

LQHBA Board of Directors Meeting

Tuesday, November 14, 2017

9:00 A.M.

Teleconference Meeting

LQHBA Office

Alexandria, LA

AGENDA

Lyle Guillory called the meeting to order.

All members of the board were present with the exception of Stevie Romero. Attorney Henry C. Gahagan, Jr., Nick Gautreaux and Don Cravins also joined via telephone conference call. A quorum was established. Lyle Guillory called the meeting to order @ 9:03 AM.

Motion by Dutcher Jumonville, to approve the minutes from the September 29, 2017 board meeting. Motion seconded by Timothy Rogers. **Motion passed. No oppositions.**

Nick Gautreaux, spoke to the Board on the Riverboat Gaming.

Don Cravins, spoke to the Board about the Fair Grounds.

Tony Patterson, sent a letter to LTBA on table gaming and he hasn't received a response from them. The Board asked Tony to continue working on the research of table gaming along with Dr. Larry Findley.

LQHBA Attorney Henry Coley Gahagan, Jr., working along with Tony Patterson and Lyle Guillory put together an informative demand letter addressed to the HBPA in efforts to try and get some assistance with the LQHBA Sale Futurity which is traditionally held in September. We would like the Sale Futurity to be reinstated without any further promotional payments by the LQHBA.

LQHBA Attorney Henry Coley Gahagan, Jr., asked Tony Patterson on the history of promotional payments has been for the past 4 or 5 years.

2013 - 1st time they came to LQHBA asking about helping sponsor the meeting for \$7,500.

2014 – The LQHBA Board voted not to make the payment they asked for \$10,000.

2015 – At the April Commission meeting they basically blindsided us and got up in front of the commission and requested us to sign a commitment to pay \$10,000 to get the racing days that we wanted.

2016 – We paid \$10,000

2017 – They went up to \$15,000. We chose not to pay that. They went back to \$10,000 and the board chose not to pay that.

We paid them 3 out of 5 years.

LQHBA Attorney Henry Coley Gahagan, Jr., gave his opinion on the Fair Grounds request.

Tony Patterson, spoke about LQHBA Attorney Henry Coley Gahagan, Jr., tediously going over the contract from InCompass. The contract from InCompass was extremely one sided. The annual cost has currently been reduced from \$38,000 to \$31,000. Tony Patterson and Henry Coley Gahagan, Jr. think that there is still some wiggle room to lower the annual cost. We agree that we should be able to get \$4,000 to \$6,000 lower per year. LQHBA Attorney Henry Coley Gahagan, Jr., stated that the Jockey Club is the owner of InCompass. Mr. Coley, and their attorney Mark Summers were able to work on the contract. It became clear that InCompass was being paid \$112,250 by the LQHBA to completely develop a software product that InCompass will own outright and then they can turn around and sell to any other similar organization that which the LQHBA has paid for. This is unfair because we are also being requested to pay \$2,000 a month, with a 5% annual increase and we are now stuck with this program to use for the determination of a lot of information regarding our breeders and payments of breeder awards. They were going to stick us with an additional 5% annually and then we still must also utilize a specific third-party interface called Sales Force. That total was getting ridiculously high, especially 5,6,7 and 8 years out with the 5% annual increase. Mr. Coley, got with Tony and Lyle and gave suggestions on how to save us some money. If we are paying 100% of the cost of the development of the software and they are sticking us with 100%

of the third-party cost, plus 5%, I think it is too rich for us. We need to see if we can get a lower price. This is a suggestion from Mr. Coley.

Lyle Guillory, asked Tony Patterson to continue to work on the negotiations with InCompass.

Michael Hayes, and the Advertising Committee, are looking into TVG to televise the 2018 Louisiana Million and we just don't have enough information yet. They originally wanted \$45,000 to cover it. May ask stallion owners to help with the cost through advertising. Also, thought about corporate sponsors to help with the cost but, you can't bring in sponsors that the track doesn't use (example bring in Coke and the track uses Pepsi products). Lyle Guillory, spoke that himself and Tony Patterson are putting packages together for corporate sponsorship.

The Advertising budget for 2018 is \$11,000 and that doesn't include any of the sale advertising. That includes our scholarship program and activities at the tracks, stallion auction, etc. We will use the promotional budget which is \$75,000 proposed in 2018 and \$53,000 of that goes to Stallion-e-search. There is about \$22,000 left and that is for advertising of our futurities & derbies, etc. We do need sponsorships.

