

*adopted*  
11-13-18

## Minutes of the LAHBPA Board of Directors Meeting

Date of Meeting	<b>June 26, 2018</b>
Meeting called to Order by	Benard Chatters
Type of Meeting	Board of Directors
Place	LAHBPA Main Office
Meeting Secretary	Vickie Lory
Roll called by Larry and Quorum Declared	Benard Chatters Keith Hernandez Any Leggio, Jr. Charlotte Stemmans Clavier Bret Calhoun ( <i>phone</i> ) Ron Faucheux Don Stemmans Edward Johnston Kenneth L. Roberts
Board Members Not Present	Bobby Dupre ( <i>absent</i> ) Christine D. Early ( <i>absent</i> )
Prayer Lead by	Benard Chatters
Others in Attendance	Ed Fenasci, Larry Hamburger, Mike Fenasci, John Duvieilh and Vickie Lory. Guests: Eric Hamelback, CEO with National HBPA.
<i>The President called the meeting to order</i>	<i>Time: 10:40 a.m.</i>
Motion	Motion made to adopt the Minutes from the 12-12-17 meeting and the Minutes from the 3-26-18 meeting.  Motion by: Keith Hernandez Second by: Charlotte Stemmans Clavier Motion Passed Unanimously
Discussion <b>Legislative Update by Ed Fenasci and John Duvieilh</b>	Ed reported that at the Session we were able to pass Legislation to enable us to move purse money from one track to another. In addition, we assisted DED and the other racetracks to be able to convert from a square footage limitation to a machine limitation. Their bills were defeated, and we allowed them to amend and were able to pass that. There was an effort to provide a Sports Gaming bill that was close but did not pass. John reported that Boyd Gaming brought two attempts, and both were defeated. Three actually to extend their gaming space and they had no hope. The bill we proposed to move the money had one negative vote out of the House, the Senate and the Committees, and only because someone thought it was an expansion to Gaming, and in hindsight said he would have voted yes. So, our bill passed unanimously through the House, the Senate and all the Committees and we added Delta's bill to ours, which was denied on the 3 occasions before. It likewise passed unanimously...

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	<p>Ed stated we had plenty of votes to spare. When they went alone, they lost by one vote without us. John stated that when they needed us, we were there to help them, and I bring that up because it's imperative the way our discussions are getting ready to go. We were the "good hands" people for them. Benard stated we had to be. Ed stated it's also in our members' best interest because it should help them maintain their volume on slot business, if not increase their volume which increases our purse money. The lobbyists did a good job. Our law became effective upon the Governor's signature.</p>
<p>Discussion re Lasix</p>	<p>Benard stated there is a National bill regarding Lasix and we have to do a better job of educating our Legislature on horse racing and the real import of Lasix in Louisiana and elsewhere. Ed stated our Board Members reached out to the Representatives on that Committee, and Eric testified at the hearing. Please thank the people on the backside for signing the letter. The large turnout was impressive. It's very powerful when our people unite and speak up. It takes a lot of work and explanation to get these signatures. Ed stated our Field Staff did a very good job.</p>
<p>Guest Speaker Eric J. Hamelback, CEO, National HBPA</p>	<p>Eric stated that our affiliate support is tremendous and thanked everyone. The bill is not just about Lasix. The CEO of the Jockey Club states they will do this bill again in 2019 and 2020. They may pull out the Lasix to lose the opposition from the two Equine Vet groups who were opposed to it. If this Bill passes, USADA will be put in charge of testing and determining what medications are allowed. As soon as they are in charge, they will take away Lasix. Ed stated it will be an end run to just setting up the National Test Board. The Board will have 13 people, 7 of them, including the CEO, are USADA members, Human World Testing, and they've never been in the Equine world. They get to select the "Conflict of Interest Clause" that's put into the bill is very descriptive. The 6 member that they get to pick have no vested interest in the industry, and that is key. The other 7 will have an interest in the industry. People are saying to pull out Lasix and they'd be okay. That is the wrong mentality. If the bill goes into effect, it's the economics of the bill that will kill this industry. One of the main proponents it the Jockey Club and one of their objectives is to ban race-day Lasix. This bill has been around since 2012. There was a House and Senate hearing on this bill in 2013. They will keep doing it. This is an economic issue that could destroy many small businesses in this industry. John asked what needs to be done going forward. Eric's goal is to get the big names in the industry to let everyone know this is not the thing to do. Many people are sitting quiet because they believe this will go away. 95% of the industry [us] are opposed to it, we need to get the big names in the industry to keep fighting by going to specific Congressmen on this Committee. Eddie Barr is the constituent on the bill and will be defeated, but Paul Tonko will not and will likely keep rolling with it. Before the hearing the bill was at 12-18% chance of passing, now that group gives it a 2-3% chance of passing. From a</p>

