



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

**June 29, 2022
11:00 a.m.**

PRESENT

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

ABSENT

None.

GUESTS

**Sheila Herrera from Moss Adams to go over audit
Debra Laney
Nancy Lock
Vanessa Alexander
Leslie Fincher
Pierre Amestoy
Lori Alexander (Zoom)**

QUORUM

President Goncharoff acknowledged a quorum present.

MINUTE APPROVAL

Mark Brown made a motion to accept the minutes of April 27, 2022 and June 14, 2022, seconded by Verner Query. Motion carried 10:0.

PROCEDURE FOR MAKING INVESTMENTS

Mary Barber explained that during the audit, Moss Adams directed her to have a written procedure for making investments that has been approved by the Board of Trustees. She

supplied the Trustees with a copy of the wording she came up with (copy incorporated into the record) and asked if anyone would like to make any changes. The Trustees took a minute to read through the suggested written policy.

Helen Nave made a motion to accept the Investment Policy as written, seconded by Norma Alvarez. Motion carried 10:0.

APPROVAL OF FINANCIAL STATEMENT PROVIDED BY MOSS ADAMS

Sheila Herrera of Moss Adams went over the draft of the financial statement that was provided to each of the Trustees (copy incorporated into the record).

The only item that was pointed out to the Trustees was that the 2022 membership dues that were reported in 2021 but the funds were not deposited until January of 2022. Mary Barber explained that this happens every year because of our December 31st deadline for foal registrations. These funds appear to be overdue but that is because we go by the postmark.

There were no findings or issues arising from the audit that, in Moss Adam's professional judgement, were significant or relevant to our oversight of the financial reporting process.

Norma Alvarez asked about the tremendous amount of work that it takes to pull all of the items that are requested from the office. Sheila Herrera explained that whenever we have an audit year, they actually have to audit two years because the previous year's review cannot be used for this purpose. If we do audit's every year, they will not need as much information. It was also discussed that it would be a lot less work if the auditors would start coming to the office in person again like they did before the pandemic.

Sheila Herrera reported that starting on page five of the financial statement, it shows our current assets, and on page seven, it shows our revenues and expenses. Moss Adams has gone over all of these items. The expenses were broken down and the statement of cash flow was gone over. The custodial funds were listed and the operating funds. The accounting policies were followed by management. The auditor responsibilities and management responsibilities are listed on the report. The investments were discussed. President Goncharoff asked if for a non- profit, are our investments appropriate and Sheila Herrera believes they are. They do see a lot of investments that are mutual funds and CD's that are a lot less risky for non-profits. Bonds is another thing they see a lot of if you are looking for long term.

Verner Query made a motion to accept the financial statement as presented, seconded by Helen Nave. Motion carried 10:0.

POSSIBLE VOTE TO INVITE A NEW TRUSTEE

President Goncharoff suggested that we fill the open spot for a Quarter Horse Trustee with the Quarter Horse nominee who had the most votes that was not elected at our last Annual Meeting. That person would be Brian Anderson from Copper Spring Ranch. President Goncharoff asked if we have to fill the open position on the Board? Mary Barber stated that in the past, we have replaced any Trustees that went off the Board before their term was up and the replacement Trustee would have to go up for re-election at the end of the original Trustee's term. We are talking about through January of 2023. He might not even be interested, so we may want to have a second choice. The next person with the most votes after Brian was Calder Ezzell. It does not have to be someone that was up for election. It could be any member that the Board wants to invite. Mark Brown thinks it is a good idea to have those nominees that were voted for at the last Annual Meeting.

Norma Alvarez made a motion to invite Brian Anderson to join the Board of Trustees, seconded by Mac Murray. Motion carried 10:0.

Norma Alvarez made a motion that if Brian Anderson is not interested in joining the Board of Trustees, to invite Calder Ezzell, seconded by Mark Brown. Motion carried 10:0.

EXECUTIVE SESSION TO DISCUSS EMPLOYEE SALARIES

The guests attending the meeting were asked to leave the room during Executive Session and the recordings were stopped.

Mary Barber went over the employee salaries and benefits and then left the room.

Nancy Summers made a motion to make the salary adjustments that had been discussed, seconded by Norma Alvarez. Motion carried 10:0

After discussion, Mary Barber was invited back into the room to be told what the Trustees had decided. PTO and health insurance will be discussed during a future meeting.

