



**Board of Trustees Meeting
Place: Association Offices**

**October 23, 2019
Albuquerque, NM**

PRESENT

President Tom Goncharoff, 1st Vice President Miguel L. Gallegos and board members Denton Crozier, Debra J. Laney, Mike Logan, Mindy J. McArthur (telephonically), Annette McCloy, Mac Murray, Thomas W. Pierce, Jr., Verner R. Query & Bill W. Shepard.

ABSENT

2nd Vice President Jay L. Taylor.

QUORUM

President Goncharoff acknowledged a quorum present.

MINUTE APPROVAL

Debra J. Laney made a motion to approve the minutes of September 11, 2019, seconded by Bill Shepard. Motion carried 10:0.

DIRECTORS REPORT

Mary M. Barber reported that the Awards are coming along well and that she has a meeting scheduled with our programmer the next day about updating our program to pay the breeders for 1st, 2nd and 3rd places and about combining part A and Part B onto one check with one statement. We plan to have the Award checks mailed out on November 26th. That is the Tuesday before Thanksgiving and is the day we usually mail them out.

The General fund was up and doing really well so 2nd Vice President, Jay L. Taylor was notified. It was decided to move \$25,000 more into the Money Market account with BOK Financial.

We submitted a new rule at the Rules & Medications meeting to take the place of the bond requirement. Last year the bond was just under \$20,000.00 and only covered employee fraud. The statute was changed to take out the bond requirement but states that a rule needs to be set up with the New Mexico Racing Commission. Jay L. Taylor wrote the rule stating that we would maintain a certain amount of insurance and keep up the security through the bank and asked the Rules Committee to vote on it and it passed unanimously. This rule was sent to each of the board members by email in advance. Now it has to go before the Commission for them to hear and then vote on. It takes a few months for it to become official.

On rule that we didn't get to during the Rules & Medication's meeting was one the NM Horsemen's Association had submitted stating that the horsemen could move into the barn area 21 days before a race meet started. This should come up again at the next meeting in November. Zia park was not open for horses to start moving in from Ruidoso once Ruidoso's meet was over, so Ruidoso had to keep their barn area open longer since there was no place to move the horses to.

New Mexico Cup day will be on October 27th and we were finally able to get in contact with Zia Park to confirm that we can have our booth set up for that day. Our booth will be up in the Turf Club directly across from the elevators. Mary had been unable to get a response to her emails asking about if they would like our board members to present the trophies. She also asked repeatedly about having saddle towels for those horses who qualify for the finals of the Futurity & Derby with no response. We do have extra caps left over from the horse sale so Mary thought any board members that are going to the races that day can go to the winner circle and present those to the winning owners. Annette McCloy and Bill Shepard said that they will be at the racetrack for New Mexico Cup day.

President Tom Goncharoff asked Mary Barber to explain what part A and part B pertain to when she talked about the Award checks. Mary explained that Part A will be the 2018 Zia Park meet through June 13th. On June 14th the new law goes into effect so Part B will be from June 14th through the end of the New Mexico State Fair. For Part B the breeders will start getting awards for 1st, 2nd and 3rd and the owners will start having to be a member within 90 days after a horse makes an award or the award is forfeited. We already have fourteen awards that are forfeited. We send a letter and a membership application letting the owner know they have to do it and what their deadline is for that award and then try to contact them by phone a week before that deadline to remind them. Ernestine has a hard time keeping up with this sometimes because she will be busy with something else. It is a new program, so we have been trying to be a little lenient and give people extra time if it is needed. We had a situation where we found that we had the incorrect person with the same name. That was our error, so we gave him extra time to get his membership in. We are doing everything we can to get the word out. Vanessa Alexander, who was attending the meeting, volunteered to put it on social media as well.

President Tom Goncharoff asked Mary Barber about the rule she was reporting about earlier that the New Mexico Horsemen's Association had submitted. She explained that Flaco Cappellucci had brought it to her attention that it was on the agenda. President Goncharoff stated that we are pretty careful on how we vote at that meeting. If it is something that our board has not discussed, we may state that it is our personal opinion, but we are careful to make sure that is clear. President Goncharoff asked the board how they feel about this proposed rule by the horsemen. The consensus was that the board is in agreement with this proposed rule. Thomas W. Pierce, Jr. spoke about how we have a problem with the reduction in race dates. It used to be that the racetracks opened up a month before their meet started. Now they try to get away with opening later and later. Mary Barber stated that she had thought it was a rule for the track to open 30 days beforehand, but it may have just been another of those gentleman's agreements and not actually a rule.

President Goncharoff asked if we are in support of the proposed rule that the racetracks open their barn area 21 days before their race meet starts?

Thomas W. Pierce made the motion to support the horsemen's proposed rule.

Miguel Gallegos feels that it needs to be 30 days. It takes horses a while to get used to the change in racetrack. President Goncharoff proposed that we amend the motion to say that we are in support of the horsemen's proposal but that we would prefer it to be extended from 21 days to 30. Miguel Gallegos feels that Zia Park is the hardest track to adjust to and it takes about six weeks to adjust to.

Thomas W. Pierce, Jr. amended his motion to support the horsemen's rule to make the racetracks open 21 days prior to their race meet starting, but the breeders would like to extend that to 30 days. Seconded by Debra Laney. Motion carried 10:0.

