

LQHBA Board of Directors Meeting

Friday, July 7, 2017

9:00 A.M.

Teleconference

Alexandria, LA

Minutes

All members of the board were present. Attorney Henry C. Gahagan, Jr., Joe Mapes, Bilee Yelverton and Nick Gautreaux 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 of the April 8, 2017 board meeting. Motion seconded by Natalie Montgomery. **Motion passed. No oppositions.**

Tony Patterson stated that there were 2 sets of minutes that are missing. A conference call that decided the dates and other decisions regarding the 2017 LQHBA Yearling Sale, and another was a conference call that decided the dates of the 2017 LQHBA Fall Mixed Sale and The Louisiana Million Final.

Tony Patterson presented the financial reports.

Operating expenses

Advertising \$3,500 should be moved to promotions

Printing \$12,000 is calendar and should be moved to promotions.

Will help advertising printing bucket, but promotions spending will be high.

Page 5 Other revenue and expenses. Our interest is currently lower than last year. We budgeted a little increase over last year. I'll call Tim Brown at Wells Fargo see what the issue is this year. If you look down at our change in assets you see that we are \$74,000 in the hole compared to last year. Last year we showed a \$33,000 profit at this time but, you have to remember that the interest not previously recognized of \$139,000 was a one time help and that income should have been booked in 2005, 2006 and 2007 and it wasn't. We used it last year to balance the budget but we can't use it this year. So, if you take the \$139,000 out from last year, we are actually about \$30,000 to \$32,000 ahead at this point than we were the same time last year.

Lyle asked Kirt Chaisson to go ahead and give the Finance Committee report since we are discussing financials.

Finance committee met on Friday, June 30, 2017 in Opelousas. Larry Findley, Kirt Chaisson, Timothy Rogers, Kenny Patton, Stevie Romero and Tony Patterson. We went through each line item to see where we are spending money and where we thought we could cut. Kirt feels it was a very good and productive meeting.

Tony Patterson went over the following proposal from the financial committee.

FEES – Gradual increases of a few fees.

Stallion Awards Fee – increase \$50 to \$300 for 2018

Out of State Mare Fees – increase \$25 to \$225 for 2018

ADVERTISING – Eliminate general (non-sale) trade magazine advertising

Cut Advertising Budget by \$10,000 (1/3rd)

BOARD MEETINGS – Eliminate the \$150 board member funding and mileage.

Hold majority of the board meetings at the LQHBA Office in Alexandria.

This would save \$9,000 from the budget.

PROFESSIONAL EXPENSE – Eliminate Voter Voice – saving \$2,000

Hire new CPA firm that can E-File our Taxes (this is currently done through another CPA Firm) – saving of \$1,500.

RACETRACK PROMOTIONS – Possibly eliminate LQHBA annual calendar – savings of \$15,000 including envelopes and postage.

The Fair Grounds Marketing - not going to do this anymore -savings of \$10,000 - \$15,000

Louisiana Sports Hall of Fame – 2017 is the last year to fund – saving \$5,000/year
Eliminate “Open Bar” at scholarship events – give 2 drink tickets to participants – then cash bar beyond that approximately \$1,000 savings.

DONATIONS – cut by \$4,000 - \$5,000

OUT OF STATE MARE EXPENSE – Revisit entire process.

CHAMPIONS DAY EXPENSES – Eliminate (savings of \$3,500)

**** This would increase support & revenue by approximately \$18,000.

This would decrease expenses by a minimum of \$60,000.

End Result: \$78,000.

Lyle Guillory had asked the financial committee to see how they could cut the budget by 15% and these are the recommendations that the financial committee came back with. Lyle stated that the board would come back to this later in the meeting.

Motion by Kenny Patton to approve the financial statement reports. Motion seconded by Leigh Lepinski. ***Motion passed. No oppositions.***

Nick Gautreaux spoke to the board regarding the Legislative Auditor. He said that he would get information and possibly get some training for the staff.

Joe Mapes spoke to the board about the legislators continuing to push for the removal of statutory dedications. The association did very well in helping defeat both of the bills authored by Rep. Jay Morris. They were able to have Senator Jim Fannin amend his bill on commercial farming because it originally had abolished the sales tax exemption on horses. After Senator Fannin’s bill was amended, the sales tax exemption on horses is still intact. Overall, it was a good legislative session for our Association.

Nick Gautreaux, stated a bill may be filed, stating if you own an interest in a casino or riverboat gaming facility that you can’t own a racetrack casino. The reason being to promote the other casino.

Dr. Findley told the lobbyist that they have been doing a great job and that he appreciates everything that they have been doing for us.

Lyle Guillory asked the lobbyist about Voter Voice. Tony said that we don’t currently have a good enough system to use the voter voice & that the emails and texting was working very well for us. Joe Mapes suggested that we get the data to get the voter voice to work. Nick Gautreaux said that the personal contacts from the LQHBA members did work well because it was each individual person with a personal call and email.

