



**Annual Meeting
Sheraton Uptown Hotel**

**January 27, 2022
Albuquerque, NM**

PRESENT

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

ABSENT

None

PRESIDENT'S ADDRESS TO THE MEMBERSHIP

President Goncharoff called the meeting to order at 2:08 p.m. and started off by introducing NMHBA staff members Mary Barber, Paulette Taylor, Amber Martin, & Linda Griego. He then called on several of the Trustees to report on the Board's accomplishments in 2021.

The first topic was our legislative outreach and Annette McCloy reported that while working on the Zia Festival Summer Party, Tim Keithly of Ruidoso Downs approached her about helping out with a legislative day at the races. Ruidoso Downs has done this for several years but thought it would be great for the breeders to get involved. All of the legislators and their spouses were invited. Ruidoso Downs provided lunch and Scott Bryant donated the use of his suite for the occasion. The attendees were very interested in learning how to read the program and bet on the horses. They were very interested in learning about what we do. There was a race named in their honor and they all went down to get in the photo in the winner's circle. There was a special blanket made for this race and each legislator was given a copy of the photo. President Goncharoff gave a presentation on the breeders and Mark Brown spoke about the medications committee he is on for AQHA. Chaplain Winter came and talked about his program. A lot of these people in the legislature have no idea about who we are and what we do. Annette McCloy would like our members to call their legislators and also to go and testify when needed.

Norma Alvarez reported that she also attended the legislative day at Ruidoso Downs. She commended Annette McCloy for her work on this event. She reported that we were planning to have

a booth at AgFest this year and were working on our made in New Mexico food product samples that were required this year when it was canceled due to COVID-19. In a normal year, this would have been a great opportunity to speak with the legislators and to tell them about our association and what we do. She had been working on putting together individually packaged samples of pecans and was also planning to have small shakers of chili spice to give out at this event. We will try again next year because we want to get to know the legislators and make sure they know us.

Annette McCloy spoke about our Summer Party and Awards Ceremony that was held during Zia Festival weekend at Ruidoso Downs. We had a great turnout of about two hundred people, and she thinks it may have been the best attended party they had all year. Ruidoso Downs sponsored the party who provided the venue and the food at no cost to us. We had a lot of door prizes that people were so kind to donate for this event and it was great watching people coming up to receive their trophies. We used to have our awards banquet after this meeting, but it was not very well attended so we moved it to the Summer Party. We plan to have it there again this year but instead of having it in the Turf Club, Ruidoso Downs is putting up a new tent structure that will be more comfortable and have room for more people.

Mark Brown spoke about the Cowboy Channel and how the AQHA and Ruidoso Downs have advertised with them along with others. The Cowboy Channel is one of the fastest growing networks and can be found in forty-two million households across the country. He thought it would be a good way for the New Mexico Horse Breeders to bring attention to our program.

Norma Alvarez was very involved in producing our commercial and she reported that the association spent \$18,500.00 on advertising. Our 2021 budget was only \$15,000.00 so we went over budget by about \$3,500.00. We had an opportunity to produce a thirty second commercial that would be broadcast on the Cowboy Channel during the time slots where many of our top Quarter Horse races were being run. Our commercial was shown four times during each event and our logo was also shown. The commercial originally included information on our horse sale here in New Mexico but was updated after the sales were over to highlight our New Mexico Horse Breeders Thoroughbred Derby and Oaks coming up at Sunland Park with a purse of \$250,000.00 each. Also featured in the commercial was the New Mexico State Fair Quarter Horse Futurity to be estimated at \$1,000,000.00 in 2023. This race has drawn over 380 horses in the first nomination payment. We also paid another \$1,200.00 for our commercial to be shown during the AQHA Awards show. Mark Herron, of Track Magazine, provided beautiful photos of each of the five New Mexico racetracks and Tom Dawson did an outstanding job in putting the commercial together for us. She thanked both Mark Herron and Tom Dawson for their contributions and for their support of our association.

President Goncharoff commended the staff on their efforts to communicate with our members through our much improved website, email blasts and social media. He also thanked Nancy Summers for her efforts to promote the association through social media. He also congratulated Nancy and her owners Tom & Sandra McKenna on their horse Mine That Star that just happens to be a half-brother to Mine That Bird. Congratulations to the McKenna's on a great purchase and to Nancy for doing a great job as their trainer.