Mike Hayes said that Evangeline Downs couldn't put up our logo banner at the finals.

Mike Hayes ask Leigh Lepinski to speak about the band that she got for the finals for the Louisiana Million and Breeders' Derby. Leigh spoke that they are going to start playing after the Louisiana Million in Mojo's and will sing the National Anthem.

Motion by Leigh Lepinski to hire a band for the entertainment at the finals of the 2017 Louisiana Million, and 2017 Breeder's Derby. Motion seconded by Dr. Larry Findley. **Motion passed. No oppositions.**

Motion by Dr. Larry Findley to approve the street performers for the 2017 Louisiana Million and Breeders Derby final night. Motion seconded by Michael Hayes. **Motion passed. No oppositions.**

Dr. Larry Findley of the Fees Committee, went over possibly making some increases in consignment fees to the sales. He asked that the Yearling Sale Consignment fee be raised to \$500 by May 1st and \$100 late penalty to any turned in after the May 1st postmark date. The Fall Mixed Sale consignment fee be raised to \$350 with a late fee of \$100 if not in by the requested date. Leave all other fees as they are. Asked for a motion to be made.

Lyle Guillory, made a motion for the Yearling Sale Consignment fee be raised to \$500 starting in 2018.

Lyle Guillory withdrew his motion and ask Natalie Montgomery to make the motion.

Dr. Natalie Montgomery, made a motion to increase the Yearling Sale consignment fee to \$500 starting in 2018. Motion seconded by JoBaya Foreman. **Motion passed. No oppositions.**

Dr. Natalie Montgomery, made a motion to increase the Fall Mixed Sale Consignment fee to \$350 starting in 2018. Motion seconded by Dr. Larry Findley. **Motion passed. No oppositions.**

Kirt Chaisson, of the Finance Committee, went over the 2018 proposed budget that projects a loss of \$12,600. He asks that the board look over the budget at the next board meeting because 2014, 2015, 2016 and now 2017, were all in the red. If we continue to come out of the general fund, we will not make as much interest and dividends on our money and we need to establish a threshold or limit that we want to be no less than - \$2 million or \$1.8 in the general fund and stay constant at all times. The general fund does keep declining every year.

Dr. Larry Findley, made a motion to accept the 2018 LQHBA Proposed Budget. Motion seconded by Dutcher Jumonville. **Motion passed. No oppositions.**

Michael Hayes of the Personnel Committee, asked to go into executive session.

Motion by Michael Hayes for meeting to go into executive session at 9:51 A.M. Motion seconded by Larry Findley. **Motion passed. No oppositions.**

Meeting called back to order @ 10:01 A.M.

Dr. Natalie Montgomery of the Membership Committee, suggested a person be a member to buy a horse at the LQHBA Sale(s). Stallion owners must be members of the LQHBA to receive their stallion awards.

Dr. Larry Findley, of the Hall of Fame Committee, feels that we need to induct one horse and one person per year and that

was passed by the board in a previous meeting.

Leigh Lepinski of the Youth Committee, is working on the scholarship applications and they will now go through a committee for recommendation. There will be a part on the scholarship applications for affiliation with the LQHBA, academic achievement, grade point average, and financial need. Limit the scholarships granted through the application process to \$20,000 or \$25,000 a year.

The next thing that we need to discuss is the Rose Landry Long Scholarship donation of \$5,000 a year for five (5) years and is to be funded through our youth scholarship fund.

Motion by Michael Hayes, for the LQHBA to pay \$5,000 a year for five (5) years to the Rose Landry Long Scholarship program funded from of the LQHBA youth scholarship program. Motion seconded by Dr. Larry Findley. **Motion passed. No oppositions.**

Dr. Larry Findley, of the Trainer Liaison Committee, nothing to report.

Ryan Robicheaux, of the Sale Committee, nothing to report. He is looking over other consignment forms from other sales.

Tony Patterson, went over the numbers of the 2017 foaling reports and out of state mares.

Tony Patterson, went over breeder awards and purse splits.

Motion to adjourn by Leigh Lepinski. Motion seconded by Julien Stevens, III. **Motion passed. No oppositions.**

President Signature

Date

Secretary/Treasurer Signature

Date