



**Board of Trustees meeting
Association Offices – Albuquerque, NM**

**April 27, 2022
11:00 a.m.**

PRESENT

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

ABSENT

None.

GUESTS

Debra Laney

QUORUM

President Goncharoff acknowledged a quorum present.

MINUTE APPROVAL

Norma Alvarez made a motion to approve the Minutes of March 26, 2022, seconded by Mark Brown. Motion carried 11:0.

INVESTMENTS

Mary Barber announced that we have \$314,000 in our general account right now and she feels that some of these funds need to be invested. Adrian McCallon, of BOK Financial was invited to our meeting so that he can inform the Trustees of some options they may wish to consider.

Adrian McCallon started out to say that there is a lot of turmoil right now with the markets and financially and not knowing what is going to happen interest rate wise, but it is always better to do something with your funds rather than let them sit in the checking account. The question is how long you would want to commit to investing the funds. One year or two years can make a lot of difference. For a year you are talking about 1 ¾ %. The general account is earning about .10%. Interest rates change a little every day. A three year rate is about 3% , so the longer you can invest those funds the more you can earn. The rates can be sensitive and can change daily. Right now, they are going up.

Norma Alvarez asked about our current investments and when they will mature. The mature dates were not included but the first page of the most recent statement from BOK Financial was provided to the Trustees to see the total investments and the previous months totals for comparison showing they had gone up by about \$4,500.

Adrian McCallon explained that we do have a maturity coming up in September that is \$25,000, there is cash a little over \$38,000, and liquid funds that is \$87,000. So, there is over \$100,000 that is accessible pretty quickly. The rest of the funds are staggered between three to five years.

Nancy Summers asked what are the excess funds for and when do we need them? Is it for an emergency or what do we use it for? Norma Alvarez explained that the accountants have felt it would be best to have a plan for an emergency. We also may have some lean years like we did a few years back. We had to start budgeting ourselves and we also started the Export Broodmare Program to bring in more funds.

President Goncharoff also stated that the Board of Trustees had to start really looking at our spending and work on disciplining ourselves. Another thing that really helped was requiring owners to be members. Now we could weather a storm if we have to. We got through COVID without any problems. These funds could cover us for about a year if something major should happen.

Verner Query asked what amount of funds on hand is allowed for a non-profit. President Goncharoff has looked into this, and he believes that having enough funds on hand to be able to fund us for a year is a reasonable amount to have for a non-profit. If this was to grow far beyond that, then we would have to decide how we would want to spend that.

Adrian McCallon thinks that is pretty straight forward. He would not increase the risk but stick with something guaranteed. You would not be able to grow the funds dramatically, but the funds belong to all the members of the association, so we have to be conservative. He recommends a time commitment of one or two years maximum. The Trustees need to determine how much you want to invest and how much time you want to tie that up for. You would still be able to get about \$100,000 out at any time if something should happen and you need to cash it in.

Mary Barber thinks that we should invest \$100,000 of what is in the general account now. That would leave her more than enough to pay some of the big items coming up like the Cowboy Channel fees.

Helen Nave made a motion to invest \$100,000.00 for two years, seconded by Nancy Summers. Motion carried 11:0.

SUMMER PARTY UPDATE & APPRECIATION TIP

Annette McCloy reported that she and Mary Barber visited with Crystal SiFuentes at Ruidoso Downs to discuss the Summer Party. After discussion, it was decided that we would just do the same thing as last year. The party will be in the Turf Club again this year. Annette McCloy thought that our party might be in the new tent that Ruidoso Downs put up, but she thinks there will be a lot of vendors set up in there. Crystal also mentioned that there will be a concert that night. Annette McCloy thinks we might be able to get some tickets for the people attending our party. The food was good last year, and it was economical. It was Mexican food and it worked fine.

The trophies have been ordered and she was able to stay just under budget. She thinks everything is all in line. Last year we were way under budget, but it sounds like we have the funds to spend more.

We discussed the door prizes and that we may actually have had too many last year. We discussed handing out the door prize tickets after everyone sits down. Annette McCloy will work on this. If people want to leave early, they can leave their tickets with someone else.

We need to make sure that the award winners are seated right up front. Mary Barber explained that last year, the staff made reserved signs for any group of ten or more, but some people felt that they should have had a reserved table as well. Annette McCloy mentioned that she had a table with a reserved sign and another lady just removed the sign and sat down at her table. We will try to work on this.

We had a huge turnout last year and a lot of people mentioned that they had a fun time. Mary Barber reported that we had 205 people attend the party last year.

Annette McCloy feels that if we could have talked to Tim Keithly, we could have negotiated for the concert tickets. She will try to talk to him about that.

