

Memorandum of the Regular Meeting of the
Indiana Horse Racing Commission

December 1, 2022

Harrah's Hoosier Park Racing & Casino
4500 Dan Patch Circle,
Anderson, IN 46013

Commission members present: Philip C. Borst, Chairman; William McCarty (via telephone), member; Bill Estes (via telephone), member; and Gus Levensgood, member.

Commission Staff members present: Deena Pitman, IHRC Executive Director; Dale Lee Pennycuff, IHRC Staff Attorney; Matt Eggiman, IHRC Deputy General Counsel; Jessica Barnes, IHRC Breed Development Director; Wendi Samuelson-Dull, IHRC Chief Financial Officer; Dr. Kerry Peterson, IHRC Equine Medical Director; Tom Linkmeyer, Assistant Executive Director.

Speakers from the audience: Brian Elmore, Executive Director of IHBPA; Stephanie McConnell, Vice President of QHRAI; Tom Mosley, President of ITOBA; Tony Renz, Executive Director of ISA; Joe Morris, SVP of Racing for Caesars; Anthony Carano, President and CEO, Caesars Entertainment; Rick Moore, VP and GM of Racing Harrah's Hoosier Park; Jacob Rheinheimer, Race Marketing Administrator, Harrah's Hoosier Park; Brian Lewis, Director of Marketing, Harrah's Hoosier Park; Eric Halstrom, Vice President and General Manager of Racing at Horseshoe Indianapolis; Alicia Mummert, Director of Marketing at Horseshoe Indianapolis.

I. Call to Order

Chairman Borst called the meeting to order at approximately 10:35 a.m. A quorum was present.

II. Approval of the meeting memorandum and executive session memorandum from the September 28, 2022, Commission meeting.

Chairman Borst asked for a motion for approval of the meeting memorandum and executive session memorandum from the September 28, 2022, Commission Meeting. The roll call vote was unanimous 4-0 for approval. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

III. Agenda

Note: All items on the agenda were transcribed by a court reporter from StewartRichardson. Transcripts are available at www.in.gov/hrc/.

1. Consideration of Settlement Agreement between Indiana Horse Racing Commission Staff and Britney Dillon.

Mr. Pennycuff introduced the Settlement Agreement that was fully executed in November 2022 between Commission and Britney Dillon. The parties entered into the settlement agreement through mediation. Ms. Dillon agreed to serve a sixty-day suspension, with the sixty-days counted as time already served. Commission Staff respectfully requested approval of the Settlement Agreement.

Chairman Borst asked the Commission if there was a motion and a second regarding approval of the Settlement Agreement. Commissioner Levensgood moved to entertain the

motion. Commissioner Estes seconded. Chairman Borst then asked if there were any questions. With no response, Commissioner Borst requested a vote. The roll call vote was unanimous 4-0 for approval. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

2. Hearing on 2023 Renewal Application of Indiana Horsemen's Benevolent & Protective Association for Approval as a Registered Horsemen's Association pursuant to 71 IAC13-1-1 et seq. (pursuant to Notice of Hearing and Pre-Hearing Order issued on or about November 18, 2022).

Mr. Eggiman noted pursuant to Ind. Code § 4-35-7-12 each year the Commission considers applications from horsemen's associations to be recognized to receive a portion of funds under the distribution agreement. An applicant must submit an application to the Commission no later than September 1st. The Commission reviews the application to determine if approval of the horsemen's association's application is in the best interest of horse racing.

Brian Elmore ("Mr. Elmore"), Executive Director, presented the application for the Indiana Horsemen's Benevolent Protective Association ("IHBPA"). Mr. Elmore covered the IHBPA's membership numbers; efforts to promote, develop, and improve horse racing in Indiana; detailed information on how the IHBPA supports its members over the year; support for charities; the Horseracing Integrity and Safety Authority ("HISA") and its impact; etc.

Hearing no questions, Chairman Borst asked for a motion and second. Commissioner Estes moved for approval. Commissioner Levengood seconded. The vote, by roll call, was unanimous, 3-0¹, in favor of approval of the IHBPA's application. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

3. Hearing on 2023 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. (pursuant to Notice of Hearing and Pre-Hearing Order issued on or about November 18, 2022).

