

Minutes of the LAHBPA Board of Directors Meeting

Date of Meeting	April 12, 2021 – FINAL
Location of Meeting	LHBPA Main Office
Meeting called to Order by	Benard Chatters
Type of Meeting	Board of Directors
Meeting Secretary	Vickie Lory
Roll called by Larry and Quorum Declared	Benard Chatters Ronnie Ward Ron Faucheux Bret Calhoun Kenneth L. Roberts Don Stemmans Michele Rodriguez Keith Hernandez Charlotte Stemmans Clavier Carol Castille Kevin Delahoussaye
Board Members Not Present	
Others in Attendance	Glenn Delahoussaye, Ed Fenasci, Larry Hamburger, Mike Fenasci, Kristie Piglia, John Duvieilh, Vickie Lory
<i>The President called the meeting to order</i>	<i>Time: 10:33 am</i>
Discussion Re Election Issues re Office of Presidency <i>(Note: this discussion was held prior to the roll call)</i>	Members discussed the recent election issues concerning the Presidency, election challenges, the election packet, the Board's signed affidavits, Bylaws, rules for the organization, political activity violations, appeal protocols, and the hearing committee decisions. Glenn Delahoussaye addressed the Board regarding the protest and the outcome of votes for President. He stated he chose not to appeal the Hearing Committee's decision but voiced his concern that the outcome could divide the organization. John replied that they went to great lengths not to affect voting, because the decision could have affected the vote, adding that most votes were submitted by the appeal deadline. Glenn added he would abide by the Board's decision. Michele added the Board could not address the current situation but could amend the Bylaws for the next election. Glenn thanked the Board and said he came here today to allow the Board to ask questions for clarification.
Prayer Lead by	Benard Chatters
Discussion Re Welcome New Board Members	Benard welcomed and thanked the Board Members.
Swearing-in of New Board Members <i>(John Duvieilh)</i>	The new Board Members were sworn in <i>(see handout: Oath of Office)</i> .

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<p>Motion Re Adopt Minutes</p>	<p>Motion made to adopt minutes from <u>March 9, 2021</u>, and <u>November 19, 2019</u>.</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Ron Fauchaux Motion Unanimously Passed</p>
<p>Discussion Re PPP Status</p>	<p>Ed reported the organization applied for and received two PPP loans totaling \$600K; they expect both loans to be forgiven. Whitney Bank is reviewing the paperwork. If forgiven, it will be considered revenue, and the Board will vote to give the proper credits to the three trusts to go towards their management fees. They do not meet the criteria to qualify for the third round. Ed introduced Ronnie Dawson to the new Board members.</p>
<p>Discussion Re Trust and Committee Appointments</p>	<p>Ed provided copies of the template for the Trusts and Committees of the new Board. (<i>See handout</i>). Ed requested motions to remove all current trustees of the past Board from each of the Trusts and motions to appoint the new Trustees and Committee members for the new Board.</p>
<p>Motion Re Medical Trust</p>	<p>Motion made to remove all current Trustees from the Medical Trust.</p> <p>Motion by: Kevin Delahoussaye Second by: Carol Castille Motion Unanimously Passed</p>
<p>Motion Re Medical Trust</p>	<p>Motion made to appoint Medical Trustees: Kevin Delahoussaye, Ronald Fauchaux, Donald C. Stemmans, Michele Rodriguez, and Ronnie P. Ward. (<i>Members agreed to serve on the Trust</i>)</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Carol Castille Motion Unanimously Passed</p>
<td data-bbox="626 1318 1503 1381"> <p><i>Ed reported that a Medical Trust meeting would follow the Board meeting today to appoint a chairman and check signatories.</i></p> </td>	<p><i>Ed reported that a Medical Trust meeting would follow the Board meeting today to appoint a chairman and check signatories.</i></p>
<p>Motion Re HWCIT</p>	<p>Motion made to remove all current Trustees from HWCIT.</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Kevin Delahoussaye Motion Unanimously Passed</p>
<p>Motion Re HWCIT</p>	<p>Motion made to appoint HWCIT Trustees: Carol Castille, Keith Hernandez (<i>signatory</i>), Kenneth Lee Roberts, Sr., Kevin Delahoussaye, and Ronald Fauchaux.</p> <p>Motion by: Ron Fauchaux Second by: Charlotte Stemmans Clavier Motion Unanimously Passed</p>
<td data-bbox="626 1822 1503 1894"> <p><i>Ed reported that since Keith and Charlotte are signatories, we can wait to have a HWCIT meeting.</i></p> </td>	<p><i>Ed reported that since Keith and Charlotte are signatories, we can wait to have a HWCIT meeting.</i></p>

