

Notes from the November 17, 2022 New Mexico Racing Commission Meeting

Dear Trustees,

Here are my notes from today's NMRC meeting:

1. Roll Call – All five commissioners were present
2. We stood for the Pledge of Allegiance
3. The agenda was approved
4. The minutes of October 20, 2022, were approved
5. Chairman's Report – Chairman Bregman thanked the commission staff and reminded everyone that there will not be a December meeting. There is a big day at Zia Park next week and he encouraged everyone to go. The lawsuit the horsemen have against the commissioners individually has for the most part been dismissed. HISA poses challenges.
6. A) Executive Director Izzy Trejo was sick, so he was attending the meeting by Zoom. He has a planning meeting with Sunland Park Management on November 29th to go over the testing facility. There will be discussions with HISA about the voluntary agreement and HISA is grateful that New Mexico is willing to work with them. It is a cooperative effort. He also mentioned a big day of racing at Zia Park on Tuesday and that there will be some big-name Jockeys and good horses from around the country. The handle is down because the field sizes are down and there is no horse flesh. He thanked the commissioners and his staff for their support.
B) I was next and went over my reports that are attached. I spoke about my trip to Zia Park for NM Cup Day and thanked Zia Park for their hospitality. I also mentioned that I enjoyed going to a horse farm in that area that I was invited to visit. I announced that the Incentive Fund checks had been sent out this week and that the total was just under \$4 million. I spoke about the Task Force that Ralph Vincent has put together to work on improving our numbers and our quality. Ways to bring in more stallions and broodmares. How he is including people from throughout the industry and not just breeders. I mentioned that we have a Facebook page, a website, a newsletter and a magazine to promote our program. We put on booths at different events to have a presence and to educate new people on what we do. Lastly, I spoke about some statistics I have been asked to come up with and have found that four of the five racetracks have an average of 50 NM Bred horses entered each day and that does not include the also eligible horses.
7. A) The commission meeting dates were mentioned very quickly. I think they will all be in Albuquerque at 9:00 a.m. and will be held on January 26, 2023 (that is the date of our Annual Meeting), February 16, 2023, March 23, 2023, April 20, 2023, May 18, 2023, and June 15, 2023.
B) The 2022/2023 Sunland Park Stewards were approved. The names I could hear were Estes, Lupo, & Fontenot.
C) The Downs At Albuquerque asked for and received approval for their 2023 Import Simulcast. Chairman Bregman asked Don Cook about simulcasting and how they determine what signals to take and who to send to. Don explained that he negotiates that with the different racetracks
D) Steve Fedunak of SunRay Park requested approval of his 2023 stall application, but it was tabled until January because there needs to be some special wording added about how the horses will not be allowed on the racetrack until the simulcast signal agreement is signed by the horsemen. Steve also asked for and received approval of the 2023 stakes schedule, NM Breeders' Futurity Nomination Blanks, the Four Corners Futurity Nomination Blank, and the

Import Simulcast. SunRay Park submitted these items before we could agree to the purse amounts that we will contribute to the stakes schedule and on the nomination blank, so Steve Fedunak agreed to amend these in January.

E) Rick Baugh asked for and received approval for the QH & TB Stall Apps. The only change is that it states that if you get a positive hair test, you will be excluded for 60 days. He also asked for and received approval for his stakes schedule that we have not agreed on and the import simulcast. He spoke about Quarter Horse racing in Kentucky and that it is not known yet what dates they hope to run but will have \$500,000 per day in purse money. There is some controversy on the number of stalls they will have available. Commissioner Sanchez asked about what happens when someone wants to claim a horse, can they test the horse before the race? Izzy Trejo said that if a horse tests positive, you can void the claim. There was also discussion on how it is a good idea to hair test any horse that you may have claimed to be sure to not get a bad test yourself. Rick Baugh commented that other states like Texas and Oklahoma are now doing hair testing and this has really helped with horses coming to New Mexico.

