

BOARD OF DIRECTORS

MINUTES

9-1-2010

10:30

DONS SEAFOOD - LAFAYETTE

MEETING CALLED BY	Sean Alfortish
TYPE OF MEETING	BOD Meeting
FACILITATOR	Dons Seafood
NOTE TAKER	Rachelle Mischler
ROLL CALL-MONA ROMERO	Sean Alfortish, Keith Bourgeois, Christine Early, Sam David, Gerald Romero, Sam Breau, Don Hargroder, Evelyn Benoit, Larry Robideaux, Carol Castille Absent: Billy Foreman
PRAYER	Christine Early

Quorum is formed

Others in attendance: Mona Romero, Jim Gelpi, Ed Fenasci, Murray Woodward, Liz Rousel, Mike Fawer, Ronnie Dawson

MOTION	Motion to approve minutes from 7-13-10 Board of Directors meeting with amended changes. Keith Bourgeois did attend meeting via call in; add Mona Romero to attendee list.
Motion By: Christine Early Second By: Sam David Motion passed unanimously	
FINANCE COMMITTEE REPORT	
ED FENASCI	Ed Fenasci introduced Ronnie Dawson of Erickson Krentel & LaPorte LLP. Mr. Dawson has been working with Ed for over a month with the transition from the former accounting firm to what will produce through our own data base. Mr. Dawson has been assisting Ed with journal entries and will maintain the general ledger. There is a necessity for someone on the board to have some financial expertise and Mr. Dawson can provide this to the board. (Jim Gelpi) this will come up later in the meeting in regard to the need of an audit committee.

ACCOUNTING CORRECTION & ADJUSTMENTS TO 93INC.

ED FENASCI

	Cost allocations of 93inc: 93inc has born the cost of lobbying with no reimbursement form other entities. Going back from the period of August 2006 through present. That number through June 30 th totals 320 thousand dollars. After researching, there were no reasons found why Workers Compensation program was not paying its share of lobbying cost. Workers Compensation field trailers owned by Medical and 93 inc but are primarily used for Workers Comp. A suggestion was made to charge rent to the workers compensation program. It would probably be better to reimburse 93inc for purchasing the trailers. 93inc. pays portion of general counsel retainer without being reimbursed by the workers compensation program. Pension and Medical pay direct retainers for legal representation. Going back to at least 2006 that retainer and any portion of specific legal cost created by lawsuits that include workers comp were not reimbursed to 93inc. In the past request were sent to Laporte to come in and look at the different entities (tax work; calculations of work) and we never received a response from them. Laporte was sometimes taking a year to get reports to the HBPA.
MOTION	Motion: Finance Committee recommend that mobile field offices, legal and lobbying fee's cost be allocated to proper entities and transfer the funds to 93inc after secretary treasurer gets reports
Motion By: Sam David Second By: Carrol Castille Motion Passed Unanimously	