President Goncharoff brought up that we always make the announcement to tip your servers. He and Mary discussed the Association giving a \$20.00 tip or so to all the workers. Mary Barber thought it might be good to give a bonus to Crystal SiFuentes. She did a wonderful job putting all of this together for us last year. Mac Murray asked what is the total bill? Mary Barber explained that the deal we made with Ruidoso Downs was that they would pay for everything up to \$5,000 and then we would pick up anything after that. We never received a bill so they must have been able to keep it at or under the \$5,000.00. Mac Murray suggested we give a 20% tip (\$1,000) and also have a tip bowl up at the front.

Norma Alvarez felt that 10% would be enough because there will be other people who tip as well. Mac still feels that 20% would be more appropriate. Mary asked what would be good for Crystal? After some discussion, the Trustees thought another 10% for her would be a good amount.

Mac Murray made a motion to pay 20% or \$1,000.00 for the people working our party and another \$500.00 to Crystal SiFuentes. We will also place a tip bowl at the entrance to encourage everyone to give some cash, seconded by Mark Brown. Mike Logan added that we should run this by upper management to make sure that they do not have a problem with this. Annette McCloy will talk to Rick Baugh and or Ethan Linder about this. It was decided that this motion is subject to management approval.

Mac Murray made a motion to give a 20% tip to the people who work at our party and an additional 10% tip to Cristal SiFuentes for a total of \$1,500.00. He added that we will place a tip bowl at the front entrance. This will be contingent upon approval from Ruidoso Downs management, seconded by Mark Brown. Motion carried 11:0.

STAKES REPORT

Mike Logan reminded everyone that the payment is due on June 1st for the New Mexico Classic Cup Futurity and Derby. Mary Barber reported that we do send out reminders for payments in our newsletter.

Mike Logan reported that we have 89 horses paid into the NMSF QH Derby, 173 paid into the NMSF QH Futurity, and 74 paid up into the NMSF TB Futurity. The 2023 NMSF QH Futurity had like 352 at the last payment. At SunRay Park the trials are May 6, and the finals are on May 22nd and there are 63 horses still paid into it. At Ruidoso Downs, there are 68 head paid into the Mountain Top QH Derby and 166 into the Mountain Top QH Futurity. The Mountain Top Thoroughbred Futurity has 57. The Zia Futurity has 174 nominated, the Senorita has 46 and the Senor has 47. He believes that the numbers are all up from previous years.

The under funded stakes at Ruidoso Downs were discussed. Mary Barber thinks we will have another \$40,000.00 we can come up with over what was planned so that we may be able to raise some of them. Nancy Summers brought up that the purses were raised several times last year. The people who run at the beginning of the meet don't make as much. She also feels that giving out \$300,000 per day at SunRay Park is too much and they should run more days. Mark Brown feels that if the purse funds should be based on number of days, it would give the racetracks incentive to run more. This would have to be put into statute. Mike Logan wanted to know if we want to cut a race or leave them all underfunded. Do we want to just raise some of them? Norma Alvarez thinks the Thoroughbred Trustees should work on this. Mike Logan went over the Thoroughbred stakes for Zia Festival. The Sierra Starlet is Black Type, and we would like to keep it. Black Type is based on both the funds and the speed rating. Mike Logan explained that the standards are listed in the North American Catalog and standards. If we ever drop the Sierra Starlet down under \$50,000 it will take three years to get the Black Type back and we would have to raise the purse to

\$75,000. Verner Query would like to see if there is a race we could drop. He also mentioned that the Lineage was dropped without any of the funds being refunded. He thinks the racetrack could make the decision to cancel races if they want to. We don't have a say because we don't own the race. What Verner was proposing on the Million was that we own the race and can run it at any of the racetracks. Norma Alvarez went back to say that the Thoroughbred Trustees should take on the responsibility of deciding what to do. Mary Barber stated that last year we tried to cut out a couple of races and the horsemen were very upset about it. Luckily, we were able to keep them all. Mike Logan stated that Ruidoso Downs does not have a lot of funds to add but the issue is that all the racetracks put less on the NM Bred stakes than the open stakes. Our funds were designed to be added to what the racetrack puts on an open race.

BREAK FOR LUNCH

MARKETING REPORT

Norma Alvarez reported that she and Mark Brown are working with Tom Dawson on our new commercial. She went over the script that will be used at first and then it can be updated later to change focus from the sale to the big races. She would like Mary to look this over to check the facts. Mike Logan did not like that we mentioned the Barrel Horses last year. Mark Brown thinks we need to advertise the total purses paid out in New Mexico along with our awards.

