



**Delaware Jockey's Health & Welfare Benefit Board
Minutes of Regular Meeting Held On
January 13, 2016**

The Delaware Jockey's Health & Welfare Benefit Board held a Regular Meeting on
Wednesday, January 13, at 10:05 a.m., in the Horseman's Office,
at Delaware Park, 777 Delaware Park Blvd, Wilmington, DE 19804

The following Board members were present:

Edward J. Stegemeier, Chairman
W. Duncan Patterson, Jr., DTRC Chair, Ex-Officio Member
Bessie Gruwell, DTHA Executive Director
Pete Lizarzaburu, Retired Jockey
Heriberto (Herbie) Rivera, Jr., Jockey's Guild Regional Manager
John E. Mooney, Delaware Park, Executive Director of Racing

The following Board members were absent

Mindy Coleman, Esq. Jockey's Guild
Delaware Jockey Board Member – Active Rider – Position Currently Vacant

The following individuals also were present:

Andrew Kerber, Esq., Deputy Attorney General, Commission Counsel
John F. Wayne, DTRC Executive Director
Robert E. Colton, Delaware Jockey's Association, Director
Richard A. Levine, Esq., DTRC Commissioner
Kevin DeLucia, Delaware Park, Sr. Vice President & CFO, Racing–Administration
Jerome Doro, Racing Secretary, Delaware Park
Francis J. Swift, Jr., DTRC, Inspector
John T. Peters, D.V.M., DTRC, Chief Commission Veterinarian
Fritz Burkhardt, DTRC, Steward
Pam Rash, DTRC (recording minutes)

1. WELCOME AND CALL TO ORDER

Chairman Stegemeier called the meeting to order at approximately 10:05 a.m.

2. APPROVAL OF MINUTES

No approval of notes required.

3. NEW BUSINESS

A. State of the Fund

Robert Colton gave the following report:

The unencumbered balance for the fund is \$1,192,324.67. The 2015 Revenue less Expenses is a surplus of \$71,199. The YTD Revenue Less Expenses as of January 31, 2016 is a surplus of \$1,787. Contributions and Excess On-Track Premiums are pro-rated monthly.

If there was full participation of eligible jockeys, there would be an added health expense of approximately \$191,822 bringing the 2016 Projected Revenue Less Expenses to a deficit of \$176,856.

There are currently 28 members (15 active, 13 retired) and there are 16 (11 active, 5 retired) eligible nonparticipating jockeys. There are also several active jockeys (participating and nonparticipating) eligible for retired benefits. There were 3 active jockeys dropped as they did not qualify for 2016 and there was 1 retired jockey added for 2016.

Contributions from Delaware Park and the horsemen are generally received in July. There was a \$444,856 deposit in late fall because the deposit was erroneously deposited into another state account. The CPI for July 2015 through June 2016 is estimated to be 1.8% providing an additional contribution of \$8,007 for a total 2016 contribution of \$452,863. The current average net monthly expense is \$35,000 giving the Fund an estimated balance of \$980,000 at the end of June, which will be the low balance for 2016.

B. 2016 Budget and Insurance Rates

The 2016 Schedule of Costs is projected to be a surplus of \$14,966. If all eligible jockeys participated, the projected deficit would be \$176,856 (based on a current average annual cost of \$10,106 per member). Chairman Stegemeier questioned whether changes could be made to deductibles. Mr. Colton indicated the Fund falls under the California Jockey Welfare Corp., which chose not to make any changes to deductibles. He has tried to discourage the Cadillac plan. California has a state based HMO plan, but there are not enough members for the Delaware Fund to qualify.

Due to the Patient Protection and Affordable Care Act, Mr. Colton indicated there could be more member participation due to the individual penalties for not having coverage (2016 penalties are double from 2015 penalties). Annual cost for lowest plan is \$720 vs. a personal penalty of \$2,085 could persuade more participation.

Aetna (health insurance) increased their premiums 6% with no benefit or deductible changes.

Guardian (dental, life, vision and disability) increased vision premiums slightly with no increase to dental, life and short/long term disability premiums and no changes to benefit levels.

AIG (excess on-track) has increased the premium 9.6% to \$1,140 per day due to 2015 racing season being slightly above average for the number of jockey accidents (no catastrophic injuries).

C. Counseling Program Contract

Mr. Colton stated the current contract has expired and the counselor, Nan Freeman, has expressed a desire to continue working with Delaware Park jockeys. Ms. Freeman requested a \$3.00 hourly increase. Mr. Colton has since been contacted by Family Counseling Center of St. Paul's requesting an increase of \$10.00 per hour and for Ms. Freeman's name be removed and replaced with St. Paul's Counseling due to liability insurance being through St. Paul's. Ms. Freeman would still be the counselor.

DTRC Commission Richard Levine questioned whether there was a reason the service is not being used based on the low numbers from 2015. Mr. Colton felt the riders are a lot more responsible than previously. The program is mostly used when a rider has a problem. Mr. Colton is trying to get more nutrition programs added. There are also time constraints with the jockeys being shipped out to other tracks. There was an agreement that the program is under used.

Chairman Stegemeier would like to see the contract extended for two years or more. DAG Andrew Kerber read the contract and indicated the only issue was in 9.0 Access to Records. Mr. Colton indicated he used the previous contract and updated it with date and amounts. DAG Kerber indicated it was okay to use this contract with the correction of "If that section should be found inapplicable, then this paragraph 10..." should read "...then this paragraph 9..." Mr. Colton indicated Adrianna Bernardo-Freeman will be replaced with St. Paul's and the signature line will be changed to Rob McCleary.

