

LOUISIANA STATE RACING COMMISSION

MINUTES – August 27, 2018 Meeting

As transcribed by Mary E. Lee DiLeo, Certified Court Reporter

COMMISSIONERS IN ATTENDANCE

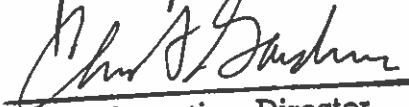
Bob F. Wright, *Chairman*
Judy W. Wagner, *First Vice Chairperson*
Dr. Patrick Bernard
Thomas B. Calvert
Donald "Don" Cravins
K. R. "Ron" Finkelstein, O.D.
Benjamin J. Guilbeau, Jr.
Eric G. Johnson
Mike R. McHalfey
Louis Reine
Kenneth "Kenu" Romero
Mike Shelton

APPROVED

At the Commission Meeting on

11/28/19

(Date)



Executive Director
Louisiana State Racing Commission

ABSENT

R. Hamilton "Hammy" Davis

The meeting of the Louisiana State Racing Commission (LSRC) was called to order by the Chairman on Monday, August 27, 2018 at 9:05 AM in the Queen Anne Ballroom of the Monteleone Hotel, 214 Royal Street, New Orleans, Louisiana. Roll call was taken; a quorum was present.

Commissioner Reine motions to approve the meeting minutes from the July 16, 2018 meeting; Commissioner Wagner seconds; motion carries.

Chairman Wright informs that the Commission will postpone the selection of First Vice Chairman and Second Vice Chairman until the whole Commission is in attendance.

I. ASSOCIATION REQUESTS

A. BOYD RACING, LLC d/b/a DELTA DOWNS RACETRACK, CASINO & HOTEL

1. **PROGRESS REPORT**, by Mr. Chris Warren, Director of Racing. Mr. Warren informs that Delta Downs' 84-day 2018 Thoroughbred Meet starts on October 17, 2018 and they have been renovating the racetrack and refurbishing the backside barns to prepare. He states that the thoroughbreds can move into stalls starting on September 12, 2018. He says that they discontinued the \$1,000,000 Delta Downs Jackpot Stakes race because the horsemen oppose putting that much money into one race at the expense of overnight purses. He informs that Delta Downs is installing new safety railing around some of the ditches on the backside.

2018-2019 THOROUGHBRED MEET

2. STEWARD

- a. **Approval** of Tom Davis to serve as state steward for 2018-2019 thoroughbred meet.

Commissioner Reine motions to approve; Commissioner Guilbeau seconds; motion carries.

2019 QUARTER HORSE MEET

3. LICENSE APPROVALS

a. Approval for 2019 quarter horse meet as provided in Agenda.

4. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

a. Approval for 2019 quarter horse meet as provided in Agenda.

5. WAGERING (LAC 35:XIII.Ch 103-127)

a. Approval for 2019 quarter horse meet wagering as provided in Agenda.

Commissioner Guilbeau motions to approve Items #3, #4, and #5; Commissioner Reine seconds; motion carries.

B. THE OLD EVANGELINE DOWNS, LLC

d/b/a EVANGELINE DOWNS RACETRACK & CASINO

1. **PROGRESS REPORT**, by *Mr. Chris Warren, Director of Racing*. Mr. Warren informs that Evangeline Downs' 84-day 2018 Thoroughbred Meet ended on August 25, 2018. He says that total handle was up 14% and live handle was down 1%. He says that the turf course has received praise but Evangeline Downs lost a few race days due to rain in the last couple of weeks in the meet. He informs that Evangeline Downs has the lowest breakdown ratio of any racetrack in Louisiana. He says that Ms. Carol Core, General Manager of Evangeline Downs, hopes to come to the next Commission Meeting to be introduced. He states that Evangeline Downs' 46-day 2018 Quarter Horse Meet will run from October 3 through December 19, 2018 and quarter horses will move into stalls starting on September 18, 2018.

2. BACKSIDE SECURITY

a. Update of Evangeline Downs increase in security presence on the backside and status of adding security cameras.