Norma Alvarez suggested that we have some items in Spanish in our magazine and newsletter. Track magazine does this also. The Monday Morning Report and the Monday Morning Special Reports were discussed. These reports go out to a lot of people. The special advertisements cost \$500.00, and this is something we might want to do for the association. Mike Logan thinks we should also check with Ray Paulick.

The Downs At Albuquerque was going to split the bill with us last year and it never happened. Norma Alvarez explained that they are giving us advertisement pages in their programs and not charging us for them instead.

A sample of the promotional items purchased were provided to each Trustee. Twelve hundred pens, and 800 envelope openers / wrap cutters were purchased.

SALE PARTY PLANS

We are thinking about having a little party on Thursday night before the New Mexico Bred sale. Mike Logan is going to talk to the Sale Company to make sure it will be okay with them. It could be catered, and we could keep it simple and serve tacos. We could put out a few bales of hay to sit on. Norma Alvarez has a guy that could cook for us. He makes ribs and chicken legs, but she was thinking tacos. President Goncharoff suggested that the Trustees could bring brownies or cookies. Mac Murray thought we could ask the consigners to put up the funds. Norma Alvarez reminded the Trustees that we did put this in the budget for \$3,500.00. Having music was discussed. Some of the Trustees thought it

would be good to just keep it simple. At least for this year and we could see how it goes. President Goncharoff suggested we have a banner thanking the consigners.

POLITICAL STANCE ON GOVERNOR'S RACE

President Goncharoff stated that he's not sure where we want to go with this. Some of the candidates were discussed. Mike Logan thinks we need to get the candidates view on the racing industry. Helen Nave thinks we need to get through the Primary first and then go gung ho with it at that point. Norma Alvarez has gone to several meetings with Mark Ronchetti. He met with some trainers and basically, he was there to find out more about our industry and what were our concerns. The main concern was the racetracks wanting to cut racing. He understands the importance of our industry to the state of New Mexico. Wendy Miller, the veterinarian, has been working with his campaign. He got national attention when he ran for Senator against Ben Ray Lujan. He also has the most funds to campaign. Verner Query is concerned that like most politicians, whomever gets elected will forget about us once in office. Norma Alvarez thinks that Mark Ronchetti has good intentions. Annette McCloy interjected that Rebecca Dow came to her home and made an effort to learn about our industry. She also came to our party.

Whoever wins the Primary will get our support. Mary Barber thought we could invite the winner to our next meeting. President Goncharoff feels that we would have to invite the current Governor as well.

TRUSTEE CONDUCT

Mark Brown went over the Code of Conduct. He urged everyone to read them. It is about common sense and common courtesy. Everybody has their own opinion, but we don't go off on our own. We all need to be familiar with the Code of Conduct and we need to sign them and honor them. Mary Barber stated that Susie Prather still needed to sign the Guidelines and Vanessa needs to sign both documents. Mark Brown thinks we just need to remind ourselves to act respectful. Mike Logan thinks that we all try to do this in good faith. We try to be proactive, and we need to be cordial to each other at all times. No one should be singled out; we all have a vote but Tom unless it is a tie. President Goncharoff stated that we need to support how the Board votes, even if it did not go our way. Mark Brown feels that we make decisions as a board and that is how it is. We are doing the job this association is designed to do.

Mike Logan feels that all states have their problems. A lot of states have the same problems. We all love horses and that is what we need to focus on. We know what is in our hearts. We don't always agree with everyone else.

Annette McCloy feels we have taken a lot of flack for not joining the horsemen in their lawsuit. But we are breeders, and we need to keep communication open with the racetracks and the commission. She thinks we have done our part. Mark Brown stated that we have never done anything against the horsemen. We sent a letter to them and the commission, but we have never been against the horsemen. Rumors get started that get spread around.

This board has done what we are supposed to do. Mac Murray talked about the sales and how that was the best sale there has ever been following the pandemic and this is a testament to the breeders.

Nancy Summers mentioned the incredible stakes we have for New Mexico Breds. She gets contacted by people from out of state and she is full up. We need to attract some younger people. We need some more trainers. President Goncharoff asked why people don't come here and Nancy replied that we have to move so often and a young person trying to start out would have a really tough time. She skipped Hobbs last year and she thinks we need to have a better relationship with the racetracks. It is so hard and expensive to move. People want to go to a racetrack where they can stay for a while. Sometimes a stable will get so big that a small owner can get lost. We used to go to two racetracks for the year.

