing interest in Standardbreds. The Fund has supported 4-H for many years and Cooperative Extension has a long history of effectively providing education and awareness programs through its state-wide network. Presiding Officer Moody-Czub noted that under section 332.1(b) and Section 332.3 of the Racing, Pari-Mutuel Wagering and Breeding Law, which authorizes the Fund to distribute monies received by it "to such 4-H societies, such amounts as the directors deem advisable, as are engaged or propose to engage in a program for the development of standardbred horses." Presiding Office Moody-Czub noted that the grant proposal meets that standard.

Lindsay Goodale, New York State Extension Horse Specialist, and 4-H Educator Jessica Tyson presented to the Trustees and offered pertinent points from a national equine survey. They highlighted the role of volunteers to help operate the various programs and that the interest of young people in horses remains high. Ms. Tyson outlined 2018 programs funded by their grant, including day camps, racetrack visits and competitive events. Building off these programs, the team described their plans for 2019.

Discussion followed and Trustees decided that the HHYF capital equipment request would not be funded. Presiding Officer Moody-Czub noted the RUS-NY request included highlighting aftercare and adoption of harness horses and Member Arrigenna noted that the outreach of HHYF and 4-H is important.

Consensus was reached to fund the HHYF and RUS-NY requests for \$7,500 each, \$44,000 to the NYS 4-H Program and \$45,500 to each the Harness Racing Museum and Historic Track.

A motion was made by Member Arrigenna to approve the following grants in 2019: Goshen Historic Track \$45,500, Harness Racing Museum \$45,500, Harness Horse Youth Foundation \$7,500, Racing Under Saddle \$7,500, and 4-H Horse Program \$44,000. Seconded by Designee Ochrym. All in favor.

Agenda Item #5 – Consideration to Enter into Executive Session: At this point in the agenda, Presiding Officer Moody-Czub called for the members to consider a motion to enter into Executive Session, for the express purpose of consideration of litigation matters pursuant to Public Officers Law Section 105.1.d and for personnel matters pursuant to New York Public Officers Law Section 105.1.f. Designee Ochrym made the motion, seconded by Member Arrigenna. All in favor. The members then convened into Executive Session.

Return from Executive Session: Upon returning from Executive Session, Presiding Officer Moody-Czub thanked everyone for their patience and moved to the next item on the agenda.

Agenda Item #6 – Capitol Hill Management Services Update: Presiding Officer Moody-Czub invited representatives of Capital Hill Management Services and Baker Public Relations to provide an update on marketing and public relations efforts on behalf of the Fund. Brian Buff represented Capitol Hill on behalf of Angie McGrath, who was on maternity leave. He also introduced Sarah Buck who has been working on the Sire Stakes marketing, including attending many of the yearling sales. Mr. Buff and Ms. Buck provided a review of the past year which included: completing the work of the administrative contract and training Fund staff on report production; producing annual publications in conjunction with Fund staff; updating marketing materials for ads, publications and social media; production of high quality videos for events and social media (15 original videos receiving 9,000 minutes of viewing); and coordination of events such as the Night of Champions, Annual Awards Banquet and new owner seminars. Ms. Buck highlighted work so far in 2019 that included development of a comprehensive media and public relations plan and updates to advertising materials.

Jason Politi of Baker Public Relations provided a social media update, including the reach of unique content like videos and infographics, and shared some examples. Eliza Bianca discussed media placements achieved by the Fund, including stories on the Night of Champions in Batavia and impact of the harness racing industry.

Presiding Officer Moody-Czub thanked Capitol Hill Management and Baker Public Relations for their presentation.

Agenda Item #7 – Consideration of 2019 County Fair Schedule: Presiding Officer Moody-Czub noted that at the previous meeting the Trustees approved schedules for the New York Sire Stakes and the Excelsior Series, but still had the County Fair racing schedule to consider. The Trustees reviewed a schedule with 20 fair racing dates, the same fairs as last year, and finals at Monticello on Sept. 5. Of note, however, is the Afton Fair kicking off the season earlier than usual on June 20.

Designee Ochrym asked about the budget for the county fair races and Executive Director Young replied that purses are \$24,000 per fair and \$10,000 for each division of the finals.

Member Arrigenna made a motion to accept the 2019 County Fair racing schedule, seconded by Designee Ochrym. All in favor.

