

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD JULY 25, 2023**

A meeting of the Board of Directors of the New York State Thoroughbred Breeding and Development Fund Corporation (the “Fund”) was held at 11:00 a.m. on July 25, 2023 at the Fasig Tipton Stables in Saratoga Springs, New York.

Present

Brian O’Dwyer	Chairman
Richard Ball	Commissioner, Agriculture & Markets
Joseph McMahon	Member
William Wilmot, DVM	Member
Najja Thompson	NYTB, Executive Director
Patricia Cifuentes, DVM	Member
Tracy Egan	Executive Director
Kim Kurtzner	Comptroller
Adam Lawrence	Registrar
Kyle Flaherty	Counsel

The meeting was called to order by Chairman O’Dwyer. The meeting began with Comptroller Kim Kurtzner reviewing the Fund’s Financial Report through June 2023. Ms. Kurtzner proceeded to walk through the highlights of that report with the Board members and noted that on a year-to-date basis, the Fund’s revenue continues to track higher than it was during the same period in 2022. Ms. Kurtzner also noted that awards continue to be lower this year as compared to the same period in 2022. It was noted that VLT revenue has been higher this year and beginning to approach pre-COVID levels. Ms. Kurtzner then reviewed the Accounts Receivable page and noted that FLRA’s and Capitol OTB’s aged receivables have now been received by the Fund, and that the only revenue source that is still delinquent on aged receivables is Catskill OTB. It was noted that it is likely that there will be a significant surplus of Breeding Fund awards monies at the end of the year and the Board discussed different potential approaches to address the expenditure of that surplus in ways that advance the mission of the Breeding Fund. After a robust discussion regarding various approaches on this issue, Chairman O’Dwyer stated that it would be useful to schedule a special meeting of the Board on September 11 to review any ideas or concepts that the Breeding Fund office, in conjunction with the Board members, may propose to utilize the Fund’s surplus revenues and general resources to promote thoroughbred breeding in New York State.

Upon noting that the Board now has a quorum, Chairman O’Dwyer sought approval of the Minutes of the June 2023 Board of Directors’ meeting. After review, a motion to adopt the June 2023 Minutes was duly made and seconded and was unanimously approved.

As the next order of business, the Chairman asked Ms. Kurtzner to review the Breeding Fund's proposed budget for 2023. Ms. Kurtzner then proceeded to review a 4-page document entitled "2024 Budget Summary" with the Board members. She advised that she has projected \$19.8 million in revenue for 2024 and provided her rationale for that projected level of revenue for next year. Ms. Kurtzner also reviewed the projected expenses for the Breeding Fund for 2024, identifying each category of those expenditures and the basis for her expense projections. Chairman O'Dwyer and Board member Joseph McMahon questioned the rationale for the 2024 VLT revenue and inquired whether the projection may be too conservative. A general discussion ensued regarding trends in the thoroughbred industry in New York State and the utility of revising the 2024 budget to recognize those trends and to incorporate any new proposals that the Board may adopt to promote thoroughbred breeding in New York. It was noted that the proposed 2024 budget for the Breeding Fund is due at the end of September and can be addressed and finalized at the Board's September 11 special meeting.

After some general discussion regarding ways to continue to improve the Breeding Fund's program, Dr. Wilmot noted that any new proposals regarding promotion of the Breeding Fund should include measures taken by the Fund to support thoroughbred aftercare. In that discussion, it was noted that the Breeding Fund should consider educating the general public about changes in the Racing Law to permit, on a tax-favored basis, donations to the Breeding Fund for thoroughbred aftercare programs. The Board members also discussed other ways to raise awareness with the general public about the importance of supporting aftercare programs generally.

As the next order of business, Chairman O'Dwyer asked for a report on the Breeding Fund's review of responses to a Request for Proposal for auditing services for the Fund. Ms. Kurtzner advised that after the Fund sent out Requests for Proposal, the Fund received two responses: one from the Fund's current auditor and a second from UHY, which is the audit firm that the Fund has engaged to do conduct Time Studies. After noting that UHY's cost proposal is less than the proposal from the current auditing firm and identifying UHY's industry experience, Ms. Kurtzner stated that the Audit Committee recommends retaining UHY to serve as the Fund's auditor. A motion was made, seconded, and unanimously approved authorizing the Fund to retain UHY to serve as its new auditor.

As the next order of business, the Chairman asked Fund Counsel Kyle Flaherty to provide an update on Catskill OTB's delinquency to the Breeding Fund and the Fund's actions to recover on that delinquency. Mr. Flaherty provided the Board members with an update and advised that in early July his firm commenced an action in a New York State court against Catskill OTB seeking to recover their unpaid statutory payment obligations to the Breeding Fund. He advised that he expects Catskill OTB to file an answer in a timely manner.

As the next order of business, Board member and NYTB President Najja Thompson was asked to provide an update on NYTB's promotional services to the Breeding Fund. Mr. Thompson proceeded to review with the Board members an 8-page NYTB document entitled "Promotional Scope of Services 2023." Mr. Thompson discussed each of the promotional initiatives undertaken by NYTB throughout the year and answered various questions posed to him. A lengthy discussion ensued about the need to add a third day to the Fasig-Tipton annual sale in order to provide greater exposure for New York-bred thoroughbreds. It was noted that NYTB should present a plan to Fasig-Tipton to expand the annual sale, including adding a third day and

providing a specific proposal to do so. Mr. Thompson stated that NYTB would undertake that initiative.

Chairman O'Dwyer expressed his gratitude to the Breeding Fund's Executive Director Tracy Egan for her efforts in meeting with representatives from the Irish Horse Breeders Association at his request. Ms. Egan stated that it would be wonderful if the New York thoroughbred program could partner with the Irish Horse Breeders Association on a going-forward basis.

With no further business pending before the Board, the meeting was adjourned.

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