

LOUISIANA STATE RACING COMMISSION

MINUTES – July 11, 2016 Meeting

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

COMMISSIONERS IN ATTENDANCE

Bob F. Wright, *Chairman*

Judy W. Wagner, *First Vice Chairperson*

R. Hamilton "Hammy" Davis

K. R. "Ron" Finkelstein, O.D.

Benjamin J. Guilbeau, Jr.

Eric G. Johnson

Mike R. McHalfey

Louis Reine

Kenneth "Kenu" Romero

ABSENT

Thomas B. Calvert

Donald "Don" Cravins

APPROVED

At the Commission Meeting of

8/29/16

(Date)



Executive Director

Louisiana State Racing Commission

The meeting of the Louisiana State Racing Commission (LSRC) was called to order by the Chairman on Monday, July 11, 2016 at 9:15 AM in the Riverview Room 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 April 25, 2016 meeting; Commissioner Guilbeau seconds; motion carries.

I. ASSOCIATION REQUESTS

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

1. **PROGRESS REPORT**, by Mr. Chris Warren. Mr. Warren introduces the General Manager and Vice President of Delta Downs, Mr. Steve Kuypers, and the Senior Vice President of Operations of Boyd Gaming, Mr. Vincent Schwartz. Mr. Warren informs that the 2015 \$1,000,000 Delta Downs Jackpot winner, Exaggerator, came second in the 2016 Kentucky Derby and won the 2016 Preakness Stakes, which is the first time a horse racing at a Boyd Gaming track has won a Triple Crown race. He states that the Delta Downs 45-day 2016 Quarter Horse Meet ended Saturday, July 9, 2016, which featured eight stakes races and had a lot of VIPs in attendance. He says that the handle was up 10%. He informs that the horsemen have been complimenting the track thanks to trackman Aaron "Peewee" Pelt's work.

Mr. Warren informs that Delta Downs provided a letter from the vendor attesting to the maintenance, upkeep, and quality of the lighting system. He says that Delta Downs has not had any lighting issues during the quarter horse meet this summer. Commissioner Guilbeau requests Mr. Warren to check on Delta Downs' sound system in the lookout and the backside prior to their thoroughbred meet. Mr. Warren agrees.

Commissioner Wagner says that she noticed Delta Downs gave scholarships to students on one of their big race nights. Mr. Tony Patterson, Executive Director of the Louisiana Quarter Horse Breeders Association (LQHBA), informs that Delta Downs gave out over \$1,300,000 in total purse money on July 9, 2016 and were gracious hosts. He says that eight to ten elected officials and some representatives from Special

Olympics Louisiana attended that closing night as the LQHBA held giveaway drawings for two \$1,000 college scholarships and donated \$5,000 to Special Olympics Louisiana, all funded through donations.

2. LIGHTING SYSTEM

- a. **Discussion** of electrical expert's response regarding the operating status of Delta Downs' lighting system.

Commissioner Reine asks about the backup generating system for the lighting system. Mr. Warren responds that Delta Downs has two generators, one for the east and west sides of the track, that stay on during racing cards to power enough lights for safety in case the main lights go out. He says that Mr. Kuypers bought an extra backup generator in case one of the other generators fail. Commissioner McHalfey asks if the lights went out and caused any race cancellations during this past quarter horse meet. Mr. Warren responds no. Commissioner McHalfey asks if Delta Downs got any quotes for replacing the lighting system. Mr. Warren responds that estimates ranged between \$2,500,000 and \$3,500,000, however they have not gotten formal quotes. He says that he can ask Fair Grounds representatives about what they paid for their recently updated lighting system.

Further discussion of this topic occurs under Section "I. ASSOCIATION REQUESTS – B. THE OLD EVANGELINE DOWNS, LLC – 2. STALL EXPANSION" on page 5.

B. THE OLD EVANGELINE DOWNS, LLC

d/b/a EVANGELINE DOWNS RACETRACK & CASINO

1. **PROGRESS REPORT**, by *Mr. Chris Warren*. Mr. Warren informs that the Evangeline Downs 84-day 2016 Thoroughbred Meet is over half-way completed and up 3% in total handle. He says that their Stall Superintendent, Ned Goutierrez, Jr., passed away on July 2, 2016. He states that Mr. Goutierrez was liked and respected by the horsemen. He informs that they posted the position last week and are interviewing for it this week. He says that they have installed a betting machine and TVs for racing in the casino.

