

Memorandum of the Regular Meeting of the  
Indiana Horse Racing Commission

**March 02, 2021**

Indiana Grand Racing & Casino  
2<sup>nd</sup> Floor Clubhouse  
4300 N. Michigan Rd.  
Shelbyville, IN 46176

Commission members present: Philip C. Borst, Chairman; George Pillow (by videoconference), member; William McCarty (by videoconference), member, and Bill Estes, member.

Commission Staff members present: Deena Pitman, IHRC Executive Director; Tom Linkmeyer, IHRC Deputy Director; Noah Jackson, IHRC General Counsel; Jessica Barnes, IHRC Breed Development Director; Wendi Samuelson-Dull, IHRC Controller.

Speakers from the audience: Jeff Johnston, Jockey's Guild; Brian Elmore, Executive Director Indiana Horsemen's Benevolent & Protective Association; Joe Morris, Caesars SVP of Racing; Eric Halstrom, VP and GM of Racing Indiana Grand; Rick Moore, VP and GM of Racing Harrah's Hoosier Park.

### **I. Call to Order**

Chairman Borst called the meeting to order at approximately 10:30 a.m. A quorum was present.

### **II. Approval of memorandum from the December 10, 2020, meeting.**

Chairman Borst asked for a motion for approval of the memorandum from the December 10, 2020, Commission Meeting. Commissioner Estes moved to approve. Commissioner McCarty seconded. The vote, by roll call, was unanimous, 4-0, in favor of approval.

### **III. Agenda**

*Note: All items on the agenda were transcribed by a court reporter from Stewart Richardson. Transcripts are available at [www.in.gov/hrc](http://www.in.gov/hrc).*

1. Consideration of the proposed emergency rule changes.

General Counsel Noah Jackson ("Mr. Jackson") presented the IHRC Emergency Rules broken down by harness racing, flat racing, and all breeds, with the intent to approve them with a single vote. Mr. Jackson detailed how the rules had been presented to the stakeholders for the various breeds, and how a few stakeholder comments had been discussed and addressed by staff. Mr. Jackson noted one rule, 71 IAC 9-4-15, had a language change after stakeholder review. Stakeholders were notified to be present at the meeting or pre-register online if they wished to make comments on the proposed rules. Mr. Jackson explained that all the rules would be adopted through the Commission's emergency rule adoption procedure and go into effect as soon as filed.

Jeff Johnston ("Mr. Johnston") with the Jockey's Guild commented on 71 IAC 7.5-3-4, scale of weights. Mr. Johnston stated the Jockey's Guild and jockey colony at Indiana Grand supported the Association of Racing Commissioners International ("ARCI") model rule which eliminates, or would not include, a weight allowance for Indiana bred horses running against open company.

Chairman Borst asked if there were any further questions or comments from commission staff or other interested parties. With no other comments from those present, Mr. Jackson, on behalf of Commission Staff, respectfully requested approval of the proposed emergency rules. Chairman Borst asked for a motion and second. Commissioner McCarty moved for approval. Commissioner Estes seconded. The vote, by roll call, was unanimous, 4-0, in favor of approval of the proposed emergency rule changes.

2. Review of commission rulings – December 3, 2020 through February 22, 2021.

The rulings were presented for the Commission's information and no vote was required. Chairman Borst asked if there were any questions. There were none.

3. Approval of RMTC certified split sample laboratories for 2021 and beyond pursuant to 71 IAC 8-4-3 and 8.5-3-3.

Executive Director Deena Pitman ("Director Pitman") explained there a number of laboratories accredited through the Racing Medication & Testing Consortium ("RMTC") on a list which trainers can use for a split sample in case of a positive test result. Additionally, the University of Kentucky Veterinary Diagnostic Lab is the primary cobalt laboratory, although it is not RMTC-accredited for cobalt. The split lab for cobalt is University California-Davis, although it is not RMTC-accredited for cobalt. Therefore, RMTC accreditation is waived for cobalt testing.

Seeing no questions, Chairman Borst asked for a motion to approve. Commissioner McCarty moved to approve. Commissioner Estes seconded the motion. The vote, by roll call, was unanimous, 4-0, for approval.

4. Presentation of the 2021 Thoroughbred Breed Development Advisory Committee Program.

Jessica Barnes ("Ms. Barnes"), IHRC Breed Development Director, explained that the program had been sent to Director Pitman for her approval. The program is dealing with less money due to casino revenues being down a tick. The budget is conservative while still having a lot to offer the Thoroughbred horsemen.

Chairman Borst stated that the Commission would vote on all three breed development programs at one time. Chairman Borst asked if there were any Commission questions. Chairman Borst, hearing no comments, asked for a motion and a second to approve the 2021 breed development programs. Commissioner Estes moved to approve all three

breed development programs. Commissioner Pillow seconded the motion. The vote, by roll call, was unanimous, 4-0, for approval of all three 2021 breed development programs.