Stephanie McConnell ("Ms. McConnell"), Vice President, presented for the Quarter Horse Racing Association of Indiana ("QHRAI"). Ms. McConnell covered the QHRAI's mission statement; its 2022 success stories; Indiana Champions Day; the restarted Youth Day program; services provided to its members; the annual QHRAI speed sale; and in

¹ One of the Commissioner's telephone connection dropped before the vote. However, a quorum was present. The Commissioner was reconnected before the next vote.

conjunction with Horseshoe Indianapolis, hosting the 2022 AQHA Challenge Championship event; etc.

Hearing no Commission, Commission Staff, or interested party questions, Chairman Borst asked for a motion to approve. Commissioner Estes moved to approve. Commissioner McCarty seconded the motion. The vote, by roll call, was unanimous, 4-0, in favor of approval of the QHRAI's application. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

4. Hearing on 2023 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. (pursuant to Notice of Hearing and Pre-Hearing Order issued on or about November 18, 2022).

Tom Mosley ("Mr. Mosley"), President, presented for the Indiana Thoroughbred Owners and Breeders Association ("ITOBA"). Mr. Mosley introduced their new executive secretary and directors; the handicapping contest in partnership with Horseshoe Indianapolis; covered the cross-section of members that make up ITOBA; their purpose to encourage the growth of the Indiana bred and sired horses; the awards for several stakes races, some in partnership with Horseshoe Indianapolis; ITOBA farmer and breeders fellowship; scholarships; etc.

Hearing no Commission or interested party questions, Chairman Borst asked for a motion and a second to approve. Commissioner Estes moved to approve. Commissioner McCarty seconded the motion. The vote, by roll call, was unanimous, 4-0, in favor of approval of ITOBA's application. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

5. Hearing on 2023 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 Amended Notice of Hearing and Pre-Hearing Order issued on or about November 28, 2022).

Tony Renz ("Mr. Renz"), Executive Director, presented for the Indiana Standardbred Association ("ISA"). Mr. Renz covered the ISA's mission, that it has fifteen (15) directors and three (3) employs, that the ISA represents over one thousand (1,000) members, ISA's partnership with Harrah's Hoosier Park on several events, being part of the economic impact study, the benefits ISA provides its members, printing all county fair race programs, speed barn tours at the Indiana State Fair, ISA's booth at the Future Farmers of America convention, hosting the Breeders Crown in 2023, etc.

Director Pitman noted Mr. Renz kind of ran the whole project related to the economic impact study and thanked the ISA board for allowing Mr. Renz to run with the project. Chairman Borst asked if there were any questions. Director Pitman asked Mr. Renz when the study would be released. Mr. Renz indicated the study would be released in Indiana the first week of January 2023.

Hearing no other questions, Chairman Borst asked for a motion and a second to approve. Commissioner Estes moved to approve. Commissioner McCarty seconded the motion. The vote, by roll call, was unanimous, 4-0, in favor of approval of the ISA application. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

6. Consideration and approval of Horseshoe Indianapolis's (Centaur Acquisition, LLC) 2023 permit renewal application and 2023 race dates in accordance with 71 IAC 11-1-3(b); 71 ICA 11-1-7; 71 IAC 11-1-21; 71 IAC 2-9-1; and
 - a. Consideration and approval of the renewal of Horseshoe Indianapolis's satellite facility license in Clarksville for 2023 in accordance with 71 IAC 12-1-23 and 71 IAC 12-1-10.

See Agenda Item 8 for specific details.