Dr. Finkelstein asks how Evangeline Downs tests the moisture in its turf course. Mr. Warren responds that they used a Clegg Hammer until it malfunctioned. He says that, currently, they are using the old method of poking a stick in the turf to see how far it goes down and walking the turf to see how hard or soft the turf course is. Dr. Finkelstein says that he has heard about and experienced bad food service at Evangeline Downs. Mr. Warren apologizes and says that he will address the service issues with Mr. Kuypers and the General Manager, Mr. Ashby Pettigrew.

Commissioner Romero asks how many TVs were installed in the casino and if the patrons will be able to wager on races watching in different areas. Mr. Warren responds that they installed a few TVs in the casino and have about 20 TVs in their new bar, Fast and Lucy's, some of which will show racing channels. Mr. Warren says that there is a wagering machine right by the TV area and a wagering machine right by a TV. Commissioner Romero asks if they will have people walking around the casino to take people's wagers. Mr. Warren responds that they can look at that but have not had requests from patrons for that service.

Commissioner Romero says that he had bad service in the clubhouse and asks if Evangeline Downs will reinstate the clubhouse buffet on a weekly basis. Mr. Warren apologizes for the bad experience and responds that there have been talks of possibly having the buffet on weekends. Commissioner Romero says that Evangeline Downs should advertise the buffet and it would draw big crowds. Commissioner Reine says that he has heard issues with their service too and asks if the recent layoffs affected the clubhouse staff. Mr. Warren responds that they lost their Director of Food and Beverage and their top chef in the same weeks but the layoffs didn't affect the clubhouse staff since it is a new group that came after the layoffs. Commissioner Romero asks if the security for the backside was reduced. Mr. Warren said the backside security was reduced by one person, which didn't have any major effects on security.

The Exotic Wagering Takeout Discussion occurred here (See Section "I. ASSOCIATION REQUESTS – B. THE OLD EVANGELINE DOWNS, LLC – 3. EXOTIC WAGERING TAKEOUT" on page 6).

2. STALL EXPANSION

- a. **Discussion** of LSRC-mandated response from Boyd Gaming Corporation detailing their long-term plan for building additional barns and stall expansion at Evangeline Downs.

Mr. Warren introduces Senior Vice President of Operations at Boyd Gaming, Mr. Vincent Schwartz. Mr. Schwartz informs that Boyd Gaming submitted a written response to the Commission about stall expansion that complied with the Commission's motion from the previous meeting. He states that Boyd Gaming will order the construction of a new receiving barn and the two barns currently being used as receiving barns at Evangeline Downs will be returned to use as normal stabling barns. He says that their plan will increase the total amount of stalls by almost 10% and be completed by the April start of Evangeline Downs' 2017 Thoroughbred Meet.

Commissioner Romero says that he has heard reports that the test barn where blood samples are drawn at Evangeline Downs is in poor condition and asks if Boyd Gaming will improve the test barn. Mr. Warren responds that Evangeline Downs was having a problem with the security that escorted the testing veterinarian on the backside to the barns when they had to take a TCO₂ test. He says that the issue was cleared up by having the horsemen bring their horses to the front of the test barn to draw blood for the special test.

Mr. Benard Chatters, President of the Louisiana Horsemen's Benevolent and Protective Association (LaHBPA), informs that the racetrack operators in Louisiana want to be in the casino business but not in the race horse business. He says that their response to bad customer experience issues is always reactive rather than proactive. He states that the Louisiana Legislature understands the horse racing industry's economic impact on the state but the problem is that the racetrack owners want to cut costs on the racing side of their businesses rather than invest in them. Mr. Chatters informs that the Fair Grounds had similar issues two years ago of cutting costs and not putting on a good product regarding racing but, with LaHBPA requested pushes from the Commission and the Legislature, Fair Grounds

invested in those problems and have reported increased revenues. He says that the companies need to market horseracing better, for example Delta Downs should market the local successes such as Exaggerator's win at the 2016 Preakness Stakes.

Chairman Wright asks what the LaHBPA's response to Boyd Gaming's current stall expansion proposal is. Mr. Chatters responds that the proposal is inadequate, though the horsemen are glad to at least get Boyd Gaming's proposed receiving barn. He states that Evangeline Downs needs 1,300 stalls at minimum. He says that he was expecting Boyd Gaming to propose more barn construction over a long-term plan beyond the receiving barn and to present bids for a new lighting system at Delta Downs. Chairman Wright requests specifics from the LaHBPA about their opposition to Boyd Gaming's proposal and what they would request to be modified.