Nancy Summers spoke about how 90% of people are looking at some form of social media. She worked on designing positive posts and getting them out there to people about our association and horseracing and how it can be a lot of fun. Her goal was to offset all the negative stuff and show how

it can be exciting to breed horses and own them. This is a good way to reach a lot of people and social media is a cheap way to do that.

President Goncharoff took a moment to thank Annette McCloy and Verner Query for their work on our Stallion Auction. Annette McCloy worked on calling all the Quarter Horse stallion owners and Verner Query worked on calling all the Thoroughbred stallion owners and asking them to donate a breeding to our auction. He also thanked all those who donated to the auction and thanked those who purchased a breeding.

Next, President Goncharoff introduced Mike Logan who has been very instrumental in improving our stakes program and for his work in building positive relationships with racetrack managers. He gets a lot done.

Mike Logan spoke about how he, along with Mary Barber and Tom Goncharoff, met with Don Cook and Beth McKinney of the Downs At Albuquerque at W.L. & Dee Mooring's home to discuss building a million dollar futurity for New Mexico Bred horses. By the time dinner was over we had it planned out. We had based our figures on a much smaller number of participants but when the nominations were due, there were about 380 head paid into it. That is very exciting, and we are getting very positive feedback. Trainers have said they will bring their owners to the sale to purchase these babies. He tries to be proactive and not wait around for things to happen. At Sunland Park, we increased the NM Breeders' Derby and Oaks from \$120,000 each to \$250,000 and we are expecting good participation in those races this year. At Ruidoso Downs we had the first running of the Mountain Top QH Derby, and it went very well. This race was spearheaded by Mac Murray and Ruidoso Downs also worked to make it happen.

President Goncharoff thanked everyone and said that concluded the opening remarks. He did want to thank Commissioner Billy Smith, NMRC Executive Director Izzy Trejo, and NMRC Investigator Leasa Johnson. We appreciate them being here. He then asked the Trustees to introduce themselves.

ANNUAL REPORT

Executive Director Mary Barber summarized each page of the report. She reported that the funds we have in our General Account and Investments come to \$757,932.37. This is an increase of \$90,355.93 over last year in 2020. The stakes races totaled \$295,000 at SunRay Park, \$450,000 at Ruidoso Downs, \$560,000 at the Downs at Albuquerque, and \$735,000 at Zia Park. The next page of the report showed the balance of funds from the Unclaimed Ticket Account and also the amounts that were added to each restricted New Mexico Bred race at each racetrack. Page six showed the total amount of funds that the NMHBA added to restricted NM Bred overnight races. These funds totaled \$133,000 at SunRay Park, \$186,500 at Ruidoso Downs, \$239,500 at the Downs At Albuquerque, and \$543,500 at Zia Park. Page seven showed the funds the NMHBA contributed to the purses for NM Breds running in open overnight races. There was \$312,245.63 more contributed in 2021 than in 2020. Page seven also showed a chart of the 10% Track Breeder Awards. This fund was up \$139,281.09 from 2020. Page eight showed that between the Incentive Awards, Stakes contributions, Overnight contributions, breeds in open overnight races, and 10% Awards totaled \$7,088,889.83. Mary Barber commented that this figure should go way up in 2022 if we continue to be fully open and hopefully, we can get back to the 2019 figures. She went over the top five award recipients in 2021. They were MJ Farms, Mike C. Abraham, et al, R.D. Hubbard (Estate), et al), Pierre & Leslie Amestoy, et al, and Dale F. Taylor, et al. The NM Bred registrations were up by 142 head, but the broodmares and stallions were down.

Overall, we were up by forty-four registrations in 2021. Page nine showed the chart of registrations from 2009 through 2021. Page ten showed the gaming revenues for each racetrack as of December 31, 2021. Page eleven was the Award Distribution Allocation sheet showing how our races are graded and what each individual award totaled. Page twelve was the race a day report for each racetrack in 2021 showing that all five racetracks averaged over three New Mexico Bred races per day. The final page showed the number of races and number of days for each racetrack from 2014 through 2021.

President Goncharoff asked for acceptance of the report.

Verner Query made a motion to accept the Annual Report, seconded by Helen Nave. All attending the meeting were in favor. Motion carried.

