



**Agriculture and New York State Horse Breeding Development Fund
Minutes – February 9, 2023**

ITEM 1: CALL TO ORDER: Chairman Brian O’Dwyer called the meeting to order at approximately 11:36 a.m. Establishment of a quorum was noted by Chairman O’Dwyer. In attendance were Fund Board Members Richard Ball and Steve Jones.

ITEM 2: OPENING REMARKS BY CHAIRMAN O’DWYER: Chairman O’Dwyer noted Article 3 of the Racing Law requires the Fund to report annually, on or before January 31st each year to the Governor and the Legislature, on the state of the standardbred breeding industry in New York. He also noted the Fund publishes annually a Stallion Directory which contains an abundant amount of information about the New York Sire Stakes program. He invited everyone to take a look at the 2023 Stallion Directory and the Fund’s 2022 Annual Report, both of which are posted on the Fund’s website.

ITEM 3: CONSIDERATION OF MINUTES OF December 2, 2022: The Fund considered previously circulated draft minutes of the meeting conducted on December 2, 2022. The minutes were accepted as circulated.

ITEM 4: EXECUTIVE SESSION: The Members convened into Executive Session for the express purpose of consideration of matters pursuant to New York Public Officers Law Section 105(1)(f).

ON A MOTION BY: Member Ball - APPROVED: 3-0

Return from Executive Session. Chairman O’Dwyer concluded the Executive Session and had the record reflect that the Executive Session was limited to discussion relative to personnel matters as provided under Public Officers Law Section 105(1)(f). He then returned to the public agenda.

ITEM 5: 4-H PRESENTATION: Chairman O’Dwyer welcomed Brianna Hughes, NYS 4-H Equine Youth Specialist and Extension Resource Educator, Julie Suarez, Associate Dean for Land-Grant Affairs, and Dr. Tom Overton, Program Director, from the NYS 4-H Horse Program and Cornell Cooperative Extension to present to the Fund Board some of the programs they have to offer.

Brianna Hughes presented, noting the current scope of programs and vision for expanded goals. She noted the NYS 4-H Horse Program is seeking \$200,000 annually over 5 years to reach its expanded goals for a real statewide program.

ITEM 6: CONSIDERATION OF 2023 BUDGET – ANNUAL FINANCIAL AUDIT REVIEW: Chairman O’Dwyer noted the 2023 Budget for the Fund was for consideration. During the Fund’s December 2, 2023 Meeting he noted, pursuant to Racing, Pari-Mutuel Wagering and Breeding Law § 332(1)(b), the Fund is authorized to distribute an amount determined by the Fund in an account designated “4-H standardbred development program.” He

noted the Budget includes \$200,000 for a 4-H standardbred development program. He also noted the Budget includes the 2023 Sire Stakes Finals' purses being raised from \$200,000 to \$225,000 for each race, Excelsior Series purses being raised from \$15,000 to \$20,000, and County Fair Series' being raised from \$24,000 to \$30,000 per card. Additionally, the amount allocated for Grants pursuant to Racing, Pari-Mutuel Wagering and Breeding Law § 332(1)(i) has been increased from \$200,000 to \$253,000, which represents the maximum amount allowed by statute for this year. There were no other changes to the proposed Budget.

Jill LaBoissiere, Capitol Hill Management Services, was available by phone to discuss the 2023 Budget. She addressed questions by Commissioner Ball regarding her comfort level with the increases in Budget items and discussed the Fund's 2022 finances and status of the 2022 audit.

The 2023 Budget was approved.

ON A MOTION BY: Member Jones - APPROVED: 3-0

ITEM 7: PRESENTATION BY BAKER PUBLIC RELATIONS: Chairman O'Dwyer welcomed Leah Rostohar, Senior Account Executive, Barry Wygel, Manager of Creative Services, and Cara Davis, Account Coordinator, from Baker Public Relations. They provided a presentation of their work for the Fund for the past year and gave an overview of what they have planned for 2023 regarding media relations, social media, and video production.

ITEM 8: DISCUSSION OF STAKES PAYMENT STRUCTURE: Chairman O'Dwyer noted that there has been some concern that the Fund's Stakes Payment Schedule has been unduly burdensome on both the horsemen and Fund staff. Chairman O'Dwyer thanked Member Jones for bringing the issue to attention of the Fund and was grateful for Member Jones's hard work on the topic. There was discussion about whether it would be beneficial to have one payment for all three series of races or whether the Fund should allow for an option to just pay for the County Fairs and Excelsior Series. It was decided that the small differences in amounts, coupled with the increase in purses for the County Fairs and Excelsior Series, should not affect participation in the program. Executive Director Ralph Scunziano noted that the new payment structure would result in a decrease in the Fund's annual revenue of approximately \$250,000. Member Jones noted that compared to other jurisdictions, the Fund's payment schedule is more complicated and more expensive. Elizabeth Wolters, Deputy Commissioner, Department of Agriculture and Markets noted the potential cost savings from an administrative perspective as a consideration as well as consistency with other jurisdictions.