Mr. John Duviehl, Attorney for the LaHBPA, informs that the Evangeline Downs stalls have been discussed for 4 to 5 years now. He commends Mr. Schwartz for presenting a plan for stall expansion to the LaHBPA and the Commission, which Boyd Gaming has not previously done. He states that the receiving barn is a requirement for a racetrack to run races, which Evangeline Downs should have built before they opened. He says that Evangeline Downs needs 400 more stalls added to the proposal to meet the minimum amount of stalls that the other Louisiana racetracks have. Mr. Duviehl informs that, historically when a racetrack has a mud course and a turf course, the racetrack needs stalls to support horses that run on each type of surface. He says that Mr. Ben Huffman, Racing Secretary for Churchill Downs, told the LaHBPA that 400 stalls are needed just to support the turf course, which is why the Fair Grounds has 1,800 stalls. He states that the horsemen are concerned that Evangeline Training Center will close and will lose those stalls without having anywhere to go.

Chairman Wright requests an objective explanation to justify the LaHBPA's request of the Commission to require more barns and stalls for Evangeline Downs. Mr. Duviehl says that Evangeline Downs needs a minimum of 1,300 stalls like Delta Downs has to run its single dirt course since Evangeline Downs currently has 30% fewer stalls than Delta Downs while running both a dirt course and turf course. Commissioner Wagner asks if Mr. Schwartz's 70-stall receiving barn proposal is satisfactory despite the LaHBPA's letter proposing an 80-stall receiving barn. Mr. Duviehl responds that they can agree to Mr. Schwartz's proposal but the LaHBPA wants further commitment from Boyd Gaming to add stalls, especially with the possibility of Evangeline Training Center closing in the future which would leave no place for those horses to go during Evangeline Downs races.

Commissioner Wagner asks if most of Evangeline Downs' overflow horses go to the training center. Mr. Duviehl responds that the overflow horses stable at Evangeline Training Center or the Training Center at Copper Crowne or leave for other racetracks in other states. Mr. Chatters states that Evangeline Downs' lack of stalls causes an undue financial burden on horsemen to pay for stalls at the training centers. Mr. Chatters requests the Commission to ask Evangeline Downs staff how many stall applicants are rejected every year. Mr. Duviehl says that the Horsemen's Revitalization Act authorized the racetracks to have slot machines in order to support racing according to its preamble.

Commissioner Reine says that Evangeline Downs has had a receiving barn this whole time but is now building a new one. Mr. Chatters says that Evangeline Downs has been utilizing stalls as a receiving barn that is in a dangerously high traffic roadway with inadequate space to park horse trailers but have not had a proper receiving barn. Commissioner Reine suggests the LaHBPA to respond to and accept the current offer and then continuing with discussion of future stall expansion. Commissioner Guilbeau wants specific data from the LaHBPA and Boyd Gaming that speaks to what number of stalls would be adequate. Mr. Chatters says that the LaHBPA accepts the proposal of the receiving barn.

Commissioner Wagner asks if trainers ask for more stalls than needed to try to get stalls for all of their horses. Mr. Chatters responds that current technology gives the racetracks the ability to check any horse's statistics efficiently to dismiss inflated horse numbers on applications. Mr. Duviehl says that there may be some inflated numbers on applications but not likely.

Mr. Schwartz informs that Boyd Gaming researched its own racetrack data but could use more data from the other racetracks. He says that he would like to see the impact of the proposed receiving barn before committing to building more barns. Commissioner Reine informs that Evangeline Downs had 1,550 stall applications in 2016, which would leave 512 stall requests unfulfilled even with the proposed barn. He asks if Delta Down's 1,300 stalls stay full. Mr. Schwartz responds that they seem to stay full but comparing Evangeline Downs' and Delta Downs' data didn't give Boyd Gaming a conclusive answer to an adequate number of stalls.

See Section "I. ASSOCIATION REQUESTS – A. BOYD RACING, LLC –
2. LIGHTING SYSTEM" on page 2 for prior discussion of Delta Downs' lighting issue.

