

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD JUNE 4, 2019**

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 June 4, 2019 at the Fasig-Tipton Pavilion in Saratoga Springs, New York.

Present

John Poklemba	Chairman
Barry Sample	Chairman, NYS Gaming Commission
William Wilmot, DVM	Member
Jeff Cannizzo	NYTB, Executive Director
Jackie Moody-Czub	Acting Commissioner, Agriculture and Markets
Philip Birsh	Member
Howard Nolan	Member
John Crotty	Member, NYS Gaming Commission (by phone)
Tracy Egan	Executive Director
Jill LaBoissiere	Comptroller
Adam Lawrence	Registrar
Kyle Flaherty	Counsel

Chairman Poklemba opened the meeting by noting that there was a quorum and called the meeting to order.

As the first order of business, the Board considered the Minutes of the March 2019 meeting.

A motion to accept the Minutes was duly made, seconded and approved by the Board.

As the next order of business, Chairman Poklemba asked Fund Comptroller Jill LaBoissiere to review with the Board the Fund's financials through April 2019. Ms. LaBoissiere proceeded to review the interim financial report and noted that the Fund's revenues through April are strong and its expenses are slightly lower than budget on a year to date basis. Ms. LaBoissiere called the Board's attention to page 13 of the financial report that shows a receivable of \$89,055 for Caskill OTB that is over 90 days old and noted that she is monitoring their slow payments to the Fund.

A motion to accept the Fund's financial report through April 2019 was duly made, seconded and approved by the Board.

As the next order of business, Chairman Poklemba asked Ms. LaBoissiere to address the Board regarding Finger Lakes Racing Association's use of purse enrichment from the Fund. She distributed a two-page document providing race and purse detail for FLRA various races through May 2019 and reviewed the document with the Board members. It was noted that while there have been fewer race days at FLRA, field size and handle have increased slightly at the FLRA races in 2019 as compared to the prior year. Jeff Cannizzo commented that while FLRA has written a good number of maiden special weight races in 2019, FLRA has not run any races on the other two conditions, i.e., allowance never won two races and allowance never won three races, which is not consistent with the agreement that the Fund reached with FLRA. Chairman Poklemba directed the Executive Director to send a letter to FLRA inquiring about the lack of these allowance races in 2019.

As the next order of business, Chairman Poklemba called upon Mr. Cannizzo to address the Board with respect to NYTB's promotional efforts with respect to the Fund and to review the history of the NYTB promotional contract. Mr. Cannizzo proceeded to circulate a 12-page "Promotional Services Update" and reviewed that document with the Board members explaining the history by which NYTB has provided promotional services to the Fund and detailing the promotional services that NYTB is currently providing to the Fund.

Chairman Poklemba then asked Executive Director Tracy Egan to review the Fund's advertising spends. Ms. Egan proceeded to review the various advertising initiatives, sponsorships and expenditures, reviewing the Fund's deals with NYRA, MSG and FoxSports. A discussion then ensued about the Fund's support for the Thoroughbred Retirement Fund through its promotional budget and member Wilmot's concern that TRF has published information that unfairly depicts animals which the TRF helped rescue from neglect. Ms. Egan was directed to communicate with TRF about the fact that the Fund uses promotional monies to support aftercare facilities in NYS which are approved by the Thoroughbred Aftercare Alliance and is concerned that some information TRF distributed about rescue horses could reflect negatively on the Fund and the Thoroughbred industry as a whole.

As the next order of business, Chairman Poklemba asked Fund counsel Kyle Flaherty to address the Board regarding the Board's determinations over the years that NYTB is a sole source provider of promotional services for the Fund. Mr. Flaherty began with noting the express statutory mandate that the Fund has to advance and promote breeding and raising of thoroughbreds, to disseminate information about those activities, to encourage interest in those activities and to advance and promote interest generally in agricultural pursuits. He then explained the history by which the Board has determined that NYTB is a sole source provider with respect to the effective promotion of the Fund and reviewed the various elements of the sole source provider document that support that determination. He noted that the Fund's Board approved the Sole Source Provider document in 2000, 2003, 2006, 2012 and 2016, each time concluding that NYTB is a sole source vendor with respect to the effective and cost-efficient promotion of the thoroughbred breeding industry such that a competitive bidding process for the promotion of the Fund would be wasteful and non-productive. After some discussion, Chairman Sample stated that it may be prudent for the Board to either draft a formal RFP and seek bids from interested vendors to perform promotional work for the Fund or proceed through a robust and detailed sole source process through the State Comptroller's office. Chairman Poklemba asked Chairman Sample, Deputy Commissioner Moody-Czub and Mr. Graziano to serve on a

committee with support from Fund counsel in considering the Fund's options with respect to pursuing a formal RFP process or pursuing a sole source process through the State Comptroller's office.

The next order of business concerned whether to enter into a new promotional contract with NYTB. After some discussion, it was agreed that there is a desire to extend the term of the NYTB contract for one year, through December 31, 2020. A motion was then made, duly seconded and unanimously approved to extend the NYTB for one year under the same terms. Mr. Cannizzo recused himself from the vote.

As the next order of business, Chairman Poklemba asked Fund Registrar Adam Lawrence to review the highlights of the Fund's online registration system and related website features. Mr. Lawrence proceeded to demonstrate some functions and features of the online system, and responded to various questions raised by Board members concerning the registration system. After a thorough review, Chairman Poklemba and the Board members thanked Mr. Lawrence for providing an excellent demonstration.

Chairman Poklemba raised as the next order of business the Fund's recent survey among New York breeders. Dr. Wilmot asked Ms. Egan what the purpose of the survey was and noted that he had not been aware that the Fund would be circulating a survey to the New York breeder community. Ms. Egan responded that the Fund routinely does surveys every year or two and does so to gauge the level of interest and awareness that breeders may have concerning various issues concerning the industry. It was recommended in the future that the Fund office have the content of the survey reviewed by the Promotional Committee before it is distributed to the breeder community.

The next order of business concerned the importance of owners reporting mare movements into and out of New York State and suggestions for improving compliance with the reporting of same. A lengthy discussion ensued about the need to require mare owners to properly and promptly report mare movements and to maintain robust records regarding mare movements within and outside of the State, particularly as it impacts the jobs of the Fund's field inspection teams. It was noted that while the Fund has informal requirements about mare movement reporting, there are no formal Fund rules or regulations concerning this issue. It was agreed that the Fund's Board would consider the feasibility of promulgating Fund rules and regulations relating to the proper recording and reporting of mare movements within and outside of New York State and Chairman Poklemba asked that a mare movement regulation be drafted for the Board's consideration at the August meeting.

Chairman Poklemba noted that the Board would convene an Executive Session to discuss personnel matters, whereupon the Board went into Executive Session.

At the end of Executive Session, Chairman Poklemba noted that during the Executive Session, the Board discussed personnel matters. No actions were taken in the Executive Session.

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