Starting in 2024, there will be one payment for 2-year-olds for \$600 and one payment for 3-year-olds for \$750, which would qualify horses for all three racing series.

ON A MOTION BY: Member Jones - APPROVED: 3-0

ITEM 9: CONSIDERATION OF NYSS CONDITIONS: Chairman O'Dwyer noted the Conditions for the New York Sire Stakes, Number 64, the 2023 Excelsior Series, and the 2023 County Fair Series were before the Fund.

The Conditions for the New York Sire Stakes, Number 64, the 2023 Excelsior Series, and the 2023 County Fair Series were approved.

ON A MOTION BY: Member Ball - APPROVED: 3-0

ITEM 10: CONSIDERATION OF SCHEDULES: Chairman O’Dwyer noted schedules for the 2023 Sire Stakes and the Excelsior Series were before the Board.

The 2023 New York Sire Stakes and Excelsior Series schedules were approved.

ON A MOTION BY: Member Ball - APPROVED: 3-0

ITEM 11: SIRE STAKES FINALS – VENUE: Chairman O’Dwyer noted the Sire Stakes Finals – better known as the “Night of Champions,” are usually held at Yonkers Raceway. For each third year the Fund accepts proposals to allow one of the other 6 harness tracks to host this prestigious event. Tioga Downs hosted the Finals last year, so in continuing the tradition, the “Night of Champions” should be held at Yonkers Raceway in 2023.

The “Night of Champions” will be held at Yonkers Raceway in 2023.

ON A MOTION BY: Member Ball - APPROVED: 3-0

ITEM 12: 2023 GRANT APPLICATIONS: Chairman O’Dwyer noted the 2023 Grant Applications will be posted on the Fund’s website. The Grant Applications will be due on April 27, 2023. The Fund will consider the Applications at its May Meeting.

ITEM 13: REVIEW OF THE FUND’S PROGRAM: Chairman O’Dwyer noted the Governor’s Veto Message regarding Assembly Bill A10028 directed the Fund to review its program and provide the Governor with any recommended changes. At the December 2, 2022 Meeting, Chairman O’Dwyer directed the Fund’s Executive Director to come up with a plan to hold public sessions throughout the State of New York, to solicit feedback from stakeholders, and come up with any recommendations to change the program that the Fund is administering. Executive Director Scunziano proposed to hold three public listening sessions in March in order to receive input from the Breeders, the public, and all the stakeholders. The sessions will be open to the public and will be livestreamed. Information regarding the listening sessions, including times, locations, and links to the livestreams, will be posted on the Fund’s website at www.NYSIRESTAKES.COM.

Chairman O’Dwyer noted that Governor Hochul has included in the Budget a \$1 million study, to be conducted by the NYS Gaming Commission, regarding the economic effects of the subsidies that the industry receives from Video Lottery Gaming Facilities. It has been twenty years since the inception of Video Lottery Gaming Facilities in New York, and a review is being conducted to determine if the subsidies remain to be an effective use of state funds.

Chairman O’Dwyer noted that representatives of the industry are interested in getting these public listening sessions done quickly and expeditiously. He noted that Executive Director Scunziano has presented a very aggressive schedule.

Member Ball asked if the sessions would be conducted as a webinar. Executive Director Scunziano noted the sessions would be livestreamed and members of the public would also have the option of attending in person. Chairman O’Dwyer noted Executive Director Scunziano will provide to the Board a summary of the findings of these sessions. Deputy Commissioner Wolters offered to provide assistance with the sessions.

Chairman O'Dwyer invited Member Jones to comment. Member Jones offered a letter and Executive Director Scunziano was asked to include the letter as an addendum to the Minutes.