F) Bill Belcher of Zia Park asked for and received ratification of approval for amending their 2022 racing officials, the 12% purse increase, and for their import simulcast. Commissioner Smith asked about the purse increase and why they have so much money, does it have to do with less entries? Belcher agreed but also said that their casino revenue is way up. Hossie asked about complaints about the racetrack surface and wanted to know about any breakdowns. Bill Belcher stated that the racetrack surface is better than ever and he would have to get the information on breakdowns. Izzy Trejo came on and said that there has been 3QH and 2TB breakdowns so far at Zia Park. The racetrack surface changes with the temperature and when the meet starts it is 90 degrees and now it is 30 degrees. He will look at past years of this information at Zia Park for comparison.

G) Dustin Dix of Sunland Park asked for and received approval for the Jockey & Exercise Rider Insurance, 2022/23 Racing Officials, Import Simulcast, and payment of purses. He also mentioned that he gets a better rate for the simulcast signals because there is not a lot of other tracks running at the same time Sunland Park is. Chairman Bregman stated that due to the lawsuit with the horsemen, the payment of the Jockey & Exercise Rider Insurance could change.

H) 1. Billy Blackburn was there to discuss a dismissal of an appeal for Trey Wood concerning his \$15,000 fine. The appeal was dismissed because there was some communication problem in that he asked for more time but had not replied all on an email chain so Judge ? Fitswater did not get the information. Anyway, this went back and forth for some time. Trey Wood served the entire 18 month suspension but was never given a hearing. Because of this, Billy Blackburn was asking for the fine to be removed. This was all happening during COVID and Trey Wood's hearing was at the end of a long list of hearings that needed to be heard. Commissioner Smith excused himself from voting in this issue. There was a motion to uphold the hearing officer's report that would say Trey Wood needed to pay this big fine (I think) but the vote was two commissioners for and two commissioners against. Commissioner Branch made a motion to deny the motion to dismiss and send it back to be reheard. The vote was a tie again so they decided to discuss it further and vote again after Executive Session.

2. In the matter of Martin Orona, Sr. & Victor Lozano, the commissioners voted to uphold the hearing officer's report. Not sure what that was?

Executive Session

The meeting started again about 12:30 p.m. and the NMRC attorney Richard Bustamante stated that on items 8. A-J he updated the commissioners, and no action was taken.

It was decided to postpone the Trey Wood issue until January.

9.
 - A. 1. Ruidoso Downs underpaid purses in 2022 by \$900,000. The commissioners decided that they would have to do a retro of half of it and keep the other half to go on the purses in 2023.
 2. Ruidoso Downs did not simulcast the races from the Downs At Albuquerque on October 1st and this is a violation of the state statute. For this
The commissioners decided to fine Ruidoso Downs \$7,500.00.
 - B. John Bobroff asked to get his license back but he has to be supervised for some reason and this was ordered by a court to continue through 6/27/26. He can come back and ask for his license if he should get that time reduced or if not, he can come back and ask for his license again in June of 2026.
 - C. The commissioners authorized Izzy Trejo to negotiate with HISA and to come to an agreement. Not sure but maybe this is about Lasix?
 - D. Mark Hettinger was approved to be licensed to work at Sunland Park
 - E. Max Moreland was approved to be licensed to work at SunRay Park
 - F. Steve Fedunak was approved to be licensed to work at SunRay Park