Verner Query made a motion to come out of Executive Session, seconded by Helen Nave. Motion carried 10:0.

MEMBERSHIP REQUIREMENTS

Mary Barber explained that the staff would like the Trustees to discuss the membership requirements because there is some confusion on partnership memberships and what that covers. For example, if you have a partnership membership for a man and wife, and the man is the representative of that partnership, does the wife have to get an additional membership if she has horses by herself or with other partners? A second example was discussed about a partnership between several partners. Do the partners that are not the

representative need to get additional memberships for horses owned outside the partnership?

Mark Brown thinks that they do need to get another membership. Different scenarios were discussed between the Trustees. The consensus was that the non-representative would need to get an additional membership. Mac Murray thought we should follow what the NMRC requires for racing licenses.

President Goncharoff suggested that we table this item until the next meeting so that the staff can produce the appropriate language for this policy.

Mac Murray made the motion to table this item until the language is correct and vote on it at the next meeting, seconded by Helen Nave. Motion carried 10:0.

OPEN SESSION

COMMITTEES

STAKES COMMITTEE REPORT

Mike Logan mentioned that Mac Murray's MJ Farms won the Rita Danley with Fanncee and Pierre Amestoy had won the Mountain Top Thoroughbred Futurity.

Mike Logan also reported that we have been able to come up with some more added funds for the NM Bred Stakes at Ruidoso Downs. Hopefully, this will put some smiles on people's faces. He is waiting to hear back from management on this.

Mac Murray thinks we should have more of these little \$30,000 to \$50,000 stakes for both Thoroughbred and Quarter Horse fillies. Mike Logan explained that he has been working on that and has had minimal success. He was able to get one race at Albuquerque and two at Zia. They did come up with three and up with four year old's preferred. This seems to work really well and give those older fillies an opportunity. Mac Murray thinks that instead of having one big race, we could have a few smaller races. Mike Logan mentioned that it may be possible at racetracks other than Ruidoso Downs because they are so heavily burdened with stakes races and have limited purse funds. We could try to do this at other racetracks without having to lower the existing stakes purses.

Mike Logan added that these tracks already have their stakes schedule and don't like to jostle it. It is a challenge to add a race, but it is possible, and he will continue to work on this.

MARKETING COMMITTEE UPDATE

Norma Alvarez reported that there is a lot going on with the Marketing Committee. We have spent \$12,302.31 so far and Mary Barber mentioned that we are mailing out the 2nd half of the fee to the Cowboy Channel in the amount of \$8,600.00 today.

Norma Alvarez is working with Mark Herron of Track Magazine to do advertisements in the Monday Morning Report. Mark thinks that it would be best to do a \$400.00 advertisement in the regular Monday Morning Report rather than doing a Monday Morning Special Report. As soon as the catalog cover is ready, Norma will include that in the advertisement and also will mention the \$1 million dollar futurity.

Mary Barber will be getting a banner made to advertise the million dollar race to be put up in the sale barn. Debra Laney had looked into the number of sale horses that are paid into the million dollar race. She found that there were seven more yearlings in the catalog that were paid into the race and the Downs At Albuquerque found two more that needed to show they were paid into the million dollar futurity. After adding those nine horses in, out of the 164 Quarter Horses in the sale, only eleven have not been paid into the million dollar race. She gave the information to Walt Wiggins and luckily it was not too late to have those updated before the catalog is printed.

Mac Murray suggested that we have stickers made to go on the stall doors showing that the horse is paid into the race and also to have posters put up around the sale barns to promote these horses. He also feels that there should be a late payment after the sale and maybe they can start this next year.

Mike Logan asked if we are going to update the commercial after the sale, maybe we can include reminding people to nominate to the 2024 million dollar race. Mac Murray thinks this is a good idea. Mike Logan also mentioned that once we have the information from Zia Park and Sunland Park, he can get that information to Norma to include in the commercial.

SALE PARTY UPDATE

Norma Alvarez talked to Walt Wiggins about having an advertisement for the sale party put in the catalog. She has hired her guy to bring his cooker and it will be a casual affair. She has done this before at the sale and it is a really nice social hour. The party will be Thursday evening, August 18th. Mary Barber will bring a table to set up and can go to Sam's Club to pick up paper plates and drinks.

