

# BOARD OF DIRECTORS MEETING

## MINUTES

APR 3, 2012

10:00 AM

MEETING CALLED TO ORDER BY	Stanley Seelig
TYPE OF MEETING	Board of Directors
PLACE	LAHBPA Main Office
MEETING SECRETARY	Sandy Ray
ROLL CALLED BY ED FENASCI AND QUORUM DECLARED	Tom Abbott, Sam Breaux, Bobby Dupre, Christine Early, Marcia Lamarche, Arthur Morrell, Patrick Mouton, Kenneth Roberts, Don Stemmans, Terry Vance
PRAYER LEAD BY	Chrisie Early
OTHERS IN ATTENDANCE	Keith Gee, Ed Fenasci, Larry Hamburger, Mike Fenasci, John O'Brien, Tammy Broussard, Vinny Mosca, Albert Nicaud

### THE PRESIDENT CALLED THE MEETING TO ORDER

#### WAIVER OF NOTICE REQUIREMENTS

DISCUSSION	Waiver of 10-day notice requirement.
MOTION	Motion to waive notice requirements Motion by: Chrisie Early Second by: Bobby Dupre Motion passed unanimously

#### APPROVAL OF PAST BOARD MINUTES

DISCUSSION	Discussion regarding the Minutes possibly being too generic. Minutes should just touch on highlights of the meeting and the recordings are preserved on the server.
MOTION	Motion to approve Minutes of the Sep 13, 2011, Nov 8, 2011, Dec 13, 2011, Feb 7, 2012 and Mar 5, 2012 Board of Directors Meetings. Motion by: Chrisie Early Second by: Sam Breaux Motion passed unanimously

DISCUSSION	Discussion regarding agenda items to be discussed in Executive Session.
MOTION	Motion to go into Executive Session. Motion by: Chrisie Early Second by: Terry Vance Motion passed unanimously

RETURN FROM EXECUTIVE SESSION @ 11:35 AM

ARTHUR MORRELL RETURNED @ 11:38 AM

#### DONATIONS FOR BENEVOLENCE

STANLEY SEELIG/RONNIE DAWSON

DISCUSSION	Discussion regarding benevolence. Due to recent flooding, we have received several requests for assistance from members. Ronnie Dawson, our accountant from Erickson Krentel, read a revenue ruling put out by the IRS regarding 501 (c) (6) organizations. To be in compliance with the IRS, we would have to make like donations to all members, not just a few. Therefore, our accountant recommended that the HBPA not give any assistance to members suffering losses. In the future, the Charitable Foundation could be used, however, a way to fund it would have to be determined. Perhaps we can get the legislature to amend the Medical Benefit Trust statute to be able to offer a limited death benefit and limited benevolence benefits. Keith Gee said that he and Ed Fenasci spoke with the HBPA's lobbyists regarding changing the language in the Medical Benefit Trust statute to include death benefits, drug and alcohol counseling, chaplaincy, dental and eye glasses in addition to hospital, medical and physical therapy. Also discussed was the possibility of making a donation to REAP could in turn assist those in need but the HBPA wouldn't have any control over the money once donated.
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**PAYMENT OF BACK PAY TO TAMMY BROUSSARD****STANLEY SEELIG/RONNIE DAWSON**

<b>DISCUSSION</b>	Discussion regarding paying Tammy Broussard for back pay. The Board has voted to pay Tammy Broussard but there have been legal and accounting opinions putting up roadblocks for this. Ronnie Dawson found two laws that are potentially applicable to this matter. If an employee was illegally separated, that employee is entitled to back pay but the illegal separation must be determined by an appellate court. Albert Nicaud, Tammy Broussard's attorney, attended the meeting and said that he thinks he has a way to go about paying Ms. Broussard. Mr. Nicaud will prepare and submit a Demand Letter to the Board.
<b>MOTION</b>	Motion to go into Executive Session.  Motion by: Don Stemmans Second by: Pat Mouton Motion passed unanimously

**RETURN FROM EXECUTIVE SESSION**

<b>MOTION</b>	Motion to exit Executive Session.  Motion by: Marcia Lamarche Second by: Pat Mouton Motion passed unanimously
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<b>DISCUSSION</b>	To recap the discussion regarding payment of back pay to Tammy Broussard, once we get the Demand Letter, we will pass it on the insurance company to get the ball rolling. Hopefully, we will hear from them soon.
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**EMPLOYEE HEALTH INSURANCE**

