



**Board of Trustees meeting
Association Offices – Albuquerque, New Mexico**

March 30, 2023

PRESENT

President Tom Goncharoff, 1st Vice President Norma Alvarez, and Trustees Brian Anderson, Denise Chambliss, C. Warren Franklin, Debra J. Laney, Mike Logan, Helen Nave, and Susie Prather (attended part of the meeting telephonically).

ABSENT

2nd Vice President Nancy Summers and Trustee Mark Brown.

GUESTS

Debra Laney's Mother

QUORUM

President Goncharoff welcomed our newest board member Denise Chambliss and acknowledged a quorum present.

MINUTE APPROVAL

Helen Nave made a motion to approve the minutes from the Annual Meeting of January 26, 2023, the Board of Trustees Meeting of January 26, 2023, and the Special Board of Trustees Meeting held on February 10, 2023, seconded by Debra J. Laney. Motion carried 7:0.

CODE OF CONDUCT AND NMHBA GUIDELINES

A copy of the Code of Conduct and the NMHBA Guidelines was provided for each Trustee. Mary Barber asked the Trustees to read their copies, sign them, and then turn them back in to her. She explained that we had just been requiring new Trustees to do this but since the removal of a Trustee, we thought we should just go ahead and have all the Trustees

sign a copy every year. All eight of the Trustees present signed and submitted their copies. Mary Barber will mail copies to the three absent Trustees.

MARKETING COMMITTEE

PROMOTIONAL ITEMS

Norma Alvarez reported that she and Mary Barber had discussed purchasing more pens and some refrigerator magnets with clips and both items would include our logo on them. We are going to try to get some better pens and Mary Barber has requested a sample of a different pen since the ones we purchased in the last two years would come apart. Norma Alvarez proposed that we spend up to \$1,500.00 on promotional items this year.

COWBOY CHANNEL

A copy of the new proposal from Tom Dawson for the Cowboy Channel was provided to each of the Trustees. Norma Alvarez went over the items in the proposal. They threw out the AQHA Challenge to bring down the cost. She had asked Tom Dawson what race gets the most viewers, the Texas Classic or the Challenge. He said by far, the Texas Classic is the more popular race. The total price will be \$19,550. This is a little less than last year but there were more races than will be included this year. Norma Alvarez then went over what the package will include and the extras and where they will include our logo. The new production is already being shown on our website. This new commercial includes the big Thoroughbred races at Sunland Park.

The Paulick Report and the Thoroughbred Daily News was discussed. Norma Alvarez feels that the Thoroughbred Daily News is too expensive for us but the Paulick Report, for \$1,500.00 you can get a lead up to the sale for four days where they would do stuff on their site. It would include a banner advertisement, press releases, and social media posts. This is pretty inexpensive. We could do this a while before the sale so that when people see it, they would have time to make plans and then do this again when we get closer to sale time.

Debra J. Laney made a motion to approve the promotional items, seconded by Brian Anderson. Motion carried 7:0.

Brian Anderson made a motion to approve the Cowboy Channel package proposal, seconded by Mike Logan. Motion carried 7:0.

STAKES CONTRIBUTION POLICY

Mike Logan read the proposed Stakes Contribution Policy. He mentioned that it was Verner Query who felt that we needed to do this. By implementing this, we would let the racetracks know that this is our standard operating procedures and that we will match whatever they want to put on our races. Sometimes we have to make spur of the moment

adjustments but we just want to make everyone on the board and the stakes committee aware that we do have this policy in place and hopefully this will help us when negotiating with the racetracks in the future . President Goncharoff mentioned that this does allow us some wiggle room in case we need to adjust. The racetracks, instead of adding our funds to whatever they would put on an open race, they want to reduce their contribution and have us increase our contribution. It is not working quite the way it was designed to. Ruidoso is usually short on money so they want us to carry the heavy part of the load. Hopefully this policy will head this off and help to stop that.

Mary Barber explained the situation we had with SunRay Park this year. They want us to put quite a bit more on their stakes races than they do. At first, we told them we would only put up the same amount that they put up but after discussion, we decided to go ahead since we had the funds and did not want to hold them back from our people. Sunland Park, Albuquerque, and Zia Park usually match us however they do put more on their open races than they put on the NM Bred races. They know we will put up quite a bit and the total purse is still bigger than an open race because of our contribution. This is unfortunate but that is the way they are working.

Mike Logan feels that if we can send this policy out, this will help. At least most of the racetracks will work with us. This will also give the racetrack managers a heads up so that they know in advance before they send us a stakes schedule with us carrying the bulk of the load.

Debra Laney stated that if there is no repercussions from us, it is going to be business as usual whether we have this policy or not. She wants the breeders and owners to have the funds but we need to at least put on a face that we will match what you put up and then if we decide to do something later, that is our prerogative. President Goncharoff stated that is the dance we have been having. Okay. Do we stand on principal, and say okay this is the max we are going to give? There has been some give and take with both Sunray Park and Ruidoso. Ruidoso figures on what they project will come in during the first half of their meet and then will adjust during the second half when maybe there will be more to add to the purses.

Debra Laney feels that we need to stand our ground, even if we have more funds. Mary Barber agrees but also feels that there is another side to it in that we want to attract people to participate in our stakes races and also the bigger purses attract buyers to the sale.

Warren Franklin asked if maybe the second paragraph on the proposed policy needs to be removed. This shows the racetracks that they can get us to negotiate. Mary Barber said that we could keep the second part but not send that part to the racetracks. It would be up to the stakes committee if they want to make an exception and add more to a race.

