

## BOARD OF DIRECTORS MEETING

MINUTES

10/27/15 10:30AM

Meeting Called to Order By	Benard Chatters
Type of Meeting	Board of Directors
Place	LAHBPA Main Office
Meeting Secretary	Larry Hamburger
Roll called by Larry Hamburger and Quorum Declared	Benard Chatters, Tom Abbott (10:40 Arrival and 1:25 Departure), Judy Behler, Sturges Ducoing (12:00PM Arrival), Bobby Dupre, Christine Early, Keith Hernandez, Eddie Johnston, Arthur Morrell, Don Stemmans. Bret Calhoun not Present.
Prayer Lead By	Chrisie Early
Other in Attendance	Ed Fenasci, Larry Hamburger, Mike Fenasci, John Duvieilh

**The President called the meeting to order**

Motion	<p>Motion to accept adoption of the minutes of the BOD meetings of 05/12/2015 and 06/22/15.</p> <p>Motion by: Christine Early Second by: Bobby Dupre Motion Unanimously Passed</p>
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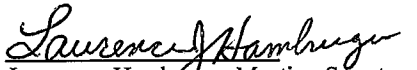
Presentation-Harry Burns	<p>Harry Burns made a proposal for consulting for the LAHBPA. He stated he would be of assistance with the bigger strategic business issues. He also stated that the industry has a branding issue. Our industry is getting older. Average age of players in our industry is 51 years old. Percentage of individuals who are playing game longer than 10 years is 70% of the total players. We are competing with casinos, online gaming and fantasy leagues. Churchill and others are focused on handle and only want to race on the big days. On big days, handle is up 23%. Normal days handle down 10%. Track owners will try and shorten meets and squeeze out the little guys. The track owners will come at us eventually in the legislature. We need to drive the brand especially with the young people. Churchill has bought online gaming company Big Fish and are trying to convert free players to paying players. We need to share in that arena of gaming (online). We do not want to become Blockbuster, Circuit City or Kodak. He wants to assist us in growing the business and make it self-sustaining. Eddie Johnston asked if this would compete against TVG and HRTV? Mr. Burns said no initially but said that would be part of a negotiation. 52% of people who sign up for an ADW account do not place a bet. We need to partner with a gaming company. Mr. Johnston asked could the companies compete with TVG, etc? John Duvieilh stated that the bettors and TVG are broadcasting the bigger purses (New York). Mr. Johnston wants to know should we get with Churchill in the infancy and not wait. Mr. Burns stated we play good defense now but we need to get good at offense.</p>
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Presentation (Continued)	<p>Mr. Johnston stated TVG runs us not the other way around. Mr. Duvieilh stated we need to get on Netflix and then players may by pass TVG completely. Ed Fenasci stated that those organizations are Oregon corporations. We played defense and carved out the Louisiana share. Betting going from track to online. Mr. Burns is as Louisiana guy and a lawyer. Then went to work for a cell phone company (Alltel). He helped launch wireless internet about nine billion dollar corporation. He wants to assist the horsemen. Mr. Johnston asked for Mr. Burns proposal. Mr. Burns stated he would work with us to determine his proposal. Bobby Dupre said he is concerned about the cost. Ed said Mr. Burns wants to cap it at \$2,500 per month. Mr. Burns said our cost is less than he charges. He will not charge us hourly. Mr. Dupre asked if he thought he could actually get Churchill to do something? Mr. Johnston and Keith Hernandez believe Boyd may be the biggest problem.</p>
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Presentation (Continued)	Mr. Burns said we need to be careful with negotiating with only one Track owner at a time. Mr. Duvielh said we need to get ahead or be along with the gaming companies, otherwise we may be told what we will share. Benard Chatters stated that it would take a lot of resources and would \$2,500 per month do it. Mr. Duvielh said the Board would need to make that decision. Mr. Burns said this would be a labor of love for him, less is possible. If the board thinks he can add value, then whatever is fair. Judy Behler asked if he was equipped to handle nation wide items for the industry? Mr. Burns said absolutely. Mr. Burns finished and left meeting.
Presentation-Audit	Audit Update by Todd Tournillon. Ed Fenasci introduced him. Mr. Tournillon reported on financial audits to the BOD, 1993 Inc, HAH, Inc, HIA, Medical Trust, Pension Trust and Bookkeeper. We are finished all the audits and have issued all clean reports(unmodified audit opinion). The financial statements are materially correct and are reported in accordance with GAAP. P&N also issues a separate letter with each report on internal controls in accordance to government standards and compliance. This is used to report recommendations, material weaknesses or items of non-compliance. They have no items to report. There reports are submitted to State Legislative Office.
Presentation-Audit (Cont.)	The State had no issues or questions for the last two years of audits. They will post the audits on their web site for the public. A new state requirement is now in affect to report the head of the agency compensation. The Executive Directors compensation is listed in the report. Last comment is that P&N received all requests asked for from the staff, timely. Christine Early asked for clarification of the report name. Also, Erickson Krentel is a consultant, whereas Postlewaite and Netterville are independent auditors.
Discussion	Judy Behler asked about Management Fees and various costs. Larry stated he would address her questions during the financial presentation.
Motion	Motion to go into Executive Session  Motion by: Keith Hernandez Second by: Bobby Dupre Motion Unanimously Passed
Motion	Motion to come out of Executive Session  Motion by: Christine Early Second by: Sturges Ducoing Motion Unanimously Passed
Discussion - Field Office Hire	Field Office Position - FG. Mr. Ducoing asked Mike Fenasci what candidate he recommended. Both Ed Fenasci and Mike Fenasci recommended Dot Sibille. Judy Behler asked where did we advertise position. Ed Fenasci stated on Web Site, Field Offices and at the main office.
Motion	Motion to hire Dot Sibille for the Field Office position at the Fair Grounds.  Motion by: Tom Abbott Second by: Eddie Johnston Motion Passed 8 Yea's one abstained (Judy Behler).
Presentation - Financial Update	Financial Update by Larry Hamburger. Ed Fenasci explained how and why LAHBPA charges Management Fee for shared expenses to the other entities. Reviewed all financials through August 2015; 1993 Inc Admin, HWCIT, Medical Trust and Pension Trust.