Miguel L. Gallegos made the comment that Zia Park is never ready to go even though they know you are coming. They have all Summer long to get things fixed and still don't have things done when you move your horses in. Denton Crozier stated that Zia Park would not do the things they were told to do by the Commission. There was quite a bit more discussion on this subject and about how maybe this could be handled in the future.

The last item Mary M. Barber wanted to bring up is that now that the board has made the new deadline of October 1st for our Export Broodmare Program, a situation has come up where a member would like to take a pregnant mare out of state after that deadline. Can we give horses that leave after the October 1st deadline ten days to submit the form and pay the fee? Debra J. Laney feels that the answer to this should be yes since the mare has been in New Mexico the whole time and has just made the decision to take her out. Mary Barber also pointed out that the board had decided to do this for pregnant mares that leave to go to a sale. The new owner would have the option to bring her back within 7 days or submit the form and pay the \$500 within 10 days to keep the foal eligible.

Debra J. Laney feels that we have set a president with the sale horses so that as long as it is after the October 1st deadline and the mare has been residing in New Mexico, they can submit the form and pay the fee within 10 days.

President Goncharoff suggested that Mary work on the language and have it for the next meeting.

Debra J. Laney made a motion that we go back and revamp the language to reflect the changes approved for horses going to the sale so that someone can take a pregnant mare that has been domiciled in New Mexico or purchase a new pregnant mare that has been domiciled in New Mexico out of state after the October 1st deadline.

Mac Murray asked if we need to change the language or if we should just take it on a case by case basis? He feels that we keep making changes and it is confusing. Denton Crozier asked about the October 1st date and why we changed that. Mac explained that it was still confusing, and the board felt that if we set a specific date it would help eliminate that. He thinks we picked October 1st because there are so many other things going on and that was a good time of year when the office wasn't busy with other deadlines. Debra J. Laney stated that people were losing foals, and this gave them more time to make sure their mare was still in foal.

President Goncharoff asked if we have a second. Verner Query seconded Debra J. Laney's motion. Motion carried 10:0.

President Goncharoff feels the new language needs to be simple and it needs to be formalized. Annette McCloy would like to tell the buyers at the sale about getting the mares back to New Mexico to foal out so they can be breeds. Mac Murray thinks we should make some posters explaining the program that he could put up around the sale. He will talk to the Heritage Sale Company and see if he can get the announcer to mention the requirements.

ANNUAL MEETING LOCATION & FORMAT

Mary Barber reported that she had visited the Hotel Albuquerque. It was a very beautiful place but would be between \$2,500 to \$3,000 more than the Ramada Plaza so she went with the Ramada Plaza. It is still very close to the freeway. It is on Menaul and about two blocks East of the Crowne Plaza right at the Big I and University. It is not a real fancy place, but she thinks the price is right. For a meeting and a luncheon, we don't need a big fancy ballroom. The fee will be under \$4,000.00 for everything. The room, set up, luncheon, small board room and microphones. There is no 20% service charges like we had at the Marriott and some of the other places she visited were going to charge as well. The date has been reserved and is the date that was decided on at our last Annual Meeting. President Goncharoff asked about the time of the meeting. Mary Barber thought it was discussed that we would have it between 11:00 to 3:00 but feels if we break for lunch it should be around 12:30. The girls would be set up to sign people in at 10:00. Mary feels

that one hour would not be enough time to go through everything before lunch and then come back to vote after lunch. While the vote is being counted, we can go over the Annual Report. This will only give us 1.5 hours to get done before lunch. Lunch will be plated so we need to allow an hour for that. After more discussion, it was decided we should have check in at 9:00 a.m., start the meeting at 10:00 a.m. and then break for lunch from 12:00 to 1:00 p.m. after lunch we will have the members vote. While the vote is being tallied, we will go over the Annual Report and have questions from the floor. There will not be a speaker. President Goncharoff feels we really need to start getting the word out now so that people are aware of it. We can put it on the website, social media, our newsletter and in the magazine.

Nominees for the Trustee Ballot were discussed. President Goncharoff asked what Trustees were up for re-election and if they would like to serve again. Debra J. Laney had the idea that we could use Constant Contact to ask our members who they would like to nominate. President Goncharoff asked who on the board is up for re-election if they so choose? It was determined that Tom Goncharoff, Mac Murray and Bill Shepard were up for re-election on the Quarter Horse side and that Denton Crozier, Mindy McArthur & Thomas W. Pierce, Jr. were up for re-election on the Thoroughbred side. Denton Crozier, Mindy McArthur & Thomas W. Pierce, Jr. do not wish to be re-elected. Tom Goncharoff, Mac Murray & Bill Shepard will run again. We will need to have three new Thoroughbred Trustees. Tom Goncharoff and Bill Shepard both stated that they could switch to the Thoroughbred side if necessary. Mary Barber asked that the current board members think about who they would like to nominate to go on the Sample Ballot for the next meeting that is on December 5th. The Sample Ballot is mailed out and then people can still be nominated from the floor during the meeting. We had both Annette McCloy & Verner Query nominated that way last year and they were both elected.