Commissioner McHalfey informs that the lights at Delta Downs are inadequate even though the letter from Sulphur Electric indicates that the lights are in working order. Mr. Schwartz says that there will be significant expense just to obtain an official bid. Chairman Wright says to hope that the lighting system will work from now on because another race-cancelling issue with lighting at Delta Downs will cause a serious situation. Mr. Schwartz responds that he understands.

Commissioner Wagner motions that the following information be collected and presented to the LSRC Office by August 1, 2016:

- 1) stall requests at every Louisiana racetrack for the last three years as opposed to the stalls they currently have available;
- 2) field sizes at each racetrack over a three-year period;
- 3) number of stalls available at training centers in St. Landry and Opelousas area;
- 4) average of how many entries each night are from horses stabled at the track versus those that ship in;
- 5) cost per barn built one at a time versus multiple at the same time.

She adds to the motion that Boyd Gaming and the LaHBPA meet within 10 days of submitting the information to work on a compromise agreement with an open invitation to the LaHBPA Liaison Committee; Commissioner Guilbeau seconds; motion carries.

3. EXOTIC WAGERING TAKEOUT (LA. REV. STAT. 4:166.7)

- a. **Request** to lower take-out percentage of Pick 4 wagering from 25% to 12% for the remainder of the 2016 thoroughbred meet at Evangeline Downs ending Saturday, August 27, 2016.

Mr. Warren informs that Pick 4s have been big wagering items in racing as of late. He states they want to try lowering it and can cancel the change before the end of the current meet if it becomes a detriment to the track. He says that big bettors want lower takeouts to get more money when they win. He informs this 12% would be the lowest takeout in the United States and they want to promote that to get more bettors interested in the overall race cards. Mr. Warren says that over 95% of the handle in the Pick 4 comes from people outside of Louisiana betting from various sites. He explains that the losses from lowering the takeout will be incurred by the sites taking their signal but Evangeline Downs will get the same flat host fee of 3% to 6% of the offtrack bets.

Commissioner Reine asks for an explanation of the downside to lowering the takeout. Mr. Warren responds that the downside would be if there is no credible increase in handle from lowering the takeout, then less money would be made than you would have with the original takeout. Chairman Wright asks when or how they would determine if the venture is a failure and return to the original takeout. Mr. Warren responds that 95% of the wagering money will not be affected, just the sites taking wagers on Evangeline Downs races, which are mostly out of state. Commissioner Wagner informs that she supports this idea, especially after seeing the public relations buzz caused by a similar takeout reduction at Canterbury Park. She says that Evangeline Downs should make an effort to push this on contest websites, which is an area of the horse racing industry that is growing strongly.

Mr. Ed Fenasci, Executive Director of the LaHBPA, says that there is a tremendous upside to lowering the takeout. He informs that the negative impact will only hit the OTBs and tracks in the state which make up about about 5% to 10% of the total handle since the vast majority comes from out of state. He states that the best value from this is the opportunity for Boyd Gaming to promote their races, so the LaHBPA supports it.

Commissioner Reine motions to approve lowering the takeout and request that Evangeline Downs reports on the positive or negative effects of the change to the Commission; Commissioner Guilbeau seconds; motion carries.

Mr. Warren informs that Evangeline Downs will promote the takeout change this week and lower the takeout to 12% on July 20, 2016 with a month-and-a-half left of the current meet to try it. Commissioner Romero asks about why the condition books are available online and not in print currently. Mr. Warren responds that the condition book printer went down and the computer crashed, so they didn't have the hard copies on time for the first time in his 15 years at Delta Downs, but they will have hard copies out possibly today. He said they spread the word that the condition book was online and made some hard copies available to Evangeline Training Center and the Training Center at Copper Crowne.

2016 THOROUGHBRED MEET**4. STEWARDS, OFFICIALS & MANAGEMENT**

- a. **Ratification** of David Wedlake to serve as Alternate Association Steward for 2016 thoroughbred meet.
- b. **Ratification** of Angela Hebert to serve as Placing Judge for 2016 thoroughbred meet.
- c. **Ratification** of **Bobby Granger* to serve as Alternate Placing Judge/Official Clocker for 2016 thoroughbred meet.
**new official*