Chairman Borst asked for any questions. Hearing none, Chairman Borst asked for a motion and a second to approve the Horseshoe Indianapolis's 2023 permit renewal application and 2023 race dates, along with the facility license for Clarksville for 2023. Commissioner McCarty moved to approve. Commissioner Estes seconded. Chairman Borst asked if any members of the public disputed the application for permit. Hearing none, a roll call vote was taken. The vote, by roll call, was unanimous, 4-0, in favor of approval of the application, 2023 race dates, and facility license. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

7. Consideration and approval of Harrah's Hoosier Park 2023 permit renewal application and 2023 race dates in accordance with 71 IAC 11-1-3(b); 71 ICA 11-1-7; 71 IAC 11-1-21; 71 IAC 2-9-1; and
 - a. Consideration and approval of the renewal of Harrah's Hoosier Park satellite facility licenses in New Haven and Indianapolis for 2023 in accordance with 71 IAC 12-1-23 and 71 IAC 12-1-10.

See Agenda Item 8 for specific details.

Chairman Borst asked for any questions. Hearing none, Chairman Borst asked for a motion and a second to approve the Harrah's Hoosier Park's 2023 permit renewal application and 2023 race dates, along with the facility licenses for New Haven and Indianapolis for 2023. Commissioner Estes moved to approve. Commissioner McCarty seconded. Chairman Borst asked if any members of the public wanted to speak to the application for permit. Hearing none, a roll call vote was taken. The vote, by roll call, was unanimous, 4-0, in favor of approval of the application, 2023 race dates, and facility licenses. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

8. Consideration of Caesars 2023 Operational Plan as required by the Commission's Final Order dated July 15, 2020.

Joe Morris ("Mr. Morris"), Caesars SVP of Racing, started the presentation. Mr. Morris covered that Caesars Sportsbook is ongoing, Caesars RaceBook (covering horseracing) was started in 2022, that on Indiana Champions Day Caesars Rewards members could bet through Caesars RaceBook at four (4) times the points, cross promotions for bets on other Caesars's tracks, the switch to NYRA's Content Company and access to Fox Sports, the AQHA Challenge in 2022, the Breeders Crown coming in 2023, new races, sponsorship of Jockeys and Jeans, being the title sponsor of the Dan Patch awards, etc.

Mr. Morris introduced Anthony Carano ("Mr. Carano"), President and CEO, Caesars Entertainment. Mr. Carano covered the record handle at both Indiana tracks, hosting the world's fastest Standardbred horse, the AQHA Challenge in 2022, being featured on Fox Sports eleven (11) times, the completion of a new 105-stall barn and 50-room dorm at Horseshoe Indianapolis, proactive track maintenance, new tracks in other states, capital improvements at Harrah's Hoosier Park, etc.

Rick Moore ("Mr. Moore"), Vice President and General Manager of Racing for Harrah's Hoosier Park presented next. Mr. Moore covered the 2022 meet having early signal sales lower than last year before rising higher than 2021 by 6% in November 2022, they are projecting a new record handle of over \$113.5 million for 2022, having outlets in Australia due to using the New York Racing Association to carry the signal, the Dan Patch handle being up over last year, marketing promotions in place that contributed to the record handle, harness racing superstar Bulldog Hanover at the Dan Patch Stakes with an all-time track record of 1.46:3, Hoosier Champions Night, creating a family atmosphere, the benefit of instant carryovers, the Empire of Hope fundraiser for aftercare, better than budgeted ADW revenues, \$2 million in capital investments including new LED lighting and gutters on all barns, 100% camera coverage of all barn area stalls, hosting the 2023 Breeders Crown in partnership with the ISA, a 160-day race schedule for 2023, a robust open stakes schedule with over \$12 million, the 2023 championship

season, two new stakes races coming to Harrah's Hoosier Park, maintaining the overnight racing budget numbers, expectation that 2023 overall handle will be better than 2022, a Fifth Amendment to the original 2018 Horsemen's Agreement, source market fees and ADW agreements with all major ADW companies, approximately \$3 million in capital spending, etc.