BY LAW CHANGES

VOTING BY MAIL

President Goncharoff expressed that this would have to be a ballot item even though it is in the by-laws that we can vote through our magazine. He went over the way TOBA sends out their ballots and they include a photo and bio of each of the nominees. You just fill it out, sign it and mail it in. If you get two for the same person, you throw them both out. He feels you get a better representation of the membership. The way the New Mexico Horsemen's Association's does their voting was also discussed. They use the individual's racing license number, but this would not work for the breeders because not all breeders have a license from the New Mexico Racing Commission. Mar Murray asked about the membership cards that had a number on it. Mary Barber explained that we no longer issue membership cards, so people do not know what their number is. She suggested that we ask members to print their name clearly and then sign their name. If we can't read it, we throw it out. Miguel Gallegos thinks that the ballots should be numbered so if we mail them out and get it back, we know it is good by that number. Other board members agreed with this but feel it needs to be signed as well. Mac Murray asked Mary Barber

how she would do this. Would she send every current member a ballot with a number on it? Mary Barber agreed that is how it could be done but stated that there are some members that have multiple memberships so we would have to go through and pull those out. Mac asked if they get a membership for the farm and then one for himself and one for his wife Janis, would they be allowed to vote all three? Under the new rule that was made at a prior meeting this year, He and Janis would get a vote, but they would not be able to have that third vote for the farm. Debra J. Laney made the statement that if Mac were to mail in a ballot for himself and then another for MJ Farms with Mac Murray as the representative, they would both get thrown out.

ELIMINATING PROXIES

Mary Barber asked the Trustees if they wish to have a separate ballot for eliminating proxies? The consensus was that we would just have one ballot and list each item on that one ballot. Debra J. Laney feels that eliminating proxies and voting by mail is just one issue. Mary Barber stated that we would need one for voting for the Board of Trustees and then we could have another one for all other items. She explained that we actually make the ballot for the Board of Trustees, after the people who are nominated from the floor are added, right there at the meeting. Annette asked if we were mailing the ballot out in advance how would that we handle that? President Goncharoff feels that would be something we would need to decide next year if the members vote to allow mail in ballots.

DATE OF ANNUAL MEETING

Mary Barber asked the Trustees if they wanted to ask the members to vote to change the requirement in the by-laws that states that the Annual Meeting must be held in January? Debra J. Laney thinks this is something we want to do. Miguel Gallegos asked if we will have a Sample Ballot at our next meeting to look at and go over any changes the Trustees would like to make? Mary Barber will have that available at the next meeting on December 5th.

President Goncharoff asked for clarification on what the by-laws say. Mary Barber explained that the by-laws state that the meeting has to be held in January and that the membership has to vote on the date and place of the next meeting during the Annual Meeting each year. Debra J. Laney feels we need to vote on moving it to the Summer at Ruidoso and we need to have a deadline by which the next meeting date has to be set. President Goncharoff would like to have even more flexible language. Mary Barber asked if we want to say that the date and place of the Annual Meeting will be set by the Board of Trustees? Miguel Gallegos thought that we had decided to keep the Annual Meeting in January and just move the Awards Banquet. After more discussion, it was decided that it would be better to just leave the by-laws as they are on this issue and this would not be on the ballot for a by-law change.

ELIMINATING 15 DAY REQUIREMENT OF MEMBERSHIP TO VOTE

Mary Barber explained that Mindy McArthur had expressed that if someone comes to the meeting and they were not a member, they should be allowed to do their membership at that time and be allowed to vote. Right now, the by-laws state that you have to be a current member within 15 days before the Annual Meeting in order to be allowed to vote. Mindy McArthur feels that we had turned some people away last year and that we should be more welcoming to people who would like to participate. We should be more open and flexible and welcoming to them. The consensus was that we can use all the members we can get. President Goncharoff asked Mary Barber how she felt about this. Mary Barber also stated that she hates to turn anyone down either and that she had had a bad situation where a gentleman had thought he was a current member and had come all the way from El Paso to vote just to find out that he wasn't current and Mary was the lucky person who had to tell him he could not vote. This has actually happened a few times. President Goncharoff asked what is the downside to doing this? Miguel Gallegos thinks the downside would be that we would have to register these people and we should keep it to the only time you can do this is during early check in from 9:00 a.m. to 10:00 a.m. This would be a by-law change so it will need to go on the ballot.

Debra J. Laney asked if the board needed to vote on these by-law changes to be voted on by the members and Mary Barber stated that we will have the ballot typed up at the next meeting and then the board can decide if they need to be changed and then vote on them at that time. We just want to make sure what we want the members to vote on and how it should be worded on the ballot.

(The Trustees then broke for lunch.)

ALLOWING PREGNANT MARES FROM OUT OF STATE TO HAVE NM BRED FOALS

President Goncharoff read the letter from Lowell Neumayer into the record. Lowell Neumayer, General Manager of the Ruidoso Horse Sales Company, feels it would be very beneficial to allow pregnant mares from out of state to come to New Mexico and have a New Mexico Bred foal. He stated that there is a significant lack of quality Thoroughbreds in the New Mexico Bred sale. This hurts the sale, the breeders, and racing in New Mexico. If we can get a rule change passed that allows for better quality mares and foals to enter the program, we will all benefit.

Debra J. Laney explained that she and Mike Logan were working on the Quarter Horse side and Miguel Gallegos and Jay Taylor were working on the Thoroughbred side of this issue.

Mike Logan presented the opinion of the Quarter Horse side of this issue to the board. Mike Logan & Debra J. Laney talked to a lot of our members about this to see how they felt about having this new program. President Goncharoff stated that he had talked to Debra J. Laney privately and he understands that there is very little support for this

program. Debra J. Laney felt that she was very much for it originally, but after looking into it she has changed her mind. She thinks that Quarter Horse mares in foal to a good stallion would be very expensive so there would not be a lot of people who could afford it. By purchasing a mare in foal, the buyer would not be the breeder either. She thinks that it may be a good program for the Thoroughbreds but that we don't need to do this with the Quarter Horses. They did type up a proposal titled "Temporary By Law Amendment for Imported In Foal Mares" for the Trustees to look over and vote on.