Mr. Warren informs that Evangeline Downs has added an extra guard to patrol on foot along with the guard who patrols the area in a vehicle, an extra guard to work the guard shack for a total of two per shift, and a security guard to watch the test barn. He states that there are four security cameras installed at the stable gate, two at the entrance and two at the exit. He says that there are two cameras in the racetrack kitchen.

Commissioner Wagner asks who will monitor the security cameras and how long will they keep the footage. Mr. Warren responds that surveillance personnel monitors the cameras from the front side and communicates with security personnel. He says that he will have to report back when he finds out how long the footage is kept.

Commissioner Shelton asks if those cameras will be enough for Evangeline Downs' needs. Mr. Warren responds that the team is looking to eventually install more cameras, likely in the backside where seven shower heads were stolen last week.

2018 QUARTER HORSE MEET

3. STEWARD

a. Approval of Brook Hawkins to serve as State Steward for 2018 quarter horse meet.

Commissioner Guilbeau motions to approve; Commissioner Wagner seconds; motion carries.

Mr. Warren requests that, under Item #5.-a., Line #3 be amended from "Hold a minimum of 8 live quarter horse races daily" to "Hold a minimum of 9 live quarter horse races daily".

2019 THOROUGHBRED MEET

4. LICENSE APPROVALS

a. Approval for 2019 thoroughbred meet as provided in Agenda.

5. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

a. Approval for 2019 thoroughbred meet as provided in Agenda.

6. WAGERING (LAC 35:XIII.Ch 103-127)

a. Approval for 2019 thoroughbred meet wagering as provided in Agenda.

Commissioner Reine motions to approve Items #4, #5, and #6 including Mr. Warren's amendment; Commissioner Guilbeau seconds; motion carries.

**C. CHURCHILL DOWNS LOUISIANA HORSE RACING COMPANY, LLC
d/b/a FAIR GROUNDS RACE COURSE & SLOTS**

1. **PROGRESS REPORT**, by Mr. Jason Boulet, Senior Director of Racing. Mr. Boulet informs that Fair Grounds' 10-day 2018 Quarter Horse Meet is going well and will end on September 8, 2018 with the finals of the Breeders' Futurity races, totaling over \$400,000 in purse money. He says that they are preparing for Fair Grounds' 81-day 2018-2019 Thoroughbred Meet and are starting their recruiting process by traveling to a few other tracks to promote Fair Grounds racing. He states that Fair Grounds has had a soft opening for its Meraux OTB and will host a grand opening in a couple of weeks.

Commissioner Calvert asks for an update on Fair Grounds' issues with the Environmental Protection Agency (EPA) and requests that Fair Grounds representatives update the Commission about EPA issues at every meeting. Mr. Boulet responds that Fair Grounds is utilizing its 19 security cameras throughout the backside and four person EPA security team to assist in finding EPA issues and violations. He informs that Fair Grounds will be installing wash racks on the backside. He says that Fair Grounds staff has been strict in maintaining compliance amongst the horsemen and has called out a few violations during the quarter horse meet.

Commissioner Romero asks if the recommendations in the Acadian Ambulance report would improve the safety of their services for people on the racetrack. Mr. Boulet responds that Fair Grounds has created a helipad in its parking area for emergency transport. He says that the discussion with Jockeys' Guild and Acadian Ambulance and the protocol produced by Acadian Ambulance will be very effective.

Commissioner Reine motions to amend the agenda to discuss Items #4, #5, and #6 prior to Items #2 and #3 ; Commissioner Cravins seconds; motion carries.

Mr. Doug Shipley, President and General Manager of Fair Grounds, informs that Fair Grounds is requesting that the 2019 quarter horse meet be changed from its historical August through September schedule to the March through April schedule submitted to the Commission. He says that this move would be better for safety to avoid both the hurricane season with the possible need for evacuations and the summer heat.

Commissioners Cravins and Guilbeau ask if Fair Grounds' request to move the quarter horse race meet is motivated as a defense tactic to their pending litigation over purse money. Mr. Shipley responds that the request is not motivated by the pending litigation.

Mr. Kenneth Roberts, Board Member of the Louisiana Horsemen's Benevolent and Protective Association (LaHBPA), informs that he would like the meet to stay at the current August and September schedule.

