

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD MARCH 23, 2021**

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 March 23, 2021 via video conference using Zoom technology as permitted pursuant to Governor Cuomo’s Executive Order 202.1.

Present

John Poklemba	Chairman
Barry Sample	Chairman, NYS Gaming Commission
Richard Ball	Commissioner, Agriculture & Markets
William Wilmot, DVM	Member
Najja Thompson	NYTB, Executive Director
John Graziano	Member
Tracy Egan	Executive Director
Jill LaBoissiere	Comptroller
Adam Lawrence	Registrar
Kyle Flaherty	Counsel
Jackie Moody Czub	Dep. Commissioner, Agriculture & Markets
Joseph McMahan	Guest
Patricia Cifuentes	Guest

Chairman Poklemba opened the meeting by noting that there was a quorum.

As the first order of business, Chairman Poklemba sought approval of the Minutes of the December 8, 2020 Board of Directors’ meeting. Motion to adopt the Minutes was made, duly seconded and unanimously approved.

As the next order of business, Chairman Poklemba asked the Fund’s auditor Heather Lewis from Marvin & Company to review the Fund’s outside audit for 2020. Ms. Lewis went through the highlights of the audit report and reported that in Marvin’s opinion, the Fund’s financial statements are fairly presented and no material weaknesses were found in the Fund’s internal controls. She explained that Marvin has provided a clean and unmodified opinion. The report notes that due to the pandemic and the reduction in revenue resulting from the racetrack closures, the Fund exceeded its statutory limitations in its promotion and administration budgets under the New York State Racing Law. The auditor noted that while the Fund exceeded these limitations as a direct result of Covid, despite taking unprecedented measures to stay within those limitations, this fact must be reported in the audit. The auditor also reviewed the Fund’s

investment report with the Board and found that the Fund is in compliance with respect to its investment program. After some discussion, a motion to accept Marvin's audit report was made, duly seconded and unanimously approved.

As the next order of business, Chairman Poklemba asked Comptroller Jill LaBoissiere to present the Fund's preliminary results of the February 2021 year-to-date financial statements. Ms. LaBoissiere reviewed the highlights of those financial statements and reported generally that the Fund's revenues are down from budget by approximately \$111,000, and are down approximately \$307,000 from the same period last year. Awards are about \$50,000 less than budget year to date, principally due to a decrease in the number of races. She also noted that the Fund's accounts receivables are in much better condition than last year with the exception of Catskill OTB, which remains delinquent in its payment obligations to the Fund. Ms. LaBoissiere then reported that the Audit Committee has revised the Fund's budget for 2021 by adjusting the projected awards and purse enrichment. She reviewed that revised budget with the Board. A discussion then ensued concerning the Audit Committee's rationale for adjusting the awards and purse enrichment in light of the current economic projections for the industry with the express understanding that the Audit Committee may recommend changes to the budget depending upon revenue levels as the year unfolds. It was noted that NYTB was kept apprised of the Audit Committee's adjustments to the budget as necessary to protect the New York State Stallion Stakes Series. After further discussion, a motion to adopt the year to date financial statements and to approve the revised budget was made, duly seconded and unanimously approved.

Chairman Poklemba next asked Mr. Thompson to provide a report on NYTB's promotional efforts on behalf of the Fund. Mr. Thompson proceeded to report on the highlights of NYTB's promotional efforts including various forms of video, website, digital and print media concerning the Fund's programs. He explained that NYTB has also conducted a focused advertising campaign on the Fund's new mare residency rules and the opportunities available under those newly adopted rules.

As the next order of business, the Fund's Executive Director Tracy Egan was asked to review the Fund's policies with the Board members, which policies were distributed to the members ahead of the call (as is done annually). She noted that the Fund's most recent policy is the Animal Welfare Policy, which was created in 2019 with the assistance of the New York State Department of Agriculture and Markets. Ms. Egan provided an opportunity for the Board members to review each of the Fund's policies and to ask any questions or raise any issues with respect to those policies. After reviewing the policies, none of the members had questions but noted that the policies are in good order. A motion to approve the Fund's policies as shared with the Board was made, duly seconded and unanimously approved.

Under new business, Ms. Egan noted that it would be appropriate for the Fund to make concerted efforts to sponsor programs that are designed to reach out to minority groups who may be interested in the New York breeding program and asked if NYTB's Executive Director Najja Thompson would work with the Fund for that purpose. Mr. Thompson responded that he would be happy to work with the Fund for that purpose.

Dr. Wilmot then noted that the Fund may wish to reconsider its field inspection program and the manner by which it is staffed. In addition, Dr. Wilmot noted that Patricia Cifuentes will be added to the Fund's Board and that he looks forward to working with her once her appointment

becomes official. In connection with her appointment, however, Dr. Wilmot noted that the Gaming Commission had advised that since her spouse is a board member of NYTB there may be circumstances under which she may have to recuse herself from Fund-related matters concerning NYTB. Dr. Wilmot noted that his spouse is also a board member of NYTB and that he is unaware of a recusal obligation under those circumstances. Dr. Wilmot asked if Fund counsel would review this issue with the Gaming Commission and be prepared to discuss it at the next meeting.

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