

**THE HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION
OF BRITISH COLUMBIA**

MINUTES OF THE ANNUAL GENERAL MEETING

HELD in the George Royal Room, Hastings Racecourse 6:30 pm October 20, 2022

HBPA BC President David Milburn, serving as the Chair, called the meeting to order at 6:30 PM

Items 1

- a) Officers of the Association
David Milburn---President
Steve Henson---Vice-President
Gary Johnson---Vice-President (absent with reason)
Neil Stajkowski---Secretary-Treasurer
- b) Directors of the Association
- | | | |
|---------------|---------------------------------|--------------|
| Denise Prail | Don Danard (absent with reason) | Nigel Reid |
| Richard Hamel | Mel Snow | Patty Leaney |
| Tara Neigel | | |
- c) More than a quorum (25 required) of HBPA members were present.

After calling the meeting to order the President Milburn advised that proper Notice had been placed in the as required by the HBPA constitution and bylaws and observed that since there were more than enough members present for a quorum (25), the meeting was properly constituted.

The Chair then introduced the invited guests and speakers, BC Racebook General Manager Matthew Ruhlman and from Hastings Racecourse General Manager Ryan McCarthy and Director of Racing Nichelle Milner and Scott Henson, Racing Secretary. He introduced the HBPA Board of Directors, who were in attendance, and Neil Stajkowski, the Secretary-Treasurer.

David then reported generally on the 2022 meet with average field size up slightly and purses up, back to 2019 levels. There is still serious concerns with field size and the impact small fields have on simulcast revenues that Matthew will report on later.

Item 3

President Milburn then made a series of announcements relating to the agenda, and the documents attached to it, that the membership had been provided. He then noted that the minutes for the 2021 Annual General Meeting have been made available to the members present and asked that they be reviewed. He then called for errors and omissions, and none came forth. The following motion was then passed by the membership:

MOTION: To approve the minutes of the 2021 Annual General Meeting held on November 3, 2021, as circulated.

The motion was moved and seconded (Steve Henson/Craig MacPherson) and approved.

Item 4

The Chair then introduced Neil Stajkowski (Secretary-Treasurer) to speak to the March 31, 2022, Annual Financials for those in attendance. Steve Henson, Chair of the Finance Committee and Mel Snow, Director responsible for feed store matters were on hand to answer any questions. A call for questions resulted in some related to the 'political initiatives' line item.

David took the lead on this and explained the role Strategies 360 had for HBPA BC and the importance of their work in securing the government funding received.

The Chair called for a motion to approve the annual financials as presented and one was made and seconded, and without dissent the following was passed:

MOTION: To approve the 2020-2021 and 2021-2022 Annual Financial Statements as presented.

The motion was moved and seconded (Tara Neigel/Denise Prail) and approved.

Following a call by the Chair for discussion of the appointment of the reviewer for the next year, the following motion was made, seconded, and passed without dissent:

MOTION: To appoint Beauchamp & Company LLP to conduct the review of the HBPA financials for the next fiscal year running from April 1, 2022, to March 31, 2023.

The motion was moved and seconded (Steve Henson/Gary Johnson) and approved without dissent.

Item 4 – Industry Report

The Chair reported that Ole Nielson, as the representative of the Horse Racing Industry Management Committee, was unavailable to attend, the Chair would report on industry matters.

Firstly, he reported that the HBPA BC agreed with the appointment of BC TOBA president Ole Nielson to the HRIMC as the Thoroughbred member, however, any decisions needed at the HRIMC would first be discussed and recommended by HBPA BC. Ole agreed to this proviso. The Chair added that purse finances would continue to be managed by BCTOBA for the time being.

In terms of funding, the Chair reported on the regular sources (Casino Slots, BC Racebook) and that information on these sources would be reported by those organizations. He added that BC Racebook now runs both racetrack race books directly with support and co-operation with GCE (Great Canadian Entertainment). The total revenue is split between

the track operator (Hastings and Fraser Downs), HRBC and Thoroughbred racing under the agreement to split made years earlier. He said that this split is under review by Thoroughbred and HRBC and will be the subject of future negotiations. He said that Breeders receive 10% off the top of net revenue to support BC breeding in addition to the BC bred bonus provided based on race results. This agreement is in place until the end of 2024.

He reported that the HRIMC has used a 'float' each year to provide funding to programs like fresh horse and wintering as the season gets going with training and without racing revenue. That float has decreased dramatically with reduced revenues the past couple of years adding additional stress on our racing budget and directly impacting the purse account. This has made the determination of purse levels and stake funding a significant item to manage with uncertainty in funding. All racing organizations have made long term sustainable funding a priority with discussions with the operator and government.

He further reported that the fresh horse program brought in 31 new horses of the 35 hoped for. Purse levels will need to be slightly decreased in 2023 as a result of less net revenue to the industry. Either purses go down or race days go down.

The wintering program provided funding to 83 owners of horses coming out of the 2021-22 off season. These horses are needed to fill our cards and provide for the 'bottoms' in our meet. The funding was down \$500 per horse to \$5000 this year however the level of horse was adjusted to include \$8,000 (BC \$10k) claimers. At least as many horses are expected to take advantage of this program next spring.

From the floor, Jordan Froelich asked about the AB programs and the fact they offer some additional incentives. The Chair commented that the AB are reviewed and due to the differences in how they are funded, they can provide additional resources not only at the racing level but at the breeding level. This is another factor being considered in looking for a new sustainable funding model.