Commissioner Reine asks if the Fair Grounds has an alternative proposal for the quarter horse meet if the Commission does not approve their application. Mr. Boulet responds that Fair Grounds would have to reconsider the application and reapply at a future Commission Meeting.

Mr. Tony Patterson, Executive Director of the Louisiana Quarter Horse Breeders Association (LQHBA), informs that the LQHBA Board of Directors is staunchly against the application due to the negative effect it would have on their sale futurity at Fair Grounds and due to the three-month gap without quarter horse racing in Louisiana that it would cause.

Commissioner McHalfey asks who supported the Fair Grounds proposal for changing the quarter horse schedule. Mr. Benard Chatters, President of LaHBPA, responds that a majority of LaHBPA Board of Directors voted in favor of the Fair Grounds' proposal.

Commissioner Calvert motions to go into Executive Session for the purpose of discussing legal concerns/ongoing existing/current litigation; Commissioner Shelton seconds; motion carries. The Commissioners go into Executive Session.

2019 QUARTER HORSE MEET

- 4. **LICENSE APPROVALS**
 - a. **Approval** for 2019 quarter horse race meet as provided in Agenda.
- 5. **RACING DATES (R.S. 4:158A) AND POST TIMES**
 - a. **Approval** for 2019 quarter horse race meet as provided in Agenda.
- 6. **WAGERING (LAC 35:XIII.Ch 103-127)**
 - a. **Approval** for wagering format for 2018 quarter horse race meet as provided in Agenda.

Commissioner Reine motions to defer Items #4, #5, and #6; Commissioner Shelton seconds; motion carries.

- 2. **Letter** from Fair Grounds, dated August 13, 2018 indicating intent to withhold purse money from 2018-19 TB Meet.
 - a. **Rule to Show Cause by What Authority funds are being withheld from purses at the Fair Grounds 2018-2019 Thoroughbred Meet as approved by the LSRC at the April 24, 2018 Commission Meeting.**
 - i. All interested parties are requested to comment.

Mr. David Waguespack, Attorney for Fair Grounds, offers additional evidence and makes additional arguments. He requests a written order from the Commission as to the distribution of the off-season video poker purse funds.

Mr. John Duvieilh, Attorney for LaHBPA, requests that the Commission re-affirm its October 21, 2014 ruling regarding the distribution of the off-season video poker purse funds.

Mr. William Townsend, Attorney for the plaintiffs in John Soileau v. Churchill Downs Louisiana Horseracing Company, makes additional arguments. He informs that he would consent on behalf of his clients to the April 1, 2018 through September 8, 2018 video poker purse funds being held in escrow.

Commissioner Guilbeau motions that before the Commission was to rule to show cause, testimony, evidence, and positions expressed by the parties. Fair Grounds has not shown to have statutory authority or a court order allowing them to withhold the funds and therefore immediately order the held out purse money to be put back into the purses for the 2018-2019 thoroughbred meet; Commissioner Cravins seconds; motion carries.

2018 QUARTER HORSE MEET

3. STEWARDS, OFFICIALS & MANAGEMENT

- a. **Ratification of amended officials for the 2018 quarter horse meet as provided in Agenda.**

Commissioner Reine motions to approve; Commissioner Shelton seconds; motion carries.

2018-2019 THOROUGHBRED MEET

7. REQUEST TO AMEND RACING DATES APPROVED ON APRIL 24, 2018 (R.S. 4:158A) TO ADD NOVEMBER 15, 16, & 18, 2018, ADD MARCH 13, 2019, AND OMIT MARCH 27, 28, 29, 30, & 31, 2019 FROM TB MEET (AS PROVIDED IN AGENDA)

Commissioner Reine motions to defer Item #7; Commissioner Cravins seconds; Mr. David Waguespack, counsel for Fair Grounds, and Mr. Boulet request that these amended dates be approved regardless of whether the 2019 Quarter Horse Meet dates are approved or not; Commissioner Reine withdraws the motion.

Mr. John Duvieihl, counsel for the LaHBPA, informs that the LaHBPA Board of Directors voted in favor of the Fair Grounds' 2018-2019 Thoroughbred Meet amendment request.