5. Presentation of the 2021 Quarter Horse Breed Development Advisory Committee Program.

Ms. Barnes explained that the Quarter Horse program is dealing with less money due to casino revenues being down a tick, but because they did not change the budget last year after revenue started coming in higher than expected, they had quite a bit of reserves. The program is where it was last year with a couple of improvements.

Chairman Borst stated that the Commission would vote on all three breed development programs at one time. Chairman Borst asked if there were any Commission questions. Chairman Borst, hearing no comments, asked for a motion and a second to approve the 2021 breed development programs. Commissioner Estes moved to approve all three breed development programs. Commissioner Pillow seconded the motion. The vote, by roll call, was unanimous, 4-0, for approval of all three 2021 breed development programs.

6. Presentation of the 2021 Standardbred Breed Development Advisory Committee and Board Programs.

Ms. Barnes explained that the Standardbred program is dealing with less money due to casino revenues being down a tick, but because they did not change the budget last year after revenue started coming in higher than expected, they had quite a bit of reserves. They were able to offer the same program they originally intended to offer for the beginning of 2020 for the 2021 meet.

Chairman Borst stated that the Commission would vote on all three breed development programs at one time. Chairman Borst asked if there were any Commission questions. Chairman Borst, hearing no comments, asked for a motion and a second to approve the 2021 breed development programs. Commissioner Estes moved to approve all three breed development programs. Commissioner Pillow seconded the motion. The vote, by roll call, was unanimous, 4-0, for approval of all three 2021 breed development programs.

7. Approval of Harrah's Hoosier Park's 2021 Standardbred racing official list pursuant to 71 IAC 3-1-2.1.

Rick Moore (“Mr. Moore”), VP and GM of Racing Harrah’s Hoosier Park, presented the racing official list. Mr. Moore noted Michael Chamberlain is the new track announcer since Steve Cross retired after calling the races for the last twenty (20) years.

Chairman Borst asked if there were questions or comments from the Commission. Seeing none he asked for a motion and second to approve Harrah’s Hoosier Park’s 2021 Standardbred racing official list. Commissioner Estes moved approval and Commissioner McCarty seconded the motion. The vote, by roll call, carried unanimously, 4-0, in favor of approval.

8. Approval of Indiana Grand’s 2021 Thoroughbred & Quarter Horse racing official list pursuant to 71 IAC 3.5-1-3.

Eric Halstrom (“Mr. Halstrom”), VP and GM of Racing Indiana Grand, presented the racing official list. Mr. Halstrom noted that Indiana Grand has a solid crew returning. While Mandy Green was identified as paddock judge and identifier based on filling in for those positions last year, the intent is to find a person for either paddock judge or identifier. Mr. Halstrom stated that person had yet to be identified and would be added at a later date. Valerie Riggs, placing judge, is new to Indiana Grand.

Chairman Borst asked if there were questions or comments from the Commission. Seeing none he asked for a motion and second to approve Indiana Grand’s 2021 Thoroughbred & Quarter Horse racing official list. Commissioner Estes moved approval and Commissioner McCarty seconded the motion. The vote, by roll call, carried unanimously, 4-0, in favor of approval.

9. Consideration of Indiana Grand’s request to move the Saturday, May 1st race date previously approved at the Commission’s regularly scheduled December 10, 2020 commission meeting.

Mr. Halstrom explained that Caesars made plans for a live race day on the date of the Kentucky Derby last August. Since there are still capacity limits, Indiana Grand and the horsemen believe it would be better to move the live racing day to the end of the meet in November.

Chairman Borst asked if there were any Commissioner questions. Chairman Borst asked for a motion and second to approve the request to move the May 1<sup>st</sup> race date to November 8<sup>th</sup>. Commissioner Estes moved to approve the request and Commissioner McCarty seconded the motion. The vote, by roll call, was unanimous, 4-0, in favor of approval.

10. Consideration of Indiana Grand request to approve the continued takeout of 11.99% on the Pick 5 to stimulate wagering and approve reductions on Pick 4 and Straight Fire Pick 6 wagering as well.

Mr. Halstrom explained that last year's approval to move the takeout on the Pick 5 was crucial to their business. It was very well received, a great marketing tool, and the horsemen supported doing it again this year. Indiana Grand would like to go further to gain traction with some of their out-of-state customers who are very takeout sensitive. Indiana Grand proposed moving the Pick 4 and Pick 6 to fifteen (15) percent while keeping the Pick 5 at 11.99 percent.

Director Pitman asked what the normal rate was if it was being lowered to fifteen (15) percent. Mr. Halstrom stated the normal rate was twenty-one (21) percent. Chairman Borst asked if there were any questions from the Commission. Hearing none, Chairman Borst asked for a motion and second to approve the request. Commissioner Estes moved approval and Commissioner McCarty seconded the motion. The vote, by roll call, was unanimous, 4-0, in favor of approval.

11. Consideration of Caesars request to amend the expected 2021 Capital Expenditure Plan and substitute with alternate 2021 purchases.