Jacob Rheinheimer ("Mr. Rheinheimer"), Race Marketing Administrator, presented after Mr. Moore. Mr. Rheinheimer covered Harrah's Hoosier Park's spend on marketing for 2022 and the 2023 budget; how spend covers three main target audiences: on-track customers, on-track VIP customers, and simulcast customers; Saturday family programs; Fright Night at the races; free-to-enter racing contests; Fourth of July fireworks; major stakes cards; Triple Crown days, Dan Patch; Caesars Trotting Classic; Hoosier Champions; additional contests such as MegaBet, Kiosk Pick Em Promotion, and the new contest Pick 5 Win and Grin; free swag on certain race nights; food trucks; live entertainment; VIP invitation to Top of the Park with Rick Moore; VIP complimentary spots into First Turn Stable; an update on First Turn Stable; handicappers on simulcast races; a free track master program; free handicapping tools and picks on website and social media; etc.

Brian Lewis ("Mr. Lewis"), Director of Marketing, also presented. Mr. Lewis covered his nineteen years with Caesars before arriving at Harrah's Hoosier Park, community relations impact of spending \$420,000 in 2022, \$275,000 in the City of Anderson, specific organizations receiving funds, 15,000 peer hours combined for both properties, specific organizations benefiting from peer hours, etc.

Commissioner Levensgood asked if the \$265,000 spend in Anderson was part of the \$700,000 or separate. Mr. Lewis stated it was separate from the marketing spend. Chairman Borst asked to have the staff comparisons lined up even for positions to the data clearer. Chairman Borst asked how Caesars intends to get new customers. Mr. Moore stated they hit all media outlets and try to attract families. This includes radio and TV around big events. Mr. Carano stated they are using social media, Caesars Rewards, and mailers for surrounding states. Commissioner Levensgood asked if they count people in attendance at the track. Mr. Morris noted there were no longer turnstiles. Commissioner Levensgood asked if they had an estimate. Mr. Carano stated they would get that done.

Eric Halstrom ("Mr. Halstrom"), Vice President and General Manager of Racing at Horseshoe Indianapolis, presented next. Mr. Halstrom covered the coordination and cooperation with staff and horsemen, the desire to get more horses to the track, the addition of 105 stalls and 50 dorm rooms last year, record handle in 2022, work on

getting more horses per start in 2023, 2022 weather issues, Fox Sports coverage, \$7.5 million handle for the 2022 Indiana Derby, in the nationwide Pick 5 for 2022, adding Friday as a race day before the Indiana Derby in 2023, the summer break in 2022, the Quarter Horse Challenge Championship and interest of some participants in running in Indiana, the work of everyone for the Challenge Championship, approximately \$37 million in purses for 2022, track safety, 123-day race meet in 2023, plan to run Saturdays in 2023, on-track handle up over six (6) percent in 2022, etc.

Chairman Borst asked if the tracks decide or work with someone to decide what are the most advantageous days and times to run. Mr. Halstrom noted he and Mr. Morris stayed in communication about which days and times were best.

Mr. Halstrom further covered they had 123 days of racing due to four cancellations, the Road to Louisville Mr. Mosley discussed, the upcoming NHC qualifier on the track, advertising of \$775,000 in 2022 which may be slightly lower in 2023 due to the AQHA Challenge Championships, \$450,000 for promotions and events, Saturday simulcasting up year over year, increased contest entrants, hosting three (3) major events in 2022, other events throughout the year, social media presence, local market advertising, a marketing theme of Born to Run in 2023, etc.

Alicia Mummert (“Ms. Mummert”), Director of Marketing, Horseshoe Indianapolis presented after Mr. Halstrom. Ms. Mummert covered community giving and its impact, \$525,000 was allotted to organizations and non-profit events, \$446,500 spent in Shelbyville, list of organizations receiving funds, \$70,000 earmarked for equine-related programs, list of equine-related programs, other fund raisers the track participated in during 2022, etc.

Chairman Borst asked for any questions. Hearing none, Chairman Borst asked for a motion and a second to approve Caesars 2023 Operation Plan. Commissioner Estes moved to approve. Commissioner McCarty seconded. Chairman Borst asked if any members of the public wanted to speak. There were none. Chairman Borst asked Caesars if either locations has plans to try to continue to increase food options. Mr. Carano answered in the affirmative. Mr. Carano stated the expansion will re-purpose the deli, the steakhouse will be coming back at Horseshoe Indianapolis, etc. A roll call vote was taken. The vote, by roll call, was unanimous, 4-0, in favor of approval. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

9. Overview and review of conditions and covenants agreed to by Eldorado Resorts, Inc (dba Caesars, Inc.) and included in the Indiana Horse Racing Commission permit transfer Final Order dated July 15, 2020.