Henry Coley Gahagan ask Kenny Patton chair of the rules committee to go over what they had discussed. Kenny Patton said in the past that we had a nominating committee that was elected the meeting right before the general membership meeting to go over the candidates for the board and that this didn’t really serve a real function or purpose.

Kenny Patton suggest that the By-Laws be changed in Section 1-A adding D. (Enter any other qualification that has been used to determine eligibility such as a domiciliary of the district from which the member will serve, member of the AQHA, etc.)

Formerly Article IV, Section 9 of the Association’s By-laws as amended _____, 2017);

Section 2. Nomination

- A. The Notice of the annual meeting shall contain a notice that members of the Board of Directors will be elected at the annual meeting by the members who are in good standing.

- B. Nomination of a member for election to the Board of Directors shall be made, in writing, by certified or registered USPS mail, return receipt requested and deposited for delivery to the Association's office not later than sixty (60) days prior to the annual membership meeting and election of directors.
- C. Upon receipt of a nomination of a member for election to the Board of Directors, the Executive Director or his designee shall make an initial determination of the nominee's qualifications to serve as a member of the Association's Board of Directors in accordance with Article IV, Section 1-A of the By-Laws.
- D. Upon the initial determination of a nominee's eligibility, notice of the names and address of record of each such nominee shall be provided by USPS mail, fax, email, or any other manner of communication reasonably calculated to provide notice of the nomination to the members of the Association. The notice of the initial determination of a nominee's eligibility shall state that the membership shall have fifteen (15) days from the date of the notice of initial determination within which to object to the qualifications of a nominee, in default of which the nominee's qualification shall become final.

Lyle Guillory asked that we have a roll call and see if each board of director has received the information from Henry Coley Gahagan, Jr. Mr. Gahagan asked that the Board of Directors review it and for Tony Patterson to get together the requirements for being a member. This will be brought back up at the next meeting for consideration.

Lyle Guillory asked Michael Hayes for the report from the Advertising/Marketing Committee. We are possibly trying to get TVG for the Louisiana Million race. Spoke about doing an owners profile for the Louisiana Million with Martha Claussen. We are working on a banner for the Louisiana Million and should finalize a logo and see if Evangeline Downs will use it for the meet there this year. Tony said that he would have the logos for the banner for the board to look at and approve for the next meeting. Lyle Guillory asked Michael Hayes if the budget of \$30,000 is enough for the advertising committee. Michael Hayes ask Tony Patterson to give a better figure on the Louisiana Million advertising. Tony Patterson stated that if we wanted to really push the Louisiana Million and really advertise that it would be closer to \$40,000 and that includes TVG. Lyle Guillory, asked how many times have we had to come back and ask for more money for the Louisiana Million. Lyle ask that Michael Hayes, Kirt Chaisson and Tony Patterson to get together on the funding for the Louisiana Million. Tony Patterson ask that the 2018 Budget be done sooner, and try to possibly have a budget together for the next meeting.

Lyle Guillory ask for a report from Dr. Larry Findley of the Fees Committee. Dr. Findley stated that they are having a meeting soon and will have a report for the next Board meeting. Leigh Lepinski ask Dr Larry Findley to look at the receivables on the stallion reports.

Lyle Guillory ask Michael Hayes (chair of the Personnel Committee) if he had a report for the Board of Directors. Michael Hayes said that they had nothing to report at this time.

Lyle Guillory ask Kenny Patton (chair of the Rules Committee.) Kenny Patton said that the conflict of interest that Henry Coly Gahagan, Jr. went over with the new LQHBA Board of Directors and that maybe it could be put into the By-Laws of the Association.

Lyle Guillory ask Ryan Robicheaux chair of the Sale Committee to give a report. Ryan Robicheaux said that they had a meeting yesterday afternoon. Mr. Francis Comeaux said all the wiring and water lines were run and that everything was on schedule with the new covered building. We will now use the middle roll up door for the horse entrance. We are going to talk to Mr. Francis Comeaux about putting the makeup ring in the center now so it will be on ground level. There is an extra expense for an air-conditioned toilet trailer for the sale. Tony Patterson said the bar will be selling the \$1.00 alcohol (beer, wine and cocktails) from about 4-9 p.m. Thursday afternoon and there will be two locations. If there are any sale disputes, there is a meeting room on the other side of the pavilion, so it will not be by the sale office or out in the open in front of everyone. Natalie ask about a second concession stand on the other side.

Lyle Guillory ask Leigh Lepinski (chair of the Champions Study Committee) to give a report. They are still exploring and will have a recommendation for the board for the next meeting. Considering on going on earnings only, but wanting to get more feedback.

