



## Agriculture & NYS Horse Breeding Development Fund

### MINUTES

Agriculture and NYS Horse Breeding Development Fund  
Board of Trustees Meeting  
Schenectady, New York  
November 16, 2015

Present: Trustee and Agriculture and Markets Commissioner Richard Ball; Trustees: Peter Arrigenna & Mike Kimelman; Acting Executive Director of the Agriculture and NYS Horse Breeding Development Fund Ron Ochrym; Agriculture & New York State Horse Breeding Development Executive Assistant Connie Richardson; NYS Gaming Commission Senior Accountant Brian Squadere; Agriculture and Markets Deputy Commissioner Jacqueline Czub; NYS Gaming Commission Assistant Counsel Mark Stuart; Harness Horse Breeders of New York State Executive Director Betty Holt.

**Agenda Item #1 – Establishment of Quorum:** A quorum was present and the meeting called to order at 3:00 p.m.

**Agenda Item # 2 - Designate a Board Member as Presiding Officer:** A motion was made to designate Agriculture and Markets Commissioner Richard Ball, a Board Member, as Presiding Officer of the meeting by Board Member Arrigenna, seconded by Board Member Kimelman. All in favor.

Upon being designated the Presiding Officer for the meeting, Commissioner Ball noted that other staff members attending the meeting included the following: Ron Ochrym – who serves as the Acting Director of the Agriculture and New York State Horse Breeding Development Fund; Mark Stuart who serves as the Fund's Counsel; Connie Richardson and Brian Squadere who provide staff support to the Fund; Jackie Czub, Deputy Commissioner of Agriculture and Markets; and Betty Holt, Executive Director of the Harness Horse Breeders.

Commissioner Ball opened his remarks by noting that September was a busy month for the Fund specifically with the culmination of the Sire Stakes with the Night of Champions at Yonkers with the 3 year olds being held on September 12 and the 2 year olds being held on September 26. He thanked Yonkers for putting on a great show and all the winners of this year's races.

**Agenda Item # 3 - Approval of Minutes of Last Meeting of July 30, 2015:** Minutes of the regular meeting of July 30, 2015 were presented for approval. A motion to accept the Minutes of July 30, 2015 was made by Board Member Kimelman, seconded by Board Member Arrigenna. All in favor.

**Agenda Item #4 – Breeder Awards:** Presiding Officer Ball noted that the 2015 Fund Budget included funding for Breeders Awards. When previously approved by the Trustees, a range of funding was provided that had a minimum of \$700,000 and a maximum of \$950,000. Presiding Officer Ball noted that given the completion of the Sire Stakes program and the fact that the Fund had a surplus of over \$200,000, he asked the members to consider funding the Breeders Awards at the higher amount of \$950,000 for 2015. After some discussion, a motion was made by Board Member Kimelman to fund the Breeders Awards at \$950,000. The motion was seconded by Peter Arrigenna. All in favor.

**Agenda Item #5 - 2016 Budget:** The next item was consideration of the 2016 Budget for the Fund. It was noted that the proposed Budget was basically the same as 2015 with one noteworthy change regarding the total funding for the Sire Stakes. It was noted that the proposed budget included \$130,000 in grant funding for 2016. Brian Squadere presented the Budget to the members who noted that staff anticipates revenue of \$16.263 million in 2016 and a possible surplus of \$226,000 from 2015. After discussion of the Budget a motion was made by Member Arrigenna, second by Member Kimelman, to approve the Budget as present. All in favor.

**Agenda Item #6 - Out of Competition Testing:** Board Member Arrigenna discussed “out of competition” testing for 2015 and 2016. The Members were reminded of their discussion at the July meeting of the need for additional drug testing for both County Fairs and the Sire Stakes racing programs. It was noted that currently the Fund has a contract with the New York Drug Testing and Research Program to conduct testing for the non-pari-mutuel racing, specifically the County Fairs. However, Board Member Arrigenna has advocated for additional testing. Staff had discussed such a process with representatives of the New York Drug Testing and Research Program which it was noted could conduct specific testing on additional samples collected beyond what the Gaming Commission collects. In October of last year, the Fund Members discussed such testing and approved an allocation of \$100,000 which was included in the Fund’s 2015 Budget for out of competition testing. It was noted that a testing program was discussed and proposed by Dr. George Maylin – Director of the New York Drug Testing and Research Program at Morrisville State College and he suggested a specific initial testing program for the Fund at \$25,000. This testing was to include a research component that specifically would examine new suspected drugs that may be being used and determine protocols for such testing to determine their presence. The Board Members, at that time, considered a motion to allow Fund staff to enter into a contract, not to exceed \$25,000, with the Drug Testing Program to provide research and testing on specific drugs which was unanimously approved at the Fund’s July meeting. However, Dr. Maylin would not consent to signing the agreement until the Gaming

Commission was able to complete its drug testing contract with the Lab which received final approval in mid-September. As a result, while the members have approved \$25,000 at the July meeting for specific drug testing, the contract was not signed and Member Arrigenna wanted to bring this item back to the Board Members for discussion. Specifically, Commissioner Ball noted that there was a need to discuss what the Members wanted to do in 2015 since additional blood samples were collected and what to consider for 2016. It was noted that contracts would be presented at the next meeting and a request that Dr. Maylin attend that meeting. A motion was made by Trustee Kimelman, second by Trustee Arrigenna, to provide \$100,000 to the Lab for research/drug testing from 2015 funds and the allotment of an additional \$100,000 in the 2016 budget that could be utilized by the Fund for additional testing in 2016. It was noted that a sole source resolution was previously considered and passed by the Members identifying the lab as a sole source for such services. All in favor.

**Agenda Item #7 – New/Old Business:** Presiding Officer Ball provided some updates. He noted at the last meeting the members discussed the need for a field inspector/investigator. He specifically noted that the Fund's counterpart on the thoroughbred side, the New York State Thoroughbred Breeding and Development Fund, employs inspectors. Since the July meeting, staff met and discussed the position with some prospective candidates. After review of qualifications, Joel Leveson was selected. Mr. Leveson was selected on a per diem basis specifically focusing on out of competition testing including the county fair races where he has already spent a lot of time. He will provide a final report by the end of the year on his work and, as the Fund Members agreed, such work would not exceed \$20,000. Presiding Officer Ball noted that the Fund looks forward to his report in December.

There was also some discussion on the future of the Sire Stakes program. Member Arrigenna led this discussion suggesting that the Members examining all aspects of the program. It was a general discussion with emphasis on maintaining, enhancing and making necessary changes to the program in the future, while acknowledging the pressures currently facing the industry, that will continue to keep the program vibrant.

**Agenda Item #8 - Closing Comments:** Presiding Officer Ball provided closing comments noting that the next meeting would be sometime in December and asked for dates in December when members would be available. Three dates were suggested (December 11, 16 and 17) with the Members getting back to staff as soon as possible as staff anticipates a large agenda.

Presiding Officer Ball noted the Fund had concluded its business and called for a motion to adjourn. A motion to adjourn was then made by Member Arrigenna and seconded by Member Kimelman. All in favor.

Meeting Adjourned at 4:25p.m.