

Minutes of the LAHBPA Board of Directors Meeting

Date of Meeting	October 13, 2020
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 Bobby Dupre (<i>phone</i>) Keith Hernandez Any Leggio, Jr. (<i>arrived at 10:56 am</i>) Charlotte Stemmans Clavier (<i>phone</i>) Christine D. Early (<i>phone</i>) Bret Calhoun (<i>phone</i>) Ron Faucheux Don Stemmans (<i>phone</i>) Edward Johnston (<i>phone</i>) Kenneth L. Roberts (<i>phone</i>)
Board Members Not Present	Andy Leggio (<i>arrived at 10:56 am</i>)
Others in Attendance	Quint Davis (Jazz Fest) Ed Fenasci, Larry Hamburger, Mike Fenasci, John Duvieilh, Vickie Lory (<i>phone</i>)
<i>The President called the meeting to order</i>	<i>Time: 10:34 am</i>
Prayer Lead by	Christine Early
Discussion Quint Davis (Jazz Fest)	Mr. Davis addressed the Board explaining they would do everything to have Jazz Fest in April. but due to Covid, it may have to go in October. The turf course would be impacted, but the FG crew (<i>Pedro</i>) believes they can plant by November 1, and have it ready by January, or February at the latest. Pedro is confident it will grow in 8 weeks. Members questioned if there was a way to make horsemen whole. Mr. Davis stated there was not, but that Jazz Fest must happen, and turf racing has to happen. Ed stated their concern was the potential for the horses that race on the turf to go elsewhere. Mr. Davis explained they would have extra crews to remove everything in 12 days. The alternative dates would be October 8-17. When members questioned if it could be October 1, he explained the talent was confirmed already. JF would begin to bring in equipment on September 6 th . Kenny indicated they may have a QH meet there at that time, and since they are starting later at DED. After discussion, it was determined they would consider a revised schedule. Ron asked that Kenny look at their schedule and determine if it makes sense to run the QH race right after the TB race in April. Kenny indicated they would run (<i>at LAD</i>) until April

Minutes of the LAHBPA Board of Directors Meeting

	<p>11th, and then they go to DED. Mr. Davis and others pointed out <i>October</i> was just a contingency. Members responded they had to plan on it happening. Kenny reported they would be finished on July 31 (<i>DED</i>); and would likely start at the FG the week after August, 15. The lawsuit would also have an impact. If Jazz Fest moves to October, one solution would be to move the QH meet to EVD or DED for that year.</p>
Further discussion with Mr. Davis...	<p>Ed asked if there were any further questions. Charlotte mentioned the option of using matting (<i>by Loma</i>) on the turf course to protect the grass. Mr. Davis stated the covering they use allows grass to grow. He added they are also looking at clear roofing for the tents. Other ramp options for vehicles to cross over the track were discussed. Ron suggested an agreement with Churchill was needed that when the turf course is ready, we are allowed to run, adding that it was economically advantageous to them (<i>CDI</i>) not to run on the turf course. Ed added they would sit down with Jason and Pedro to discuss it further. Mr. Davis indicated they are also working with CDI on an amended contract with the FG in the event Jazz Fest moves to October. When asked when a decision would be made, Mr. David indicated he did not know and that it would depend on what is going on and what the City allows. He stated further that all their vendors and music talent are also waiting on their call.</p>
Further discussion with Mr. Davis...	<p>Ed asked if there were any further questions, and Benard thanked Mr. Davis. When asked if compensation would be offered if turf racing does not occur, <i>as guaranteed</i>, Mr. Davis said he did not think so, explaining that the Jazz & Heritage Foundation is a 501C3 and owned by a non-profit. Mr. Davis further stated that they do not know how the economy would affect ticket purchases. They have cut two days (<i>going to 6</i>), cut \$5M from the talent budget, and cut the budget about \$8M. They are doing everything to keep it alive. When asked if the City caps the number of people, would the turf be preserved and not used, Mr. Davis responded that the stages are on the turf course. Mr. Davis added that Doug Shipley said they would do what they have to do to get JF in and out and to get the turf up. Benard and Mr. Davis indicated we need a commitment from them (<i>CDI</i>). Bernard further stated they (<i>CDI</i>) have a financial stake from both sides. Bernard explained there was history of Churchill not fixing the turf course. Mr. Davis thanked the Board and indicated they need at least 45K tickets and their tickets are half the cost of some other fests. <i>Mr. Davis left at 11:02am.</i></p>
Discussion Re Desormeaux	<p><i>Ed called Mr. Desormeaux and gave him the call-in information for join the meeting, but they would wait until Keith was on the call.</i></p>
Financial Update	<p><i>(handouts were sent by email to the Board)</i> Larry reported that they were still in good shape in all areas and reported on the differences from 2019 to 2020. Medical was down some, Pension was better, and HWCIT was down, but it fluctuates based upon claims from year--to-year. Ed reported that currently HWCIT's numbers are good.</p>