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

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

1. **PROGRESS REPORT**, *by Mr. Tim Bryant*. Mr. Bryant informs that the Fair Grounds is on track with getting the turf course ready for its 81-day 2016-2017 Thoroughbred Meet as planned with Track Superintendent Pedro Zavala. He says that the main dirt course is in great shape for the upcoming 10-day 2016 Quarter Horse Meet after a few loads of the spillway sand was put on it. He states that Fair Grounds is undergoing restorations on two barns on the backside that will help seal and cool down the barns. He informs that 150 skylights are being replaced for better daytime lighting. Mr. Bryant says that Fair Grounds is getting interior painting done on ten barns for their stalls, bathrooms, tack rooms, and restrooms and is installing rubber mat horse pads to replace some sand pads to be completed by the thoroughbred meet. He states that dorms are being sealed and rooms and hallways are being painted. He informs that Fair Grounds held a VIP event with Deuce McAllister as their guest on Saturday, July 9, 2016 that was well received by their pari-mutuel, video poker, and slots guests. He says that they received good feedback on the food at the event and OTB guests indicated that they enjoy the monthly customer appreciation parties. He states that the quarter horses will move in some time around July 25, 2016.

Mr. Chatters informs that the LaHBPA has an issue with the move-in dates for the quarter horses. He says that Delta Downs agreed to change its quarter horse move-out date from July 19, 2016 to July 22, 2016 and Fair Grounds will allow the quarter horses to move in on July 25, 2016 rather than its original August 1, 2016 move-in date. He requests the Commission to help the LaHBPA close the three-day gap by getting either one of the associations to give them a few more days. Chairman Wrights asks for what reasons the move-in and move-out dates are set as they are. Mr. Chatters responds that the Fair Grounds has work to be done for compliance with the Environmental Protection Agency (EPA) and Boyd Gaming has work for Delta Downs' backside scheduled. Mr. Kuypers says that, after speaking with Mr. Schwartz and the director of facilities on the phone just now, Delta Downs can change its move-out to July 24, 2016 by midnight so the backside work can start the following morning.

Mr. Chatters requests that Fair Grounds change its move-in date to July 23, 2016 to accommodate the horsemen's need of two days to load the horses and equipment. Mr. Bryant responds that Fair Grounds has been discussing this with the LaHBPA on an ongoing basis and can't make a commitment to change the move-in date further until he consults with the design and construction team. Chairman Wrights asks when Mr. Bryant will know if they can change the move-in date and requests to be notified of the

decision. Mr. Bryant responds that he will know by Thursday, July 14, 2016 and will let Mr. Gardiner know of the decision. Commissioner Romero asks how many horses will be moved to the Fair Grounds and if the racetracks can house the horses longer if they don't train on the tracks for a couple days. Mr. Chatters responds approximately 700 quarter horses will move in. Mr. Bryant says that keeping the horses off the track is already a part of the deal and training will start at the Fair Grounds on August 1, 2016.

Kenneth Roberts, one of the top three leading trainers in Louisiana, says that the horsemen need help from the Commission to make sure that the move-in and move-out dates will allow horsemen to keep their horses in stalls so that they will be in the proper condition to race. Commissioner Romero says that this is a recurring problem but should be resolved this time if Fair Grounds can move its date. Mr. Roberts informs that he has 47 horses to bring to Fair Grounds and can't move all of them in one day, so they need more than a one day transition period.

Commissioner Wagner says that this issue occurs every year and requests that the LaHBPA and the tracks work out the issue rather than bringing it up to the Commission near the deadline. Mr. Chatters responds that the horsemen have this problem from Delta Downs to Louisiana Downs for thoroughbred meets, from Evangeline Downs to Fair Grounds for thoroughbred meets, and Delta Downs to Fair Grounds for quarter horse meets. He says that they have a viable plan to present with minimal amounts of dates for these constant move-in and move-out issues. Commissioner McHalfey says that it was a big problem for moving horses out of Delta Downs to moving into Louisiana Downs last year. Mr. Chatters informs that the quarter horsemen suffered due to the loss of race days at Louisiana Downs this year due to flooding but the thoroughbred horsemen were able to move in easier. Commissioner McHalfey says that the move-in and move-out plan needs to include dates on which the horses can start training on the racetracks. Mr. Bryant informs that the Fair Grounds has mutual interest in putting on horseracing and have been engaged in an ongoing dialogue with the LaHBPA to work on a solution.

Further discussion of this topic occurs under Section "III. OTHER – C. REQUEST BY LAHBPA – 1. Discussion of move in/out dates for horses at each track" on page 12.

