

Indiana Thoroughbred Breed Development Advisory

Committee February 9, 2022

1:00 p.m.

Meeting Agenda

- I. Call to Order & Opening Remarks
- II. Minutes – November 22, 2021
- III. 2022 Racing Program
 - a. Updated Budget Projections
 - b. Proposed Program
- IV. Old Business
- V. New Business
- VI. Next Meeting Date
- VII. Adjournment

Indiana Thoroughbred Breed Development Advisory Committee
November 22, 2021
Meeting Minutes

Committee Members: Bruce Murphy, Blaine Davidson, Tianna Richardville; Commission Staff: Jessica Barnes, Tom Linkmeyer, Sara Distler; Indiana Grand Staff: Eric Halstrom; Brian Elmore, Jay Holden, Tom Mosely, Mike Lauer, Ron McKay, Tim Cleary, Janice Jordan

I Call to Order & Opening Remarks 1 pm

II Minutes – September 9, 2021 - **Blaine made a motion to approve, Tianna seconded, motion passed unanimously.**

III Mare Residency Rule Consideration

a. Draft Rule

b. Mare Residency Guidelines

Jessica presented the proposed mare residency rule change. She said that the best way to do it is to give the Director of Breed Development the ability to leave early. The director may approve this request and request shall be in writing with, at least, 5 days notice. This item would go to the December Commission meeting and would require a rule change if approved by the Committee. Staff will create a form for these requests.

The proposal was discussed. ITOBA would like to see this addressed next year. Tom Mosley asked how did we foal out 2 times as many mares in the past? We need to look at the entire inspection process/program. It's too late in the year for changes this year. ITOBA would like to see entire residency issue examined next year.

Janice explained that her facility is full. Years ago there were 3 major farms the only way to squeeze more in is to turn them around faster. Bruce said that the mares will get bred back to IN Stallions. Tianna asked if the committee could grant waivers. Jessica explained that only the executive director can waive a rule. Jay stated that it gives us less incentive to keep mares in the state year-round. Bruce asked if it would increase mare numbers. Jay said he didn't know. Tom Mosley said that we need outside mares for numbers. Janice explained that the more horses she can foal out, the more mares she can breed to her new stallion. Mike Lauer stated that we are making a mountain out of a molehill, this is a small plus that won't matter much. Tom Mosley asked if farms down south were full, wouldn't they find a farm farther north. Janice explained that Indiana Stallion Station is also full.

Bruce called for any more comments. Committee members discussed the proposal.

Blaine made a motion to approve the mare residency rule change and guidelines. Bruce seconded. Motion passed unanimously.

IV Proposed Stallion Registration Rule Changes

The proposed Indiana Sire rule change was discussed. It was asked if a stallion that applies for registration after covering mares be registered retroactively?

Any stallion that covers any mares outside of IN cannot be registered.

Blaine made a motion to approve with a \$250/mare bred penalty and a \$1,000 minimum penalty. Tianna seconded. Motion passed unanimously.

V. Review of 2021 Racing Program

Bruce noted that 2021 has been a great year and great program for Indiana.

Jessica presented the Race Summary Report. In 2021, we had 400 restricted races, total of 258 IN Bred and 142 IN Sired. Base Purse has ranged from \$9,000 and \$25,000. Indiana Grand put more than original commitment, contributing over \$5.9 million to purses. The average base purse was \$14,795. In looking at the entire program the total to be spent from Breed Development: \$14,292,592, resulting in over 21 million (does not include races between 10K) or open race supplement, about \$450,000 to be paid out the Indiana Breed Development Program in 2021.

Tiana asked if this year has been a fluke? Jessica is looking at revenue projections for next year. We should end up with 2.6 million in reserves. The commission expects us to keep 2 million in reserves. We will have \$600,000 to use looking at adjusted gross revenue: average gives us 13.1 million dollars for Thoroughbreds.

Jessica explained that the second-place awards will be lower than 2.6%. Blaine would like to see a guaranteed percentage for second-place in the future.

Average overnight purse was \$33,088 for \$10k claiming races and up. The average cost to TB Breed Development Program for purses was \$27,418, and \$42,215 if you consider awards associated with each race.

Blaine asked if we will be paying 3rd place breeder and stallion awards. Jessica noted that at this time funding was not available to do so unless we cut something else.

It was noted that the expansion of the casino will be completed January 1 and the last payment mandated by the final order is next year.

VI. Preliminary Discussion Regarding 2022 Program

The program for 2022 was discussed, noting that a meeting would be scheduled at a later date. Additionally, during the December IHRC meeting, Jessica will request for the Commission to delegate to the Executive Director the ability to approve the Thoroughbred Breed Development Program for 2022.