Jay Taylor had some comments about the report and felt that the 2021 budget should have been included. President Goncharoff thanked Jay Taylor for his help over the years on our finances. Mary Barber commented that we did come in under budget by quite a bit. She has not set the budget for 2022 yet but she will contact Jay Taylor about that soon.

2023 ANNUAL MEETING

President Goncharoff stated that the staff has recommended January 26, 2023, to be held in Albuquerque for our next Annual Meeting.

Norma Alvarez made a motion to accept the staff's recommendation, seconded by Mark Brown. All attending the meeting were in favor. Motion carried.

MEETING REQUIREMENTS PER BY-LAWS

As required by the By-Laws, Mary Barber read into the minutes the names of the 167 people who voted by mail in ballot (actual ballots will be available for review for six months).

As required by the By-Laws, the meeting requirements were read into the minutes and an official quorum was determined.

TROPHY PRESENTATIONS

Mary Barber presented Paulette Taylor and Tom Goncharoff trophies of appreciation for their hard work and dedication to our association.

ITEMS FOR DISCUSSION

NMHBA STANCE ON THE CURRENT CLIMATE OF THE HORSERACING INDUSTRY IN NEW MEXICO

President Goncharoff stated that there are a lot of positives. We can all draw on the negative and argue about race dates but if you are going to be in this business, and you are not an optimist, you shouldn't be in this business. Purses are up. Field sizes are great for New Mexico Breds. We have the AQHA Champion 2 year old that was bred by New Mexicans Norma and Dosi Alvarez in Revenant Moon. World Champion Danjer, co-owned by New Mexico residents Billy Smith and Pat Guthrie and New Mexico Bred Distance Champion Wascallywittlewabbit, owned by Jarrett Rogers. Mark Brown

interjected that there were eight champions that ran in New Mexico last year and that says a lot about the kind of racing we have here. Looking at our report, the registrations are looking good. HISA is a topic that Vanessa will be speaking about here in a few minutes and Izzy Trejo knows more about it than anyone but what this will do to racing is really unknown. We may have to go to straight meets. We are just going to have to wait and see how this effects New Mexico. Nancy Summers, who as an owner, trainer, breeder, and a former jockey, is someone who really has her boots on the ground and can really tell us how things are going at the racetrack. President Goncharoff handed it over to Nancy for her perspective.

Nancy Summers feels that racing is exciting right now at Sunland Park. We are racing four days a week and restrictions due to COVID are being relaxed. She has seen three new trainers move in recently with open Thoroughbred horses to race. The purses are good. New Mexico Breds are having a lot of opportunities to run, and our stakes races are \$100,000. We are back up to pre COVID levels. Even the claiming horses are racing for a good amount of money. You can have a lot of fun with any level of New Mexico Bred horses you may have. For example, Tom McKenna's horse McThanks who has never run for over \$6,250 claiming in his life. He is six years old and as of today he has made \$103,000 and that is not including the owners and breeders awards Tom has received. So, there is fun for everybody. You can go to the sale and buy a high priced horse or one of the cheaper horses. There are all kinds of opportunities, and we need to get the word out there. We have had to face a lot of problems over the years but if we work together, we can survive.

PRESENTATION ON HISA FROM VANESSA ALEXANDER

Vanessa Alexander commented that she is the doom and gloom. She would like to drive home a little bit more of reality. If you go to the Racing Commission meetings, everything is great, and they pat themselves on the back. When you are talking about HISA, we really need to do a better job of explaining what it is. Initially it will go into effect in July of 2022 and what this has done is there is a new Federal law where Thoroughbred racing is under the FTC. They are going to create what is called the Authority which are going to be established in each of the racing jurisdictions that will be opted in whether you like it or not, and that Authority is not going to be paid for by the Feds and is not going to be paid for by tax-payer dollars. It is going to be paid for by us. They have what they call covered people. Those are the trainers, owners, racetracks, grooms, vets, ferriers. They are going to require everybody to be licensed by the Authority. That is also going to include the tracks that have to meet the accreditation standards of this Authority, or they will not be able to run. That is reality right there. Those fees are what will fund the Authority. It was discussed at the last Commission meeting last Thursday that the Authority will have their own ship and will run their own show. They will have their own personnel and that is going to cost us. The racetracks are going to be charged and that will come back on the owners as starter fees. She cannot give a definite number, but starter fees could be anywhere from \$400 to \$2,000. That could be close to the mark or way off from the mark, but it is coming. She thinks this is really going to hurt the smaller jurisdictions. How is this going to affect us? It depends on who you talk to. We have kind of done this to ourselves. We can use Bob Baffert as an example of what is coming. She thinks that Quarter Horses will be included in time. If they are upset about the Thoroughbreds, just wait when they see what goes on with Quarter Horse racing. She thinks that New Mexico will be ground zero and made an example of. She will be available after the meeting if anyone wishes to discuss this with her.