Commissioner Calvert motions to approve; Commissioner Wagner seconds; motion carries.

8. REQUEST TO AMEND WAGERING (LAC 35:XIII.Ch 103-127) FOR 2018-2019 THOROUGHBRED MEET (AS PROVIDED IN AGENDA).

Commissioner Calvert motions to approve; Commissioner Wagner seconds; motion carries.

Ms. Rhea Loney, counsel for the LSRC, informs that Fair Grounds has requested the Commission to create additional or amended rules for new exotic wagers, which the Rules Committee will review for potential notice of intent at a future Commission Meeting.

9. STEWARD

- a. **Approval** of Roy Wood to serve as state steward for 2018-2019 thoroughbred meet. Commissioner Reine motions to approve; Commissioner Wagner seconds; motion carries.

**D. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC
d/b/a HARRAH'S LOUISIANA DOWNS****1. PROGRESS REPORT, by Mr. Eric Halstrom, Vice President of Operations.**

Mr. Halstrom informs that Louisiana Downs' 84-day 2018 Thoroughbred Meet has about a month left and handle is down 7%. He says that many Texas horses from last summer did not return this year in favor of Lonestar Park's contracted meet and some of the horses that came from Evangeline Downs to run in turf races last year didn't return. He states that the \$300,000 Super Derby will have a field of 9 or 10 horses and invites the Commissioners to come watch the 13 races on September 2, 2018.

- a. Louisiana Downs will open for stabling and training for a period of time up to and including the days from October 11, 2018 through April 15, 2019.

Mr. Halstrom informs that Louisiana Downs is planning to offer open stables during the winter to thoroughbreds displaced by the closing of Evangeline Training Center but will give first priority to the quarter horses during Louisiana Downs' 46-day 2019 Quarter Horse Meet.

Commissioner McHalfey asks what would Louisiana Downs charge for renting stables. Mr. Halstrom responds that, though they do not have a final number yet, they will price it fairly in order to produce good will amongst the horsemen that may translate to better fields for their next thoroughbred meet. Commissioner McHalfey asks if Louisiana Downs has any plans to change its racing schedule to four consecutive race days each week. Mr. Halstrom responds that the racing schedule could be changed in the future as their marketing team discusses ways to bring more people to the track.

2019 QUARTER HORSE MEET**2. LICENSE APPROVALS**

- a. **Approval** for 2019 quarter horse meet as provided in Agenda.

3. RACING DATES (R.S. 4:158A), RACES AND POST TIMES

- a. **Approval** for 2019 quarter horse meet as provided in Agenda.

4. WAGERING (LAC 35:XIII.Ch 103-127)

- a. **Approval** for 2019 quarter horse meet wagering as provided in Agenda.

5. STEWARD

- a. **Approval** of Noble Hay to serve as state steward for 2019 quarter horse meet.

Commissioner Reine motions to approve Items #2, #3, #4 and #5; Commissioner Cravins seconds; motion carries.

2019 THOROUGHBRED MEET

6. **LICENSE APPROVALS**
 - a. Approval for 2019 thoroughbred meet as provided in Agenda.
7. **RACING DATES (R.S. 4:158A), RACES AND POST TIMES**
 - a. Approval for 2019 thoroughbred meet as provided in Agenda.
8. **WAGERING (LAC 35:XIII.Ch 103-127)**
 - a. Approval for 2019 thoroughbred meet wagering as provided in Agenda.

Commissioner Reine motions to approve Items #6, #7, and #8; Commissioner Cravins seconds; motion carries.

II. BREEDER UPDATES**A. LOUISIANA THOROUGHBRED BREEDERS ASSOCIATION (LTBA)**

1. **PROGRESS REPORT**, by *Mr. Roger Heitzmann, Secretary-Treasurer*. Mr. Heitzmann informs that LTBA paid out a total of \$900,000 for 2017 stallion awards in Louisiana. He states that Louisiana Cup Day at Louisiana Downs was successful and that LTBA was able to contribute a little more money to the purses from their coffers.