Chairman Borst reviewed the conditions and covenants including permits and to honor, perform, and comply with the horsemen's association contracts. Mr. Morris gave examples of off-track betting being included and of Caesars investment in OTBs. Director Pitman noted the change in track superintendents which Mr. Morris discussed in more detail. Chairman Borst covered Caesars commitment to work with horse racing constituents. Mr. Morris noted they did. Chairman Borst noted the Caesars commitment to yearly operational plans such as the one previously presented, as noted by Mr. Morris. Mr. Morris mentioned staffing and some key changes made by Caesars. Director Pitman noted the change in track superintendents at Horseshoe which Mr. Morris expanded upon, including announcers. Chairman Borst covered having an independent person review the track. Mr. Morris noted they have used outside people to review various aspects of track operations. Mr. Morris mentioned low horse fatality numbers for 2022. Track and track safety was discussed.

Chairman Borst covered Indiana advertising spend and promotion increases and continued support for Indiana communities. Mr. Morris noted Caesars had exceeded the listed amount. Chairman Borst reviewed having someone in Mr. Morris's position. Next, consistent lines of communication and transparency was discussed, followed by the equipment schedule. Horseshoe Indianapolis's NTRA certification was discussed, along with one-breed/one track racing, and the commitment to maintain and/or improve condition of the racetrack surfaces. Next, Chairman Borst and Mr. Morris covered the commitment to highlight Indiana's racing industry and facilities, increasing the number of stalls at Horseshoe Indiana, making the tracks available for "off season training," maintaining "first class/gold standard" racing facilities, REITs, working with Commission Staff on licensing, the transferring of permits, how the permits and licenses would be issued, continuing review, work with the Commission as new issues arise, a final order from the Commission would be required to divest of either track, no definitive divestiture agreements are in place, no discrimination in employment, and acceptance of the covenants waived any appeal rights.

No vote required. Brian Elmore spoke to their great relationship with Caesars. A short discuss was had on iGaming/e-wagering. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

10. Review and consideration of license renewal applications for 2023 Secondary Pari-Mutuel Organization (SPMO) for the following companies:
 - a. Churchill Downs Technology Initiatives Co (dba TwinSpires, Inc.);
 - b. Television Games Network (dba TVG Network/owned by FanDuel Group)

- c. Premier Turf Club (dba BetPTC);
- d. Xpressbet (subsidiary of Stronach Group Company);
- e. AmWest Entertainment;
- f. New York Horse Racing Association (dba NYRA Bets); and
- g. PENN ADW LLC (dba Hollywood Races).

Mr. Eggiman noted seven (7) SPMO's are now on a yearly renewal date of January 1st. Mr. Eggiman stated that updated IHRC rules require each SMPO to list and all affiliate or white label websites in which they have marketing or service agreements. Each applicant was substantially compliant with IHRC regulations. Further, Commission Staff continues to have a contract with the Thoroughbred Racing Protective Bureau to review daily wagering data provided by each SPMO. Each SPMO was in good standing with the Oregon Racing Commission, the foremost authority on ADW operations, having completed their annual audits with no problems.

Chairman Borst asked the Commission if there was a motion and a second regarding approval of the SPMOs. Commissioner Estes moved to entertain the motion. Commissioner McCarty seconded. Chairman Borst then asked if there were any public comments. With no response, Commissioner Borst requested a vote. The roll call vote was unanimous 4-0 for approval. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

11. Review and consideration of Notice of Ninth Subsequent Term pertaining to the Initial Distribution Agreement.

Mr. Eggiman detailed the history behind the Initial Distribution Agreement, initially created under Senate Enrolled Act 609. The purpose of the agreement is to discuss and propose the percentage of slot revenue that will be dedicated to horse racing. He explained that the initial agreement was reached in 2013 and included a provision that allowed for automatic renewal if no party objects to the agreement. The automatic renewal was set to occur on January 1, 2023, and would remain in effect for one year allowing for the horse racing industry to receive 12% of casino adjusted gross receipts. Mr. Eggiman also pointed out that Caesars had agreed to the 12% through 2033 with subsequent continued renewal of the covenant through 2044 subject to commission approval.