Director Pitman explained the Capital Expenditure Plan derived from the purchase of Centaur by Caesars and went out to 2033. Since it was hard to determine every purchase necessary for each year, the racetracks have gone through on occasion and decided that there was something else the money could be spent on that was still a benefit to racing.

Mr. Halstrom explained the plan called for a new welder and three (3) new Ford F150 pickup trucks. The current welder is like new and the current pickup trucks have several years of life. Indiana Grand wants to use the approximately \$137,000.00 to upgrade the on-site experience for simulcasting at the track and the Clarksville OTB. The plan is to add three (3) 98-inch televisions to the track and update the Clarksville OTB from the current technology which is approximately twenty (20) years old. Further, Indiana Grand intends to use a high-end drone to provide race coverage.

Chairman Borst asked how long the drone can go on a single charge. Mr. Halstrom stated each battery could go about half an hour. Caesars' plan is to purchase around twelve (12) batteries and change them out between races. Commission Estes asked who was training the Indiana Grand employees to fly the drone. Mr. Halstrom stated they have three (3) employees going through training. One of them would be the primary drone pilot. They will have to pass the Federal Aviation Administration test.

Chairman Borst asked for a motion and second to amend the expected 2021 Capital Expenditure Plan and substitute with alternate 2021 purchases. Commissioner Estes moved approval and Commissioner McCarty seconded the motion. The vote, by roll call, was unanimous, 4-0, in favor of approval.

12. Request the Indiana Horse Racing Commission delegate authority to approve any 2021 race matters prior to next commission meeting to Executive Director pursuant to 71 IAC 2-2-1.

Mr. Jackson explained race matters often come up between Commission meetings that need to be resolved before the next scheduled meeting. It is sometimes necessary for the Executive Director to make decisions that may require action prior to the next scheduled meeting. 71 IAC 2-2-1 provides for the Commission may delegate authority to the Executive Director to implement and execute the duty of regulating each race meeting and persons participating in each meeting. Mr. Jackson, on behalf of Commission Staff, respectfully requested the Executive Director be delegated the authority to approve any 2021 race matters that are submitted and cannot be left for the next Commission meeting.

Chairman Borst asked if there were any questions from the Commission members. Hearing none, Chairman Borst asked for a motion and a second. Commissioner McCarty moved the Commission delegate authority to approve any 2021 race matters prior to next commission meeting to Executive Director pursuant to 71 IAC 2-2-1. Commissioner Pillow seconded. The vote, by roll call, was unanimous, 4-0, in favor of approval.

13. Indiana Grand winter training update and review and consideration of Racing Capital Fund Committee 'overage' of expenditures submitted December 10, 2020:
  - Indiana Grand Racetrack expenditures
  - Harrah's Hoosier Park expenditures

Joe Morris ("Mr. Morris"), Caesars SVP of Racing, presented the update and 'overage' of expenditures. Mr. Morris stated the barns were winterized for approximately \$70,000.00 instead of the \$150,000.00 budgeted. The EuroXciser for winter was delayed due to issues caused by the coronavirus and some permit issues. It is now underway. The track was open five-days-a-week for most of the winter. Caesars plans to add one hundred (100) stalls and fifty (50) grooms' quarters for approximately \$6.6 million. The RCFAC committee, which is racetrack managers and horsemen, approved the project at the higher number than originally thought.

New stalls are being put in Barn 4 at Hoosier. Due to equipment rentals and lumber

prices, the cost has been resubmitted at \$320,000.00 as opposed to the original \$250,000.00. There is an additional \$13,000.00 for LED lighting in the barn. The surveillance project is projected to come in around \$1.3 million. It was approved for \$1.5 million. There are also getting prices for a garbage truck (approximately \$130,000.00) and bids for a spreader truck for track material (approximately \$125,000.00). Mr. Morris asked for approval for the barn dorm room[s] and barn stalls.

Chairmen Borst asked how much of the \$25 million set aside budget was going to be spent. Approximately \$10 million would be spend between the two tracks this year. Chairmen Borst noted that there was still nine (9) more years to go with the budget. Mr. Morris stated he understood, but these projects were big difference makers. Chairmen Borst also asked why there was \$66,583.00 of capitalized interest in the budget when the money was already set aside. Mr. Morris stated he would have to take a look and see, but it should not be there.

Chairman Borst asked if there were any other Commission member questions. Hearing none, Chairman Borst asked for a motion and a second to approve. Commissioner Estes moved for approval and Commissioner McCarty seconded the motion. The vote, by roll call, was unanimous, 4-0, in favor of approval.

### **III. Old Business**

There was no old business.

### **IV. New Business**

Director Pitman noted she had received serval questions related to the health and safety protocols that were in place all of last year. Director Pitman stated the protocols would be reviewed in light of current CDC and county health plans to determine whether or not any changes would be made to the current protocols in place. Director Pitman stated the current protocols as far as having a mask, practicing social distancing, and the temperature-taking process on the backside are going to continue for the present time.

### **V. Adjournment**

The meeting was adjourned at approximately 11:22 a.m.