President Goncharoff asked Mac Murray how he felt about this since he is one of our biggest Quarter Horse breeders. Mac Murray is totally opposed to this program. He feels that we should try to bring in better stallions. He thinks we have the mare power here and that those of us who have followed the program the way it was outlined and gone out and bought mares and have tried to improve our mare quality are being penalized. He shared that there have been some out of state breeders that are showing interest in doing embryo transfers to studs at MJ Farms and also some of the other farms in the state.

EVALUATION OF MARES BOARDING OUT OF STATE PROGRAM

****The other thing Mac Murray wanted to comment about is that he wants to thank Debra J. Laney for doing research on our Export Broodmare Program. He is a little disappointed in the Thoroughbred people that haven't taken more advantage of this program than they are since they are the ones who were pushing it initially. Debra J. Laney explained that she did not count the mares the same way that Ernestine had been because some of the Thoroughbred mares on the list were bred to a Quarter Horse stallion so the foal will be a Quarter Horse and that mare should go into the Quarter Horse count. This brings the numbers to 79 mares bred to Quarter Horses and 32 mares bred to Thoroughbred stallions. That is up to date as of today. The Quarter Horse people are breeding more than one mare to our Quarter Horse stallions and the Thoroughbred people are as well but there are less Thoroughbred stallions that have multiple mares that are being put in this program. The people that are participating on the Quarter Horse side showed 10 from Texas, 6 from Utah, 2 from Colorado and 1 from California and 1 from Arizona for 2017. On the Thoroughbred side there was 12 from Texas and 1 from Arizona. She thinks if we do some advertising in these areas it could help bring up these numbers. She doesn't think a lot of people know about this and we need to advertise. Mike Logan agreed that we need to do more advertising. He feels we are behind on advertising.**

Debra J. Laney feels there are two issues we need to work on and that is we need to have our celebrations be free for the members the second thing is we need to do more advertising. It needs to be really easy for people to understand and more modern. President Goncharoff asked how do we reach these people from other states? Debra J. Laney feels that we could go through the other breed organizations. We could swap internet advertisements, or we could advertise with the guy that is doing the horse auctions online. Mary M. Barber reported that our advertisement and video has been on the online

auction site for the Michael Weatherly & Henry Dominguez sales. Debra J. Laney stated that those advertisements were not about the Export Broodmare Program. Mac Murray asked why we couldn't advertise this program in various magazines? Debra J. Laney thinks we could even have a video made and have it played at different racetracks like Lone Star Park. If we talk to racetrack managements and maybe they wouldn't even charge us. Mindy McArthur has a lot of contacts at various racetracks. Mindy McArthur stated that she can have anything we want made like videos or advertisements and they are not expensive at all. Debra J. Laney asked about having a video be played at Remington, Lone Star, Los Alamitos, Turf Paradise? Mindy McArthur stated she could work with some of her contacts to play a video, but it would cost us. President Goncharoff asked Mindy McArthur to put something together on what she thinks we need to have in our Marketing budget to do things like this. Mike Logan asked Mindy if she was familiar with race view network? He feels that Oklahoma is kicking our but on that network. Mindy McArthur feels that Oklahoma has one of the strongest marketing programs she has seen, everything they put out is just spectacular. We can put together a commercial and she will look into the cost. Mac Murray feels that we need to put something in the programs at the racetracks. That would be a great place to advertise this program.

Debra J. Laney wanted to add that at the New Mexico Bred sale for Quarter Horses, from 2016 to 2019, this would be the first year that the foals produced from mares in the Export Mare program were in the sale. We had 1 Thoroughbred sell for \$10,000. Mike Logan corrected that saying that he had prepped one as well that brought about \$5,000. There were 14 Quarter Horses that grossed \$266,900 and averaged \$19,064. The average at the Ruidoso sale was \$19,226 for Quarter Horses. If you take the First Moonflash out that brought so much, the total would be \$149,900 and they averaged \$11,530. That is a little higher than the median. Mindy McArthur asked if we had an incentive program for stakes producing mares to come here and breed to a New Mexico Stallion. We could give them a free registration or something. This could be something else to put on the advertisement. Mike Logan feels that our job as Trustees is to promote this program. **

BACK TO SUBJECT OF ALLOWING PREGNANT MARES FROM OUT OF STATE TO HAVE NM BRED FOALS

Mike Logan reported that one thing he was able to come up with while researching this idea to bring pregnant mares in or sending mares out is that he thinks the elite few might take advantage of it. Not only would it do damage to the farms we have it would be hard on the small breeder as well.

Miguel Gallegos feels that the motivation for this is totally different for Thoroughbred people than Quarter Horse people. Until we can improve the Thoroughbred sale, we won't see any movement in any direction.

(Vanessa Alexander left)

Debra J. Laney feels we don't want to lose the Thoroughbred sale. Bill Shepard had talked to Kevin Blach about how many Thoroughbred mares bred is down nationwide according to the Jockey Club. In New Mexico it is down 17%. On the flip side there is the online auction for Thoroughbreds. Mike Weatherly had a complete dispersal. About 80% of Mike's mares left the state of New Mexico and went to Louisiana and Texas. Mac Murray reported that the same thing happened with the mares from the sale that Susan Hunter had.

