



**Board of Trustees & Membership Meeting
Evening Zoom Video Conference**

**March 10, 2021
6:00 p.m.**

PRESENT

President Tom Goncharoff, 1st Vice President Mike Logan, 2nd Vice President Verner R. Query and Trustees Vanessa Alexander, Norma Alvarez, Mark Brown, C. Warren Franklin, Annette McCloy, Mac Murray, Helen Nave, Susie Prather, & Nancy Summers.

ABSENT

None

QUORUM

President Goncharoff acknowledged a quorum present.

DISCUSSION ITEMS

SENATE BILL 378

President Goncharoff went over the original Senate Bill 378 prior to the proposed amendment.

This bill would make the following changes.

- a) Number of Commissioners would be no more than two breeders can serve on the Commission meaning there could be 2, 1, or no breeders serving on the Commission. Currently the statute states that there must be at least three breeders on the Commission.**
- b) Division of funds from Unclaimed Tickets would be reduced and the racetracks would be allowed to keep more of those funds for themselves.**
- c) The 10% Breeder Awards would be drastically reduced to about 9% of what they are now. For example, if you would have received an award for \$1,000.00, it would be reduced to about \$90.00.**
- d) The division of funds from Simulcast would be reduced and the racetracks would be allowed to keep more of those funds for themselves.**

Item #4 reflects the new proposal to amend Senate Bill 378.

- a) The number of Commissioners would be changed to not less than two breeders.**
- b) Division of Unclaimed Tickets would stay the same as the original SB 378.**
- c) The 10% Breeder Awards would now come entirely from the purse account instead of half of the funds coming from the racetracks.**
- d) Division of funds from Simulcast would stay the same as the original SB 378.**

President Goncharoff stated that Paul Blanchard is with us tonight to go over how he thinks this new proposal would benefit us. Our Board of Trustees are here tonight to listen to Mr. Blanchard and also to anyone else attending this meeting who would like to make a public comment. If anyone is not comfortable making a public comment or if we run out of time, please email your comments to the association. The Board will consider everything we hear tonight and then we will ultimately come to a decision. This is not a Q & A for the Board or for Mr. Blanchard, we are here to listen.

President Goncharoff welcomed Paul Blanchard and thanked him for coming to this meeting. He then turned the meeting over to Paul Blanchard.

Paul Blanchard started off by saying that he was asked by the Chairman of the Commission and also Commissioner Smith to try to see if there was a way to work this out with the breeders and to see if there was some commonality that we could make this work for everybody. One of the things that came up while talking to the breeders is, they do not understand where these funds come from. The moneys that the breeders receive comes from live racing and simulcasting. This is 5/8% of the win, place, and show handle minus the 8% to the breeders to administer the funds. In 2019 that was \$40,248.00 from the Downs At Albuquerque. From the Exotic Handle, the breeders receive 1 and 3/8ths percent less the 8% to the breeders to administer the funds. The breed award is 10% of the winners share to the breeder and then there is the 5% of the retainage on interstate wagers and then 50% of the total breakage to enhance the New Mexico Bred stakes races. So, in total the breeders received \$496,000.00 from the Downs At Albuquerque alone and this does not count any gaming funds. On top of that, the Downs sent \$1,898,796 from gaming. So, all told it came to over \$2 million. This bill only changes one thing and that is the 10% Breeder Awards. This other money is still coming in. Half of those funds come out of the racetracks general account and because of that, there is not as much interest in running as many breed races that should be run. After talking to breeders, he understands that this incentive is important to them. So, we tried to find another way to fund this so that the breeders do not lose anything.

This new proposal changes the wording on the number of Commissioners. The unclaimed tickets would be divided differently. The out tickets that are bet during the time that we are not running a live meet and should go to the racetrack. This will not be taken out of the bill and neither will the change to the division of the simulcast funds. The 10% Breeder Awards would be taken entirely from the purse fund.

President Goncharoff thanked Mr. Blanchard and then opened it up for public comments.

You will be restricted to three minutes. If you do not feel comfortable making a public comment, you can email the office.

Flaco Cappellucci commented that the owners have gone through so much with this pandemic. He would be against this bill, because the other half coming out of the purse fund would lower the money going to owners.

Susan Vescovo commented that another concern she has is that the breeder awards are really important but reducing the simulcast funds and the unclaimed ticket funds would also be hurtful. She is opposed to this bill.

