

**Louisiana Thoroughbred Breeders Association
Board of Directors Meeting
October 11, 2016
Breaux Bridge, Louisiana**

Directors Present:

Jay Adcock
Brett Brinkman
Charlotte Clavier
Jake Delhomme
Bobby Duhon
Tom Early
Warren J. Harang III
Michelle LaVoice
Neal McFadden
Jim Montgomery
Val Murrell
Michele Rodriguez

Directors Absent:

Nathan Granger

Others Present:

Harry Benoit
Ross Brupbacher
Julie Calzone
Eddie Delahoussaye
Danny Guidry
Roger Heitzmann
Tommy Hewett
Linda McLellan
Allan Peltier
Ray Sibille
David Tillson

Warren J Harang III called the meeting to order and asked Jake Delhomme to lead us in prayer.

Jake Delhomme led us in prayer, with special intentions for the Granger Family and their son Ross as well as for LTBA employee Michele Salvino whose mother is very sick.

Warren asked Roger Heitzmann to call the roll. Nathan Granger was absent. A quorum was present and the meeting was ready to proceed with business.

Warren requested from the board if there was any changes to be made in their conflict policies. With no updates added we moved to the next topic on the agenda.

The board noted that everyone had a draft copy of the 990 tax return. Roger Heitzmann and Tom Early then proceeded to go over the return pointing out some of the numbers they might be interested in. Upon completion Charlotte motioned that the Board of Directors accept the 990 Tax Return as presented. The motion was seconded by Michele Rodriguez, which was voted on and passed unanimously.

Warren requested that we go out of order and asked for a report from Jay Adcock and Michele Rodriguez on the recent Yearling Sale held by Equine Sales Company of Louisiana. All indications show that the sale was a good sale that was supported by all. The figures were up from last year and the patrons, whether they were buyers or consignors, seemed to be pleased.

Warren asked if there were any amendments that needed to be made to the minutes of the August 6, 2016 Board of Directors Meeting. Hearing none, Charlotte Clavier made a motion to accept the minutes as presented. Jake Delhomme seconded the motion, which was voted on and passed unanimously.

Harry Benoit, one of the three Lobbyists for the LTBA, was in attendance to present a report to the board. Harry reported on all the bills that were presented in the House and Senate last year. He was excited on

how we able to protect the monies of the Breeders of the state. He informed that we have a fine team working together to protect the horsemen.

Jake Delhomme took the floor to bring up discussion on the possibly of bringing back the “Z” horse. The “Z” horse is a foal which is produced by a mare on the second breeding out of state. As in all cases the foal must be born in the State of Louisiana, but the breeder would forgo ½ of their breeder’s awards and would pay \$250 for the accreditation. Jake presented this as a way to change things up to possibly help with membership and foal crop.

Charlotte Clavier spoke that she believes that nothing needs to change other than the fact something has to be done to bring more youth into the industry. Breeders and owners are leaving the industry due to the fact that they are passing away, and/or they have been mishandled by those in the business when they were in it. Michele LaVoice noted that she too believed that trying to attract more young adults to the industry was something needed. Michele Rodriguez agreed.

Charlotte also pointed out that the expenses of today are not helping the business.

Brett Brinkman stated he believed the business needs to focus on what the business actually is. These foals that we produce are actually a commodity that we have to sell to end users. He said that we need to concentrate on what we need to have racing. He pointed out that summer racing in Louisiana is on the decline. He believes we have to give our clients a better opportunity to make money. He made note that if someone wants to breed a \$5000 stallion or less they have all the opportunity here in the state of Louisiana. However, by allowing a client to breed to a more expensive stallion and charging them to do so, makes sense to keep the better mares in the state rather than having them leave the program. This would help the foal crop, the breeders who want to take a larger gamble, and open the door for Louisiana breds to sell for more money. Brett said the giving to owners additional opportunities could only help our association not hurt it.

Jay Adcock said he believed that the key to the whole problem was to get the racing secretaries and the racetracks to put more of the monies into the maiden special weight races and not as much in the lower claimers. This would give the end users a chance of earning the monies they have invested back quicker.

Jay also made note that there are many people who are invested in our program due to the rule as it is now.

Val Murrell and Neal McFadden pointed out that we need to make sure that the members who don’t have the monies to spend on more expensive mares and stallions have the same opportunities as those who do.

Danny Guidry, a member of the association in attendance, requested to be heard. Warren recognized Danny.

Danny informed the board that he didn’t think that going back to the “Z” rule would not be a detriment to the program. He is a commercial breeder who wants to breed and sell top horses. He doesn’t believe that buying more expensive and breeding them out of state to a more expensive stallion will hurt the books of the stallions standing in Louisiana. His thought is that if you want to breed to a stallion that stands for \$5000 or less, the value is here in Louisiana now. He also believes that letting the mares come back to Louisiana will help the economy in the State rather than helping the economy in Kentucky.

Charlotte said that through her experience that the more doors you open that the will enable more violators of the rules to appear.

Discussion continued for a good period of time with no motion being made but with everyone expressing their beliefs.

Warren asked that we continue the discussion another day and moved to the next item on the agenda.

Jay Adcock brought to the board a discussion on the castration of colts. He wanted the Board of Directors to help with coming up with an idea to enable or urge people to castrate their yearlings (foals). He noted that studies show that castrating these foals helps with the growth, temperament, and the overall well being of most colts. He pointed out that in a regional program such as ours, future stallions are not the main reason we raise foals, racehorses are. Coming up with an idea that possibly the Jockey Club, or any other leader in the industry, can get behind that would be beneficial to those raising foals as well as those buying the foal.