Upon a motion duly made (Mooney) and seconded (Gruwell), the contract will be extended for an additional three year period. John Wayne confirmed that Mr. Colton will submit the corrected contract to DAG Kerber, who will then forward a copy to Mr. Wayne for file at the Department of Agriculture.

D. Excess On-Track AD&D Increase Benefit

Mr. Colton stated the current AD&D benefit is \$100,000 and inquired about raising the AD&D coverage and what the cost would be for such increase. AIG (current provider) provided a quote of \$157 per race day to double the AD&D benefit to \$200,000. The AD&D benefit covers death due to an injury at the race track and varying benefit levels for paralysis and loss of sight, hearing or limbs and is paid directly to the individual. During the time of coverage there has only been 1 person collect the full \$100,000. The AD&D premium increase for 81 days of racing would be \$12,717. The cost of the excess on-track program is reduced by the \$4 per mount fee charged to jockeys. The 2015 mount fees were \$20,340.

Chairman Stegemeier questioned what the payback would be to Delaware. DTRC Chairman Patterson did not feel it would attract more riders; however, he did feel the increase is warranted.

Heriberto Rivera felt most young jockeys do not feel they need it. He felt that Delaware has a great program.

Upon a motion duly made (Mooney), seconded (Lizarzaburu) and unanimously voted upon, the AD&D benefit will be increased from to \$200,000.

E. Safety Helmet & Vests

Mr. Colton previously proposed a damaged helmet and vest replacement program where the Fund would pay 100% of replacements costs. This proposal was declined by the Board.

He has prepared a new proposal that will have the jockeys pay one-third the cost of a damaged helmet or vest with the other two-thirds being split between the Fund and the insurance broker, Bolton & Company. He will also be proposing a new helmet and vest rule based upon standard based equipment to the Delaware Thoroughbred Racing Commission.

Mr. Colton worked with the insurance broker, Bolton & company, who agreed to provide a maximum donation of \$1,500 for 2016. DJH&WF would provide matching funds of \$1,500. This would provide a maximum budget of \$3,000. Damaged helmets or vests would be replaced up to two-thirds costs to a maximum of \$200 per helmet or vest at the jockey's discretion.

He also has worked with Whips International (an established vendor who fully stocks hundreds of vests and helmets) to offer the equipment at reduced prices.

He confirmed that this program would cover any jockey who rides at Delaware Park. He added that California has offered this program for the last two years and has replaced only 6-8 helmets per year and maybe 1 vest. Parx is instituting standard based equipment for both jockeys and exercise riders and Maryland, Stronach, will have a house rule for standard based equipment only. No non-standard based equipment will be allowed on premises. Delaware's standards would be the same. Europe is tightening standards to one helmet.

Concern was raised as to who would determine if the helmet is damaged. Mr. Colton indicated if the rider suffers a concussion, the standard recommends that it be replaced and will be confiscated if he turns it over. It is a voluntary program and the jockey's make the decision. The proposed rule gives the stewards the right to inspect and confiscate a helmet or vest if it does not meet the minimum standards in order keep nonstandard equipment off the track. It is the rider's responsibility to make sure the helmet and vest are safe.

There was concern about the wording and DAG Kerber felt that there needs to be stronger language that the responsibility for replacement of the helmet is on the jockey and avoidance of liability for the track and Commission. Chairman Stegemeier asked DAG Kerber who agreed to work on the language and submit to John Wayne for submission to the Board for review. DAG Kerber asked Mr. Colton to work on the wording that describes the program for the jockeys.

It was agreed that approval needs to be postponed until new wording is prepared.

F. Transitioning Member to Medicare

With an increasing membership of retired riders, Mr. Colton spoke with the insurance broker on how to handle Medicare for the jockeys. There was one member who enrolled himself in Medicare during 2015 but has remained subscribed in a health plan through the Fund, which is the primary insurance for the member. Beginning in 2016, the individual has been enrolled in both a commercial Medigap plan and a prescription plan. These plans are individual plans not group insurance plans as Aetna declined the request to provide a Medigap plan. Mr. Colton provided cost comparison of the Medicare/Medigap coverage vs. the Funds (Aetna) coverage. The Medicare/Medigap coverage would save the Fund approximately \$233.00. Mr. Colton has requested authorization from the Board to cover the cost of the Medigap and Prescription program with the individual paying for the Medicare Premium.

DAG Kerber indicated the State health plan requires a retiree (not current employees) to enroll in Medicare Part A and B when first eligible. They would then be able to get the Medigap supplement plan. This cannot be required of current employees. The Board should act consistently with the way the state acts regarding all jockeys. He advised the Board that this should be adopted to follow the way the State handles. The rule only defines eligibility; the Board decides what the scope of the health coverage will be.

Upon a motion duly made (Rivera), seconded (Mooney) and unanimously voted upon, Robert Colton is authorized to provide this individual and future retirees with the Medigap and Prescription coverage with the individual paying for the Medicare premium.

Chairman Stegemeier thanked Mr. Colton for what he has done with the healthcare.

4. PUBLIC COMMENT

None

5. ADJOURNMENT

Upon a motion duly made (Mooney) and seconded (Lizarzaburu), the meeting was adjourned at approximately 10:05 a.m.