VII Old Business:

VIII New Business:

The next Commission meeting will be held on December 6, 2021 at Indiana Grand at 10 am.

Erik stated that the track will have another 100 stalls next year.

Erik discussed the Road to Kentucky, promotional program. ITOBA Track would like a program that creates a way for someone to buy a mare at the ITOBA Sale. Indiana Grand may be creating a video documentary.

Jessica said that she is hopeful that 2nd place awards would be out by the end of the year.

IX Next Meeting Date: To be announced

X Adjournment: Meeting adjourned at 2:45 pm.

2022 Revenue Projections - Thoroughbred Breed Development Program

(Deposited In)	PROJECTED	ACTUAL	DIFFERENCE
January Slots (earned in Dec.)	\$1,150,051.39	\$1,150,051.39	<i>\$0.00</i>
February Slots (earned in Jan.)	\$1,122,959.27		
March Slots (earned in Feb.)	\$1,122,959.27		
April Slots (earned in March)	\$1,122,959.27		
May Slots (earned in April)	\$1,122,959.27		
June Slots (earned in May)	\$1,122,959.27		
July Slots (earned in June)	\$1,122,959.27		
August Slots (earned in July)	\$1,122,959.27		
September Slots (earned in August)	\$1,122,959.27		
October Slots (earned in Sept.)	\$1,122,959.27		
November Slots (earned in Oct.)	\$1,122,959.27		
December Slots (earned in Nov.)	\$1,122,959.27		
Estimated Slots Revenue	\$13,502,603.36		
 ORIGINAL BUDGET PROJECTIONS			
Slot Revenue	\$13,502,603.36		
Breakage & Outs	\$200,000.00		
Utilize from Reserves	\$400,000.00		
TOTAL PROJECTED REVENUE	\$14,102,603.36		
 ADMIN/PROMO	 \$300,000.00		
 AVAILABLE FOR RACING PROGRAM	 \$13,802,603.36		
 12/31/21 Ending Balance -	 \$2,362,586.00		