B. LOUISIANA QUARTER HORSE BREEDERS ASSOCIATION (LQHBA)

1. **PROGRESS REPORT**, by *Mr. Tony Patterson, Executive Director*. Mr. Patterson refers to an LQHBA packet to the Commissioners. He informs that they will have around 1,200 total accredited foals by the end of the year and currently have 604 out-of-state-mares, most of which stay in Louisiana year-round. He states that the number and quality of stallions has gone up. He says that 2017 breeder awards totaled \$4,200,000 and 2017 stallion awards totaled \$500,000. He informs that LQHBA has given \$39,000 so far this year in scholarships and have funded \$555,000 in total scholarships since 2001. He says that the 2018 yearling sale broke every record they've had with more than \$8,200,000 on total receipts, average selling price of \$14,352, and buyers representing 31 different states, Canada, and Mexico.

III. COMMITTEE REPORTS**A. MEDICATION COMMITTEE**, by *Committee Chairperson Judy W. Wagner*

No Report.

B. RULES COMMITTEE, by *Committee Chairman R. Hamilton "Hammy" Davis*

Commissioner Davis is absent. No Report.

C. LEGAL COMMITTEE, by *Committee Chairman Benjamin J. Guilbeau, Jr.*

No Report.

D. SECURITY COMMITTEE, by *Committee Chairman Kenneth "Kenu" Romero*

No Report.

E. RACETRACK/HBPA LIAISON COMMITTEE, by *Committee Chairman Donald "Don" Cravins*

Commissioner Cravins requests Mr. Chatters to address the issue of the Evangeline Training Facility closing. Mr. Chatters informs that LaHBPA is observing the fallout of the

closing and need from horsemen. He states that Louisiana Downs' offer to stable displaced thoroughbreds during its quarter horse meet has caused some friction with the quarter horse horsemen but they are resolving that. He says that the Fair Grounds has also helped by offering stables early to thoroughbreds leaving Evangeline Downs in August.

Commissioner McHalfey asks what Fair Grounds charged for stables. Mr. Chatters responds that the cost is \$7 per stall per day for the first week before the racetrack opens and then \$10 per stall per day afterward, which can be lowered depending on how many horses rent stalls. Commissioner Shelton asks how many stalls did the horsemen lose due to Evangeline Training Center's closure. Mr. Chatters responds that they lost about 800 stalls.

F. FINANCE COMMITTEE, by Committee Chairman Louis Reine

Commissioner Reine informs that the committee has been concerned about the Legislature's attempts to undedicate funds for the last two years and commends the horsemen for their participation at the capital to prevent that loss of money in the horseracing industry.

Commissioners Cravins and Reine request a moment of silence in reflection of Mr. Bryan Wagner, who recently passed away.

IV. OTHER

A. PURSE TRANSFER ISSUE

1. Request by LaHBPA to discuss purse transfer via August 15, 2018 letter.

Mr. John Duviehl, Attorney for the LaHBPA, offers evidence and makes additional arguments as to why the Commission should approve the purse transfer agreement between Delta Downs and Evangeline Downs.

Mr. Chris Kane, Attorney for Louisiana Downs, offers evidence and makes additional arguments as to why the Commission should not approve the purse transfer agreement between Delta Downs and Evangeline Downs.

Chairman Wright motions to go into Executive Session for the purpose of discussing legal concerns; Commissioners Guilbeau and Calvert second; motion carries. The Commissioners go into Executive Session.

Commissioner Guilbeau motions to deny the purse transfer as written in the agreement between Delta Downs and Evangeline Downs but that it doesn't preclude any future agreements; Commissioner McHalfey seconds; motion carries with sole opposition from Commissioner Calvert.

Chairman Wright requests that the Legal Committee meet with the involved parties to try to reach a resolution on this issue that the Commission can possibly approve at a future Commission Meeting. Commissioner Guilbeau agrees and reaffirms that the vote of the Commission today was to deny the purse transfer. He says that it was a consensus among the Commissioners to deny this deal as presented but they are still open, as the Legislature said, for other contracts to be sent to the Commission.