SUMMER PARTY UPDATE

Annette McCloy asked about tipping the servers and was told that would be okay. There will not be a band in the big tent but there is a band in the Billy The Kid in case anyone would like to go there after the party. We could hire a band if we want for our party. Norma Alvarez mentioned that we could have someone like Susan Hunter entertain while everyone is coming in. Mike Logan thinks people want to visit with each other. After further discussion, we will not try to have music during the party and also during the sale party as well.

Norma Alvarez reached out to Mark Ronchetti. He is going to go to the races and to our party on August 6th. She spoke to Tim Keithly about sponsoring a race with a blanket and

have Mark go to the winner's circle for that race. Mike Logan donated his box for Mark Ronchetti and his group to attend the races downstairs so that he can meet a lot of people.

Mac Murray thinks it would be a good idea to invite him to the chapel. Norma Alvarez will try but she doesn't think he will be in town that long, but we could ask Darrell Winter to go meet him and let him know about his program.

President Goncharoff mention that it sounds like we are endorsing Mark Ronchetti and that we should invite the Governor as well.

Annette McCloy mentioned that we actually had too many door prizes last year and it went too long. Mark Brown suggested that we might spread those out during the event instead of all at the end.

OPEN DISCUSSION

Pierre Amestoy spoke about filly & mare stakes races. There is one at Zia Park and one at Sunland Park. He thinks we need one for Quarter Horse fillies at Albuquerque. Don Cook is very receptive to writing races. Mike Logan is working on this.

Pierre Amestoy thinks we need more transparency with our members. This organization is doing a good job, but he doesn't know where we are headed or what we are doing. The members are lost and do not know what is going on. He asked Tom Goncharoff, Mike Logan, and Mac Murray if they have had any conversations with tracks or Commissioners about where we are headed or what we are doing? What are we going to do to try to defend ourselves and make sure this organization continues so we can run races in New Mexico? Do you have any information that you can share with us? President Goncharoff said that he did hear about having another summit with track management, Commissioners, and representatives from this association. Then we can hear what the tracks are thinking about HISA and what to expect. Mike Logan spoke about the stakes schedule at Sunland Park. He talked to Dustin Dix who has plan a, b, and c depending on HISA. President Goncharoff thinks this may be a good discussion item for our Town Hall Discussion. He has attended a couple of HISA meetings and they don't even know what is going to happen. These are not people with horseracing backgrounds. There are some pretty prominent Senators who have written a letter calling this thing into question. There is a lot of pressure being exerted from people who have a lot of clout. Pierre Amestoy thinks that we have the same problem with the Commissioners not understanding what damage they are doing with their decisions because they do not know the industry.

President Goncharoff stated that the litigation from the horsemen has stopped all communication. Pierre stated that he cannot get the Commission to even talk to him.

Vanessa Alexander told Pierre Amestoy that he is talking to the wrong board if you want anyone to support your ideas. Pierre Amestoy replied that he just talked about being corroborative and inclusive. You challenge them right away. You need to come with a

different attitude and a better way of doing it. Don't do it this way. Pierre Amestoy then left the meeting.

Vanessa Alexander stated that Bregman is who cut off the communication with the horsemen. It was not the horsemen. Bregman told Mr. Erhard that he didn't want him trying to contact the Commissioners or anyone on the NMRC staff. Bregman did that. She was told that was after the lawsuit was filed and that is what happens. Vanessa Alexander then asked is the NMHBA going to support the decoupling of the tracks? Also asked if you have had or do you know of any conversations of any kind about the horse breeders acting as the horsemen's group or anything similar before the Commission published their agenda. She then went around the room and asked each individual. She was told to ask the Commission why they put that on their agenda. Warren Franklin asked what difference does it make anyway? We still have to vote as the Board of Trustees. Mark Brown explained that we are guilty no matter what we say anyway according to Vanessa Alexander. Annette McCloy stated what the mission of the NMHBA is and it doesn't say anything about us doing the horsemen's job. Vanessa Alexander asked if it was appropriate for the Commission to pit us against the horsemen in that aspect and was told we think she did that. Vanessa stated that she did not compel Gary Mitchell to write that letter to the breeders at all. Mary Barber asked if she was sure she didn't have a conversation with Mr. Mitchell or send him an email or text and Vanessa Alexander replied that certainly she did.

Mike Logan made a motion to adjourn, seconded by Mark Brown. Motion carried 10:0.

Tom Goncharoff
President

Mary M. Barber
Attest