Commissioner Reine asks what kind of construction the Fair Grounds is getting done. Mr. Bryant responds that the Fair Grounds received a notice of noncompliance from the EPA concerning the Clean Water Act and have been in discussions with the EPA and the Department of Justice concerning their expectations of what needs to be done. He says that it will likely be many years of work to ultimately reach compliance but Fair Grounds is trying to juggle the timing of necessary construction and their race meets. Commissioner Reine asks how many stalls the Fair Grounds has. Mr. Bryant responds that Fair Grounds has a little over 1,820 permanent stalls and a ship-in receiving barn with 98 stalls. Commissioner Reine asks if the construction will affect all of the stalls or just a limited number of them in a way that would allow Fair Grounds to have the needed 700 stalls. Mr. Bryant responds that they are already considering that and will reach out to the LaHBPA and the Commission by July 14, 2016. Commissioner Reine asks if Fair Grounds has usually run 10 or 12 days for past quarter horse meets. Mr. Bryant responds that it has varied from 10 to 14 days on different years and the Commission has approved 10 days for this year's quarter horse meet.

2016 QUARTER HORSE MEET**2. RACES**

a. **Approval** of first condition book for 2016 quarter horse meet.

b. **Approval** of designated races for the 2016 quarter horse meet.

08/17/16	LQHBA Sales Futurity Trials
08/20/16	Treme Stakes
08/20/16	Audubon Stakes
08/20/16	Gentilly Dash Stakes
08/27/16	Faubourg St. John Stakes
08/27/16	Esplanade Stakes
09/02/16	De Saix Stakes
09/03/16	LQHBA Sale Futurity
09/03/16	LQHBA Sale Invitational Stakes
09/03/16	Mid-City Stakes
09/03/16	Lakeview Dash
09/03/16	French Quarter Stakes

Commissioner Reine motions to approve; Commissioners Wagner and Romero second; motion carries.

3. REQUEST TO AMEND RACING DATES (R.S. 4:158A) TO OMIT FEBRUARY 23, 2017 FROM TB MEET AND TO ADD POST TIME EXCEPTIONS (IN BOLD BELOW)

2016/2017 THOROUGHBRED MEET

a. **Approval** for 2016-2017 thoroughbred meet:

1. ~~82~~ **81** thoroughbred race dates (11/19/16 through 4/2/17)

November 19,20,24,25,26,27

December 1,2,3,4,8,9,10,11,15,16,17,18,22,23,26,29,30,31

January 1,2,5,6,7,8,12,13,14,15,19,20,21,22,26,27,28,29

February 2,3,4,5,9,10,11,12,16,17,18,19,~~23~~,24,25,26,27,28

March 2,3,4,5,9,10,11,12,16,17,18,19,20,23,24,25,26,27,30,31

April 1,2

2. Daily post time 1:25 PM except:

November 19, 2016 & **January 28, 2017**, 3:00 PM post time

November 24, 2016, 11:00 AM post time

December 10, 2016, January 21, 2017, February 25 & 28, 2017, April 1, 2017,
12:30 PM post time

January 13, 2017, February 10, 2017, March 10, 2017, 5:00 PM post time.

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

D. HARRAH'S BOSSIER CITY INVESTMENT COMPANY, LLC**d/b/a HARRAH'S LOUISIANA DOWNS**

1. **PROGRESS REPORT**, by *Mr. David Heitzmann*. Mr. Heitzmann informs that Louisiana Downs' 84-day 2016 Thoroughbred Meet is almost halfway through with flat average field sizes of 7.8 and a flat average handle per race. He says that Louisiana Downs made an agreement with TVG at considerable cost prior to the starting of the meet to cover 60% of Louisiana Downs' races on TVG and the other 40% on TVG2. He states that Louisiana Downs has two big days coming up, Louisiana Cup Day in August and Super Derby Day in September. He says that Louisiana Downs held an all-turf day in June that had big field sizes slightly negated by rain before the post time and will hold another all-turf day on Saturday, July 16, 2016. Mr. Heitzmann informs that they held exotic animal races on July 4, 2016 that had over 6,000 attendees who filled the

grandstands, the apron, and the clubhouse. He states that Louisiana Downs started a \$19.99 buffet on Saturdays that has been growing week to week, including 300 covers last Saturday, July 9, 2016. He says that management has been meeting with horsemen about every three weeks to resolve issues, including the replacement of a front end loader to pick up manure and gathering bids for gutter repairs that should start in about two weeks. He states that Louisiana Downs raised purses on the bottom level by \$1,000 and the upper level by \$500 due to lower categories of the races that they have been running.

