

Minutes of the Regular Meeting of the
Indiana Horse Racing Commission

June 11, 2013

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

Commission members present: William Diener, Chairman; Steve Schaefer, Vice-Chairman; Commissioners Doug Grimes and Jason Barclay. Also present were Joe Gorajec, Commission Executive Director; Lea Ellingwood, Commission General Counsel; Holly Newell, Commission Deputy General Counsel; Assistant Executive Director Deena Pitman; Jon Schuster, Indiana Downs General Manager for Racing; Brian Elmore, Centaur General Manager of Racing; John Keeler, Centaur General Counsel; Roger Young, counsel to the Indiana Standardbred Association; Mike Brown, Indiana Horsemen's Benevolent and Protective Association; and Michelle Collins, Quarter Horse Racing Association of Indiana.

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 April 5, 2013, meeting.

The Commission approved the April 5, 2013 minutes unanimously.

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. Report on 2013 Legislative Session.

General Counsel Lea Ellingwood updated the Commission with a summary report of legislation in the last session of the General Assembly. Ms. Ellingwood informed the Commission of three pieces of legislation that were enacted and affect horse racing – House Enrolled Act 1176, Senate Enrolled Act 528, and Senate Enrolled Act 609.

2. Consideration of emergency rules: mobile gaming.

Ms. Ellingwood explained the proposed emergency rules simply reflect an update in terminology, which uses the term mobile gaming as opposed to mobile wagering. Ms. Ellingwood explained that the terminology difference in the proposed rule changes the Commission's administrative rules to mirror the language that the legislature used. *Commissioner Barclay moved to approve the emergency rules. Commissioner Schaefer seconded. Petition approved 4-0.*

3. Report from Centaur regarding construction of additional barns at Indiana Downs.

Indiana Downs General Manager of Racing Jon Schuster reported on the construction of additional barns at Indiana Downs, with a target date of July 29, noting that obtaining additional permits from the City of Shelbyville may be an issue that will delay construction. Mr. Schuster reported the total number of stalls at the end of

construction will be just less than 1,000.

4. Consideration of emergency rule re: 71 IAC 5.5-3-1 Eligibility.

Mr. Gorajec suggested moving the date for trainer continuing education back from 2013 to 2014 because of the disadvantage of a significant minority of horsemen not having access to the online component to gain their certification. Centaur asked for certain exceptions within the trainer continuing education requirement; the Commission noted it was comfortable with the exceptions as modified by Mr. Gorajec. *Commissioner Schaefer moved to accept the emergency rule as proposed. Chairman Diener seconded. Passed 4-0.*

5. Review of Commission Rulings – March 1, 2013 through April 30, 2013.

Ms. Newell allowed time to review the rulings. No questions regarding the rulings from any Commissioner.

6. Consideration of approving Jim Lauck as an ALJ.

Chairman Diener recommended Jim Lauck be appointed as administrative law judge. *Commissioner Grimes moved to approve Mr. Lauck as an ALJ. Commissioner Schaefer seconded. Motion passed 4-0.*

7. Consideration of Patrick settlement agreement.

Ms. Ellingwood explained details of a settlement agreement relating to a disciplinary action against Gary Patrick, who is a licensed owner/trainer, and had four horses test positive for the presence of a prohibited substance. Under the terms, Mr. Patrick will serve a 90-day suspension and pay a \$10,000.00 fine. *Commissioner Grimes moved to approve Patrick settlement agreement as presented. Chairman Diener seconded. Motion passed 4-0.*

8. Consideration of request by Centaur to approve amended tote services contract.

Centaur General Counsel Keeler explained the details of the amended tote contract. He said that the tote vendor will provide the service for the FastBet Mobile program particular locations for a particular price. Chairman Diener noted that the discussion was not an expansion of FastBest, despite the contract covering additional locations. *Commissioner Schaefer moved to approve the amended tote services contract. Chairman Diener seconded. Amendment approved 4-0.*

9. Consideration of Commission policy re: Horsemen's Associations' use of state-directed funds to award scholarships.

Extensive discussion regarding the nexus between state directed funds used to award scholarships to college students who are studying a major or have a career objective

directly related to the horse racing industry in Indiana. *Commissioner Schaefer moved to accept the policy as written. Commissioner Barclay seconded. Commission voted unanimously in favor of the policy, with Chairman Diener noting it is a policy that is open for further discussion.*

10. Discussion regarding reduction in purses

Chairman Diener proposed to poll memberships about the funding source for association lobbying efforts. Specifically, he wants to determine if members are aware that it is currently being paid from the purse account. Each of the three horsemen's associations shall prepare a proposed questionnaire to be reviewed by the Commission staff.

11. Consideration of horsemen's contract between Indiana Downs and the QHRAI

Chairman Diener moved to approve the contract with Indiana Downs as submitted subject to approval of amendments to that contract by Chairman Diener. Commissioner Grimes seconded. Contract approved 4-0.

12. Consideration of horsemen's contract between Indiana Downs and the Indiana HBPA

Chairman Diener moved to accept a motion to approve the HBPA contract subject to necessary amendments and that approval of the conditions be delegated to the Chair. Commissioner Schaefer seconded. Motion passed 4-0.

13. Consideration of Centaur's proposal that Commission delegate authority to Executive Director to make determinations pursuant to IC 4-31-9-1.5(b)

Withdrawn.

IV. Old Business

None

V. New Business

A. Next IHRC meeting tentatively set for mid September.

B. Settlement agreement of the disciplinary action with Peter Wrenn. *Chairman Diener moved to ratify the settlement agreement. Commissioner Grimes seconded.*

VI. Adjournment

With no further business, Chairman Diener adjourned the meeting at 10:35 a.m.

Respectfully submitted,