Minutes of the LAHBPA Board of Directors Meeting

	<p><i>Keith Desormeaux logged on to the call at 11:05am. Benard indicated we would go back to the Financial update after speaking with Mr. Desormeaux...</i></p>
<p>Discussion Re Desormeaux presentation</p>	<p>Benard welcomed Mr. Desormeaux. Mr. Desormeaux indicated he wished to discuss the issues of voiding a claim on a sore horse. Adding that this commonsense rule has been implemented at all the major tracks. If a horse comes back from a race sore, lame or broken down, the vet at the receiving or test barn has the authority to void the claim. Indicating it is bad business to have new owners coming into the business without this rule. With this rule, a trainer may be less apt to run a sore horse without the anticipation of someone claiming the horse. This also protects the horse. Further stating its commonsense legislation to give owners the more confidence to claim horses. Ron asked what happens if the owner wants the sore horse. Mr. Desormeaux answered that the claimer has the ability to check a box on the form that they want the horse regardless of how the horse comes off. Brett indicated he agreed with Keith, although he was initially concerned about some gray areas. He added that he sees it as a better move to do more to protect horses, and that in KY it has prevented breakdowns. Keith added that from a public perception, it will prevent breakdowns and trainers from running horses to lose them. It makes for better horsemen, and you have to know what you are doing. He saw no negatives from this legislation. Keith responded to Ron's question that once the horse leaves the test barn, it belongs to the claimer. Brett stated it is a valid claim once the horse leaves the test barn. Keith responded to Ron's question that if a horse bleeds through the nose, is the claim still considered valid. Benard asked if there were other questions; there were none.</p> <p><i>Mr. Desormeaux logged off at 11:13am.</i></p>
<p>Returned to the Financial Update...</p>	<p>Ed reported that 4 of the 5 annual audits are complete and clean. Medical went down because Medical was able to continue functioning and paying benefits during the two disasters (<i>Covid and hurricane Laura</i>), but it lost revenue when the casinos were closed. When slots and video poker began again, revenue was restored. The Medical Trust currently has a healthy reserve of \$1.5M in assets.</p> <p>HWCIT had a rough claim year at the end of 2018 and early 2019 which has resulted in the IBNR number that Larry reported, which is an actuarial number of what the potential claims could be. Being conservative, they booked the full amount as a potential expense. However, he did not expect the claims to be at that high level.</p> <p>1993, Inc. has over a \$1M dedicated to WC that could, at the discretion of the Board, be moved to HWCIT. \$1M of the \$2.6M Larry reported is restricted to only WC expenses and can be moved if the Board decides that is what it wants to do.</p>