Henry Coley Gahagan, Jr., recommended that the Board of Directors have an Annual related interest work sheet that discloses personally owned businesses so that we have and can demonstrate that we are continuing to be proactive to the members and to any agency of the state government or legislators that want to question whether or not the LQHBA is doing the things that it should. I have prepared an Annual Related Interest Worksheet & Disclosure Form for the board to look at.

Dr. Larry Findley, made a motion to accept the recommendation of the Annual Related Interest Worksheet & Disclosure Form for the Board of Directors. Motion seconded by Jimmie Hatcher. **Motion passed. No oppositions.**

Lyle Guillory ask that the board go back and do a little house cleaning and revisit to the toilet trailer for the sale.

Natalie Montgomery made a motion to accept the request that Ryan Robicheaux and the sale committee had for the air-conditioned toilets for the sale and have them between the two barns. Motion seconded by Larry Findley. **Motion passed. No oppositions.**

Lyle Guillory ask Larry Findley (chair of the LQHBA Legislative Committee) if he had a report. Larry Findley didn't have one at this time.

Lyle Guillory ask Dutcher Jumonville (chair of the LQHBA Futurity/Derby Committee) if he had a report. Dutcher Jumonville and the committee have a proposal for the 2018 LQHBA Sale Futurity.

- Try to get the race to \$200,000 added – instead of \$150,000 added. \$50,000 additional from the purse account at the Fair Grounds.
- Drop the Consolation (Invitational Stakes)
- Additional sustaining payment on May 1st – payment schedule:
 - **Nomination** **\$100 due December 1st**
 - **2nd Payment** **\$250 due March 1st**
 - **3rd Payment** **\$300 due May 1st**
 - **4th Payment** **\$350 due July 1st**
 - **To Enter the Trials** **\$500**
 - \$1,500 - Total Payments**
- **Late Supplement (at time of entry) – currently \$11,000 (includes all fees)**

Kirt Chaisson and Larry Findley want to add a \$50 fee to be paid at the sale to nominate to the sale futurity. JoBaya Foreman said that not everyone wants to run in the sale futurity and why would we make them pay the \$50. JoBaya Foreman made a motion to accept the proposal by Dutcher Jumonville from the LQHBA Futurity/Derby Committee. Motion seconded by Natalie Montgomery. **Motion passed. No oppositions.**

Lyle Guillory ask Natalie Montgomery (chair of the Membership Committee) if she had a report. Natalie Montgomery suggested that a buyer at the LQHBA sale(s) must be a member of the association, but, Henry Coley Gahagan, Jr. said that it would first have to be added to our By-Laws. Would that be negative for our buyers or not? This will be brought up for more discussion at the next meeting.

Lyle Guillory asked Dr. Larry Findley (chair of the Hall of Fame Committee) if he had a report. Larry Findley gave a proposal to the Board of Directors that they have a minimum of 2 people (member, jockey, trainers, etc.) and only 2 horses per year and maximum of 3 and that it must be a 2/3 vote of the Board of Directors. In order to elected into the LQHBA Hall of Fame.

Dutcher Jumonville made a motion that the proposal of the Hall of Fame Committee be accepted. Motion seconded by Timothy Rogers. **Motion passed. No oppositions.**

Lyle Guillory ask Leigh Lepinski (chair of the Youth Committee) if she had a report. Leigh Lepinski ask for clarification on scholarships. Tony Patterson said that we funded 50 plus scholarships this year and we just can't

keep funding that number of scholarships as much as we would love to. There is normally around \$35,000 raised for the scholarships from the stallion auction and we still need to continue the scholarship drawings at the race tracks. This limitation of scholarship applicants needs to be decided by the September meeting. Leigh Lepinski suggest that there be some connection to the association.

Lyle Guillory ask Larry Findley (chair of the Trainer Liaison Committee) if he had a report. Larry Findley said that he would get with Kenny Roberts and talk to the Fair Grounds on the \$50,000 more in added money for the 2018 LQHBA Sale Futurity from the purse account.

Tony Patterson went over the updated statistics of the LQHBA.

Tony Patterson went over the time line for our event at Delta Downs Race Track for the closing night.

Tony Patterson went over the dates for the 2017 LQHBA Fall Mixed Sale - Saturday, November 18th in Opelousas. The trials for the 2017 Louisiana Million will be Friday, November 17th, and the trials for the 2017 Breeders Derby will be Saturday, November 18th. The finals will be held 4 weeks later on Saturday, December 16th. The last Saturday of the meet is December 16th and we will run the Louisiana Million and Invitational Stakes, Breeders Derby, Evangeline Downs Futurity, and Evangeline Downs Derby as well as other stakes that evening. Total purses for that evening should exceed \$1.7 million.

The board discussed Louisiana Horse Rescue and Dr Drip and no action was taken.

Motion by Natalie Montgomery to adjourn. Motion seconded by Julien Stevens, III. ***Motion passed.***
No oppositions.

Meeting adjourned.

President Signature

Date

Secretary/Treasurer Signature

Date