The Chair continued that 45 race days are planned for 2023 that will start the week before the Kentucky Derby and include 4 Friday nights. Additional information will be shared in the report by Ryan McCartney, Hasting General Manager.

Item 5

The Chair then introduced the BC Racebook (formerly Teletheatre BC) General Manager, Matthew Ruhlman who briefed the meeting on TBC operations.

Matthew reported on TBC results and that TBC contributed over \$9 million to the industry based on an increased handle of about \$4M to \$88.5M. He said simulcast revenue is growing and is expected to continue through next year.

BC Racebook has taken on more operational work (the two casino race books) and more marketing and promotional work. He continues to work and try to manage the impact HPI (out of Toronto) has on our online betting in BC and how the new app called Dark Horse is being implemented. (Dark Horse is a simplified racing app that works very well for new bettors and bettors who come for large events like the Cup at Hastings)

On the marketing side, BC Racebook has developed and posted online many new videos supporting live racing at both tracks. On track handle is important as it is worth roughly 6x a simulcast bet on average. This makes track attendance an important goal for the industry and operator.

He also said they have created a BC Racebook newsletter that has been very well received. Greg Douglas providing content for distribution. Dr. Sport, being a well-known sport and racing advocate, adds to BC Racebook's credibility.

Overall, wagering at Hastings in 2022 was within 10% of the 2019 numbers.

From a survey done by BC Racebook on Canada Day, patrons were clear in seeing racing at Hastings as a family event.

He said that BC Racebook will continue to drive the message that Hastings is a key sports entity in Vancouver and should be considered a sport destination.

In questions from the members, he responded to field size specifically. He said that the ideal field size is over 7 on average. It impacts bet levels substantially. He added that BC Racebook has hired a consultant to look at racing and offer opinions on bet types and exact timing of races on race days among other things.

Question was asked about Hi-Definition. He said that it was coming by the end of 2023 at the latest.

He also briefly discussed some different betting types (fixed odds) and on the hope to improve Wi-Fi at both tracks.

The Chair thanked Matthew for his work and for sharing with the members.

Item 6 and Item 7– Industry and Track Operations/Members Forum

President Milburn then introduced Ryan McCartney, Manager of Hastings to provide a report from the track operator.

Ryan reported on some of the changes brought to the frontside – new paint and box panels as well as increased staffing to add a larger social media presence and things for families. He acknowledged more needed to be done and the work with BC Racebook was important.

He said that he is moving incrementally on changes to ensure he has staffing and support to succeed with any incremental change. He said that there has been changes made to staff levels and recruitment and that overall recruitment has been one of the most difficult areas for operations, both with racing tasks and with food service and delivery tasks.

He reported that once some bugs were worked out, The Cup was very successful and is contracted for both 2023 and 2024. Additionally, marketing of other days is being worked on to bring back dog races and community days. He added that it is 90% certain that 4 Friday night race dates will be added in July and August of 2023.

On the staffing front, there is a new collective agreement with the union. He hopes that this will provide some support to create some concert dates to better use the frontside assets. Additionally, he is working on a 3 year plan for Hastings.

Members raised questions related to operation issues on the backstretch, particularly around the condition of barns and the asphalt. Ryan said he is working with the GCE capital asset manager (Michael Erbis) to see what can be done and all of this is done in conjunction with the horsemen.

Lighting was also discussed, and Ryan said the LED lighting is being considered for the track with support from BC Hydro and one of their light replacement programs.

Member Vicky Gilker strongly raised the issue of horse safety when discussing stall and road conditions on the backstretch. Her views were shared by many members in attendance.

The Chair asked Ms. Gilker to join the HBPA BC Track Committee as an ad-hoc member. Mel Snow (Director) chairs and Rob Maybin is also an ad-hoc member of that committee.

There were also member comments on the test barn and how it operates. The Chair commented that operational decisions around their practices are 100% under the preview of the CPMA and their operator Racing Forensics. HBPA BC and the operator will raise matters but do not have final say. There was talk of cooling the test barn for the horses after the race.

There was discussion of purses and addition of Maiden Allowance levels for 2 yr olds. The BC Bred bonus and its impact on level of purses was also discussed. The Chair acknowledged that purse levels not growing has created some unintended consequences that cause horses to drop sooner than expected in level. This is a concern of the Board that is always a consideration when setting purse levels.

Other issues were also fed back to the HBPA that the Chair noted for consideration by the Board. These included a revised communications plan, dealing with short fields, the role going forward of BCTOBA, test barn cooling and some other items.

The Chair said that these items will be on the HBPA BC Board's agenda to discuss and move forward as appropriate.

Item 8 – Other Business

The Racing Surface was raised as a concern by member Rob Gilker.

The track committee chair, Mel Snow, reported on steps taken to maintain the track for the safety of horses. He said the surface will be screened and the mixture may be changed to include more loam. Stabilizer will be sourced and added in increments during the next season.

Rob Maybin said that there is work that the maintenance team could do to improve the surface such as deeper harrowing and he is not sure the addition of silt makes sense.

Mel said a detailed plan with the use of the Hastings track consultant will be done for the 2023 race season.

Jordan Froelich raised the issue of cost of shipping and wondered if there was any process the track could put in to aid the delivery of horses to Hastings in a more cost-effective manner. The group said that information was ad-hoc and so direct communication with other owners and trainers was the only way at present.

When all members had been given an opportunity to speak, the meeting was adjourned at 8:30 pm.

DRAFT Subject to 2023 AGM Approval