

Minutes of the Regular Meeting of the
Indiana Horse Racing Commission

October 29, 2013

Indiana State Library, Room 211
315 W. Ohio Street
Indianapolis, IN 46204

Commission members present: William Diener, Chairman; Steve Schaefer, Vice-Chairman; Commissioners Greg Schenkel and Thomas Weatherwax. Also present were Joe Gorajec, IHRC Executive Director; Lea Ellingwood, IHRC General Counsel; Holly Newell, IHRC Deputy General Counsel; IHRC Assistant Executive Director Deena Pitman; Phil Bayt, Ice Miller/Centaur; Robin Babbitt, Ice Miller/Centaur; Brian Elmore, Centaur General Manager of Racing; Tammy Schaeffer, Centaur CFO; Tom Mosley, Quarter Horse Racing Association of Indiana (“QHRAI”); Nat Hill, Indiana Standardbred Association (“ISA”), Jack Kieninger, ISA; Joe Davis, Indiana Horsemen’s Benevolent and Protective Association (“IHBPA”); Mike Brown, IHBPA; Chris Duke, QHRAI; Herb Likens, Indiana Thoroughbred Owners and Breeders Association (“ITOBA”); Rod Ratcliff, CEO and Chairman of Centaur; Roger Young, counsel to the ISA; Christina Lawton, Executive Director of ITOBA; Jessica Barnes, IHRC Director of Racing and Breed Development; Jon Schuster, General Manager of Racing at Indiana Downs; and Rick Moore, General Manager of Racing at Hoosier Park.

I. Call to Order

Chairman William Diener called the meeting to order at approximately 9:00 a.m. A quorum was present.

II. Approval of minutes of the September 17, 2013, meeting.

Chairman William Diener asked that Item No. 5 be amended to state: the Executive Director, after consultation with the Chair, be delegated the authority to approve an amendment to a specific line item of a budget of up to \$50,000.00 “as long as the total of the particular budget for that account was not changed.” *The Commission unanimously approved the September 17, 2013, minutes as amended.*

III. Agenda

Note: All items on the agenda were transcribed by a court reporter from Stewart Richardson. Transcripts are available for review upon request.

1. Hearing on proposed distribution agreement pursuant to I.C. 4-35-7-18. (Notice of Hearing and Pre-Hearing Order issued on or about October 3, 2013).

Phil Bayt and Robin Babbitt, Ice Miller/Centaur, partnering with the Indiana Horsemen’s Benevolent & Protection Association, the Indiana Standardbred Association, and the Quarter Horse Association of Indiana presented a joint petition to request approval of the initial distribution agreement.

John Keeler, General Counsel for Centaur; Brian Elmore, Centaur General Manager of Racing; Tammy Schaeffer, Centaur CFO; Tom Mosley, Director of Industry

Relations, QHRAI; Nat Hill, ISA; Jack Kieninger, president of the ISA; Joseph Davis, president of the IHBPA; Mike Brown, IHBPA executive director; Chris Duke, QHRAI president; Herb Likens, ITOBA president; Rod Ratcliff, Chairman and CEO of Centaur; and Joe Gorajec, Executive Director of the IHRC offered testimony about the proposed agreement and its effects on the horse racing industry in Indiana.

The Chairman closed the evidentiary record and opened deliberations among the commissioners. *Chairman Diener moved to approve the Initial Distribution Agreement, subject to the elimination of Section 5(c). Vice Chairman Schaefer seconded. Chairman Diener and Vice Chairman Schaefer voted aye, and Commissioners Schenkel and Weatherwax voted nay. Motion did not carry. Commissioner Weatherwax moved to approve the agreement as submitted. Commissioner Schenkel seconded. Commissioners Weatherwax and Schenkel voted aye. Chairman Diener and Vice Chairman Schaefer voted nay. Motion did not carry. No action taken on the petition.*

2. Hearing on Renewal Application of Quarter Horse Racing Association of Indiana for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 et seq. (Notice of Hearing and Pre-Hearing Order issued on or about October 2, 2013).