Jay also brought up that having these horses gelded; it would make it easier to get them after care once their careers were over.

Tom Early told Jay and the Board that if he goes to the Keenland Sale he would go talk to the registrar at the Jockey Club, Rick Bailey. He also told Jay if he was available they would go together.

Discussion continued, however no motions were made.

Committee Reports:

By-Law: Val Murrell – Chairman

Val had nothing to report at this meeting.

Finance & Audit: Tom Early – Chairman

Tom indicated that we covered that earlier.

Government Affairs: Jake Delhomme – Chairman

It was covered in Harry Benoit's report earlier in the meeting.

Grievance: Michele LaVoice – Chairperson

Michele had no report for this meeting.

LTBA/HBPA Liaison Committee: Val Murrell – Chairman

Val had no report for this meeting

LTBA/LSRC Liaison Committee: Jake Delhomme – Chairman

Jake reported people are excited about winter racing in Louisiana. Brett added that the Commission is coming down on the racetracks to work with the horsemen and put racing first. Brett suggested that if you or someone you know has a problem, they should contact the commission rather than the track. The Board then went through a lengthy discussion of the many problems that horsemen are facing with the racetracks.

Inspection: Brett Brinkman – Chairman

Roger reported the results of Mike Whittler's inspections of mares that were to return to the State after breeding elsewhere. It resulted in the disqualifications of two foals in which Mike was notifying them by mail.

Membership & Nominating: Charlotte Clavier – Chairman

Charlotte had nothing to report at this meeting. She did note that she believes the office is doing a fine job of checking members as they apply to determine the correct type of membership.

Salary and Benefits: Tom Early – Chairman

Tom requested that he present his report in Executive Session at the end of the meeting.

New Business:

Julie reported on a meeting with the Lieutenant Governor that was attended by members of the horse industry. Representing the LTBA were Warren Harang, Brett Brinkman, Tom Early, and Roger Heitzmann. The meeting was to pitch ideas on how to improve the capabilities of Louisiana to attract more people to the state and the different horse industries. Ideas were tossed about and the Lieutenant Governor wants this to be an area that he wants to improve.

Roger reported to the Board the monies that were paid out in breeders awards at the completion of the first two meets with the cuts. He also presented projections on the possible breeder's awards for the winter meets. It is believed that by the end of the Fair Grounds meet the association will recoup approximately \$750,000 of the roughly one million that we have been taking from reserves over the last few years. We still have some work to do, but this is a great start.

Warren informed the board that he was pleased with the start but he believes that we are going to need to trim additional monies from the awards because we could be as much as \$500,000 short of where we need to be. He's searching for additional ideas.

Brett Brinkman presented an idea of a value be given to a claiming level. This would even out the awards across the state and help keep the "over paying of breeders awards" at the lower levels. He pointed out that Indiana doesn't pay out breeders awards to anything under \$10,000. He believes we need to be more in control on what we pay out and not just going along with the track and their purse structure.

Roger then presented some figures on paying a flat value based on purse average. Discussion on the amount it may be cutting the winner was a concern. Discussion continued on different types of reductions that may be possible or needed. All agreed that more investigation needs to be done on paying a flat rate on breeder's awards. Roger is to work on a scale that would give more perspective.

Discussion about the optional claiming race and how much breeders awards are awarded to the claimer based on an allowance race. It was noted that we need to work on a solution.

Warren called for the board to enter Executive Session. This motion was seconded by Charlotte, which was voted on and passed unanimously.

Before going to executive session Warren wanted to recognize the members in attendance:

Alan Peltier, Ray Sibille, Eddie Delahoussaye, Danny Guidry, Harry Benoit, Julie Calzone, Tommy Hewett, and David Tillson.

While in Executive Session, Tom presented to the board a change of Insurance Agents for the Louisiana Thoroughbred Breeders Association health insurance. The change would be moving from Greg Authement to Wayne Landwerlin. Tom pointed out that working with someone in the vicinity of the main office and more able to give personal attention would make it easier on staff to free up the amount of time spent on insurance problems. The current insurance representative seems to be out of the office a bit and unable to give the personal touch.

Discussion took place about cost and/or problems with the change. Tom answered all questions. Warren made a motion to make the change of agents. Michele Rodriguez seconded the motion, which was voted on and passed. Charlotte Clavier and Jake Delhomme voted against the motion.

The board then entered into discussion about the employee's 401k plan. The board had to decide whether or not to continue the safe harbor plan with the 4% match in funds, decrease to 3% match in funds or

decrease to 2% and leave the safe harbor. Charlotte made a motion to eliminate the Safe Harbor 401k plan, and pay the employees a 2% increase in salary that they can use for investment.

Tom made a motion to leave Executive Session. Charlotte seconded the motion which was voted on and passed unanimously.

Upon leaving Executive Session Michele LaVoice made a presentation on working more closely with the 4-H Youth Racing Program. She believed with a little corporation with the tracks, and horsemen making the youth of the 4-H clubs more aware of racing can only help us in the future.

She has been working with Neeley Walker to help get this program started. They have put together a six week plan to help these students understand some aspects of our industry. She will report back with additional info as it becomes available.

Date, Time and place of next Board of Directors Meeting:

December 9, 2016, in the New Orleans area, at a time and place to be announced.

With no further business to be brought before the Board, Bobby Duhon made a motion to adjourn the meeting. This was seconded by Brett Brinkman, which was voted on and passed unanimously.

Respectfully submitted,

Roger A. Heitzmann III