B. AMBULANCE PROTOCOL AT ALL LOUISIANA RACETRACKS

1. **Update** from all association tracks of report regarding a shared ambulance service protocol for dealing with human injuries on the racetrack as developed by Acadian Ambulance Service, Bossier Parish Emergency Medical Services, Jockeys' Guild, and Licensed Racetracks.

Mr. Reed Miller, Paramedic representing Acadian Ambulance, informs that he developed the procedure, along with other EMS services that provide services for the racetracks, to prevent any future incidents that could hamper the timely transport and care of injured people on the racetracks. Chairman Wright commends Mr. Miller and states that the consensus of Commissioners approves his recommendation for shared ambulance service protocol for dealing with human injuries on Louisiana racetracks.

Mr. John Beech, Executive Director of the Jockeys' Guild, informs that the only issue in this discussion is that Louisiana Downs is limited to Bossier Parish's regulation that the injured must be transported by the fire department. Commissioner Reine states that the Commission cannot overrule the local ordinance but offers his assistance with trying to get the local government to change the ordinance if necessary.

V. RULES

A. DISCUSSION/NOTICE OF INTENT:

1. LAC 35: I Chapter 15 – Permitted Medications
 - §1506. *Permitted Medications in Quarter Horses [new]*
 - a. Further possible sanctions, including placing the positive horse on the Vets or Stewards Lists for a certain period of time or until the positive horse tests negative for Clenbuterol.

Mr. Lyle Guillory, Board Member of the LQHBA, informs that a 60-day jail period for horses with Clenbuterol positives would disincentivize use of Clenbuterol and level the playing field for quarter horse owners and trainers.

Mr. Chatters states that the Commission already has adequate rules to enforce the Clenbuterol ban and doesn't need to add the 60-day jail period, which would penalize owners for the actions taken by trainers.

Commissioner Reine motions that, if a quarter horse is found positive for Clenbuterol, the horse will be ineligible to be entered in a race in Louisiana for the following 60 days; Commissioner Reine also motions to approve the rule for Notice of Intent; Commissioner Shelton seconds; motion carries.

2. LAC 35: V Chapter 63 – Entries
 - §6336. *Preference for Eliminated Horses [amend]*
 - Requested by Fair Grounds

Commissioner Guilbeau motions to approve the rule for Notice of Intent; Commissioner Wagner seconds; motion carries.

VI. LICENSE APPROVAL

A. REQUEST FOR LICENSE APPROVAL (LA. REV. STAT. 4:150(B))

1. **Katherine M. Allen, Casino Employee.** Convicted felon

Commissioner Guilbeau motions to approve Ms. Allen for licensure as "Other" – Casino Employee; Commissioner Johnson seconds; motion carries.

VII. ADJUDICATIONS

A. VIOLATION OF LAC 35:I.1791 (Testing for Dangerous Substance Abuse)

1. **Donald R. Watson, Jockey.** *(Adjudication Referred/Appeal)*
Ruling#DD22903 of 06/21/18 – *Human Drug Testing (3rd offense)*

Attorney –
Donald G. Kelly, Esq.

Continued from July 16, 2018 Commission Meeting.

•Set for Consent Adjudication

Commissioner Guilbeau motions to agree to deferred adjudication; one year probation period for Mr. Watson effective August 28, 2018 through August 27, 2019, which includes periodic negative drug testing at Mr. Watson's expense through a Commission-approved laboratory; Commissioner Reine seconds; motion carries.

B. VIOLATION OF LAC 35:I.1797 (Equine Positives)

1. **Michael D. Taylor, Owner/Trainer.** *(Adjudication Referred)*
Ruling#DD22849 of 06/06/18 – *Isoflurpredone (ARCI Category IV; Gross Violation)*

Continued from July 16, 2018 Commission Meeting.

Not present for hearing. Commissioner Cravins motions to uphold the Stewards' ruling, fine Mr. Taylor an additional \$500 (total fine \$1,500), and redistribute the purse; Commissioner Guilbeau seconds; motion carries.

VIII. ADJOURNMENT

Chairman Wright motions to adjourn; Commissioner Johnson seconds; Chairman Wright adjourns the meeting.



Charles A. Gardiner III
Executive Director