AUDIT VS REVIEW DECISION

Mary Barber had been contacted by our accountant Marvin Kiesow of Moss Adams who informed her that they were going to go up on their fees. A full audit would now cost us between \$20,000 and \$23,000. The last audit we had cost us \$15,000. Every other year we have been doing a review for about \$11,000 and every other year a full audit for \$15,000. We used to have to do an audit every year because it was in the statute that we had to be bonded for our award funds. The insurance company that provided our bond required us to be audited. This was taken out of the statute in 2018. Back in 2014, when we were having a tough time financially, we received a letter from the NMRC Executive Director Vince Mares, giving us permission to go to having a review every other year and a full audit every other. I don't know if the full commission was involved or not, but they never changed their rule that states we would provide them with a copy of our audit every year.

Marvin Kiesow stated that he did not think it was necessary for us to have a full audit since the bond was no longer required. Mary Barber contacted Tom Goncharoff to let him know about this discussion and it was decided that she would contact current Executive Director Izzy Trejo and ask for permission to go to having a review every year. There was not a reply for a long time, so Mary Barber sent a second email. The attorney for the NMRC Richard Bustamonte replied and found that the rule had not been changed and he decided to put it on the agenda for the next NMRC meeting. It went before the NMRC, and they voted not to allow reviews so now we have to go back to doing a full audit every year. President Goncharoff explained that we have another accountant that comes to our office twice a month and we have never had a bad audit. Mary Barber apologized for bringing this to the attention of the NMRC. President Goncharoff thought that was better than The NMRC finding out we have been doing reviews and the rule is that we are supposed to do full audits.

Norma Alvarez asked if we were going to look into getting someone else to do our audits? Mary Barber replied that we had discussed that, and it was decided that we will go with Moss Adams this year because we are out of time and need to get started on this. We will be getting bids from other accounting firms to see if we can get a better deal for the future.

President Goncharoff explained that when we get a new accounting firm, Mary will have to teach them about our industry.

STAFF – CROSS TRAINING

Mary Barber explained how we came to hire Linda Griego as our part-time employee to replace Paulette Taylor. She had been the person who was hired to count the mail in ballots. She came to an interview with all the staff. She is fluent in Spanish and Linda has been such an added benefit to have in our office.

Mary Barber brought Linda Griego into the meeting and introduced her to everyone present. Mary Barber explained that Linda has not been involved in horseracing at all and is having to learn everything all at once.

President Goncharoff told Linda that they had heard good things about her. He would like to see her translate some items in our magazine, newsletter, and social media into Spanish.

Mary Barber also reported that since Paulette Taylor is no longer working for us, she and Jay both have been taken off of our bank accounts and Amber Martin, our registrar, has been added. Mary is in the process of training Amber on the pari-mutuel funds and will start to train her on the gaming funds soon. She now has a credit card with a small limit of \$5,000. Mary felt it was important to get this done in case something should happen to her, there would be someone else that could step in.

Norma Alvarez asked if Tom Goncharoff is also on the bank accounts but was told that it was decided we needed someone who is not so far away. Mac Murray is on the Financial committee and Mary needs to get him signed up. We were supposed to do that last year, but it never got done.

OPEN DISCUSSION

Mary Barber brought up that at SunRay Park, there was a late scratch in the Russell & Helen Foutz Distaff and because it went down to a nine horse field, they only paid out \$99,000 instead of the \$100,000 Guaranteed. This is one of the problems that the horsemen had with SunRay Park as well. We don't lower the amount we send for the races, but the full purse is not being paid out.

Debra Laney wanted to know how much it cost the breeders and the horsemen for not sending out the export signal at SunRay Park. The reasons for the horsemen not signing off on the export signal was explained by Nancy Summers. SunRay Park would not work with the local committee on the issues they had with several items.

President Goncharoff asked Mary Barber if she knows what the loss will be and was told that we do not know yet, but we will have that information soon. When we get the reports on Friday, Mary can let everyone know how it comes out. President Goncharoff asked Mary to contact the girls at the horsemen's office to see what their loss is.

Norma Alvarez asked where the funds go, and Mary Barber explained that 8% of these funds go to the association and then a part of the funds go on the incentive awards and a part goes towards NM Bred stakes races. The unclaimed ticket funds go on NM Bred overnight races only.

Debra Laney feels that the infighting is frustrating. Some places have decoupled the gaming from the horseracing. President Goncharoff talked about how you can't just wait until the last minute on this, and we are not big enough.

Mark Brown spoke about why it is so important to educate people. We can use the Indian Compacts to help us to stop the racetracks from decoupling the gaming from the racing.

Debra Laney feels that there is a lot at stake if we want to keep horseracing in New Mexico. Somehow, we have to come together.

Mac Murray asked if they do come to an agreement, will they be able to start exporting the signal? Mary Barber does not think that is possible for this race meet because she thinks it is too late to get on the schedule at these different racetracks.

The meeting was adjourned.

**Tom Goncharoff
President**

**Mary M. Barber
Attest**