Commissioner Romero says that people have complained about not having enough ticket sellers to place bets at Louisiana Downs on the July 4, 2016 race day. Mr. Heitzmann responds that he doesn't oversee that type of issue but will look into it. Commissioner Romero informs that he heard casino workers were brought in to the racetrack to work without licenses. Mr. Gardiner responds that Mr. Trent McIntosh has given assurances that everyone who worked in the racetrack was licensed.

Dr. Finkelstein says that he heard that the Horseshoe Casino owners who have horses running at Louisiana Downs have approached big gamblers at Louisiana Downs to convince them to leave the grounds and spend their money at Horseshoe Casino. Mr. Heitzmann responds that Mr. McIntosh will have to address that at another time. Commissioner McHalfey commends Louisiana Downs on resolving the manure pickup issue and taking great care of the racetrack. Mr. Heitzmann informs that they have also resolved an issue with the speaker system and will continue working on any issues with the horsemen.

Commissioner McHalfey reiterates that the July 4, 2016 race day had terrible service and hopes that the crowd returns. Mr. Heitzmann says that the big events are covered by TV and radio advertisements. Chairman Wright asks where Mr. McIntosh is today. Mr. Heitzmann and Commissioner McHalfey respond that he is on a scheduled vacation. Commissioner Reine commends Louisiana Downs for their advertisements but asks Mr. Heitzmann to relay to the management team that he has heard multiple issues with service in the clubhouse.

Mr. Chatters says that he thinks that racetrack owners need to invest in promoting horse racing more consistently like Louisiana Downs did recently to keep the industry profitable. Commissioner McHalfey says that he would like the Commission to mandate the racetracks to make improvements in the frontside, backside, and marketing much like how it did with Fair Grounds which led to increased handle and people on site.

A fifteen minute recess is taken.

II. COMMITTEE REPORTS

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

Commissioner Wagner informs that she has spoken with Dr. Dirikolu about obtaining appropriate accreditations for the LSU Laboratory. She says that she will visit the lab, which is in the process of achieving ISO 7025 accreditation, which is to be completed by early next year.

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

1. **Update** on creating procedure to confirm that training tracks retain continuous insurance coverage throughout the year and require Commission to be a notified party if insurance lapses.

Commissioner Davis informs that the Rules Committee will bring a formally written document about how the Commission will change the rules to become notified when a training track's insurance lapses. Commissioner Reine asks how that notification process would work. Commissioner Davis responds that the notification process would be codified similar to how a mortgage holder is set to receive notices on a home owner's policy.

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 not present. No Report.

F. FINANCE COMMITTEE, by *Committee Chairman Louis Reine*

No Report.

III. OTHER

A. DELEGATION OF AUTHORITY

1. **Approval** of Delegated Authority to Charles A. Gardner III, Executive Director, to approve various administrative documents and personnel actions for the Racing Commission.

Mr. Gardiner informs that everytime there is a new Commission appointed by the Governor, the Commission has to vote on approval of the delegation of authority from the Commissioner of Administration to the LSRC Executive Director as the appointing authority of the agency, which yields an identical delegation from the Commission. Chairman Wright asks if the approval vote gives him permission to sign the affidavit for the Commission's Delegation of Authority. Mr. Gardiner responds affirmatively.

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

B. APPRENTICE JOCKEY EXTENSIONS

1. **Ratification of Correction** to Extension of Apprentice Allowance for Jockey Hector del Cid with expiration date of 6/4/16.

Commissioner McHalfey motions to approve; Commissioner Romero seconds; motion carries.

- 2. **Approval** of 111-day Extension of Apprentice Allowance for Jockey Erica Murray. (Injured 1/14/16 at Fair Grounds; physically disabled and unable to ride through 5/4/16) Amend expiration of apprenticeship from 7/28/16 to 11/16/16.

Commissioners motion to approve; Commissioners second; motion carries.

C. REQUEST BY LAHBPA

- 1. **Discussion** of move in/out dates for horses at each track.

Prior discussion of the move in/out dates occurred under Section "I. ASSOCIATION REQUESTS – C. CHURCHILL DOWNS LOUISIANA HORSERACING COMPANY, LLC – 1. PROGRESS REPORT" on pages 7 & 8).