INVESTMENT OF HAH, INC**ED FENASCI**

DISCUSSION	<p>After lengthy discussions with Jim and Scott Penwell, Ed learned that HAH has never held a checking account. The way Mr. Penwell described to Ed is when an investment is needed to make sure the Cayman Island Company has a minimum reserve required by the Cayman Island Monetary Authority HAH should be making that investment to the Cayman Island Company. Without a checking account the money goes directly from 93Inc to the Cayman Island bank account with Butterfield Bank. It would be an improvement if HAH had its own checking account. When 93 Inc makes its investment it would make it properly into HAH; HAH would then properly make the investment into HIA. Ed recommends to the board that a checking account be opened with FNBC for HAH. The Cayman Monetary Authority requires a 300 thousand dollar minimum reserve for this policy. Ed is recommending 500 thousand dollars be deposited into this new checking account if approved.</p> <p>Carrol Castille asked Ed to explain where this money would come from. Ed explained that right now the workers comp program has approximately 3 million dollars in the reserve fund and approaching 1 million in the premium account. One more payment in September would need to come out of that account. The way the account is functioned, we generally build up funds in anticipation of paying the next policy premium to Chartis.</p> <p>Sean: the reason that's done is so the Premium does not have to be financed. When you finance the premium additional interest is tagged on. So it saves money every year by having the money in reserve. The Cayman Island Monetary Authority sets the minimum reserve by looking at claims and operational cost.</p>
<p>MOTION: TO OPEN A CHECKING ACCOUNT FOR HAH @ FNBC AND TRANSFER UP TO 500 THOUSAND DOLLARS FROM THE WORKERS COMP ACCOUNT.</p> <p>Motion By: Carrol Castille Second By: Don Hargroder Motion Passed Unanimously</p>	
<p align="center">INVESTMENT IN BLACKROCK & PLAN FOR 1993 INC IN THE FUTURE (ED FENASCI)</p>	
DISCUSSION	<p>Sean: Ed will be talking about the declining interest rate issue that we are having in 93 Inc, which everyone that runs on interest rates is seeing. We are going to try to take a proactive approach to aggressively seeing if we can invest money that would give a better return on the capitol.</p> <p>ED: When Ed took over as Secretary Treasure he had a series of meetings with Capitol One, Chase and Merrill Lynch. These are the three primary facilities that we have funds on deposit with. Ed was not happy with the fees that Capitol One and Chase were charging or the rate of return from the overnight sweeps. Ed requested from all 3 financial institutions, options on how to improve our return on investment. Capitol One said there was nothing that they could do for us. Merrill Lynch was the opposite; they would begin researching options for this organization to try an increase the return on investments. The Bookkeeper has approximately 10 million dollars on deposit with Merrill Lynch. Has historically been invested in a 5 year ladder CD program. This money is FDIC insured. Unfortunately money on that return has dropped. The best they can do is 2.6% return on the money committing the money for 5 years. If you purchase the CD for 5 years at 2.6% and suppose in 8 months from now the interest rates go up, you pretty much have to hold till its maturity because the values will drop. Ed does not think this is in the best interest of the organization. Merrill Lynch went back to Ed with another investment proposal. Merrill Lynch has recently merged with Blackrock. Blackrock is a very big Capitol Investment Firm. Blackrock made a proposal to the finance committee. A slight risk would be involved in order to receive a huge return. WE would go from being completely FDIC insured to investments in Corporate Bonds of A rated companies. Limits on any one investment are less than 5%. Ed's opinion is that is a very conservative investment. It is recommended that 2 million dollars be invested to begin. This is also a recommendation from the finance committee.</p>
<p>Motion: From recommendation of the finance committee to the Board: to invest 2 million dollars into investment from Merrill Lynch account to Blackrock.</p> <p>Motion By: Christine Early Second By: Don Hargroder Motion passed unanimously</p>	

UPDATE ON FNBC**ED FENASCI**

DISCUSSION	<p>The board instructed Ed to move bookkeeper checking account from Capital One to FNBC. In interim, checking accounts were set up and immediately on that money FNBC was offering 5% interest on nightly deposits vs. what the sweep was at Capital One. Capital One was giving .0025 on nightly sweeps FNBC is giving .25 interests and its not sweeping its just sitting in the checking account. The board instructed Ed to move funds not needed to support checking activity over to FNBC in advance to moving the operational checking account to FNBC. Two million was comfortably moved to date. Have received the new checks for the new account. Target date to use the new account is late September. Have arranged with FNBC to</p>
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	have Chase Banks in the Lafayette, Bossier and Vinton areas to honor the FNBC checks. Members can still get their checks cashed at Chase Bank. The next step will be to meet with them on investment sweep options on overnight sweeps.
Sean wanted to commend Ed Fenasci on all of the hard work that he has been doing. Everything is running more smoothly since he has taken over.	
MOTION	Motion to enter Executive session
Motion by: Gerald Romero Second by: Christine Early Motion Passed unanimously	
Motion to Exit Executive Session Motion By: Christine Early Second By: Sam David Motion passed unanimously	