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<p>Motion Re Pension Trust</p>	<p>Motion made to remove all current Trustees from the Pension Trust.</p> <p>Motion by: Kevin Delahoussaye Second by: Carol Castille Motion Unanimously Passed</p>
<p>Motion Re Pension Trust</p>	<p>Motion made to appoint Pension Trustees: Charlotte Stemmans Clavier, Kenneth Lee Roberts, Sr., and Michele Rodriguez.</p> <p>Motion by: Ron Faucheux Second by: Kevin Delahoussaye Motion Unanimously Passed</p>
	<p><i>Ed reported that Charlotte and Keith are current signatories so there was no rush to have a Pension meeting.</i></p>
<p>Motion Re Political Action Committee (PAC)</p>	<p>Motion made to reaffirm the current PAC members, Benard Chatters, Arthur Morrell, and Bobby Dupre, and to add Carol Castille to the PAC.</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Kevin Delahoussaye Motion Unanimously Passed</p>
<p>Motion Re Track Liaison Committee</p>	<p>Motion made to appoint the following Track Liaison Committee members: Charlotte Stemmans Clavier, Kevin Delahoussaye, Ronnie P. Ward, and Michele Rodriguez.</p> <p>Motion by: Carol Castille Second by: Ron Faucheux Motion Unanimously Passed</p>
<p>Motion Re Finance Committee</p>	<p>Motion made to appoint the following Finance Committee members: Keith Hernandez, Kevin Delahoussaye, and Carol Castille, and to add Ronnie Dawson, CPA, as an "advisor" to the Finance Committee.</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Kenny Roberts Motion Unanimously Passed</p>
<p>Discussion Re Check Registers</p>	<p>Ed discussed the protocols for the 1993, Inc. checking account disbursements and signatories, and offered to review financials with any interested Board member. Check registers are typically emailed to the appointed check signatories on Friday. The signatories review the disbursements prior to the checks being issued. Charlotte and Keith will continue as check signatories.</p>
<p>Motion Re moving 1993, Inc. checking account to Whitney Bank</p>	<p>Motion made to approve opening an operating checking account at Whitney Bank for 1993, Inc. (<i>moving the account from Iberia Bank</i>).</p> <p>Motion by: Ron Faucheux Second by: Carol Castille Motion Unanimously Passed</p>

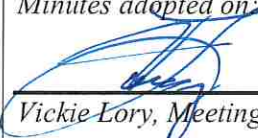
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<p>Motion Re 1993, Inc. Checking Account Signatories</p>	<p>Motion made to designate Charlotte Stemmans Clavier and Keith Hernandez as checking account signatories for 1993, Inc.</p> <p>Motion by: Carol Castille Second by: Ron Faucheux Motion Unanimously Passed</p>
<p>Pension Report Re Finance Report</p>	<p>Ed provided a handout to the Board regarding the Pension Finance Report. Ronnie Dawson explained his role with the organization as non-independent, adding that Richard and Postlethwaite & Netterville are the audit firms. Larry prepares the original accounting entries, and sends the data to Ronnie for review, who prepares a monthly financial compilation. Ronnie reviewed the 3-year compilation report with the Board, focusing on 2019 and 2020. <i>(See handout)</i> Assets were similar to the prior year, with \$3.3M available to pay benefits, and a current valuation of \$6.3M in promised pensions <i>(unfunded portion of \$3M)</i>. The monthly payout is about \$50K, with about \$300/person. <i>(The death benefit is until age 80)</i>. Medical pays the burial expense. Benefits are available to qualified vested recipients. To vest, for those who started prior to 2000, they need 10 good years; those after 2000 need 20 years. The Trust met in 2011 and changed the participation requirement to 30 starts with 8 starts in 3 of the 4 quarters. There is no longer a residency requirement. There are three benefit tiers based on participation. There is one remaining member on the "Senior Plan"; the Plan is taxable. We are trying to grow with investments. Tommy Brennan handles the investments.</p>
<p>Pension Report <i>(continued)</i> Re Finance Report</p>	<p>Ronnie reported that 2020 investment income for Pension was down compared to 2019, which was a great year for the stock market. Contributions for 2020 were down about 22%, over the prior year. He pointed out the realized and unrealized gains and losses, stating that Pension receives 1% of video poker/slots for purses, which were impacted by Covid, and were down 22.6%. Net assets grew by \$80K in 2020. He also reported on the reductions and changes in net assets.</p>
<p>Medical Trust Re Finance Report</p>	<p>Ronnie and Ed reported a decrease in revenue of 22.6% for the Medical Trust as compared to 2019, due to Covid. And due to hurricane relief, there was an increase in liabilities. Ed reported that the Medical Trust has adjusted the dental benefit to rebuild the \$2M emergency backstop. Ed reported that our WC broker, Arthur Gallagher, will present some restructuring ideas to the Medical Trust to convert to wholesale purchasing, which could save the Trust \$1M annually. We currently pay full retail price for medical services. Ronnie reported a 20% revenue drop and a decline in net assets from last year <i>(page 2)</i>. Investments were about the same.</p>
<p>HWCIT Re Finance Report</p>	<p>Ronnie provided members with the financial reports for HWCIT <i>(see handout)</i> and discussed the changes in assets and liabilities from the prior year, reporting a decline in both assets and liabilities, resulting in</p>