Presentation - Service Contracts	Ed Fenasci along with Troy Crovetto found a company called Ting to reduce the cost of cell phone usage. The monthly savings approximately \$700 (from \$1,000 down to \$300). Dumpster change to River Parish Disposal savings about \$300 per month. Air-condition contract for maintenance to save approximately \$400. Postage machine savings of \$225 per month. Phone Company for telephones changes would save \$100-\$150 per month.
Discussion	Tom Abbott wants a meeting of the Medical Trust because it has been a while since they met. Ed Fenasci will talk to Murray Woodward about setting up a meeting.
Presentation - Legislative Update	Bud Carson has an update and is being distributed to BOD. PAC setting up a meeting with John Bell Edwards for Monday. PAC will not talk to David Vitter. Arthur Morrell stated that organizations (LAHBPA) should not support any one candidate. Only individuals (horsemen) should support candidates.
Presentation - Track Reports	Delta Downs - Benard Chatters some issues but working on them. Evangeline Downs QH meet - some calls about camera at finish line, Mr. Chatters will discuss. Meet going okay. Still no track superintendant. Discussion about recommending someone to Evangeline Downs. Discussed track surfaces and Backside committee effectiveness. Delta Downs has a water problem. Discuss effectiveness of stewards at tracks and whether all three stewards should be employees of the LSRC. Fair Grounds - Sturges Ducoing track is better. Fair Grounds is addressing EPA issues. Discussion regarding whether the backside committee should review an advance copy of the condition book.
Presentation - New Business	Racing Commission to consider adopting the "California" claiming rule.
Motion	Motion to oppose California Rule  Motion by: Keith Hernandez Second by: Sturges Ducoing Motion Passed 6 Yea one Absrained
Motion	Motion to have a credit card issued to Larry Hamburger  Motion by: Bobby Dupre Second by: Christine Early Motion Unanimously Passed
Motion	Motion to Adjourn  Motion by: Bobby Dupre Second by: Judy Behler Motion Unanimously Passed

Adopted at Board Meeting of 01/12/16

  
Lawrence Hamburger, Meeting Secretary