Agenda Item #8 – Consideration of Drug Testing Program: Presiding Officer Moody-Czub noted that the Trustees approved a budget in December providing up to \$80,000 for Out-of-Competition Drug Testing and up to \$35,000 for County Fair Drug Testing. In the past the Fund has designated the New York Drug Testing and Research Program at Morrisville State College as a single source drug lab to perform these testing services and the Trustees had a resolution before them to do the same in 2019, which read:

Pursuant to Section 330 of the Racing, Pari-Mutuel Wagering and Breeding Law of the State of New York (the “Racing Law”), the Agriculture & New York State Horse Breeding Development Fund (the “Fund”) “is created in order that it may promote the breeding of horses and the conduct of equine research in this state on its own responsibility and under its own business management. The policy, good faith and interest of the state are concerned with the management and development of the Fund and are committed to promotion of horse breeding and equine research in this state in active cooperation with the Fund.”

In carrying out this statutory mandate, the Board of Directors of the Fund have historically recognized, and continues to recognize, that the New York Drug Testing and Research Program at Morrisville State College (“Drug Lab”) is a single source vendor with specialized expertise and knowledge with respect to the effective and efficient drug testing of the Standardbred breeding and racing industries as contemplated by the Racing Law

In this regard, the Fund’s Board of Directors recognizes that: (1) the mission of the Drug Lab is to ensure the integrity of racing in New York State, (2) the Drug Lab provides statewide services that will allow for consistency and uniformity in complex testing of registered Standardbreds throughout New York State, and (3) the continuation of the Fund’s historical relationship with the Drug Lab is in the Fund’s best interests.

For these reasons the Drug Lab is uniquely positioned to carry out, on a cost-effective basis, the measurable objectives of the Fund by providing drug testing services for the Fund throughout the State of New York.

Presiding Officer Moody-Czub further noted that if a motion was carried by the Directors to approve this resolution, the Executive Director, on behalf of the Fund, would be authorized to enter into a one-year contract with the Drug Lab for out-of-competition and county fair testing, as provided for in the approved 2019 budget.

A motion to designate the New York Drug Testing and Research Program at Morrisville State College as a single source drug lab and for staff to move forward with a contract was made by Designee Ochrym and seconded by Member Arrigenna. All in favor.

Agenda Item #9 – Annual Review of Fund Policies: Presiding Officer Moody-Czub stated that each year the Board reaffirms the 23 policies of the Fund. She noted that the policy on sexual harassment was updated, as per the State’s direction, and that one policy—check signing controls—was added by the Trustees in 2018. The balance of the policies remained unchanged. There was no discussion.

The policies:

1. Affirmative Action Policy
2. Cash Receipts Policy

3. Check Signing Controls Policy
4. Collection Procedures Policy
5. Communications and Computers Policy
6. Credit Card Policy
7. Disposal of Property Policy
8. Equipment Control Policy
9. Grants Policy
10. Hiring Policy
11. Internal Controls Policy
12. Investment Policy
13. Lobbying Policy
14. Minority and Women Owned Business Enterprises Policy
15. Procurement Guidelines
16. Project Sunlight Policy
17. Record Management, Retention and Destruction Policy
18. Sexual Harassment Policy
19. Time and Attendance Policy
20. Travel Policy
21. Uncashed/Undeposited Checks Policy
22. Whistleblower Policy
23. Workplace Violence Policy

Member Arrigenna made a motion to accept the 23 policies. Seconded by Designee Ochrym. All in favor.

Agenda Item #10 – Annual Financial Audit Report Update: Presiding Officer Moody-Czub noted that each year the Fund completes a Financial Audit of the previous year by March 31. Each Trustee was able to review a copy of the completed report that was submitted by the auditor, Valles Vendiola of Bronx, N.Y. The report had also been submitted to the State Comptroller’s Office and the New York State Authorities Budget Office, as required.

She further noted that in the opinion of the independent auditor, the report states in part that the financial statements of the Fund “present fairly, in all material respects, the financial position of the Fund as of December 31, 2018 and 2017, and the changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.” Additionally, the auditor noted that no deficiencies in internal controls or instances of noncompliance with laws, regulations, or other guidelines were found during the course of the audit.

There was no discussion.

Item #11 – New/Old Business: Member Arrigenna brought up the issue of stakes payments and whether the Fund was considering changing from two payments to a single payment each year. Executive Director Young said a number of program participants inquired about making this change and the Fund has prepared a survey for participants and will be talking to them throughout the season to gather information for Fund Trustees if that change does become a recommendation in the future.

Item #12– Adjourn: Presiding Officer Moody-Czub thanked everyone for attending the meeting and asked for a motion to adjourn. Designee Ochrym made the motion which was seconded by Member Arrigenna. The meeting was adjourned at 1:38 p.m.

Approved by Trustees Dec. 30, 2019