

**MINUTES OF THE MEETING**

**of**

**THE BOARD OF DIRECTORS**

**of**

**THE NEW YORK RACING ASSOCIATION, INC.**

Conducted on December 3, 2014 at 10:00 a.m.

A regular meeting of the Board of Directors (the “Board”) of The New York Racing Association, Inc. (“NYRA”) was conducted on December 3, 2014 at 10:00 a.m. in the 37<sup>th</sup> Floor Conference Room of the Office of the NYS Empire State Development Corporation, located in New York, New York pursuant to notice duly given.

The following Directors and Special Advisors were present (either in person or via teleconference):

Anthony J. Bonomo  
Rick Cotton  
Michael J. DelGiudice  
Michael Dubb  
C. Steven Duncker  
Robert Flay  
Marc Holliday  
Earle Mack  
Robert Megna  
Barry Ostrager  
Leonard Riggio  
David J. Skorton, *Chair*  
Joseph Spinelli  
Charles V. Wait

Chester Broman, *ex officio*  
Richard Violette, *ex officio*

John Hendrickson, Special Advisor for Saratoga  
Michael Kotlikoff, Special Advisor for Equine Health and Safety

The following Directors were not present:

Stuart S. Janney, III  
Stuart Subotnick  
Vincent Tese

Also present were Christopher Kay, CEO and President; Joseph J. Lambert, Senior Vice President, General Counsel & Corporate Secretary; Susanne Stover, Senior Vice President and Chief Financial Officer; Lynn LaRocca, Senior Vice President and Chief Experience Officer; David O'Rourke, Vice President and Chief Revenue Officer; Glen Kozak, Vice President of Facilities and Racing Surfaces and John Durso, Director of Communications & Media Relations.

Dr. Skorton called the meeting to order. Mr. Lambert recorded the minutes. A roll call of the Directors and Special Advisors was conducted.

#### **Approval of November 12, 2014 Minutes.**

A motion to approve the minutes of the November 12, 2014 meeting of the Board was made by Mr. Spinelli and seconded by Mr. DelGiudice. The resolution was carried without dissent or abstentions and the minutes were added to the permanent records of the corporation. A copy of the resolution is attached hereto as *Exhibit 1*.

#### **Report of the Chair.**

Dr. Skorton addressed the Board, reporting that this meeting would be his last meeting as Chair of the NYRA Board. Dr. Skorton thanked Governor Andrew Cuomo for the privilege of serving as Chairman of the Board. Dr. Skorton also thanked the NYRA Board, Chris Kay and NYRA management and staff, Dr. Kotlikoff and all the other advisors to the Board, Dr. Skorton's Ithaca staff especially Jane Miller and Charles Kruzansky and members of the public and press.

#### **Report of the CEO and President.**

Mr. Kay reported on NYRA's continued efforts to enhance the guest experience such as improvements made to the Aqueduct facility to include the installation and opening of Longshots, installation of new video boards and high definition televisions, new paint scheme, modern art and installation of new airport style seating. Mr. Kay also discussed continued efforts to improve the quality of racing such as the installation of new warning systems, installation of new stalls for international horses and the successful Cigar Mile. Lastly, Mr. Kay briefly discussed the third quarter 2014 financial results.

#### **Report of the CFO.**

Ms. Stover provided a financial update, reporting on the third quarter 2014 unaudited financial results and the 2014 full year forecast. Ms. Stover also presented in detail the proposed 2015 Operating and Capital budget.

## **Committee Reports.**

### **a. Audit & Compliance Committee**

Mr. Spinelli gave the report of the Audit and Compliance Committee. The Committee met to discuss the third quarter 2014 unaudited financial results, Internal Audit updates, review of third quarter 2014 procurement activities, the 2014 NYRA Risk Assessment plan, legal updates and the officers travel and expense report for the third quarter of 2014.

### **b. Compensation Committee**

Mr. Lambert gave the report of the Compensation Committee on behalf of Mr. Tese. The Committee met to discuss and approve the proposal to raise non-union, administrative staff salaries in 2015 as proposed in the 2015 Operating and Capital budget. Also discussed were matters related to union and non-union compensation and their comparison to current market trends.

### **c. Finance Committee**

Ms. Stover gave the report of the Finance Committee on behalf of Mr. Subotnick. The Committee met to discuss the third quarter 2014 unaudited financial results, the 2014 full year forecast and approve the 2015 Operating and Capital budget. A motion to approve NYRA's 2015 Operating and Capital budget was made by Mr. Spinelli and seconded by Mr. Ostrager. A copy of the resolution is attached hereto as *Exhibit 2*. The resolution was carried without dissent or abstentions. The Committee also reviewed the procurement activities for the third quarter of 2014.

### **d. Nominations & Governance Committee**

Mr. Del Giudice gave the report of the Nominations and Governance Committee. The Committee met to discuss follow-up governance discussion items from the November 12, 2014 Board meeting and approve the Board and Committee self-evaluation forms.

### **e. Racing Committee**

Mr. Riggio gave the report of the Racing Committee. The Committee met to discuss and approve the racing days for the 2015 calendar year and the stakes schedule up to the Saratoga 2015 meet.

**Report of the CEO and President (continued).**


Mr. Kay continued his report to the Board by presenting a 2014 full year progress report. Mr. Kay discussed NYRA's commitment to improvements in the following critical areas: governance, financial performance, accountability, equine safety, quality of horseracing, enjoyable horseracing and economic impact and tourism for the State of New York.

**Dates for 2015 Board of Directors Meetings.**

Mr. Kay discussed the proposed schedule of 2015 Board meetings. A motion to approve the schedule of 2015 Board meetings was made by Mr. Del Giudice and seconded by Mr. Spinelli. The resolution was carried without dissent. A copy of the resolution is attached hereto as *Exhibit 3*.

**Adjournment.**

Dr. Skorton called for additional business. There being no further business to come before the Board, the meeting was concluded at 11:50 a.m.

  
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Joseph J. Lambert

**Board of Directors Meeting Minutes Exhibits – December 3, 2014**

**Exhibit 1**

**NOVEMBER 12, 2014 BOARD OF DIRECTORS MINUTES RESOLUTION**

IT IS HEREBY RESOLVED, that the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby approve the minutes of the regular November 12, 2014 Board meeting and the minutes are ordered to be added to the permanent records of the corporation.

**Exhibit 2**

**2015 OPERATING AND CAPITAL BUDGET RESOLUTION**

IT IS HEREBY RESOLVED, that the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby approve NYRA's 2015 Operating and Capital Budget.

**Exhibit 3**

**DATES FOR 2015 BOARD OF DIRECTORS MEETINGS RESOLUTION**

IT IS HEREBY RESOLVED, that the NYRA Board of Directors, having had full opportunity to inquire, consider, and understand, does hereby approve the dates for the 2015 Board of Directors Meetings.