COMMENTS AND QUESTIONIS FROM MEMBERSHIP

Mary Barber read into the minutes an email that was sent in by Gary Balzano (copy incorporated into the record). In his email, Mr. Balzano talks about how a sixth racetrack can only be good for our state. It would increase race dates, increase purse funds, and create jobs. We would have incentive to breed more horses and that would help to support surrounding businesses as well.

Joann Vandergeest did not realize she was signing up to speak but said it is nice to see everyone.

Pierre Amestoy thanked the Trustees for all they do for our association. He thinks we have major problems with the licensing issue. He then went over a proposal that he came up with to give people incentives to have New Mexico Breds. He thinks that we need to find a way to get money to people who don't make any awards because they do not run in the top three. He thinks we should pay something to every New Mexico Bred that runs. We need all the horses we can get. We also need to support the Horsemen's Association. We are the Horsemen. We need to be part of that conversation. We need to be able to promote ourselves. The breeders need to budget for lobbying and for legal fees for 2022.

Tom McKenna spoke about being strictly Thoroughbred and owns one of the largest breeding and racing operations in New Mexico. New Mexico racing was great but now we are faced with a different problem. If we don't need races, we don't need breeders. We will be history. Horseracing is doing well in other states. He believes that running split meets is not good. Other states give people incentives to go and run there. They will pay shipping costs and give other monetary bonuses, housing for grooms, and bigger purses for maiden special weights. They send a representative around to other states to recruit people but not the New Mexico racetracks. They don't want to run. They only want to have their casinos. He feels that we should have a separate board for Thoroughbreds and a separate board for Quarter Horses. Separate race meets, oppose the sixth license until we can bring the race dates at the current racetracks back up. He is happy to see the Commissioners here today, but he has seen that the horsemen and breeders cannot be a part of their meetings now and that doesn't make any sense. He feels that he used to have good representation and now there is zero. Two things we could do right now is have fixed odds wagering and also sports books. We need to come up with some new ideas. He closed by saying again that if we don't have races, we don't need breeders.

Fred Alexander thanked everyone for doing a great job however he is pretty disappointed. He understands that there is a By-Law change proposal to give the Trustees the power to get rid of a Trustee who was voted on the board by the members. It sounds communistic to him, and he commended Vanessa Alexander for having the cojones to stand up and tell the truth. There are a lot of people who just turn their back. It is the good old boy system. He asked the Commissioners present to do their jobs and follow the rules. The racetracks need to follow the rules also. He does think it would help the Thoroughbreds to go to straight Thoroughbred meets. You see these little racetracks around the country, and they handle a million dollars a day. He thinks we need to get together with the horsemen in order to have more power. The racetracks do not want us there. All they care about is those machines. They forget how they got those machines. They could not do it without the horses.

Leslie Fincher started out by saying that she has been in this business most of her life. She raised good kids who are very good to their horses. Last year put a big kaboom in everybody's income and

expenses. She agrees with Pierre and highly with Fred. But there is another thing to look at. These racetracks are breaking all the rules. You used to be able to come in thirty days before a meet starts and now, you're lucky if you can come in a week before the meet starts. Claiming prices are so elevated. They should have lower claiming prices for horses that need to be at a lower price. The horsemen should be able to look over the stall approvals. They need more stalls, places for grooms, better facilities (like more than two bathrooms for 1200 people on the backside). We need to make demands and should be in charge. We gave them the golden goose and now they are taking all the eggs and shoving us out the door. Something needs to be done. We need to take a stand or take their gaming away. Things would change then.