Minutes of the LAHBPA Board of Directors Meeting

	<p>Larry noted the Board could call him with any questions. The 5th audit is the Bookkeeper Audit, and it should be done by the end of the month. It will be a clean audit. Ed added that as the audits are accepted and posted by the Legislative Auditor's office, he gives them to Troy to post on our website. Medical and Pension are on our website, and he will electronically send 1993, Inc. and HWCIT to the Board.</p>
<p>Discussion Re OTBs and patron attendance</p>	<p>Benard and Ed reported that the OTBs at Racetracks (<i>FG and DED</i>) are currently closed, but the casinos are open. Members are concerned about the FG. A Board member reported he did not receive a renewal notice for his box, and another Board member fears the FG plans to conduct the meet with no patrons. The FG has given us no official notice of their plans, nor reasons the OTB at FG is closed. Ed offered to send a letter to the FG, copying the RC, and if necessary, send a letter to the RC inquiring when OTBs will open and what their plans are for patron attendance at upcoming meets. Chrissy indicated she received a letter stating they would not renew her box, which leads to the credence they plan not to have patrons attend. Keith confirmed they were not renewing boxes or having patrons attend, and there is no time frame. Ed stated they have not yet sent anything in writing.</p> <p>Eddie Johnston felt it was important to address this and added that new owners would only buy racehorses when they can go to the racetrack. Kenny added that he felt the Mayor's positions may have disallowed patron attendance. Kenny spoke with Jason, who stated they were trying to meet with the Mayor to allow patrons. Benard, however, advised caution, stating they may have misrepresented the Mayor's position, as she made them remove certain items from the Court's records. Members also felt they should be allowed the same attendance as the casinos, adding that EVD, DED and LAD have all had or will have spectators. Further discussions were held regarding the protocols in place at other racetracks. Benard stated they would address it right away. Eddie Johnston stated it should be aggressive. Benard added further that Covid tests are not required to enter the casino but are required to enter the backside. Benard stated they would send letters to all racetracks right away inquiring of their plans to open (<i>with copies to the RC</i>) and they will address the Mayor's position. Benard added that the FG has a financial interest in Jazz Fest occurring, regardless of the impact to the turf course.</p>
<p>Discussion continued...</p>	<p>Further discussion ensued regarding the potential need for policy to copy the RC on written communications with racetracks. Benard felt it was often a mistake to involve and possibly relinquish control to the RC unless urgency or specifics dictated the need. Ron, however, felt the RC should receive copies of HBPA letters to racetracks to avoid the RC being unaware of certain situations.</p>
<p>Motion</p>	<p>Motion made to</p>

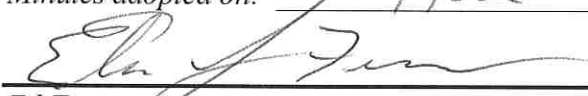
Minutes of the LAHBPA Board of Directors Meeting

	<p>Motion by: Second by: Motion Unanimously Passed</p>
Legal Update Re Fairness Hearing	<p><i>John Duvielh was not in attendance</i>, so Ed reported that the Fairness Hearing began last Wednesday. It will be rescheduled the hearing for the beginning of November. If the hearing goes well, we are one step closer to finalizing the lawsuit.</p>
Purse Update	<p>Ed sent his projections to the Board, and discussed each briefly: LAD: QH meet: He projected down 5.7% on overnight purses, with \$200K unpaid from last meet that the RC approved to add to the upcoming meet. We should be at \$51K/day for overnights at LAD. EVD: slots were better than the last projections, and because the meet will be 29 race days vs 45; he projected \$98K/day, which is up about 8.5%. It will be down about half the daily purse level. They are not making up the missed days but will run 15 races on two dates to make up one day. The FG meet ends on the 22nd and the EVD meet begins on the 23rd. There are no race days available to move it. Because it is a separate meet, the purse money has to be paid out in the FG meet, and they we switch to the EVD QH meet. Ed asked Kenny if he saw any other options. Kenny said no; they spoke with Chris, but Chris said they could not go back or forward because of the meet starting on the 23rd. Ed asked Kenny if the Sales Futurity was set for the 22, he replied yes, next Thursday. DED: With the meet being extended, they picked up a month of slot money that otherwise would not have paid out. He projected they would be 10% down from last year instead of around 20% down. Overnights would be 184-185/night. FG: With a carry-over from the last meet being canceled early, and despite the FG's discussions their handle will be down, he projects the parimutuels will be up significantly. He projects them at \$300+K/night on overnights, which is up 20% from last year. Ed was confident in his projections, and felt he was being conservative in parimutuels.</p>
Election Contract Timeline	<p>Ed reported they were at the wire for hiring the Election contractor. He received 2 bids.</p> <p>1). MK Elections: They performed the election the last three elections. Their last year's bid was \$16,100. They are looking to increase the bid to \$17,100. There is some flexibility in the printing and postage.</p> <p>2). Intelliscan: Their bid is lower at \$14,400 but given the track record they have had with MK Elections, and they also hand the TB and QH breeders elections... Charlotte agreed they do a good job.</p>
Motion	<p>Motion made to hire Kaleb with MK Election for the elections.</p>