 - G. There was a discussion about the state of the NM Horseracing industry. Izzy Trejo spoke about how he had worked in struggling jurisdictions before where there was a problem with short fields, and we need to start coming up with a game plan. The breeders hold all the cards. Closed shop breeder programs backfire. People don't want to come here because we have too many Quarter Horse races and too many New Mexico Bred races. People want opportunities but not the right opportunities. Tom Goncharoff was called on to speak and he discussed that we do have a role to play and that we are currently working on measures to improve quality and numbers. Some changes are a hard sell but we are proactive. We are looking at changing the percentages of how much of our awards go to owners, breeders, and stallion owners. We think that taking an amount from the owners who are enjoying the large purses and giving more to the breeders and stallion owners. This would give people incentive to bring more stallions and mares to New Mexico. The percentage breakdown we have on our awards were established before we had gaming and since the addition of gaming, the purses have dramatically increased for owners. Commissioner Sanchez spoke up and he feels that all the races should be open races but give bigger rewards to New Mexico Breds running open (I was not sure if he meant just overnight or stakes too). Dustin Dix of Sunland Park thinks that HISA is going to force us to make changes and that we overcomplicate things (I think he meant with the NM Bred races). Racetracks that offer gigantic purses do the best. In 2013 he had 196 trainers submit stall applications and last year he only got 85 with 1900 horses. We know that not all of those horses ever run. We need to go to straight meets. Commissioner Buffington stated that we need a plan on where the Quarter Horses are going to be and where the Thoroughbreds are going to be. Dustin talked about how now without overlap Ruidoso Downs will be the only place running in New Mexico and we should partner with Prairie Meadows or somewhere out of state for our Thoroughbreds to run during that time. Izzy Trejo mentioned again that in West Virginia they had 235 days but because of the breeders closed shop there were not enough horses so they went down to 160 days and if we don't do something now, that will happen in New Mexico. I forgot I was unmuted and said that has already happened and everyone heard me. I did not mean for them to hear me but what I said is true. Rick Baugh applauds Tom Goncharoff for his efforts but we have a lot of owners and not very many breeders. By getting rid of the breed races, it will create a middle and if you wanna be the best, you gotta be the best. He is worried

because a lot of trainers are leaving or shifting to Quarter Horses. He mentioned that we would still have breed stakes but who knows. Someone thought we needed to have another summit to work on these issues. Commissioner Sanchez suggested we have a special meeting so that all the commissioners can be present. It would be an open meeting. Commissioner Bregman wants to have it in January. I don't know if it was Smith or Bregman who said it is all on the breeders to fix this. Don Cook feels that we have already had a couple of summits and nothing has changed. He said we have talked about straight meets and they are going to try to do that in Albuquerque. New Mexico used to be called the drug capital of the world and Izzy Trejo interjected we were considered the Wild- Wild West. Don Cook stated that we don't have any young people and he can't even get new guys to work on the gate crew. If we don't go to straight meets, New Mexico will always be considered bush meets. The best thing we did is eliminate the overlap. The Thoroughbreds will come for a straight Thoroughbred meet if they know they don't have to dodge the Quarter Horses. That is the key. Commissioner Smith said we should bring the Task Force to this meeting in early January. Commissioner Sanchez thought that we could have two days for QH and two days for TB every week and then both breeds will be taken care of. Or we could have one breed at the beginning of the meet and the other breed at the end of the meet but we need to have both breeds at every meet. Steve Fedunak of SunRay Park spoke about 2022 was their most successful meet and that Mary Barber told him that the NM Breds did very well in open races there and they made a lot of money (because that is about all the horses they had there). I think he missed the point. Commissioner Sanchez thinks we need to have a summit every year to deal with changes. One of the commissioners said that Blanchard needs to come to the meeting too since he knows a lot about dropping bills. Dustin Dix thinks we need to hurry up because time is of the essence and that we really need to do race dates a lot earlier like in June instead of September so we have time to plan ahead.

CONTRARY TO WHAT HAS BEEN STATED ON SOCIAL MEDIA, TOM GONCHAROFF DID NOT SAY THAT THE NEW MEXICO HORSE BREEDERS ASSOCIATION IS IN AGREEMENT WITH ELIMINATING NEW MEXICO BRED RACES! WHAT HE DID SAY WAS THAT THE NMHBA WOULD BE HAPPY TO ATTEND THE MEETING IN JANUARY TO DISCUSS ISSUES AND POSSIBLE SOLUTIONS.

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