Miguel Gallegos feels that in the past we had fewer Hispanic people participating and we had more Thoroughbred racing. Now things have changed, and Hispanic people are getting more involved and they are breeding and racing Quarter Horses. Thoroughbreds are harder to train. He feels we need split meets so that we have enough stalls for everyone.

Bill Shepard thinks it is the Thoroughbreds that are leaving New Mexico. President Goncharoff feels that the horses that are leaving are not the kind of mares we need. We need mares that are more appealing.

Mac Murray spoke about receiving a flyer for the sale of Crossroads farm. He had visited there, and it was a very nice place. Now it has already sold.

President Goncharoff spoke about how there are great opportunities for Thoroughbreds to run in New Mexico. Especially compared to the Quarter Horses. It costs 1/3 less to train a Thoroughbred than a Quarter Horse. If we don't do something to help this Thoroughbred thing we are in trouble. During the race dates meeting it was brought up by Mr. Blanchard about the Thoroughbred numbers and they are using this to justify cutting race dates. We only had 94 Thoroughbreds in the sale. There was much more discussion about the lack of quality of our horses.

Thomas W. Pierce, Jr. feels that we will not be able to get people to vote to allow pregnant mares from out of state.

President Goncharoff spoke about how the big guys are already on top so this won't really change anything anyway. Thomas W. Pierce thinks more little guys will get out if we implement the program because they will not be able to compete. President Goncharoff feels this would help the little guy to get better horses and be able to compete.

Debra J. Laney was able to produce a document from the past year that Jay Taylor had put together for the Thoroughbreds and she emailed it to Mary Barber to print out and make copies for the rest of the Trustees.

Debra J. Laney read portion #2 of the printout pertaining to Imported in-foal Thoroughbred mares that Jay L. Taylor had put together previously.

Imported in-foal Thoroughbred mares: An Imported Thoroughbred mare is a Thoroughbred mare that has been purchased in foal at an out of state public auction and imported to New Mexico to have an accredited NM Bred foal. The mare must be transported to New Mexico and registered in the New Mexico registry within 30 days of the

date of purchase and before the mare foals out. The mare must then remain in the state of New Mexico to foal out. The resulting foal will then be eligible for New Mexico Bred status provided the mare remains in the state of New Mexico for the next two years and be bred back to an accredited New Mexico Stallion in at least one of those two years. During that two-year period the mare is not eligible to participate in the Export Broodmare Program. A mare may only qualify for the imported in-foal broodmare program once in her lifetime. Section two of this by-law change will automatically sunset after 5 years unless reapproved by a majority vote of the Association membership.

President Goncharoff commented that this is pretty close to what has been discussed.

Debra Laney feels that we don't need to do this for the Quarter Horses, but we do need to have this for the Thoroughbreds, and we should vote on this.

Denton Crozier brought up that you would have to purchase the mare from an out of state public auction and he didn't think that is what we wanted. The consensus was that it should not have to be through a sale. Just a new mare pregnant by an out of state stallion.

Mac Murray feels that if we include the Quarter Horses it will kill it for the Thoroughbreds. Both Debra J. Laney & Mike Logan feel it is not good for the Quarter Horses.

Debra J. Laney thinks the language should be changed to say "An Imported Thoroughbred Mare is a mare that has been purchased in foal from out of state and imported to New Mexico.

Bill Shepard felt that on the printout from Jay Taylor, it has that the fee would be \$350.00, and he feels that is not enough. Debra J. Laney disagrees and feels that we don't need to charge any extra.

President Goncharoff would like to deal with the Quarter Horse issue first and asked if we could entertain a motion?

Miguel Gallegos made a motion that the Quarter Horses do not appear on the ballot, seconded by Mac Murray. Motion carried 10:0.

President Goncharoff stated that pregnant mares from out of state for Quarter Horse broodmares will not appear on the ballot.

Debra J. Laney made a motion that we do allow the membership to vote on the Thoroughbreds, seconded by Bill Shepard. Motion carried 8:2 with Verner Query against and Thomas W. Pierce abstained.

Miguel Gallegos feels that we don't want to turn people off by charging a fee for this but on the other hand \$350.00 doesn't seem like a lot to charge. Debra J. Laney brought up that some people would buy a pregnant mare and bring her to New Mexico after the September 1st broodmare deadline. In that case they would already have a \$350.00 penalty on the baby and so we don't need to charge another fee on top of that.

Mary Barber brought up that there would not be a stallion award for these foals so this would be another computer upgrade to exclude them. Another option is to just make them New Mexico Foals. These horses would be allowed to run for the purse money and get the 10% Track Breeder Awards but not be eligible for the Incentive Award fund that goes out in November. President Goncharoff did not think that was a good idea. He feels that would keep people from participating.

There was a lot more discussion between the Trustees on this subject.

Debra J. Laney decided to take back her motion. She thinks it should be a Thoroughbred Trustee to make the motion to put this on the ballot for the members to vote on.

Thomas W. Pierce, Jr. volunteered to make the same motion that we do allow the membership to vote on the Thoroughbreds, seconded by Bill Shepard. Motion carried 9:1 with Verner Query against. Thomas W. Pierce, Jr. changed his vote to for when he made the motion.

TROPHY / BELT BUCKLE PRESENTATIONS FOR ANY OUTGOING TRUSTEES?

