



Agriculture & NYS Horse Breeding Development Fund

MINUTES

Agriculture and New York State Horse Breeding Development Fund
Board of Trustees Meeting
10B Airline Drive, Colonie, NY 12235
Thursday, February 9, 2017 at 11:00 a.m.

Present: Trustees: Peter Arrigenna & Mike Kimelman; Department of Agriculture and Markets Commissioner Richard Ball; Jackie Czub, Deputy Commissioner of Agriculture and Markets, Acting Executive Director of the Agriculture and NYS Horse Breeding Development Fund Ron Ochrym; NYS Gaming Commission Assistant Counsel and Fund Counsel Mark Stuart; Agriculture & New York State Horse Breeding Development Executive Assistant Connie Richardson; NYS Gaming Commission Senior Accountant Brian Squadere, Gail Thorpe and Stacey Relation, New York State Gaming Commission, Contracts Unit.

Agenda Item #1 – Establishment of Quorum: A quorum was present and the meeting of the Agriculture and New York State Horse Breeding and Development Fund (Fund) was called to order at 11:16 a.m.

Agenda Item #2 - Designate a Fund Member as Presiding Officer: A motion was made to designate Department of Agriculture and Markets Commissioner Ball as the Presiding Officer of the meeting. Motion made by Member Kimelman, seconded by Member Arrigenna. All in Favor.

Before going to the agenda, Presiding Officer Ball made a few remarks. He noted that in addition to the Members present the following staff: Ron Ochrym – who serves as the Acting Executive Director of the Agriculture and New York State Horse Breeding Development Fund, Mark Stuart who serves as the Fund's counsel, Connie Richardson and Brian Squadere who provide staff support to the Fund. Presiding Officer Ball also introduced Gail Thorpe and Stacey Relation from the Gaming Commission's Contracts Unit.

Presiding Officer Ball then opened the meeting to Public Comment before going to the Agenda. Alice Allen asked to be recognized and noted the passing of David Brooks and his influence on her. She then proceeded to discuss leases and her relationship with the Harness Horse Breeders. She noted problems she had encountered with the HHB.

With no other Speakers, Presiding Officer Ball offered some comments before going to the agenda. He specially noted that the Fund had issued its Annual Report on January 31. He noted that the report provided a comprehensive review of the Fund's activities for the past year. The second item was the publication of the Fund's Stallion Directory for 2017 which he noted was available on the Fund's website. Concluding his comments he asked for discussion on Item #3 – Approval of Minutes.

Agenda Item #3 - Minutes of Last Meeting of December 8, 2016: Minutes of the regular meeting of December 8, 2016 were presented for approval. A motion to accept the Minutes of December 8, 2016 was made by Member Kimelman and seconded by Member Arrigenna. All in Favor.

Agenda Item 4 - Discussion of 2017 Request for Proposals for Administrative, Advertising and Public Relations Services: Presiding Officer Ball noted that the Board, at its previous meeting, approved a motion to solicit proposals pursuant to an RFP for Administrative, Advertising and Public Relations Services. He noted that in carrying out its statutory mandate, the Board of Trustees has recognized the Harness Horse Breeders of New York State, Inc. ("HHB") as a sole source vendor. By passing a sole source resolution each year and over many years, he noted that there was no assurance that the HHB was the only vendor that could provide these services. In making such a determination as to whether this contract should continue as a sole source he noted that the Fund needed to justify its decision which will serve to support future determinations as to a sole source vendor. Given these concerns he noted that there was a need needed to maintain the program as this solicitation for services was developed and implemented. The most prudent step was to extend the current contract with the HHB for a short time to permit continuation of the Sire Stakes program by authorizing staff to enter into a three month contract with the HHB. By utilizing this approach he felt the Fund would be able to keep the program going and determine whether the HHB is the only provider of such services. Staff working with the Contracts Unit at the New York State Gaming Commission prepared two documents. One was a Request for Proposal (or RFP) that provided for the solicitation of "marketing and public relations" services. This document, which has been released to the public, provides for the strategic account planning, advertising, promotion, event management, creative development, production and distribution of all advertising, marketing communications and promotional materials, digital marketing and advertising, social media management, creative development and content management of the Fund's website and account management. There was a timeline and he anticipated that this process would culminate with a contract in place by April 1, 2017. The second document was a "Request for Quotations" (RFQ) for administrative services. The successful bidder here would provide administrative services which includes the important point standings that requires calculating and maintaining the NYSS points/earnings for all programs including Sire Stakes, Excelsior and County Fair Racing. He summarized by noting that the services that will be provided under the two contracts that will result from the RFP and RFQ process will: (1) include creating and implementing an advertising plan for the Fund and (2) coordinating specific administrative operations of the Fund. As for current services as this process is underway, he noted the Board approved extending the current contract with the Harness Horse Breeders of New York an additional three months - January 1 to and including March 31 and adding that the Fund has formally entered into that agreement. That same agreement allows for 2 one-month extenders which, if necessary, will take the contract to May 31. He noted that he expected to have another meeting before this date where the Members will have the opportunity to approve the winning submissions under the RFP and RFQ.