ITEM 14: CONSIDERATION OF FUND POLICIES:

The Policies include:

- a. Violence in the Workplace
- b. Sexual Harassment Policy
- c. Affirmative Action Policy
- d. Cancellation of Undeposited/Uncashed Checks
- e. Project Sunlight
- f. Minority and Women Owned Business Enterprises
- g. Lobbying Policy
- h. Hiring Policy
- i. Equipment Control Policy
- j. Communications and Computers
- k. Credit Card Policy
- l. Cash Receipts Policy
- m. Collections Procedures /Policy
- n. Procurement Guidelines
- o. Whistle Blowing Policy
- p. Records Retention Policy
- q. Investment Policy
- r. Disposal of Property Policy
- s. Grants
- t. Internal Control Policy
- u. Time and Attendance Policy
- v. Travel Policy
- w. County Fair Guidelines

Member Ball asked if there were any changes to the policies. Executive Director Scunziano noted that the policies were amended last year, but there were no additional changes to the policies this year. Chairman O'Dwyer requested that Executive Director Scunziano conduct a comprehensive review of the policies before they are presented to the Board next year.

The Fund policies were approved.

ON A MOTION BY: Member Ball - APPROVED: 3-0

ITEM 15: ADJOURNMENT: Chairman O'Dwyer asked for a motion to adjourn.

The Meeting was adjourned.

ON A MOTION BY: Member Jones - APPROVED: 3-0

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ADDENDUM ATTACHED

SHIPPED SEMEN DISCUSSION IN NEW YORK STATE

We are the **ONLY** jurisdiction that does not allow it.

Do we really believe that we are the only state thinking about agriculture and the other states are not?

New York's ability to attract quality stallions is severely handicapped by this rule. Owners of top Stallion prospects have **many options** when they are deciding where to send their stallion. **They know that this rule will decrease the number of mares their stallion will breed. It's as simple as that.**

We are thinking that the semen will be shipped out of state and therefore this is doing nothing for New York agriculture. We are **forgetting** that that semen will be producing horses that will be **RACING IN NEW YORK**, in **OUR** sire stake program. Creating jobs, filling our race cards, and producing revenue for all the people in New York who will be taking care of those horses –farms, farriers, grooms, hay & grain dealers, shippers, veterinarians', etc. The horses in New York training centers will be using local supplies and employees, as well.

Mares that are boarded in other states, and are currently being shipped to New York, trailer bred, and return home, add nothing to the NY agricultural economy. Higher end stallions also attract a much higher percentage of resident mares.

Changing this rule would also give us the ability to attract better quality mares to our stallion books, which would increase the product we are putting on the track.

Changing this rule will help keep our breeding farms in business and increase the number of horses at our training centers.

As Tom Grossman, owner of New York's largest standardbred farm said – "other states took the New York model and modified it to ensure continued access to top quality stallions – and, as a result, top quality mares. Combined with resident-based breeders awards, other states have achieved the balance between bringing in new blood and maximizing agricultural acres. The New York breeders want the same opportunity"

In the short term, by continuing on the path that we are on, this rule may increase the value of our product, only because we are producing less horses, and the sire stakes still race for a significant amount of money.

In the long term, this rule negatively impacts New York agriculture, and everything associated with New York agriculture.

Again – do we really believe we are the gatekeepers, doing the right thing for New York Agriculture, and every other jurisdiction is not concerned with agriculture in their state or province?

I have provided a New York mares bred list, and compared it with other states, look at the numbers and let me know – **AT WHAT POINT DOES THE ALARM GO OFF?**

TOP 5 JURISDICTIONS - MARES BRED

2010

Indiana	2,970
Pennsylvania	2,913
New York	1,574
New Jersey	950
Illinois	779

2015

Ohio	2,478
Pennsylvania	1,950
Indiana	1,816
New York	1,318
Illinois	514

2017

Ohio	2,584
Ontario	2,496
Pennsylvania	2,199
Indiana	2,146
New York	1,194

2018

Ontario	2,541
Ohio	2,510
Indiana	2,392
Pennsylvania	1,525
New York	1,240

2019

Ohio	2,786
Indiana	2,510
Ontario	2,497
Pennsylvania	1,525
New York	1,180

2020

Ohio	2,879
Indiana	2,563
Ontario	2,374
Pennsylvania	2,220
New York	1,185

2021

Ohio	3,338
Indiana	2,649
Ontario	2,489
Pennsylvania	2,374
New York	948**

2022

Indiana	3,750
Ohio	3,405
Pennsylvania	2,604
Ontario	2,458
New York	868**

**** The 2021 is actually 871, because 77 mares
Were bred out of state in 2021**

**And 2022 is actually 797, because 71 mares were
Bred out of state in 2022**

**We are the ONLY jurisdiction that does not allow
Semen to be shipped out of state**

At what point does the alarm go off?