Mary Barber mentioned that although we did get Ralph W. Vincent a hat and a Jacket, we had talked about getting him a trophy and presenting it at the next Awards Banquet. Now we have three Trustees that do not wish to run again so we should get three outgoing Trustee trophies or belt buckles.

Verner Query made a motion to go with belt buckles, seconded by Debra J. Laney. Motion carried 10:0.

SILENT AUCTION, DOOR PRIZES AND OTHER MISCELLANEOUS ACTIVITIES

Mary Barber asked the Trustees if they were interested in doing the Silent Auction or not? Debra thinks we should do auctions on the website however if we want to do a Silent Auction, she will be happy to help with it. Mac Murray also volunteered to help. He felt that last years was a disaster because we didn't have enough people show up. If we want to do it at the Summer Party, we will need to go through Amanda Greer. Debra J. Laney thinks another idea is to have it during the horse sale. Mac Murray agreed that our breed sale would be the best place to have the Silent Auction. President Goncharoff will talk to the Ruidoso Horse Sale Company.

STAKES COMMITTEE

ESTABLISH NMHBA CONTRIBUTION FOR STAKES AT EACH TRACK

Mike Logan stated that Verner Query, Mindy McArthur, Ralph Vincent and himself make up the stakes committee. They have been going through all our stakes and evaluating them and trying to make sure there isn't any conflict on the time they run and the big thing they are looking at is our funds. We are lopsided with the tracks. We up our end and the track does not. He would appreciate input from everyone. When Dustin Dix called him and said

he would keep our races this year. We will meet with him in the spring to talk about moving races or deleting races and asking about Verner's race. One of our goals is to get d black type races. We need to make sure that all of our Futurities and Derbies have consolation or a juvenile. Ruidoso is going to have a consolation for the Mountain Top but the downside is that it costs a lot to get into the consolation. The NM Spring Fling is only \$50 to get in.

Mac Murray spoke about how the Triple Crown races have consolations. Pierre Amestoy really got mad that Ruidoso charged a \$1,000.00 fee to get into the consolation and he would not enter back a horse he had that had qualified for it. He thinks the AQHA requires an entry fee in order for the consolation to be considered a stakes race. Mary Barber stated that the New Mexican Spring Fling at Sunland Park has an \$50.00 entry fee to get in. President Goncharoff asked if these races are considered black type? Mike Logan explained that it is as long as it is over \$15,000.00.

Mac Murray explained that at SunRay they run a consolation, but it is not black type and the same thing is at Albuquerque. At Zia Park they have the Taos Dash that is an allowance race that is preferred and the NMHBA adds \$6,000. The total purse is \$51,000.

Mike Logan stated that this is one of our goals to fix those kinds of things. The other thing we want to work on is our 3-year-old and 3-year-old and up races that are primarily 400 yards. He talked to Lonnie Barber about changing the distance for the New Mexico Breeders' Stakes to 350 yards. Lonnie said that it is too late to change it for this year, but they will try to get the distance changed and also to come up with more money for 2021. They have been very good to visit with. There is a conflict with Ruidoso for the New Mexico Bred Futurity time wise. There nomination blanks don't go out until December. They only hold out \$40.00 for administrative fees.

Mindy talked about how last year Albuquerque changed their last payment to overlap with Ruidoso and raised their fees. She thinks if they change that back it would get more people in those races.

Mac Murray brought up that the Quarter Horse races in Albuquerque will run the trials on August 28th. If you run in the All-American trials, you can't run in the La Fiesta or the NM Bred Futurity at the Fair. There was a lot more discussion about the conflicts with the different racetracks.

Mike Logan asked for the Trustees to get a hold of him if they have any ideas on how to make improvements. Debra J. Laney thinks we should decide what to add to a race based upon the number of entries.

Miguel Gallegos commented that Jill Giles had explained to him that the New Mexico Horsemen's Association has a rule that no more than 20% of the Horsemen's Purse Fund can go on the stake's races at each racetrack. He thinks this should be discussed and maybe go before the Rules Committee.

Debra J. Laney asked if we cut the funds on our stake's races, can we put those funds on overnight races? Mary Barber explained that the funds from the racetracks are divided into thirds. One third goes to stakes, one third goes to overnight races and one third goes into the incentive awards. She also explained that the funds have to go back to the racetrack in which they came from. The award funds are the only funds that are comingled.

Mary Barber reported that whenever she works with racetrack management on their stakes schedule, she asks them if they can come up with more funds for our races. She feels that if we can come up with more the racetracks should be able to come up with more as well. Don Cook of the Downs At Albuquerque is the only one who has come up with more funds and he also made the Petticoat race a breed race for us.

Mike Logan is mainly working on Quarter Horses since he is a Quarter Horse Trustee. He was looking at the Quarter Horse races at Zia Park in the month of October. We had just over 100 extra entries and there were only two extras written for Quarter Horses. One Quarter Horse race had 42 extra horses enter into it. The Thoroughbreds are filling really well as well.

Mike Logan is pretty concerned with Zia Park not being able to come up with a list of horses that were nominated to the futurity and derby and the payment information. There is no accounting for how they came up with the total purses on those races. He has contacted the nomination secretary and was told she was working on that. Mary Barber has asked for it as well. Mary Tabares told her that she was working on putting the list together and will get it to her as soon as she is done.

The stakes committee plans to meet with the racetracks during their live meets.

Another thing Mike Logan thinks will help is if we could list all the races for New Mexico Breds and put that list in the packets of the sale horses. We can just put to be determined on races we don't have the specifics on.

