

**NEW YORK STATE THOROUGHBRED BREEDING AND
DEVELOPMENT FUND CORPORATION
MINUTES OF THE MEETING OF THE BOARD OF
DIRECTORS HELD MARCH 27, 2018**

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 27, 2018 at the Fasig-Tipton Pavilion in Saratoga Springs, New York.

Present

John Poklemba	Chairman
Joseph McMahon	Member
William Wilmot, DVM	Member
Jeff Cannizzo	NYTB, Executive Director
Howard Nolan (via FaceTime)	Breeder
Richard Ball	Commissioner, Agriculture and Markets
Jackie Moody-Czub	Deputy Commissioner, Agriculture and Markets
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 December 2017 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 Jill LaBoissiere to review with the Board the Fund's February 2018 Year-to-Date Financials. Ms. LaBoissiere proceeded to review the financials with the Board. She noted that revenues were lower than had been budgeted but added that awards were also down significantly more than had been anticipated.

A motion to accept the February 2018 Financial Statements was duly made, seconded and approved by the Board.

As the next order of business, Chairman Poklemba asked Ms. Egan to discuss providing a year-end amount of \$520,000 as purse enrichment for NY-sired, NY-breds who break their maiden at a NYRA track. Ms. Egan noted that the Purse Enrichment Committee has come up with a

program that is intended to mimic the same type of program that the Fund introduced last year with Finger Lakes. Board member Joseph McMahon formally proposed the following initiative:

That the Breeding Fund allocate the 2017 surplus of \$520,352.29 as purse enrichment for NYRA, provided that NYRA adheres to the following conditions with respect to the use and accounting of that purse enrichment –

1. NYRA shall provide a \$10,000 first-place purse bonus to any NY-sired registered NY-bred that breaks its maiden at the maiden special weight level or higher during 2018 beginning on March 30, the first day of the Aqueduct Spring meet;
2. NYRA shall provide the Fund with a quarterly report listing the races in which the additional purse money was awarded; and
3. The additional first-place money shall be recognized as purse earnings as tracked by Equibase such that jockey and trainer fees shall be applied.

Mr. McMahon stated that the Purse Enrichment Committee will present these conditions to NYRA. Several Board members discussed the purpose and design behind the NYRA purse enrichment initiative.

A motion to accept the NYRA purse enrichment initiative was duly made, seconded and approved by the Board.

The next order of business was a review and consideration of the outside audit report prepared by Marvin and Company and was delivered by Ms. LaBoissiere. She circulated a two page cover letter and a 2017 Final Financial Report of the auditors, both of which are in draft form because the issue of the 2017 surplus purse enrichment had not been resolved until the action taken earlier at this meeting. Ms. LaBoissiere indicated that now that that action has been taken, the auditors will issue a final cover letter and Final Report that is identical to the drafts. She reviewed the highlights of both of these documents with the Board members.

A motion to accept the draft audit report on the basis that the final audit report will be identical to the draft report was duly made, seconded and approved by the Board.

As the next order of business, Chairman Poklemba asked Ms. Egan to review with the Board the second year of the FLRA purse enrichment agreement. Ms. Egan stated that the Fund will be honoring the terms of the agreement that the Fund reached with FLRA for 2018, but that the Purse Enrichment Committee will be meeting with FLRA representatives to review how the purse enrichment money is to be used by Finger Lakes. Mr. McMahon added that it will be important that the Fund direct to FLRA how they are to use the purse enrichment money provided by the Fund.

As the next order of business, Chairman Poklemba asked Ms. Egan to give an update on the issue of aftercare. Ms. Egan proceeded to give an overview of the potential new legislation that

would specifically authorize – but not require – the Fund to contribute to aftercare of thoroughbreds up to 1% of its annual revenue. Ms. Egan noted that there appears to be a greater understanding among the industry with respect to the care of retired thoroughbreds. Mr. Cannizzo also provided a legislative update on the aftercare bills pending in the New York State Legislature.

As the next order of business, the Governance Committee presented the Fund’s policies, which were distributed to the Board in a binder. It was noted that there are no significant changes to the Fund’s policies since they were last distributed to the Board members.

A motion to accept the Fund’s policies was duly made, seconded and approved by the Board.

The next order of business relates to new and old business. Mr. McMahon noted that there did not appear to be a great deal of interest in changing the Fund’s breed back rule at this time, but that it might be worthwhile for the Breeding Fund to establish a committee to conduct “town hall” style meetings to educate New York State breeders on how the Fund’s awards structure works and to listen to the issues that the breeders may have. Chairman Poklemba suggested that the Purse Enrichment Committee undertake this initiative, which they agreed to do. Commissioner Ball noted that if the Agriculture and Markets Department can assist, they would be happy to do so. It was agreed that Ms. Egan would coordinate the first meeting.

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