Sandra McKenna explained that they are both breeders and owners and she is proud of that. She is proud of racing in New Mexico. She thinks everyone is doing the best they can with what they have. She is very disappointed with this board. She does not like the suggestion of allowing pregnant mares to come into New Mexico and have that foal be a New Mexico Bred. This would absolutely kill the Thoroughbred stallion business in New Mexico and if it passes, the McKenna's will no longer breed in New Mexico. She feels we absolutely need to split the meets. We would have much better racing. We should work together, and we can work it out. If only we could get the Commission to work for our benefit instead of backing the racetracks 100% of what they want to do. Then we could hopefully move forward and grow this industry in New Mexico.

Jay Taylor has a different take on HISA than most people. He thinks it may be a good thing in the long run. We may struggle with it some. He does not think it going to change much how we do things now. We do not know because it is a pretty ambiguous document to start with. There is a clause in there that says that the Commission can take it over and run it. It is a lot like OSHA. Everyone thought the sky was falling and it turned out not to be that big a change and yet it did make things better. Everyone is going to have to work together to make it happen. It could really improve our industry and we need to give it some time to see how it is going to affect things.

Fred Alexander commented that New Mexico was one of only two states that had growth in their Thoroughbred numbers.

TENTATIVE 2021 CHAMPIONS

Mary Barber explained that these are our preliminary results for the 2021 Champions. We follow the AQHA guidelines where if a horse or his trainer or owner have any positive or pending medication test results, we do not honor them with being an end of year champion or by honoring them in our publication. We have some horses that have pending medication test results.

The preliminary champions are:

Flashn Fire
HS Golden Eagle
Big Dee
Chicky Chicky Kai
Wascallywittlewabbit
Cat Daddys Lil Girl

Wheres Brayden
Bella Dona
One Mark
Slammed
Jet N G
Shes a Dandy RF

Big Daddy Cartel
Attila's Storm

Mr PYC To You
Comfort

Episode of Fire
Charlotte's Drone

The awards banquet will be in Ruidoso during Zia Festival at our Summer Party. It will be the first weekend of August. This will be posted on our website.

PRELIMINARY STALLION AUCTION RESULTS

Mary Barber reported that we had some pretty big problems with our auction yesterday. It went down for about eight hours. There was a bug in the software. We got it back up and running and we extended the bidding time to 5:00 p.m. We also found out that the auction ends at the set time and there is no extended bidding. We will be looking into getting a better auction for our website.

There were some bids that did not meet the reserve so we are asking the stallion managers and owners if they will allow us to accept the amount that was bid. The figures may change but we will post the final figures on our website.

Mary Barber went over each stallion breeding, what was bid and who purchased the breeding (copy incorporated into the record).

President Goncharoff thanked everyone who donated and who purchased a breeding.

The results of the vote for the By-Law change proposals and the Board of Trustees were still being counted so President Goncharoff called for a break.

After the break, the meeting was called back in order for the results of the votes.

Mary Barber reported that the proposed By-Law change to allow pregnant Thoroughbred broodmares to come to New Mexico and have a New Mexico Bred foal, the vote was seventy-one for and one hundred and eight against, so that proposal failed.

On the proposed By-Law change to allow recipient broodmares to foal out of state and have those foals be eligible to be New Mexico Bred, the vote was seventy-one for one hundred eleven against, so that proposal failed.

The proposed By-Law change to article V – Board of Trustees, the vote was one hundred and nineteen for and fifty-two against, so that By-Law change has passed.

The proposed By-Law change to the Export Broodmare Program to clean up the language and eliminate the Export Broodmare Return Form, the vote was one hundred and eighteen for and forty-six against, so that By-Law change has passed.

For the results of the vote for the Board of Trustees, on the Thoroughbred side, Nancy Summers has been re-elected with one hundred and twelve votes, Warren Franklin has been re-elected with one hundred and nine votes, and Tom Goncharoff has been re-elected with eighty votes. On the Quarter Horse side, Norma Alvarez has been re-elected with one hundred and one votes, Mark Brown has been re-elected with one hundred votes, and Mac Murray has been re-elected with ninety-two votes. There will be no changes to our Board of Trustees for 2022.

President Goncharoff reminded the Trustees that we need to meet back in the board room to elect officers.

Helen Nave made a motion to adjourn the meeting, seconded by Susie Prather. Motion carried without opposition.

Tom Goncharoff
NMHBA President

Mary M. Barber
Attest