Indiana Grand 2022 Proposal Draft

Race Type	Proposed	Bred Purse 2021	ITOB/ADW Total Contribution	ITDF Contribution Per Race	ITDF Total Contribution	Track Contribution Per Race	Track Contribution Total	Total Purses	
Sired & Bred Stake	12	\$100,000		\$65,000	\$780,000	\$35,000	\$420,000	\$1,200,000	
Sired Only Stake	8	\$100,000		\$65,000	\$520,000	\$35,000	\$280,000	\$800,000	
Unreachable Star	1	\$250,000	\$100,000	\$75,000	\$75,000	\$75,000	\$75,000	\$250,000	? - breakdown
Lady Foghorn	1	\$200,000	\$50,000	\$75,000	\$75,000	\$75,000	\$75,000	\$200,000	? - breakdown
Governor's Stake	1	\$250,000	\$100,000	\$75,000	\$75,000	\$75,000	\$75,000	\$250,000	? - breakdown
First Lady Stake	1	\$200,000	\$50,000	\$75,000	\$75,000	\$75,000	\$75,000	\$200,000	? - breakdown
Signature Stakes	2	\$150,000		\$75,000	\$150,000	\$75,000	\$150,000	\$300,000	
ITOBA Stall Season Stake	2	\$100,000	\$66,666	\$33,333	\$66,666	\$33,333	\$66,666	\$200,000	
							TOTAL STAKE PURSES	\$3,400,000	
Sired & Bred Open Alw	6	\$45,000		\$30,000	\$180,000	\$15,000	\$90,000	\$270,000	
Sired & Bred NW 4	17	\$42,000		\$27,000	\$459,000	\$15,000	\$255,000	\$714,000	
Sired NW4	1	\$44,000		\$29,000	\$29,000	\$15,000	\$15,000	\$44,000	
Sired & Bred NW 3	24	\$40,000		\$25,000	\$600,000	\$15,000	\$360,000	\$960,000	
Sired Only NW3	24	\$43,000		\$28,000	\$672,000	\$15,000	\$360,000	\$1,032,000	
Sired & Bred NW 2	31	\$38,000		\$23,000	\$713,000	\$15,000	\$465,000	\$1,178,000	
Sired Only NW2	29	\$41,000		\$26,000	\$754,000	\$15,000	\$435,000	\$1,189,000	
Sired & Bred MSW	63	\$36,000		\$21,000	\$1,323,000	\$15,000	\$945,000	\$2,268,000	
Sired Only MSW	63	\$38,500		\$23,500	\$1,480,500	\$15,000	\$945,000	\$2,425,500	
Sired & Bred NW4 Opt 80,000 Clm	2	\$42,000		\$27,000	\$54,000	\$15,000	\$30,000	\$84,000	
Sired Alw Xmc NW2	6	\$41,000		\$26,000	\$156,000	\$15,000	\$90,000	\$246,000	
Sired & Bred Alw NW2x or NW5	1	\$41,000		\$26,000	\$26,000	\$15,000	\$15,000	\$41,000	
Sired & Bred Alw Xmc NW4	3	\$40,000		\$25,000	\$75,000	\$15,000	\$45,000	\$120,000	
Sired & Bred Alw NW1x or NW2	6	\$38,000		\$23,000	\$138,000	\$15,000	\$90,000	\$228,000	
Sired & Bred Starter Opt Clm	2	\$35,000		\$20,000	\$40,000	\$15,000	\$30,000	\$70,000	
Sired & Bred Xmc	6	\$32,500		\$17,500	\$105,000	\$15,000	\$90,000	\$195,000	
Sired & Bred NW3 Clm 32,000	1	\$30,000		\$15,000	\$15,000	\$15,000	\$15,000	\$30,000	
Sired & Bred Mdn 30,000	5	\$26,000		\$11,000	\$55,000	\$15,000	\$75,000	\$130,000	
Sired & Bred Xmc or Clm 12,500	3	\$22,000		\$7,000	\$21,000	\$15,000	\$45,000	\$66,000	
Sired & Bred Mdn 20,000	4	\$20,000		\$5,000	\$20,000	\$15,000	\$60,000	\$80,000	
Sired & Bred Xmc/Clm 15000	12	\$17,500		\$2,500	\$30,000	\$15,000	\$180,000	\$210,000	
Sired & Bred Mdn 15,000	7	\$17,500		\$2,500	\$17,500	\$15,000	\$105,000	\$122,500	
Sired Only Mdn 10,000	13	\$16,500		\$1,500	\$19,500	\$15,000	\$195,000	\$214,500	
Sired & Bred Starter Opt Clm 8000	1	\$16,500		\$1,500	\$1,500	\$15,000	\$15,000	\$16,500	
Sired & Bred Cond 10,000	14	\$16,000		\$1,000	\$14,000	\$15,000	\$210,000	\$224,000	
Sired Only Cond 10,000	7	\$15,500		\$500	\$3,500	\$15,000	\$105,000	\$108,500	
Sired & Bred Mdn 10,000	14	\$15,500		\$500	\$7,000	\$15,000	\$210,000	\$217,000	
TOTAL OVERNIGHTS	365							\$12,483,500	
GRAND TOTAL				base from track	\$15,000			\$15,883,500	
SIRED ONLY COUNT	143			ITDF Total Overnights	\$7,008,500	Track Total Overnights	\$5,475,000		
SIRED & BRED COUNT	222			ITDF Total Stakes	\$1,816,666	Track Total Stakes	\$1,216,666		
				ITDF Purses Total	\$8,825,166	Track Purses Total	\$6,691,666		
AMOUNT AVAILABLE FROM BDF	\$13,802,603								
				Total Value of Breed Development Program (BDF Funds + Track)				\$20,516,960	
				Total Awards for 2022				\$5,000,128	
Awds Open Races	\$450,000			SIRED STAKES FROM BDF				\$670,000	
Out of State Breeder's Awards	\$50,000			SIRED OVERNIGHTS FROM BDF				\$3,114,500	
BDF Purse Contribution Stakes	\$1,816,666			BREEDER AWARDS SIRED STAKES				\$258,000	
Breeder Awds Stakes	\$696,000			STALLION OWNER AWARDS SIRED STAKES				\$129,000	
Stallion Owner Awds Stakes	\$221,000			BREEDER AWARDS SIRED OVERNIGHT RACES				\$1,051,900	
BDF Purse Contribution Overnights	\$7,008,500			STALLION OWNER AWARDS OVERNIGHT RACES				\$525,950	
Breeder Awards	\$2,496,700			STALLION OWNER 2ND PLACE				\$100,000	
Stallion Owner Awds	\$811,428			TOTAL TO SIRED RACES FROM BDF				\$5,849,350	
2nd Place Breeder Awd Pool	\$175,000			TOTAL PERCENTAGE OF BDF \$ TO SIRED PROGRAM				42.31%	
2nd Place Stallion Awd Pool	\$100,000								
TOTAL - FROM BDF	\$13,825,294								

- Allocate remaining excess revenue (after stakes are increased) deposited through October as follows:

Purse Supplements for Overnight Races	50%
Breeders/Stallion Awards for Added Races	15%
2nd Place Breeders Awards	25%
2nd Place Stallion Awards	10%