

Minutes of the LAHBPA Board of Directors Meeting

Date of Meeting	October 18, 2022
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 Kristie 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
<i>Board Members Not Present</i>	
Others in Attendance	Ed Fenasci, Kristie Piglia, Mike Fenasci, John Duvieilh, Vickie Lory
<i>The President called the meeting to order</i>	<i>Time: 11:07 a.m.</i>
Prayer Led by	Benard Chatters
4. Discussion Re Adopt Minutes	We need a motion to adopt the Minutes.
Motion Re Adopt Minutes	Motion made to adopt the Minutes from the meetings held on 1/25/22, 7/26/22, and 8/12/22. Motion by: Kevin Delahoussaye Second by: Don Stemmans Motion Unanimously Passed
5. Discussion Re HISA	John reported on the HISA litigation, including the restraining order that is still in place in Louisiana. Oral argument is in December for the 6 th Circuit, and the 5 th Circuit will likely decide prior to the 6 th Circuit argument. Meanwhile, HISA continues to operate and has put together an Advisory Board that includes horsemen, none of whom are from the Southern Region. HISA's drug testing will begin in January. HISA's budget payment-per-start implementation will also begin in 2023.

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6. Discussion Re Kentucky HBPA Request	Ed requested and received the BOD's permission (<i>no objections</i>) to email our membership list (owners and trainers) to Kentucky's HBPA. (<i>See handout re email</i>)
7. Discussion Re Donation Request	Ed requested the Board's permission and a motion to donate to Shantel Lanerie Breast Cancer Foundation Fundraiser.
Motion Re Donation	<p>Motion made to make a \$500 Donation to the Shantel Lanerie Breast Cancer Foundation Fundraiser.</p> <p>Motion by: Michele Rodriguez Second by: Kevin Delahoussaye Motion Unanimously Passed</p>
8 Discussion Re LSRC Infrastructure Committee Update	Ed will email to the Board the RC's five sets of final recommendations from their Infrastructure Committee, which will be taken up at the RC's meeting next week at DED. The Committee recommended the Commission adopt those recommendations, which become official after the full Commission votes.
9 Discussion Re HHR Update	<p>Ed reported receiving regular updates from the RC for the FG, but has received little feedback for DED and EVD, who have not prepared similar reports. Ed estimates \$3M for the FG meet for HHR. John added that local small video poker operators have persuaded several municipal councils to introduce ordinances to recognize the OTBs as equivalent to the local bars/restaurants that are allowed no more than 3 HHR machines. It is on the agenda for Caddo Parish, who vetoed it, so LAD can proceed. The same premise is on the agenda today in St. Benard. We have a preliminary injunction in place in Westwego, Lafourche, and Gretna to stop them from proceeding. The temporary restraining order is not yet set but has caused them to "blink" as this is a State Law that will affect everyone. Conservatively, overall, the FG should have \$3M additional available for purses (minus <i>the QH \$1M payment</i>). DED is about the same as what took place last year. They have no video poker or HHR machines. The EVD and LAD machines are not generating much revenue. Ed reported the Houma facility will open November 2, and Covington in January. Boyd will likely act (<i>with HHR machines</i>) after the next Legislative session. Benard added that they are limited to 5 parlors.</p>
10 Discussion Re HBPA Building Repairs	Keith reported on the progress of the building repairs, stating that the deck was progressing nicely. The windows were measured and

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	ordered. Once the windows are in place and are watertight, they will begin patching the walls and areas around the windows.
11 Discussion Re National HBPA Convention	Ed reported that the March 2023 Convention will be in NOLA. LHBPA will host a Welcome Cocktail Party at the River Room at the host Monteleone Hotel. Ed will get figures from National regarding the cost. We are partially responsible for the cost of the "Day at the Fair Grounds." Typically, the tracks host this event, and we are hopeful they will cut a deal with National. Also, we would like to rent a van this year for the farm tours to Clear Creek and Elite. We will provide a tray of sandwiches for that event. Charlotte and Michele will work on the gift bags.
12 Discussion Re Claiming Crown	Ed reported that John is reviewing the contract from National for the November Claiming Crown in Kentucky and will make a few changes. Once it is complete, Eric will be ready to address our contract. The Board will be reaching out to sponsors to defer some of the purse money. Benard asked for the Board's permission to bring the Claiming Crown here. Ed stated the races are under a certain formula, but we can add races. Ed stated without sponsors, the cost would be close to \$1M from the purse account. Benard stated our Legislators want these events in the State. Benard confirmed that we voted previously to do the Claiming Crown. Board members will reach out to potential sponsors.
13. Discussion Re Equine Sales Facility	Benard asked Michele to report on the Equine Sales Facility. The Board elected to go into Executive Session.
Motion Re Into Executive Session	Motion made to go into Executive Session (11:40 am). Motion by: Kevin Delahoussaye Second by: Ron Faucheux Motion Unanimously Passed
Motion Re Out of Executive Session	Motion made to come out of Executive Session (12:24 pm). Motion by: Ron Faucheux Second by: Bret Calhoun Motion Unanimously Passed
14 Request to Update Bylaws	John and Ed requested the Board's permission to review and update the Bylaws focusing on amending the existing election language to allow Board candidates to "politic." John suggested an in Globo review of the Bylaws, focusing on the various amendments. The Board gave permission for John to review and