NEW MEXICO MILLION

Verner Query feels that it is important for our races not to overlap. He thinks it is a good idea to visit with each racetrack to go over their stakes schedule in advance and to look at the dates. President Goncharoff feels that this is important so that we don't have short fields.

Verner Query did not get very much feedback for his idea on the New Mexico Million however he and Mike Logan did discuss it. They think the distance is very important. He went with a mile and a 16th because that is the distance of the Sunland Derby and Oaks. He also cut the fees in half for the stallion and the mare. Verner explained that once you pay a stallion in, all of his progeny would be eligible to be nominated. He asked if it would be better to require the stallion and mare be nominated before the breeding season or would it be better to nominate during the foal's weanling year? Both Mac Murray and Debra J. Laney think it would be better to have it due during the weanling year. That way you have

a foal to nominate. Debra J. Laney asked how many Thoroughbred stallions we have in our registry. Verner reported that there are 125 active Thoroughbred stallions. President Goncharoff thinks it is a great idea for the stakes committee to go to Sunland Park and discuss this with Dustin Dix. Verner thinks that Sunland Park is the place to have this race. Another idea is to have a \$10,000 supplemental fee for older horses. We might want to make it mandatory to have both the stallion and the mare nominated in order for the foal to be eligible to be nominated into the race.

Mike Logan explained that he and Verner came up with another idea of having this race be half a million to start. We can combine a race or two and then add the nomination fees to that and we can come up with that pretty easy. This is something to aim at.

Debra J. Laney is concerned that we don't have enough stallions to make this work.

Verner Query also wants to look into getting sponsors to contribute to this race. He has a couple of ideas to throw at them that would make it beneficial to them. They have to get something out of it. Miguel Gallegos brought up his idea he'd had for the New Mexico Bred Triple Crown. He is concerned that this race will not come out as big as he thinks. Another issue is that we are looking at having our office handle the nominations instead of the racetrack. Verner Query feels that if you give it to the racetrack to handle the nominations, they will control it. If we handle it then we can control it and could even move it to a different racetrack if we wanted to. We could even have the racetracks bid on it. Verner explained that there is a lot more work to this than he knew, or he wouldn't have done it. Mike Logan would like to get Miguel Gallegos to help with this.

President Goncharoff feels that this could get national attention. The bigger the race the more people will want to watch it and bet on it. There was further discussion on how much the horsemen come up with for the Sunland Park Derby and Oaks. If we could get the horsemen to take a little of that and put more on our race it could make a big difference.

Verner Query feels that we all need to get together with the racetrack and the horsemen to make this work. President Goncharoff feels that if this is successful, the other racetracks might want to get in on this and we could turn it into a Triple Crown. Another thing is that if we handle the nominations here, we will also get the administrative fees.

Verner Query originally thought we would run this earlier so that the winner could earn a birth into the Sunland Derby or Sunland Oaks and could even go on to the Kentucky Derby. Now he feels that we may need to have it on Sunland Derby Day instead. The distance may need to be shorter as well. He knows there needs to be adjustments made but just needs to know if he should continue to pursue this. The other Trustees feel that it is a good idea and Verner Query should continue to work on this. Verner thought we could possibly put a form in the magazine to ask people to fill out to inform us of how many active mares they have. President Goncharoff mentioned that Ralph Vincent was working on trying to figure this out. Mary Barber thought we could look at our registrations over the last five to seven years. President Goncharoff doesn't think we would get enough participation. Mary Barber thinks we need to go by the foal registrations instead.

10% TRACK BREEDERS AWARD DISTRIBUTION

President Goncharoff reported that Chris McErlean from Zia Park / Penn National said it came up with an audit the other day that the 10% Track Breeder Awards are supposed to be done by us instead of the racetracks. It is in the statute that the racetracks will deposit the funds in an account for the breeders to disperse. Mike Logan thinks the way they do things at Zia Park, it may be a good thing if we take it over. This came up in the past, but we just ignored it and it hadn't come up again until now. President Goncharoff asked Mary if we really want to take this over in the middle of the meet? Mary Barber explained that this will be another program upgrade and we will need time to set this in place for us to take over. Not only will we have to open either one bank account or one for each racetrack, we will also have to combine these funds with the incentive awards to go on the 1099s. She would want it in the rules that she would not request the funds until the purses are clear but that the racetracks would have maybe 48 hours to wire the funds. We don't want to have to wait weeks or months to receive them.

Thomas W. Pierce, Jr. stated that we are currently involved in the process now. Mary Barber explained that an employee of the racetrack racing office fills out our form as the races run for each New Mexico Bred winner. At the end of the week they send it to us, and we verify that the horse is a New Mexico Bred, who the breeder is, and we supply that person's address and social security number. Once the purses are clear, we send that completed report to the accounting office at that racetrack to cut the checks and send them off to the breeders. Now they want to just send us the funds instead of cutting the checks and having to subsequently send a 1099 form.

Mar Murray remembered that a few years ago the racetracks wanted to get rid of the 10% Track Breeder Awards all together. It came out that they really only pay half of it and the other half comes from the horsemen's purse fund. President Goncharoff added that the impact to their bottom line is really minimal.

Mary Barber thinks we could be ready to do this by SunRay Park but that we need time to get this going. Chris McErlean had said that Zia Park will continue to do this through the end of this meet.