Agenda Item 5 - Consideration of County Fair Racing Schedule - 2017: Presiding Officer Ball noted that at the Fund's last meeting the Board approved schedules for the Sire Stakes, with the exceptions of the Finals, and the Excelsior series. He noted at that time that the Fund did not have the schedule from the New York State Association of Agricultural Fairs. The Fair Association met in January and has provided a calendar of fair racing dates. He noted that 20 county fairs will occur in 2017 that will include harness racing. He reminded members that at their last meeting there were complaints that there was little to no agriculture components at some off-site venues. As the Members agreed to at their last meeting, if a fair association cannot provide such commitment then such funding should not be provided. As a result, he asked for the members to consider and approve the current schedule with 20 county fairs having a racing program this year. He added that Genesee County can be added at a later date if the Members choose to do so with a requirement that the Fair Association provide a plan to the Fund Board as a condition for final approval. That condition will require that the fair association provide this Fund an agricultural program that will occur at the off-site location when racing occurs. Member Arrigenna noted that the Finals location would still have to be scheduled. A motion was made to accept the County Fair Racing Schedule by Member Kimelman and seconded by Member Arrigenna. All in Favor.

Agenda Item 6 - Discussion of Grant Solicitations: Presiding Officer Ball noted that at their December 8 meeting the Trustees approved the Fund's budget for the 2017 calendar year which included \$150,000 in grant funding. Last year, the Fund received and reviewed eight requests for funding and awarded funding to six of those organizations. The Fund set a deadline for submission of those applications for grants that required they be received by the Fund no later than January 31, 2017. Organizations that were interested were told to examine Sections 339 -

336 of the Racing, Pari-Mutuel Wagering and Breeding Law to determine if they qualify for such funding. It was further stated that Fund staff would review each grant request submitted and ask those organizations that meet the statutory requirements to make a presentation at the Fund's March/April meeting. He added that, as done over the past three years, the Trustees will award grants based on the strength of proposal, the availability of resources and meeting the statutory mandated Mission of the Fund.

Agenda Item 7 - Amendments to Fund Policies – Grants: Presiding Officer Ball noted that the Members at their December 8 meeting approved the Fund's budget for the 2017 calendar year which included \$150,000 in grant funding. Last year, he noted the Fund received and reviewed eight requests for funding and awarded funding to six of those organizations. The Fund set a deadline for submission of those applications for grants that required they be received by the Fund no later than January 31, 2017. Organizations that were interested were told to examine Sections 330 – 336 of the Racing, Pari-Mutuel Wagering and Breeding Law to determine if they qualify for such funding. It was further stated that Fund staff would review each grant request submitted and ask those recipient organizations that meet the statutory requirements to make a presentation at the Fund's March/April meeting. As done over the past three years, the Trustees will award grants based on the strength of proposal, the availability of resources and meeting the statutory mandated Mission of the Fund.

Presiding Officer Ball noted that upon review of the Grant Policy it became apparent that it has not been updated and needed to be discussed. The current policy provided the Executive Director sole authority to make grants which was contrary to statute. There were also a number of inconsistencies in the policy that further necessitated the need to amend this policy including guidance once an entity received a grant. Therefore, he proposed to amend the policy which will provide clearer guidelines. The Trustees discussed the policy which they agreed the Fund Board should be the entity to award grants. However, the policy also capped the grants at \$150,000 annually. They asked that they strike that language and allow the members to determine the amount each year understanding that statute places restrictions on funding items including how much money is allocated for grants. Member Kimelman made a motion to strike the cap language of \$150,000 which was seconded by Member Arrigenna. All in Favor.

Member Arrigenna then offered a motion to adopt the policy with the change suggested. It was seconded by Member Kimelman. All in Favor.

Agenda Item 8 - Update on Sire Stakes – Finals Locations: Presiding Officer Ball noted that at their last meeting in December the Trustees approved the Sire Stakes calendar but did not have a Finals venue. Member Kimelman noted that he has been working with Yonkers and he believed he had an agreement to finalize where the Finals would take place. He also discussed instituting protocols for the horsemen for the Sire Stakes Night of Champions and the possibility of having the Night of Champions and the International Trot on the same night.

Agenda Item 9 - Consideration of Eligibility of Yearlings and Stallions Conditions: Presiding Officer Ball noted the next item was the result of a lot research and review of records. He noted that the Fund has not approved Eligibility of Yearlings and Stallions Conditions since, he believed, 2009. Since the conditions did not change there was no need to change them and they remained in effect each year. However, given the change in the 10 year lease requirement which the Legislative enacted in 2014, there was now a need to amend these conditions. In discussing the proposed changes, it became apparent that the Fund also needed to approve these "rules of eligibility of yearlings and stallions" each year even if changes are not made. The policy had been that if there were no changes the current conditions would remain in effect. That has created some confusion so the policy will now be to approve the conditions each year. A motion was made by Member Kimelman to adopt the Eligibility Conditions on an annual basis and that such conditions are adopted for 2017. It was seconded by Member Arrigenna. All in Favor.

Agenda Item 10 – New/Old Business: There was no new business discussed.

Agenda Item 11 – Adjournment: Presiding Officer Ball thanked everyone for attending given the snow storm motion was made by Member Kimelman to adjourn, second by Member Arrigenna. All in Favor. The meeting adjourned at 12:56 pm.