Mr. Chatters requests to table the discussion so that the LaHBPA can talk to the racing associations to come up with a plan together and bring it before the Commission at a later meeting. Commissioner Reine asks if there are any rules or other regulations that mandate the number of days that stalls are available to horses before and after race meets when the Commission approves the dates. Chairman Wright responds no and that if some agreement is not reached in this matter, then the Commission may have to start setting move-in and move-out dates for the racing associations.

Commissioner Davis requests that the Commission get a representative from the one of the breeder's associations to give a report on where the state is in terms of foals dropped to see what the Commission could do to help. Mr. Chatters says that the LaHBPA can discuss this with the Louisiana Thoroughbred Breeders Association (LTBA) and the Louisiana Quarter Horse Breeder Association (LQHBA) and report back about foals. Chairman Wright asks Mr. Chatters to report their findings at the next Commission Meeting. Mr. Chatters says that he will and horses bred in other states that race here are needed to keep racing viable in Louisiana.

Commissioner Wagner says that the foal information should be included in the Evangeline Downs stall expansion discussion. Mr. Chatters says that the LaHBPA, LTBA, and LQHBA have commissioned an economic impact study to be done about breeding, racing, and the industry generally and will share that study with the Commission when it becomes available.

IV. LICENSE APPROVAL

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

- 1. **Gerald J. Cole, Groom/Hotwalker.** Convicted felon.

Case was continued.

Commissioner Davis motions to amend the agenda to move Ms. Wendy Garcia's case first. Commissioner Wagner seconds; motion carries.

V. ADJUDICATIONS

A. VIOLATIONS OF LAC 35:I.1797 (Equine Positives)

1. **Wendy A. Garcia, Owner/Trainer.** (*Adjudication Referred*)
Ruling#DD21701 of 6/2/16 – *Stanozolol (ARCI Category III)*

Commissioner Guilbeau motions to uphold the Stewards' ruling; amend Ms. Garcia's suspension from 30 days to 60 days (credit for time served beginning 6/2/16); effective 6/2/16 through 7/31/16; and fine her \$1,000 total; purse redistributed. Ms. Garcia will be denied access to all racetracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner Wagner seconds; motion carries.

2. **Rafael C. Gomez, Trainer.** (*Adjudication Referred*)
Ruling#ED21733 of 6/18/16 – *Phenylbutazone (ARCI Category IV)*
(*3rd offense of ARCI Cat. IV/V within a 12-month period*)

Commissioner McHalfey motions to uphold the Stewards' ruling; suspend Mr. Gomez for 60 days effective 7/16/16 through 9/13/16; and fine him \$1,000 total; purse redistributed. Mr. Gomez will be denied access to all racetracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner Guilbeau seconds; motion carries.

3. **Fructuoso M. Huitron, Trainer.** (*Adjudication Referred*)
Ruling#DD21735 of 6/22/16 – *3-OH-Lidocaine (ARCI Category II)*

Commissioner Reine motions to uphold the Stewards' ruling; amend Mr. Huitron's suspension from 6 months to 90 days (credit for time served beginning 6/25/16); effective 6/25/16 through 9/22/16; purse redistributed. Mr. Huitron will be denied access to all racetracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner McHalfey seconds; motion does not carry.

Commissioner Reine makes a substitute motion to uphold the Stewards' ruling; amend Mr. Huitron's suspension from 6 months to 90 days (credit for time served beginning 6/25/16); effective 6/25/16 through 9/22/16; and fine him \$500 total; purse redistributed. Mr. Huitron will be denied access to all racetracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner Davis seconds; motion carries.

4. **Kenneth J. Faul, Trainer.** (*Adjudication Referred*)
Ruling#ED21732 of 6/17/16 – *Methamphetamine Dextro (d) isomer (ARCI Category I)*

Commissioner Wagner motions to uphold the Stewards' ruling; amend Mr. Faul's suspension from 6 months to 9 months (credit for time served beginning 6/19/16); effective 6/19/16 through 3/18/17; and fine him \$1,500 total; purse redistributed. Mr. Faul will be denied access to all racetracks, off-track wagering facilities and recognized training tracks under the jurisdiction of the Louisiana State Racing Commission. Commissioner Reine seconds; motion carries; opposition from Commissioner Davis.

VII. ADJOURNMENT

Commissioners Davis and Guilbeau motion to adjourn; Commissioners second; Chairman Wright adjourns the meeting.



Charles A. Gardiner III
Executive Director