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	<p>statistical standpoint, we won the hearing, but if the house goes to the Democrats the chance of the bill passing will increase. If the animal rights activists run with this, they'll get out of the House easy. We have an ace in the hole with Senator McConnell if Churchill does not come out in favor of the bill. They have not made a public statement for or against. He worked with many of their connections and lobby group in D.C., and they actively opposed the bill but never did it publicly. Benard stated they have support from the Breeders Cup, Jockey Club and Keenland. John asked about Clyburn. Eric stated he has officially supported the bill. The main group is the Jockey Club; the main financial group is the HSUS with a lot of lobbying money. Another small minority group WHOA; 1043 members on a spreadsheet. Only 27.2% have a vested interest in owning a horse. It's the leadership in NY for the Jockey Club that is pushing the agenda. It's important to understand that any voices are important. Continue what you are doing with names, because this affiliate by far is ahead of any other affiliate. If you can get the other affiliates to do what you just did. John asked about Arkansas; Eric stated he did not get a lot from Arkansas. John stated maybe we could reach out to them.</p>
<p><b>Motion Into Executive Session</b></p>	<p>Motion made to go into Executive Session at 11:00 a.m. for the Legal Update by Alan Yacoubian and John Duvieilh.</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Andy Leggio, Jr. Motion Passed Unanimously</p>
<p><b>Motion Out of Executive Session</b></p>	<p>Motion made to come out of Executive Session at 11:08 a.m.</p> <p>Motion by: Keith Hernandez Second by: Andy Leggio, Jr. Motion Passed Unanimously</p>
<p><b>Motion Into Executive Session</b></p>	<p>Motion made to go back into Executive Session at 11:09 a.m. regarding Horse Aftercare and Purse Money at DED and EVD.</p> <p>Motion by: Keith Hernandez Second by: Eddie Johnston Motion Passed Unanimously</p>
<p><b>Motion Out of Executive Session</b></p>	<p>Motion made to come out of Executive Session at 1:23 p.m.</p> <p>Motion by: Andy Leggio, Jr. Second by: Charlotte Stemmans Clavier Motion Passed Unanimously</p>

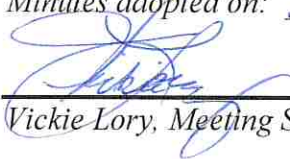
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<p><b>Motion</b> <b>Purse Money from DED to EVD</b></p>	<p>John read a Proposal that the Board will consider. The Proposal is as follows: for overnight purse money to move \$4M from the DED 2018-2019 Meet of which of the \$4M, \$500K will become effective upon the date of the LSRC meeting, July 16, 2018, to be awarded within the year. The remainder of \$3.5M to become effective on September 1, 2018. Such that it would be a net effect of \$4M of monies being moved from DED to EVD to be used to their respective meets within the time frame provided by the law of one year. Ron made the motion to adopt the Proposal.</p> <p>Motion by: Ron Faucheux Second by: Keith Hernandez Motion Passed Unanimously</p>
<p><b>Audit/Finance Report</b></p>	<p>Financial report given by Larry Hamburger. The Audits are almost complete – The 1993, Inc. and HWCIT. They have already sent the drafts to us for Pension and Medical, and they look fine. They will have the '93 Inc. to us by tomorrow or Thursday. HWCIT has to be done by the end of the month, and they have found nothing negative. We should have another good audit cycle. Bookkeeper audit starts some time in August. These are the net asset comparisons. What we own minus what we owe. This year compared to last year. In '93 Inc. we increased our net assets by a half million dollars. The Harrah's one-time payment, the increase in the pony lead fee and the jockey payroll fee, and we're doing well with the WC plan. Expenses for administration have stayed level. The Medical Trust is down. The Net assets are at \$2.3M. We made an adjustment at the end of the last year regarding dental benefits. Ed stated we are at the range we targeted with the Trustees to have reserves at \$2M. Larry stated we are staying between \$2M and \$2.5M, as expenses seemed to have leveled off. Pension is up \$151K because we are back to the full 1% monies. For every dollar we make in Pension, we pay taxes. Benard asked about HWCIT. Larry stated we're up about a half million due to a reduction in claims and the increase in start fees. Revenue is up, and expenses are down. Ed stated our insurance advisors believe the goal should be to have \$6M in the bank to be considered financially stable and to get the best rates possible. We are going in the right direction. Ed stated we have had two of our best periods ever. Charlotte inquired about the audit exit interviews. Ed stated they interview himself, Benard and Larry as part of the audit process. Once the audit is complete, we can ask them to come and make a presentation to the Board. Charlotte stated that since she's been on this Board she has not seen any financial statements. Ed stated that the audits become public record. The audits that are submitted to the State do not have the details you are describing. The Board can have all the financial detail that you want. Larry can share with you the monthly financials. The Board can have that whenever they want. Charlotte stated that another Board she was on had Board members as a checks-n-balance, look at the audits. Ed stated that any Board</p>