Chairman Borst asked the Commission if there was a motion and a second regarding approval of the Ninth Subsequent Term. Commissioner Estes moved to entertain the motion. Commissioner McCarty seconded. Chairman Borst then asked if there were any public comments. With no response, Commissioner Borst requested a vote. The roll call

vote was unanimous 4-0 for approval. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

12. Review of commission rulings – September 21, 2022 – November 21, 2022.

Chairman Borst asked if there were any questions on the Commission rulings. Seeing there were no questions, Chairman Borst moved on. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

13. Consideration of the advance deposit wagering (ADW) allocation request from the Indiana Thoroughbred Owners and Breeders Association (ITOBA).

Mr. Mosley, President of the Indiana Thoroughbred Owners and Breeders Association, requested a transfer of their Advance Deposit Wagering (“ADW”) funds. \$166,000 of \$191,000 would be transferred to the open purse account of Horseshoe Indianapolis, with \$100,000 used to increase the purses on big stakes races. The \$66,000 to be split equally between the two (2) ITOBA stakes. \$15,000 was requested for the Road to Louisville and \$10,000 for the highest-placing owner of an Indiana-sired horse.

Chairman Borst asked if everyone was okay with the transfers. There were no objections. Chairman Borst asked the Commission if there was a motion and a second regarding approval. Commissioner Estes moved to entertain the motion. Commissioner McCarty seconded. Chairman Borst then asked if there were any public comments. With no response, Chairman Borst requested a vote. The roll call vote was unanimous 4-0 for approval. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

14. Review and consideration of the following Indiana Horse Racing Commission emergency rule:

Quarter Horse

- 71 IAC 14.5-2-1 Mare registration

Mr. Eggiman explained to the Commission the proposed emergency rule concerned Quarter Horse racing. Mr. Eggiman also explained that the proposed emergency rule was an update to match the embryo transfer Quarter Horse and Thoroughbred rule. The rule was sent to stakeholders with no feedback. Mr. Eggiman then respectfully requested the Commission’s approval of the rule.

Chairman Borst asked if the public or the Commission had any questions. Seeing none, he asked the Commission if there was a motion and a second regarding Mr. Eggiman’s

request to adopt the emergency rule. Commissioner McCarty moved to make the motion. Commissioner Estes seconded the motion. Commissioner Borst requested a vote. The roll call vote was unanimous 4-0 for approval. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

15. Status update regarding 2023 breed development committee programs:

- a) Consideration and approval of 2023 Standardbred Breed Development program.
- b) Consideration and approval 2023 Renewal of Mare Incentive Program.
- c) Status of 2023 Thoroughbred Breed Development.
- d) Status of 2023 Quarter Horse Breed Development.
- e) Status of 2023 Standardbred Advisory Board's county fair harness racing program.

Ms. Barnes covered the 2023 Standardbred Breed Development program first. The Standardbred Breed Development Advisory Committee held meetings with racetrack management and members of the ISA leadership to formulate the 2023 program. Ms. Barnes discussed the yearling sale numbers and how they have improved over the years, and the fact that the fair program will run at Harrah's Hoosier Park. It was decided to hear all the programs and then vote on them as necessary.

Ms. Barnes discussed the Thoroughbred Breed Development Mare Incentive Program, a program the Commission has approved separately from the racing program in the past. It was implemented to encourage young people to buy mares with foals. Ms. Barnes stated they would like to continue the program and have received approximately five (5) about the program in the last week.