LEGAL INVOICES

ED FENASCI

DISCUSSION	Approval from the Board is needed to pay legal invoice from Shinkus in the amount of 203.38 for Cricket Romero
Motion to approve invoice from Schinkus in the amount of \$203.38 for Cricket Romero Motion By: Christine Early Second By: Sam David Motion Passed Unanimously	
Approval from the Board is needed to pay legal invoice from Habens and Carrier in the amount of \$528.55 and an additional retainer of 10,000 for Mona Romero	
Motion to approve invoice of \$528.55 and additional 10,000 for additional retainer to Habens and Carrier for Mona Romero Motion By: Christine Early Second By: Sam David Motion passed unanimously	
BYLAW REVISION PROJECT-JIM GELPI	A list of proposed Bylaw Revisions was handed out. These recommendations were gathered from the board and members from the last General meeting. Jim asked the Board to please state yes if they like the revision and nay if they do not think the change is good. Please see attached handout.
Motion that the Board Should elect the Chairman of the Board Motion By: Christine Early Second By: Sam David Motion Passed	
Motion to draft By Law to establish minimum qualifications for CEO and or Ex Director Motion By: Evelyn Benoit Second By: Christine Early Motion Passed	
Motion to reduce record retention to 5 years unless law requires longer Motion By: Carrol Castille Second By: Gerald Romero Motion Passed	
Motion to merge finance and audit committees to meet standards of IRS and CPA Motion By: Christine Early Second By: Carrol Castille Motion Passed	

HARRAH'S	Harrah's Louisiana Downs Settlement	Jim Gelpi
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This was discussed in Executive Session and recommendations have been made in regard to that issue.

WORKERS COMPENSATION PROGRAM

SEAN ALFORTISH/ED FENASCI

DISCUSSION	Not much to report on the program other than competing bids for TPA services from Gallagher Bassett. Mike Fenasci is evaluating those proposals and it will come back to the Board.	
LSRC MEETING REPORT	The main issue is the Mandatory Requirement of Piroplasmosis testing. Piroplasmosis is a tick born disease that can affect horses. This disease is transmitted by blood. LSRC said other states have implemented this mandatory rule this is not so, it was certain racetracks in other states that are implementing this rule. LSRC is the first to implement this rule for all racetracks in LA. Certificates will have to come from a Texas Lab since LSU does not test or issue these certificates. This was passed by Emergency Rule and no Emergency has been identified.	
Motion to put an injunction to stop the Emergency Rule concerning Piroplasmosis until its state mandated and or the Senate Sub Committee of Commerce to Stop the Emergency rule.		
Motion By: Carrol Castille Second By: Sam David Motion Passed Unanimously		
Motion to retain David McFadden with a cap of \$1500 to help with the Piroplasmosis issue		
Motion By; Gerald Romero Second By: Christine Early Motion passed unanimously		

BACKSIDE COMMITTEE REPORTS

LAD LARRY ROBIDEAUX	New Awnings going up. AC's went out in sleeping rooms, they are being replaced. Turf and dirt course is good.
EVD/DELTA SEAN ALFORTISH	Move off date is set for September 19 th and move on Delta September 18 th . Will continue talks to get in early to bed down stalls at Delta.
Fair Grounds Sean Alfortish – Should have an answer on move on date by Friday. Safety helmets: the new safety regulation helmets will be enforced. Mona: we have 40,000 in our safety fund. We would like to put on a Safety Fair and partner with Ranch Outlet to get these helmets at a discounted rate for the horsemen in Lafayette and the Fair Grounds. These new helmets will help with our Safety Program in the Workers Comp Department.	
CONSIDERATION OF SETTING UP A LEGAL DEFENSE FUND VIA DONATIONS	
This is for Legal Defense for horsemen or trainers that are brought in front of the Racing Commission to retain experts. The LSRC does not let Sean Represent the horsemen, they say it's a conflict. This fund would help horsemen in defending themselves or if they are in need of an expert.	
MOTION TO ADJOURN Motion By: Sam Breaux Second By: Christine Early Motion Passed unanimously	