COMMISSIONER ADVOCATING REDUCED PENALTIES

Mindy McArthur was reading Mary's notes from the NMRC Meeting about how a Commissioner talked about changing the penalties for Quarter Horse trainers getting bad tests. Her concern is that if he is writing a letter to get it changed on behalf of New Mexico. She feels this is absurd. There is a reason why the penalties are different for Quarter Horses than Thoroughbreds and is because the Quarter Horse people were the ones that were getting all the positive tests on albuterol and clenbuterol. There has also been a lot of deaths due to this. He is also advocating to bring clenbuterol back. Mindy McArthur would like to get the rest of the board's opinion on this.

President Goncharoff thinks that this Commissioner is getting the ARCI confused with the AQHA. The AQHA doesn't set the penalties and had nothing to do with this other than supporting New Mexico on this issue. Mac Murray has talked to this Commissioner one on one and what he is upset about is AQHA backdoored the NMRC and went to the ARCI and had the penalties increased for Quarter Horse trainers. That is the issue he is upset about. A Thoroughbred trainer gets a bad test for albuterol or clenbuterol, they get fined \$1,000 and are suspended fifteen or maybe thirty days. If a Quarter Horse trainer gets a positive for the same thing, they get five years suspension and a \$10,000 fine. Debra J. Laney asked how many violations we have of Quarter Horse positives versus Thoroughbreds. Mac Murray stated it may be five or ten times more for Quarter Horses, but it shouldn't make a difference on the penalty. Debra J. Laney agreed but feels that we should then increase the penalties for the Thoroughbred trainers. Not reduce the penalty for a Quarter Horse trainer.

Mike Logan feels that if you have a lot of violations you shouldn't get the same penalty, you should lose your license.

Mindy McArthur went back and listened to the meeting and she doesn't think he was advocating for harsher penalties for the Thoroughbreds. He wants to lower the penalties for the Quarter Horses. He also wants to take the ARCI rules out of our state statute. President Goncharoff thinks that is what he is trying to do but he doesn't think that is going anywhere. Debra J. Laney agrees with Mindy in that he doesn't need to be firing off letters like it is from the horse industry or the New Mexico Racing Commission. Mac Murray said that he was wanting the letter sent on behalf of the Commission and all the Commissioners would have to approve it.

Mindy McArthur explained that there was a reason the AQHA asked for the penalty level to be increased and that was because the stewards were still ruling on clenbuterol like it was a therapeutic penalty level when it was a banned substance. So, the penalty does not match the classification of the drug.

President Goncharoff feels that the bigger issue is what to do with the repeat offenders. He will ask Director Trejo about the letter and if it has been sent and what it said. If it hasn't been sent, we don't have an issue.

Mike Logan feels we need to go on record that we don't support a decrease in the penalty for clenbuterol and albuterol.

Mindy pulled our stakes winners over the last two years. Many of our races are won by people who have multiple bad tests. Our overnight stakes races are not hair tested. She suggested implementing that. Miguel Gallegos had also gone before the Rules Committee to hair test the Thoroughbreds.

Debra thinks the racetrack should disallow people who have multiple bad tests.

President Goncharoff stated that Jeff True has not allowed certain trainers at Ruidoso Downs and he would like to get together with the other racetracks to work together on this.

Mac Murray is a total advocate of testing, but hair testing will not hold up in court. He has talked to a lot of vets and to the labs and they just won't hold up in court. The testing protocols are different at each lab. He went and listened to a talk about it and heard that there is so many variables. He doesn't understand why they don't take the root to get the DNA. They clip it and throw it in a bag with the horse's number and tattoo on it and throw it in a box with a lot of others. Miguel Gallegos talked about how horses come from other trainers or farms and a trainer doesn't know what happened six months back to this horse. Debra J. Laney said that Oklahoma requires a clean hair test in order for a horse to be allowed on the grounds.

Mindy McArthur said in closing that the labs are working together to come up with a uniform way to do hair testing so they will hold up in court.

OPEN DISCUSSION

Debra J. Laney explained the incentive program in Barrell Racing called the Pink Buckle. It is very expensive, but they sold out so this year they are starting the Ruby buckle. This may be something we can do to generate a lot of money. They are having over a million-dollar barrel races.

Mac Murray explained that this is like the Diamond Classic. When they first started it was extremely successful. They only allowed 20 stallions. Each stallion put up their breeding fee. All that money is added to the race. They come up with about \$50,000 plus the nomination fee. There was a small stallion award. The idea was to get more mares. It was so successful in order to get a birth; they were sold to individuals. It got to the point that it cost \$7,500 for each stallion to be put in. They decided to open it up to the world and it killed it. The silver dollar had 120 stallions to start.

Debra thinks if we do the Pink Buckle idea, we could get a million-dollar race. Don Cook talked about wanting a million-dollar New Mexico Bred race at the Downs At Albuquerque.

Mac Murray feels you would have to get an administrator. They make 10% or more for putting this on. Start out with 10 stallions at \$2,000 a piece for \$20,000. We could maybe do this with the NMSF Futurity.

Debra Laney thinks that if the stallion has to be paid in, we would not be able to use that race.

Mac Murray explained that the only horses paid into the pink buckle idea would be eligible for the bonus purse money.

You have to pay your stallion every year and those foals from that year would get the bonus purse money.

President Goncharoff stated that he was going to go ahead and adjourn the meeting, however the conversation could continue as long as they like.

There being no further business, President Goncharoff adjourned the meeting.

Tom Goncharoff
NMHBA President

Mary M. Barber
Attest