

TTA Board of Directors Meeting
June 15, 2013 10:00 a.m. Lone Star Park

The meeting was called to order by President Gearald Farris and the roll was called with the following directors present: Adger, Carson, Farris, Few, Jordan, Leckinger, Martinez, Rich, Stephens and Witt. Directors Asmussen, Bradfield, Cook, Hartis, Maikranz and Shifflett participated via conference call. Directors Allen, Hessee, Lovell, Milligan and Wiggins were absent. Executive Director Mary Ruyle, Accreditation/Racing Manager Jennifer Gibbs and guests Chris Corrado, Corey Johnsen and Drew Shubeck also attended.

Director Stephens made a motion to approve the minutes from the February 16 Board Meeting, the March 11 and March 27 Board Conference Calls, the March 14 Budget Oversight Committee Conference Call, the March 26 Executive Committee Conference Call, the April 30 TTEF Board Conference Call, the May 9 ATB Breeding and Racing Committee Conference Call and the June 5 Publications Committee Conference Call. Director Adger seconded and the motion carried unanimously among those participating and voting.

Director Carson reviewed the financial statements for the period ending April 30th. Ruyle reviewed proposals from two firms to conduct the TTA audit of the fiscal year ending August 31 and to prepare all related tax returns. Director Rich made a motion to approve the proposal from the firm of John Lewis CPA. Director Few seconded and the motion carried unanimously among those participating and voting.

Director Maikranz presented the Membership report, which indicates a decrease since the first of the year. Ruyle reminded the board that membership is based on individual anniversary dates and is constantly fluctuating, tending to increase around the time of accreditation deadlines and payout of ATB awards.

Director Adger gave the PAC report, stating that the only expense thus far in 2013 was to have John Greytok draft a racetrack simulcast extension bill.

Director Leckinger reported that the Publications Committee would like to recommend that TTA continue its relationship with Southern Racehorse magazine, and increase the amount paid to cover mailing costs to the membership by \$100 per issue, beginning with the July/August issue. As in the previous arrangement, TTA will again receive income based on Texas stallions that are advertised in the Stallion Register. Director Leckinger put that into the form of a motion, which was seconded by Director Adger. The motion carried unanimously among those participating and voting.

Director Few stated that Fasig-Tipton Texas is still taking consignments for the August yearling sale and will add horses of racing age to achieve the desired number of horses consigned. The sale will have the same format as in 2012, with the auction commencing in the afternoon on August 26th. Ruyle advised that there will be an opportunity to auction artwork or other items to benefit the TTEF or Paddock Foundation prior to the start of the auction.

President Farris requested that the Sale Committee gather information on consignment fees, commissions and the costs incurred by sale companies, to be presented at the next board meeting.

Farris introduced Chris Corrado, new Vice President and General Manager of Retama Park, and welcomed him to Texas. Corrado reported that Retama has now been under the official ownership of Pinnacle Entertainment for four months, and that he has been in his position for two months, during which he has been gathering input from staff, patrons and horsemen to determine a priority task list. Management plans to make some immediate improvements to the facility, such as general cleanup and freshening. Other plans include improving the facility infrastructure, sound system, and opening of new dining options.

Corrado reported that attendance and handle were very good on Derby day and for the recent opening of the Quarter Horse meet. He also stated that Pinnacle is committed to the horse racing product at Retama as well as the venue to support it.

Director Martinez suggested conducting a board meeting at the track, perhaps in conjunction with the opening of the Thoroughbred meet, as a show of support and to enable everyone to see the improvements made.

Lone Star Park President and General Manager Drew Shubeck reported on recently completed grandstand improvements, maintenance and repairs to the backside facilities and complete renovation of the main track surface. He expressed some disappointment with the ongoing Thoroughbred meet, citing the lack of horses as the main problem. If the foal crops continue to decline, it may become necessary to seek a rule change regarding the requirement to conduct two races per day that are restricted to Accredited Texas-bred horses. Shubeck also stated that the Environmental Protection Agency has notified him of issues regarding the property's retention ponds that will be costly to bring into compliance.

Corey Johnsen, president of Magellan Gaming and Racing, which operates Saddle Brook Jockey Club in Amarillo, reported that the facility has handled \$2.147 million in simulcasting since opening in mid-December 2012. Management had initially projected \$10 million in annual handle for the facility at maturity, and the present forecast is about half that amount. He stressed the need for ongoing fan education in the community, along with their goal of accommodating growth with a positive customer experience.

Johnsen reviewed recent legislative initiatives and thanked everyone for their support and participation in the process. He continues to believe that internet wagering has a huge detrimental effect on Texas racing, and based on their success at Oaklawn Park and Kentucky Downs, and recent implementation in Idaho, Oregon and Wyoming, would like to see Instant Racing Machines at Texas tracks.