<b>DISCUSSION</b>	Stan Anderson, our insurance agent with HUB International, explained several options to reduce the HBPA's cost for employee health insurance. Option 7, would save the HBPA \$120,000 a year and we would start an HRA, Healthcare Reimbursement Account, with the savings. The HRA would pay \$1,201 up to \$3,000 for employees' covered medical expensed, then Blue Cross kicks in. We can also start a HSA, Health Savings Account and the covered employees would contribute, pre-tax, to cover medical expenses with a \$3,100 maximum annual contribution. All of the unused portion would roll over each year. A TASC would be needed to manage the HSA at an approximate annual cost of \$3,500 annually. Mr. Morrell thinks that the employees should contribute to the cost of the monthly premium.  Also, all employees must be treated equally. Full-time, part-time and seasonal employees must be defined by job title.
<b>MOTION</b>	Motion to accept Option 7; the employee pays up to a \$1,200 deductible and HBPA pays \$1,201 up to \$3,000 through the HRA.  Motion by: Sam Breau Second by: Terry Vance Motion passed 9-1 <b>NAY: Arthur Morrell</b>
<b>MOTION</b>	Motion to hire a TASC to oversee the HRA. A committee comprised of Keith Gee, Ed Fenasci and Stanley Seelig will interview and select a TASC.  Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously
<b>MOTION</b>	Motion to establish a Healthcare Savings Account.  Motion by: Bobby Dupre Second by: Chrisie Early Motion passed unanimously <b>Marcia Lamarche was not in the room for the vote.</b>

**GALLAGHER AGENCY FEE****JOHN O'BRIEN**

<b>DISCUSSION</b>	Discussion regarding the invoice from Gallagher. This fee represents Gallagher's costs after the inception of the WCT to write policies to cover the out of state trainers. This was to eliminate the old captive.
<b>MOTION</b>	Motion to pay the Gallagher Agency Fee of \$5,000.  Motion by: Bobbie Dupre Second by: Terry Vance Motion passed unanimously

**AUDIT ISSUES****ED FENASCI**

<b>DISCUSSION</b>	Postlethwaite & Netterville, our auditors, have submitted the final 2010 consolidated audit to the Legislative Auditors for 1993, Inc. We have Engagement Letters for the 2011 bookkeepers and 1993, Inc. consolidated audits to consider. They have learned over time that there is a lot more time involved to complete the audits. P&N said that they've spent approximately an additional \$20,000 on the 2009 and 2010 audits and have asked that we consider paying them an additional \$2,900 each for those two years and they would eat the balance. A lot of the extra time was due to complications with the Legislative Auditors.
<b>MOTION</b>	Motion to pay the additional fees of \$2,900 a year for years 2009 and 2010 to Postlethwaite & Netterville.  Motion by: Chrisie Early Second by: Arthur Morrell Motion passed unanimously
<b>DISCUSSION</b>	We have Engagement Letters for 2011; Pension \$8,500, Medical \$11,500, bookkeeper \$18,000 and 1993, Inc. \$18,000 for a total of \$56,000. Of course, the Medical and Pension Trusts would have to approve their own fees. We will get a proposal from P&N regarding the WCT.
<b>MOTION</b>	Motion to approve the Engagement Letters from Postlethwaite & Netterville for 2011 audits for 1993, Inc. and bookkeeper accounts.  Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously

**CPA ENGAGEMENT FEES****ED FENASCI**

<b>DISCUSSION</b>	Engagement Letter from Ericksen Krentel to continue providing CPA services to the HBPA for 2012. We have cut their fees substantially because of the prep work done by Larry Hamburger. This includes Ericksen Krentel's consulting services, all our tax work and monthly compilations.
<b>MOTION</b>	Motion to accept Engagement Letter from Ericksen Krentel.  Motion by: Chrisie Early Second by: Marcia Lamarche Motion passed unanimously

**MERRILL LYNCH INVESTMENTS****ED FENASCI**

<b>DISCUSSION</b>	Ed Fenasci reviewed options for investing; CD's BlackRock, etc. Tommy Brennan, our broker, has suggested that we obtain an attorney General's opinion regarding investing in BlackRock. The money in the bookkeeper account should be invested in low-risk investments. 1993, Inc. keeps the interest earned on that money. Interest rates have been so low that we could go to the Legislature and have the tracks handle the account, however, when interest rates go back up, we would want to have control. Taking into consideration the pros and cons, we should try to get the AG opinion before making a move.
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**HORSEMEN'S JOURNAL SUBSIDY AND INDUSTRY INITIATIVE FUND****ED FENASCI**

<b>DISCUSSION</b>	Horsemen's Journal subsidy does 4 issues a year and is asking for \$7,112 plus the cost of mailing of approximately \$3,500. Only affiliates paying the subsidy will be allowed to contribute articles to the Journal.
<b>MOTION</b>	Motion to commit to the Horsemen's Journal subsidy in the amount of \$7,112 plus mailing costs.  Motion by: Sam Breaux Second by: Marcia Lamarche Motion passed unanimously