Ms. Barnes stated the Quarter Horse and Thoroughbred are not completed for 2023 due to being entwined with the track purse dollar amounts. Ms. Barnes asked the Commission to delegate to the Executive Director the ability to approve those programs once they're completed because a lot of times the Commission does not meet in time for the commission books to go out in February. Ms. Barnes also asked for the Standardbred Advisory Board program approval to be delegated since the county fair dates are not officially set until January 7th.

Ms. Barnes respectfully requested the Commission to approve the Standardbred Breed Development program, approve renewal of the mare incentive program, and then delegate to the Executive Director the ability to approve the Thoroughbred Breed Development program, the Quarter Horse Breed Development program, and Standardbred Advisory Board program.

Chairman Borst asked for a motion pass Ms. Barnes request. Commissioner Estes moved to accept the request as made by Ms. Barnes. Commissioner McCarty seconded. Chairman Borst asked by any questions. There was no response. Chairman Borst asked Ms. Barnes if all the members of all the committees were up to date or if someone's time is up and they are stranded on the committee. Ms. Barnes noted they appointments are up on the Standardbred Advisory Committee, and they are working to get those reappointed. The Thoroughbred Breed Development Advisory Committee and the Quarter Horse appear to have another year. The Standardbred Advisory Board might be in the same situation and the Standardbred Advisory Committee.

Commissioner Borst requested a vote. The roll call vote was unanimous 4-0 for approval. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

16. Review of Track Equipment replacement schedule plan for 2023.

Rick Moore stated he and Mr. Morris sat with the back side maintenance manager and track superintendent and went through the replacement schedule line item by line item. They discussed what was not needed on list and what products they did need in 2023. The changes are a few dollars more than the scheduled equipment. Director Pitman noted that Horseshoe Indianapolis did not have any changes at this time but might have later in the year.

Chairman Borst then asked if anyone has any questions for Mr. Moore. Commissioner Levensgood asked if something breaks or they have a big schedule, could they move equipment from one track to the other. Mr. Moore noted they were on the fixed asset list but could be moved to the other tracks fixed asset list. Commissioner Levensgood asked if everything was tracked and if they could tell what was bought, where it is, and when it was disposed of and how. Mr. Moore noted it would be removed from the fixed asset list upon retirement.

Chairman Borst asked the public if they had any questions. There were none. Chairman Borst asked for a motion and a second. Commissioner Estes moved to accept. Commissioner McCarty seconded. Commissioner Borst requested a vote. The roll call vote was unanimous 4-0 for approval. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

17. Review and consideration of Racing Capital Fund Committee expenditures approved and submitted by Fund committee members:

a. Horseshoe Indianapolis Racetrack expenditures.

b. Harrah's Hoosier Park expenditures.

Mr. Morris started with a quick review of 2022 and then went over the plan for 2023. Mr. Morris covered the building of stalls, winterizing barns, the EuroXciser, a camera tower, drones, updated horse walkers, work on the new turf, and drainage and paving work. For 2023 Mr. Morris covered the turf rail and geo locate, more four-arm walkers, backstretch surveillance cameras, more drainage fixes, and a potential building for veterinarians. Mr. Morris also discussed the Apron Project and it being a 3-1 vote. Commissioner Levensgood and Mr. Morris discussed the dissent. Commissioner Levensgood asked about a sightline study for the roof. Mr. Morris indicated a study had been completed. Mr. Morris mentioned a video board in 2024, along with other improvements. Director Pitman asked about "tabled" items. Mr. Morris indicated cameras for the barns, a building or trailer for practicing veterinarians, and a chapel on the backstretch were current tabled items at Horseshoe Indianapolis. Director Pitman and Mr. Morris discussed if surveillance cameras on the backstretch are different than surveillance cameras for all barns. Director Pitman asked what the approximate cost of surveillance cameras in the barns at Harrah's Hoosier Park. Mr. Morris stated it was \$1,340,00 for 650 stalls. Horseshoe Indianapolis has 1,150 stalls.