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	<p>an increase in available net assets. Mike reported a significant drop in the number of claims for 2020 due to Covid, and those coverages remained in place. Ed reported that purse revenue declined due to Covid. Total change in net assets from the prior year was \$555K. Ronnie reported (<i>page 2</i>) that the change in net assets was \$556K; John stated the PPPs will provide revenue to the three Trusts.</p>
<p>1993, Inc. Re Finance Report</p>	<p>Ronnie provided the members with the financial reports for 1993, Inc. (<i>See handout</i>) and discussed the changes in assets and liabilities from the prior year. Total assets were up \$340K, and ...due to funds being transferred back and forth. Due to the PPP money, expenses were up for 2020. Total net assets for 2020 were \$97K less than for 2019. Ronnie reported that WC premiums (<i>page 2</i>) were down \$218K and interest income was down \$50K for 2020. Ed explained that a portion of the Bookkeeper account funds were placed in CDs by Tommy Brennan, and the funds at Whitney Bank go through an overnight sweep. All funds are protected. Ronnie reported that total revenue was down \$810K. WC expenses were down \$180K and administrative expenses were up \$70K. These figures will be audited by an independent group before June 30th. Ed invited members to contact Ronnie, as he is part of the financial team.</p>
<p>Legal Update Re QH lawsuit</p>	<p>John Duveilh reported the Quarterhorse lawsuit began in 2014. A class action was filed seeking the funds for Quarter Horses for purses collected at the Fair Grounds from video poker for a 4-month period. The statute said the funds were to be distributed at the next meet. After 6 years of litigation, the court approved the settlement. Two appeals have been filed and will be heard at the 4th Circuit on May 6. If the court approves that, then the 8 objectors have the right to appeal. They are optimistic it will go through. The year before, they were successful in the Legislature in getting laws approved that are associated with the lawsuit, which says up to \$1M of FG purses will go to QH purses, the QH meet will consist of 15 days, and the meet can be moved with the right agreements from FG and any other locations.</p>
<p>Motion Into Executive Session</p>	<p>Motion made to go into Executive Session, and to allow Glenn Delahoussaye to stay in the meeting during Executive Session.</p> <p>Motion by: Ron Faucheux Second by: Keith Hernandez Motion Unanimously Passed</p>
<p>Motion Out of Executive Session</p>	<p>Motion made to come of out Executive Session at 2:39pm.</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Carol Castille Motion Unanimously Passed</p>
<p>Track Reports</p>	<p>BC reported that they spoke about DED, EVD and the FG. He asked Ronnie for his opinion on the top five things to be done for LAD. Ronnie reported Robert gave permission recently to start with backside</p>

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	<p>maintenance; maintenance has started. Ronnie stated that the horsemen would like to push hard to run four days in a row. Ed will draft a letter. He also reported that it is a plus that purse bottoms will be \$8K. A discussion was held regarding slot projections and recent purse distributions at LAD. Ronnie reported the track will be resurfaced this week. Kenny requested they work on the wash racks and to repair the large holes around the backside. Ronnie reported there was no time for maintenance between the TB n QH meets. Benard stated he was there about 3 weeks ago and felt the rail needed work. Benard asked the Backside Committee to discuss what was needed. Ronnie requested that one HBPA meeting be held at LAD. Benard stated that travel expenses are high to have a meeting at LAD, and without a major incident, few members would actually attend the meeting.</p>
<p>Discussion Re 1993, Inc.</p>	<p>Ed reported on the insurance program's history and that 1993, Inc. had a captive insurance company which provided insurance inside and outside of Louisiana. Insurance for out of state (OOS) risks must be acquired separately. We previously had a program that provided OOS coverage with a zero deductible, but Midlands was purchased by Safety National. Safety National later decided they would not provide the OOS coverage. At that point, OOS risk insurance had to be acquired individually. Ed explained that they now have another company interested, and John explained that no one else wanted to provide this coverage, so without this company, they may not be able to provide the OOS coverage.</p>
<p>Motion to Adjourn</p>	<p>Motion made to adjourn the meeting at 3:03 p.m.</p> <p>Motion by: Charlotte Stemmans Clavier Second by: Ron Faucheux Motion Unanimously Passed</p>
<p>Ratification</p>	<p>Minutes adopted on: <u>6-29</u>, 2021.</p> <p> Vickie Lory, Meeting Secretary</p>