**BACKSIDE UPDATES**

<b>DISCUSSION</b>	Sam Breaux said he'd like to remove and replace Guy Tauzin and to add another person (Tom Abbott and Brett Brinkman) to the Evangeline Downs Backside Committee. Stanley Seelig removed all members from the committee and then reappointed Sam Breaux, Alvin Sider and Terry Vance and appointed Tom Abbott and Brett Brinkman.  Sam Breaux said that the track looks good at Evangeline Downs.  After the Fair Grounds meet, Stanley Seelig heard of several problems with the track surface being too hard. River sand was used previously but now a less expensive surface material is being bought; less clay in it. The turf course is a mess due to the Jazz Fest.  We have a transition from Delta to Fair Grounds issue. Delta ends on July 14 <sup>th</sup> so we have until the 24 <sup>th</sup> and Fair Grounds starts August 15 <sup>th</sup> and will open on August 1 <sup>st</sup> . Delta and Fair Grounds are attempting to work things out.
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**NEW BUSINESS****ELIMINATE \$80 PAY DOWN**

<b>DISCUSSION</b>	Pat Mouton said that he would like to do away with the pay down before Evangeline and Delta open. Sam Breaux said that 14 horses have been running at Evangeline and Tom Abbott agreed that it a big chunk of money to take from the purse. Arthur Morrell said that he would like to keep the pay down but only through 9 <sup>th</sup> place.
<b>MOTION</b>	Motion to eliminate the \$80 pay down at all tracks for all breeds.  Motion by: Pat Mouton Second by: Sam Breaux Motion passed 7-2 <b>NAY: Arthur Morrell, Don Stemmans ABSTAIN: Tom Abbott</b>
<b>SUBSTITUTE MOTION</b>	Motion to keep the \$80 pay down but only through 9 <sup>th</sup> place. <b>(VOTED ON PRIOR TO ORIGINAL MOTION)</b>  Motion by: Arthur Morrell Second by: Don Stemmans Motion failed 3-6 <b>NAY: Sam Breaux, Chrisie Early, Marcia Lamarche, Patrick Mouton, Kenny Roberts, Terry Vance ABSTAIN: Tom Abbott</b>

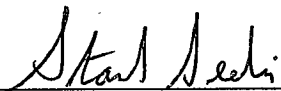
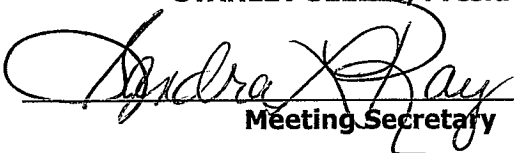
**DERIVATIVE SUIT**

<b>DISCUSSION</b>	Arthur Morrell said that when the written settlement agreement we all review and if there are no objections, Stanley Seelig will have the authority to sign . P.J. Stakelum and Stanley Seelig feel that Liz Roussel should be given the settlement agreement and render her opinion.
<b>MOTION</b>	Motion to allow Liz Roussel the opportunity to render her opinion on the Settlement Agreement to the BOD. Then the Directors will make their decision, if there are no objections, Stanley Seelig will have the authority to sing it. If there are objections, then the BOD will have to meet.  Motion by: Bobby Dupre Second by: Terry Vance Motion passed 9-1 <b>NAY: Chrisie Early</b>

<b>DISCUSSION</b>	Chrisie Early asked Piroplasmosis test. Stanley has already had a conversation with the LSRC and they have done away with one of the required two tests. They are looking at the issue and will let us know if they will no longer require it or whether they decide to keep it a while longer. Terry Vance spoke with the vet who said if six-eight months passed without a positive, he would recommend doing away with it.  Stanley Seelig he has also asked to shorten the period of time for the horse on the vet list. Terry Vance also said that the horse should be able to keep his race date instead of waiting until the blood work comes back which could be a month. Stanley will look into that as well.  The 2011 management fees have been reviewed and should be reduced to Medical. It will help Medical but hurt 1993, Inc.  Tom Abbott asked the closing date of the Legislative Session. He said that he would like to terminate the lobbyists and ask for new applications. The current lobbyists would be welcomed to reapply. Stanley Seelig said that he has some thoughts on that matter and he will bring up in Executive Session at the next meeting.
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**MOTION TO ADJOURN**

<b>MOTION</b>	Motion to Adjourn.  Motion by: Marcia Lamarche Second by: Chrisie Early Motion passed unanimously
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**STANLEY SEELIG, President**7-17-12**DATE**  
**Meeting Secretary**7/17/12  
**DATE**