After a short break during which the guests departed, the meeting resumed.

Ruyle presented an update on the financial status and activities of the Texas Thoroughbred Educational Fund and The Paddock Foundation.

During discussion of the Texas Stallion Stakes, Director Shifflett suggested that in order to increase foal participation, stallion owner/managers pay a fee of \$10 for each mare

bred to a participating stallion in order to nominate the resulting foal to the TSS. Based on information from the Reports of Mares Bred, staff would contact each mare owner to advise that the foal had been nominated to the TSS and would have a sustaining payment of either \$100 in December of the weanling year or \$500 in December of the yearling year.

The breeding and racing committees will meet again prior to the August board meeting for further discussion.

President Farris expressed his appreciation for the opportunity to serve in the capacity of president and thanked all directors and staff for their support over the past year.

On behalf of the board, Director Stephens commended Farris for his leadership and presented him with a token of appreciation.

Ruyle gave a brief update on plans to relocate the office and stated that staff will soon begin work on the budget for the upcoming fiscal year. She reported that TRC has opened the period to request race dates and Class 1 tracks are expected to seek roughly the same number of days for 2014 as currently in place for 2013. Ruyle then reviewed the process for election of officers according to the Bylaws.

Director Asmussen nominated Ken Carson for the office of President, and Director Witt seconded. With no other nominations made, Director Rich made a motion that nominations cease and Carson be elected by acclamation and Director Stephens seconded. The motion carried unanimously among those participating and voting.

President Carson then presided over the remainder of the meeting.

Director Adger nominated Danny Shifflett for the office of first Vice President, and Director Few seconded. With no other nominations made, Director Rich made a motion that nominations cease and Shifflett be elected by acclamation and Director Witt seconded. The motion carried unanimously among those participating and voting.

Director Witt nominated Heidie Maikranz for the office of second Vice President, and Director Jordan seconded. Director Rich nominated Hal Wiggins for the office of second Vice President and Director Stephens seconded. With no further nominations, voting was accomplished by secret written ballot for those Directors present at the meeting and those casting proxy votes. Conference call participants who had not authorized a proxy cast a voice vote. The vote count was 9 – 9. In order to break the tie, Ruyle called the three absent directors (Joe Allen, Richard Hessee and Eddie Milligan) who had not yet submitted a proxy vote authorization to obtain their vote or proxy. Director Allen was not reached. After Hessee and Milligan stated their proxy, the final vote count was 11 – 9 for Wiggins.

Director Leckinger nominated Heidie Maikranz for the office of Secretary/Treasurer, and Director Witt seconded. Director Stephens nominated Mark Martinez for the office of Secretary/Treasurer, and Director Jordan seconded. With no further nominations, voting was accomplished by secret written ballot for those Directors present at the meeting and those casting proxy votes. Conference call participants who had not authorized a proxy cast a voice vote. The vote count was 13 – 6 for Martinez.

Director Stephens nominated Jackie Rich for the first at-large position on the Executive Committee, and Director Few seconded. Director Leckinger nominated Jack Cook for the first at-large position on the Executive Committee, and Director Witt seconded. With no further nominations, voting was accomplished by secret written ballot for those Directors present at the meeting and those casting proxy votes. Conference call participants who had not authorized a proxy cast a voice vote. The vote count was 13 – 6 for Rich.

Director Adger nominated Ed Few for the second at-large position on the Executive Committee and Director Rich seconded. Director Maikranz nominated Phil Leckinger for the second at-large position on the Executive Committee, and Director Witt seconded. With no further nominations, voting was accomplished by secret written ballot for those Directors present at the meeting and those casting proxy votes. Conference call participants who had not authorized a proxy cast a voice vote. The vote count was 11 – 9 for Few.

President Carson appointed a Nominating Committee comprising Directors Hessee, Leckinger, Lovell, Maikranz, Rich, Shifflett and Stephens, with Stephens serving as Chair.

He then appointed an Election Committee comprising Directors Bradfield, Maikranz and Martinez.

President Carson briefly outlined some initiatives to increase member engagement and participation along with efforts to revitalize TTA-sponsored races and programs, including formation of new committees to address social media opportunities, sponsorships and legislative education and engagement. He would like to begin the process by adopting a concise association mission statement and continue by having each committee set goals in accordance with that mission. Carson emphasized the opportunity provided during the interim period before the next legislative session to meet and have regular contact with each legislator, for purposes of education, bringing horse industry issues into the forefront and establishing relationships.

The next regular meeting was scheduled for 5 p.m. on Sunday, August 25th in conjunction with the Fasig-Tipton Texas Yearling Sale, at a location to be determined.

With no further business, the meeting adjourned at 1 p.m.