For Harrah's Hoosier Park, Mr. Morris noted they were able to buy and use stalls built for another track, the barn surveillance, a paddock lounge, dormitory flooring, paving, drainage, a trash compactor, a spreader truck, LED lighting, heated the paddock, looking at apron upgrades, need to re-roof the barns, repair a manhole, cameras in the wash bays, more HVAC, and repair a fence gate near the paddock. Mr. Morris indicated some would like to replace the video board in 2023 before the Breeders [Crown] and others wanted to wait until 2024. Mr. Morris discussed other plans for 2024 and beyond. Chairman Borst and Mr. Morris discussed the amounts spent and to be spent over the next few years.

Chairman Borst asked if any Commissioners had any questions. There were none. Chairman Borst asked the public if they had any questions. There were none. Chairman Borst asked for a motion and a second. Commissioner Estes moved to accept. Commissioner McCarty seconded. Commissioner Borst requested a vote. The roll call vote was unanimous 4-0 for approval. See IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

18. Racetrack winter training update:

- a. Winter training plan from Indiana Grand Racetrack.
- b. Winter training plan from Harrah's Hoosier Park.

Mr. Morris stated this would be the third year of winter training at Horseshoe Indianapolis and discussed how the program has grown and its benefits. It will be the second year at Harrah's Hoosier Park. Horses must be stabled on the track during the year to get winter training stalls. Mr. Morris noted they would be opening the track each morning at sunrise.

Chairman Borst asked for any Commission, Staff, or public questions. There were none. No vote was required. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

19. HISA update.

- a. Latest legal action nationally.
- b. 2023 fee assessment.
- c. 2023 voluntary agreement.

Director Pitman noted that the courts [Fifth Circuit Court of Appeals] have come back with an opinion that HISA was unconstitutional, and Commission Staff was waiting on the courts to submit additional information. HISA remains in effect and the IHRC continued the race meet at Horseshoe Indianapolis under HISA rules. Mr. Eggiman explained the basis for the court's opinion. Mr. Eggiman also noted earliest date the opinion could affect the IHRC would be mid-January of 2023. Mr. Eggiman also discussed the fact that the Sixth Circuit Court of Appeals has an active case challenging HISA. Mr. Eggiman also covered that until a court issues a mandate declaring HISA unconstitutional, the IHRC will continue with HISA as is.

Director Pitman noted that the Commission Staff will review the voluntary agreement for 2023 with HISA and HIWU (the anti-doping arm) to determine if the IHRC will be able to participate in the administration of the anti-doping program that will generate credits back to Indiana. Director Pitman noted Commission Staff is continuing to look at HIWU and how we could best participate.

Director Pitman noted the court ruling came out before the track had made the last payment in 2022. Mr. Morris discussed the payment breakdowns and that he left a message with HISA that the last payment would be held depending on what happens with HISA and the court. Mr. Morris noted the 2023 assessment was \$2,032,000. He informed HISA the intent was to make six payments starting in May. Mr. Morris discussed the hope that the amount would decrease based on credits for using current personnel to perform many of the job functions. Chairman Borst acknowledged the track and horsemen thinking through the best way to cover the costs and the potential to receive credits for using current personnel. No vote was required. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

III. Old Business

Chairman Borst asked the Commission about any old business. None was presented.

IV. New Business

Chairman Borst asked the Commission about any new business.

Mr. Pennycuff explained that each year there are matters that arise throughout the race meet that require quick turnaround and a quick decision. He went on to state that Commission Staff routinely requests that the Commission delegate authority to Executive Director Pitman to handle any matters that arise between Commission meetings, pursuant to 71 IAC 2-2-1. Mr. Pennycuff respectfully requested delegation of authority to Executive Director Pitman to make race meet decisions as required, including but not limited to race dates, calendars, and SPMOs that cannot be delayed until the next Commission meeting.

Chairman Borst then asked if someone would like to make a motion. Commissioner Levengood motioned to delegate to Director Pitman. Commissioner McCarty seconded. Seeing no questions, Chairman Borst then asked for a vote. The vote was unanimous 4-0 for approval. The roll call vote was unanimous 4-0 for approval. *See* IHRC Transcript 12/1/2022 at <https://www.in.gov/hrc/>

There was no other new business.

V. Adjournment

The meeting was adjourned at approximately 2:40 p.m.