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	<p>update the Bylaws before the next election (<i>no motion was needed</i>). John will review the Bylaws and report back to the Board regarding his suggested amendments. John will also review the Bylaws for any potential issues regarding our non-profit status.</p>
<p>15 Discussion Re Legal Update</p>	<p>John stated he already covered legal update earlier in the meeting.</p>
<p>16 Discussion Re Track Report DED</p>	<p>Benard and other members discussed that DED needs to regularly water the track as it is extremely dry. There are also some non-compliance issues at DED regarding the whip rule, claiming rules, and shoeing rule (<i>on hold until January</i>).</p>
<p>Discussion Re HISA and purse distributions</p>	<p>John stated they met with the Attorney General and Charlie Gardner regarding whip rule violations. John said to remain equitable, we need the RC's authorization to distribute purse money based on the test results and confirmation there are no changes to the place order from any HISA violation. Ed stated, traditionally, HBPA (the following morning) released the purses for 2 -5 places. John prefers to wait for authorization from the stewards <i>via the RC</i> stating no further violations, and that we should hold 2-5 places until we receive the whip rule authorization. The Association is on occasion directing that purse money be placed on hold. Ed would like to have that direction in writing. HISA was contacted yesterday and asked for a timeline regarding their post-race violations, to which they responded they would respond in 2 days. We are hoping for a 24-hour timeline. The RC has taken the position they are not under HISA, and therefore, are not ordering distributions regarding HISA rules. John stated although we are obligated to follow our RC's guidelines, HISA's regulations usurp our RC's authority. Therefore, if HISA claims a whip rule violation, and the RC does not order a redistribution, we may receive a cease and desist, and are likely on the losing side if HISA claims the RC failed to follow HISA rules and regulations. We are unique in that we are 1 of 4 jurisdictions in the nation as a bookkeeper that has to interact with HISA. John stated the stay in place only regards certain issues. The 5th Circuit reversed, and we are waiting to hear if they will put the stay back in place so we can proceed at the State level. The best decision is if they find it unconstitutional; it will be 8-9 months before it reaches the Supreme Court. If the 5th Circuit rules the District Court was correct, then HISA stays in place, and they would have to rule on the restraining order, at which time we would have a hearing to determine if it becomes a permanent injunction. The constitutionality route would be the easiest.</p>

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<p>Discussion Re HISA drug testing</p>	<p>Ed began a discussion regarding HISA's drug testing which begins in January 2023 and stated there is no framework in place for purse distributions under HISA for these tests. Also, depending on the outcome, the RC's authority could be significantly altered, but it would still have licensing authority. Further discussion continued regarding the direct effects of other HISA regulations and the significant financial constraints they would bring to horsemen.</p>
<p>16 Discussion Re Track Report FG</p>	<p>Regarding the payout structure at the FG, Ed reported that they prepared the FG contact with the traditional pay-off structure, and Jason is aware that the Board does not support the 1% from purses.</p>
<p>16 Discussion Re Track Report DED and EVD and FG (continued)</p>	<p>Ed and John reported they solicited a bid from SIS, the company used by LAD for international fixed odds wagering. In January, changes at EVD and DED will bring more purse money to horsemen. Further discussion was had regarding local signals and purse money, and Ed and John said the RC is looking at this, and they are aiming to maximize our percentage and will have an update regarding FG and other locations at the next meeting.</p> <p>Currently, we rely on the tracks to perform the calculations to calculate pari-mutuel export purses. Ed requested and received the Board's permission to execute a contract with Chrims. For \$1500 per month, they can independently calculate and check the export purse calculations. During a potential second phase, Chrims will also begin to do the calculations at the Louisiana tracks.</p>
<p>Discussion Re HBPA Employees</p>	<p>Ed reported that they hired a new bookkeeper who will be trained at DED for a week. She will also work at the FG. John reported that another employee, Harry Wright, was hired to do the FG barn inspections. They are also searching for an additional full time FG Field Office employee.</p>
<p>17 Discussion Re Pension Report</p>	<p>Ed reported that they sent a new set of letters to members regarding direct deposit conversions but received only five applications. They will continue attempts to encourage direct deposit.</p>
<p>18 Discussion Re Medical Report</p>	<p>Ed reported that reserves were back up to \$2M and that benefits were where they need to be.</p>
<p>19 Discussion Re HWCIT Report</p>	<p>Mike reported that the second wave of horsemen would soon arrive at the Fair Grounds. John reported that they are working to</p>

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	expand the WC Program beyond Louisiana with the Kentucky farms and with other major trainers throughout the U.S.
New Business	Kevin requested that we consider implementing new check cashing programs that are now available.
Old Business	Members expressed disappointment that the FG's failed to meet their heightened purse expectations for the current meet (<i>post HHR machines</i>). John reported that the FG started with last year's purse structure. Ed intends to request at least a 10% increase (<i>overnights</i>) immediately for the second condition book. Projections are currently difficult and volatile. Ed believed the FG will be up 5%, conservatively. John stated, based on projections, the book should be up 12%. They predict increased purses with each subsequent condition book. They will also push for an equal playing field for the dirt and turf tracks.
Motion to Adjourn	Motion made to adjourn the meeting at 1:28 pm. Motion by: Michele Rodriguez Second by: Ron Faucheux Motion Unanimously Passed
Ratification	Minutes adopted on: <u>Jan. 17</u> , 2023.  Vickie Lory, Meeting Secretary