Minutes of the LAHBPA Board of Directors Meeting

	<p>Motion by: Ron Faucheux Second by: Keith Hernandez Motion Unanimously Passed</p>
Hurricane Laura Update	Ed asked to go into Executive Session.
Motion	<p>Motion made to go into Executive Session at 11:41 am</p> <p>Motion by: Ron Faucheux Second by: Don Stemmans Motion Unanimously Passed</p>
Motion	<p>Motion made to come out of Executive Session at 11:47 am</p> <p>Motion by: Ron Faucheux Second by: Don Stemmans Motion Unanimously Passed</p>
Track Report	DED: They are working on the repairs and everything seems okay.
Track Report	EVD: The rail is damaged on the turf.
Track Report	FG: He passed there this morning. They are training and it looks beautiful.
Track Report	LAD: Kenny requested that the QH meet start be delayed two weeks and run two weeks longer, because of the extended DED meet. They were looking at the 11 th . Ed will send an official letter to LAD to delay the start 2 weeks and run 2 weeks longer.
Pension Report	Larry reported there are about 50 people now getting ACHs, and about 130 that are not, so they will send letters to those not getting direct deposits. It is more efficient and cost effective. Charlotte suggested it may require subsequent phone calls.
Medical Report	Chrissy asked if anyone had any questions. Benard said he appreciated the help the Trust has given to horsemen with stall rent. Chrissy stated it is the reason the Trust keeps reserves.
HWCIT Report	Mike reported we were below average on claims for the 1 st quarter of the year. Adding that 2018-19 was a bad claim year; it was helpful that 2019-20 was better to offset that one bad year. This year is doing well so far.
New Business	We received a request for a donation from the Backside Benevolent Fund for \$1500.00, and we also typically do a donation to REAP (Racing

Minutes of the LAHBPA Board of Directors Meeting

	Employees Assistance Program). Charlotte will send a written request for REAP for bookkeeping.
Motion	<p>Motion made to donate \$1500.00 to both the Backside Benevolent Fund and to REAP.</p> <p>Motion by: Christine Early Second by: Ron Faucheux Motion Unanimously Passed</p>
Old Business	<p>Benard added that at DED the HBPA trailer and the Chaplin trailer are damaged. The Chaplin trailer has a blue tarp on the roof. Ed reported they have a claim with their insurer, but he believes the deductible will be higher than the amount of damage. Once they go through the adjusting process, they will solicit for repairs. Benard felt we needed to mitigate the damages and repair the roof, and then attempt to get reimbursed. Ed will get that addressed. They are also soliciting estimates for the roof on the LAD trailer.</p> <p>Ed added they completed four audits, which were once again clean. He thanked Larry, Kristie, and the rest of the staff, who work with the auditors to provide the information.</p>
Motion to Adjourn	<p>Motion made to adjourn the meeting at 11:57am.</p> <p>Motion by: Christine Early Second by: Don Stemmans Motion Unanimously Passed</p>
Ratification	<p>Minutes adopted on: <u>1/22</u>, 2021.</p> <p> _____ Ed Fenasci</p>