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	member can have those and to let Larry know, and he will send them to you.
Track Report <b>DED and Generally</b>	Benard gave the track reports. We dealt with the money part of DED. John stated the need to discuss asking DED to move up their dates. At the last LSRC meeting the commission instructed HBPA and DED to come up with an agreement regarding the dates. The FG is meeting with DED to discuss stakes races and overlapping. We were also charged with the responsibility to do something with dates to present to the Commission at the next meeting. Do we want to wrap that into one big bundle with the moving of the money and moving the dates? Benard did not want to tie an agreement with the money. John stated we need to do a response for the Commission. The hesitation regarding the dates has to do with seasonal workers and they don't want to be perceived as helping the other track. Kenny indicated that DED needs to put something on the concrete in the stalls to prevent the horses from getting hurt. Benard indicated he would follow-up with Schwartz at the end of the meet regarding the prototypes they looked at in the Receiving Barn. He also spoke with Chris a few days ago about the hazards and possible solutions.
Track Report <b>EVD</b>	EVD has new management, and we will discuss security and bathrooms with the new management. Keith stated that EVD on track is down 8%.
Track Report <b>FG</b>	Ed reported that they spoke to the FG about the Quarterhorse move-in dates, the training schedule. Kenny indicated he was okay with the move-in date and training schedule. We have a contract ready to give to them to execute.
Track Report <b>LAD</b>	Benard reported that Trent McIntosh has moved to Indiana to be the General Manager there. David Heitzmann will be taking over most of his duties. They have someone coming on with a lot of horse background. Starting this weekend, the purses will increase.
Pension Report	Keith reported that all was good and basically nothing to report. We are trying to get back to where we were.
Medical Report	Medical Trust is doing well. We significantly increased the dental benefits to reduce the large surplus. It worked.
HWCIT Report	Mike reported July 1 <sup>st</sup> is renewal.

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New Business	Ed said we historically make donations to Reap and BBF [Backside Benevolent Fund] and asked that we make the same annual donations of \$1000.
Motion	<p>Motion Made to donate \$1000 each to Reap and BBF.</p> <p>Motion by: Don Stemmans            Second by: Andy Leggio, Jr.            Motion Passed</p>
Old Business	Ed stated we have a request from the Indiana HBPA to share our meet agreement that we execute with LAD. Ron asked if they were owned by Harrahs. Ed said yes. Ed stated John said they would have to at least execute a confidentiality agreement. Ed told their new Executive Director he would have to bring it to the Board. Benard stated they were trying to ensure the horsemen were protected with the sale going to Harrahs. We may wish to give them guidance. Ed suggested John prepare a summary of the topics discussed in the contract. Eric stated that National has a generic horseman's contract. With Canada's counsel, they walked through the generic with them and gave guidance on the specifics of their region. Ed stated that our contracts are radically different. John stated we'll work with them without sharing a proprietary information.
Motion to Adjourn @ 1:50 p.m.	<p>Motion made to adjourn the meeting.</p> <p>Motion by: Andy Leggio, Jr.            Second by: Eddie Johnston            Motion Passed</p>
Ratification	<p><i>Minutes adopted on: NOVEMBER 13, 2018</i></p> <p>  <i>Vickie Lory, Meeting Secretary</i></p>