Tom Mosley presented the renewal application. *Commission unanimously approved renewal application of the Quarter Horse Racing Association of Indiana to be registered for 2014.*

3. Hearing on Renewal Application of Indiana Thoroughbred Owners and Breeders Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 et seq. (Notice of Hearing and Pre-Hearing Order issued on or about October 2, 2013).

Christina Lawton, Executive Director for ITOBA presented the renewal application. *Application unanimously approved under condition that the certifications required by 71 IAC 13-1-3(3) and (5) are filed with the IHRC.*

4. Hearing on Renewal Application of Indiana Horsemen's Benevolent & Protective Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 et seq. (Notice of Hearing and Pre-Hearing Order issued on or about October 2, 2013).

Heard out of order as Agenda Item No. 2. Matter tabled until December meeting of the IHRC pending investigation of allegations made to the Chairman.

5. Hearing on Renewal Application of Indiana Standardbred Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC 13-1-1 et seq. (pursuant to Notice of Hearing and Pre-Hearing Order issued on or about October 2, 2013).

Roger Young, counsel to ISA and Jack Kieninger, ISA president, presented the application. *Chairman Diener moved to approve the application. Vice Chairman Schaefer seconded. Application approved 4-0.*

6. Consideration of settlement agreement between IHRC Staff and Ruben Serna.

General Counsel Lea Ellingwood presented the agreement. *Chairman Diener moved to ratify the settlement agreement. Vice Chairman Schaefer seconded. Commission ratified agreement 4-0.*

7. Review of Commission Rulings – September 1, 2013 through September 30, 2013.

Deputy General Counsel Holly Newell presented the rulings.

8. Re-adoption of expiring rules.

Ms. Ellingwood addressed the need to readopt 900 rules to avoid expiration at year's end. *Vice Chairman Schaefer moved to readopt the rules. Commissioner Weatherwax seconded. The Commission voted unanimously to readopt the rules.*

9. Presentation on Indiana Breed Development programs.

Jessica Barnes, Director of Racing and Breed Development presented an overview and update on the status of the programs.

10. Consideration of request by Indiana Downs to modify formula utilized in distributing pari-mutuel and slot generated purse monies between open and Indiana bred races.

Jon Schuster, Indiana Downs General Manager for Racing presented the proposal. *The Commission unanimously adopted the guidelines. Commission Staff to draft the two approved guidelines into policy.*

11. Consideration of request by Indiana Downs for approval of a contract for totalizator services pursuant to 71 IAC 12-1-15(a)(3).

Mr. Elmore presented the contract, which would apply to both tracks and the off-track betting facilities. *Chairman Diener moved to approve the contract. Vice Chairman Schaefer seconded. The Commission unanimously approved the contract.*

12. Consideration of request by Centaur to renovate the Indiana Downs track surface (estimated cost \$1,000,000.00) and enter into contracts related thereto with Executive Director approval.

Mr. Elmore presented the plan for track renovation at Indiana Downs, and requested that the Executive Director be authorized to approve related contracts in excess of \$50,000.00. *Chairman Diener moved to approve the request for renovation and executive director approval of certain contracts. Commissioner Weatherwax seconded. The Commission unanimously approved the contract.*

13. Consideration of request by Centaur to build a new tote board at Indiana Downs (estimated cost \$1,000,000.00) with a contract to be approved by the Executive Director.

Mr. Elmore provided details about the planned tote board at Indiana Downs and requested Commission approval. *Chairman Diener moved to authorize construction of the tote board at Indiana Downs. Commissioner Schenkel seconded. Request approved 4-0.*

14. Consideration of request by Centaur to construct a new driver's lounge at Hoosier Park, subject to contract approval by the Executive Director.

Rick Moore, Hoosier Park General Manager of Racing, presented the request for approval to construct the driver's lounge. *Chairman Diener moved to authorize construction. Vice Chairman Schaefer seconded. Request approved 4-0.*

IV. Old Business

None.

V. New Business

None.

VI. Adjournment

With no further business, Chairman Diener adjourned the meeting.

Respectfully submitted,