Larry Strain commented that he agrees with Flaco & Susan. He is against this bill. What the casinos make is huge. Everyone took a big hit this last year with the pandemic. This is not the time to do this. He is against this bill.

Debra Laney commented that she appreciates Paul coming to give his reasons for this bill and she understands his reasons. She also sees the impact this would have on the breeders and she agrees with Larry Strain that this is not the time to be doing this.

Richard Erhard commented that he appreciates the breeders putting this meeting together. About five days earlier he had polled the NMHA Board of Trustees, and they are unanimously against SB 378.

Jarrett Rogers commented that he is against this and has been kind of vocal on this stuff. It seems like the horsemen and the breeders are the lowest on the totem pole and without the horsemen and the breeders there isn't anything.

Mindy McArthur thanked Mr. Blanchard for his presentation. She thinks that we should go back the last five years to see what the figures are and how they have changed over time.

Debra Laney suggested telling the audience how to raise your hand since some people may not be familiar with Zoom. President Goncharoff went through the steps.

W. L. Mooring thanked Paul and the breeders for putting this thing on. He does not think we can afford to lose this. This gives breeders the incentive to breed horses and put them through the sale. Everyone has been through hell all year and we really cannot afford to lose this. He does not know the numbers and does not understand them. He has not seen them posted. Mary Barber went over the figures for 2019 and broke them down by racetrack. W.L. asked where the \$650,000 figure came from. Mary explained that \$650,000 would have been half of the 10% Breeder awards paid out in 2019.

Miguel Gallegos commented that the numbers are pretty plain and clear. It is just basically that the racetracks do not want to pay any of it. Racing is getting better in other states around us and if they do not start catering to the New Mexico Breds, there will not be enough horses to run here. How are they going to fill these races when these horses do not come here anymore?

Billy Smith thinks it is pretty easy to figure. If you just figure out how many races there were it would change each purse \$270.00. The first proposal would only change a purse \$135.00. Are you willing to gamble that it passes the way the bill is now? This is a much better proposal for the breeders. This will not cost the breeders anything. He is not for it or against it, but this is the best alternative.

Debra Laney stated that we have lost a lot of race dates. She thinks we need to look at what we have lost already.

Randy Schalla is really opposed to this thing. It just shows the big guys trying to take from the little guys.

Jim Hernandez thinks that it would be prudent for the breeders association to put this down in numbers. The 5% from the racetrack would probably be depleted by going to open races. He is only a breeder who sells his horses. He does not own any so this would really make a difference to him. The unclaimed ticket funds are not actually picked up in this day of technology so he is sure the computers can tell you exactly what tickets were not cashed. He also mentioned that we have already lost so much.

Larry Strain heard twice that it is not going to cost the breeders, but it is going to cost them by lowering the purses. This will make the horses worth less money.

Susan Vescovo noticed a chat from someone who does not know how to raise their hand. The chat said that they would like to ask Mr. Blanchard a question.

Mary found that it is Leslie Fincher and was able to unmute her.

Leslie Fincher wants to know why the racetracks are always going behind our backs. We never know what is going on until it comes out at the Commission meetings. She is definitely against it and thinks everyone needs to email or call their legislators.

President Goncharoff read the items that were in the chat box.

From Kerry – When someone tries to sell me something such as SB 378, the individual selling usually has a good selling pitch on why I need to buy. Unfortunately, Mr. Blanchard failed in this endeavor.

From Brian Mondragon – I am against this too, but how are we going to make sure this does not get passed? I think that is what we need to make sure gets addressed.

Cheryl Clemmer – Against this! Remember once changed, we will never be able to get anything back. Save racing! Casinos are fine.

Freddy Villagran – I am against this bill as I am a breeder. I count on these 10% Awards. I rely on that. I think racetracks need to pay their half.

President Goncharoff stated again that if anyone did not feel comfortable speaking tonight, they are welcome to contact us by sending an email. Mary Barber asked the audience to

send their emails to nmhba@nmhorsebreeders.com. You can also give us a phone call if that works better for you.

Mike Logan made the statement for anyone to reach out to any member and the office can help you with anything. Please call or email us tomorrow. We would really appreciate this.

President Goncharoff said that we can come up with the numbers again for everyone and may send them out in a mass email . He thanked everyone for coming and then adjourned the meeting.

Tom Goncharoff
NMHBA President

Mary M. Barber
Attest