After more discussion it was decided that we could remove the second part of the policy but it is a given that the stakes committee can make changes if necessary.

Mike Logan thinks we need to table this issue and rewrite the policy and bring it back to a future meeting. The next racetrack is Zia Park and we know they are planning on matching us.

Mike Logan made a motion to table this until our next meeting with refined language, seconded by Debra J. Laney. Motion carried 7:0.

COMMITTEES

Marketing, Advertising, & Outreach = Norma Alvarez & Mark Brown

Stakes = Mike Logan & Nancy Summers

Legislative = Debra J. Laney & Helen Nave

Summer Party/ Award Banquet = Norma Alvarez & Helen Nave

Horse Sale Party = Mike Logan, Norma Alvarez and all Trustees

Finance = Denise Chambliss

There was some discussion about the Horse Sale Party and what the budget will be. Norma Alvarez mentioned that we should be able to get the same guy to do the cooking.

TROPHIES

Norma Alvarez reported that she and Mary Barber had gone through the trophy catalog, and she went over the choices they came up with.

After discussion, the following trophies were chosen:

For the stallions, The Chalice was chosen.

For the broodmares, The Lunge was chosen.

For the Freshman Sires, The Bastion was chosen.

For the Breeders, The Azure Wave was chosen.

For the Owners, The Horse Racing Trio was chosen.

Mary Barber will contact Andy Golden and let him know what trophies were chosen and get a final figure on what the cost will be.

NOMINATIONS FOR A NEW TRUSTEE

President Goncharoff reported that since Mac Murray has decided to resign, we need to decide who we will invite to take his place. The next person on the Trustee Ballot was Patrick Sanders. Calder Ezzell, Ezra Lee, Bobby Lee and Ralph Vincent's names were also mentioned as possible candidates.

Debra J. Laney stated that in the past, we have asked the person who was next on the Trustee Ballot (who had the most votes from the members). She thinks that is the best way to go since this is also how it was determined that Brian Anderson would be invited the last time we had an opening. Norma Alvarez stated that this is how it has been done even before that.

Debra J. Laney made a motion to go to the next highest vote getter, which was Patrick Sanders on the Trustee Ballot to see if he is willing to serve, seconded by Brian Anderson.

Warren Franklin would like to see Trustees be from New Mexico and is concerned that it will be hard for an out of state Trustee to get to meetings.

The Trustees discussed the By-Laws and how they do not say that out of state members would be excluded from serving on the board and also past Trustees from out of state.

Motion carried 6:1 with Warren Franklin voting against.

Mike Logan thinks this is something we might want to look at in the future for a possible By-Law change. There was a lot of discussion on this subject.

Helen Nave made a motion to invite Bobby Lee to be our plan B in case Patrick Sanders declines. Upon further discussion, it was decided to put Ralph Vincent and Ezra Lee as possible candidates also. Norma Alvarez suggested that we call Patrick Sanders on the phone and then go from there.

President Goncharoff called Patrick Sanders and had to leave a message.

The Trustees then took a lunch break.

Susie Prather joined the meeting by phone.

LEGISLATION

President Goncharoff felt that things really went our way during the 60 day legislative session this year. A lot of people really got on the phone or emailed the legislators. Senator Padilla, who was the sponsor for SB 336 was bombarded by people opposed to this bill. Ralph Vincent came up with the idea of taking the funds out of the tax money instead of the purse fund. The bill had to be revised several times but it finally got fixed and Senator Padilla did get everyone to come together.

Another bill was SB 410 who was sponsored by Senator Bill Burt. That bill pretty much gave the racetracks total control of race dates and other stuff. He is another legislator that received a lot of phone calls and emails in opposition. He had no idea what the ramifications were with this bill. He came by the booth at Ag Fest and really listened to our concerns. It was a very friendly informative conversation.

Our bill, HB 459 that was sponsored by Patty Lundstrom, was passed pretty easily. Mary Barber got her first taste of being the expert and had to sit up front and address the committee. We are still awaiting the Governor's signature.

Norma Alvarez mentioned that on SB 336, Senator Padilla did not explain that the funds would come out of the General Fund and one legislator thought this bill should have gone through a tax committee. She is afraid the Governor might not sign it if she finds out it is coming out of the taxes the racetracks pay.

Norma Alvarez also explained about the FIR, Financial Impact Report, that is a summary of the bill. On our bill, the Commission gave their opinion but nobody asked us about ours. We met an analyst at Ag Fest who is involved in that and she said that they would love to have our input. We typed up a page about what the bill does and sent it to her and she was able to add it to the FIR on our bill.

Candy Ezzell had a bill where she was looking for more testing, there were bills to ban smoking at the racinos, and Senator Maestas had a bill that would abolish the Racing Commission but those bills did not go through. We did meet Senator Maestas at Ag Fest and got to visit him about his bill.

For the last several years, we have not had a lobbyist but this year we had a good idea that some bills would be dropped by the racetracks so we hired Joe Thompson. We also had Raymond Sanchez, who used to be our lobbyist and is our attorney, to help Joe. Raymond is a past speaker of the house and has a lot of experience. Once these bills came up, we were really glad that we had hired them. Joe Thompson came down with COVID for part of the session and we were really happy we had Raymond on board to take care of things while Joe was out. The two of them did a really great job looking out for our interests. Ralph Vincent really helped to keep us informed and give us guidance as well.

Some discussion followed about how it really made a difference that people took the time to reach out to the legislators.

FUTURE LEGISLATION

Debra J. Laney explained that just before the legislative session, we heard about the bills the racetracks were planning on dropping, so we had an idea of what we were in for. She had called Ralph Vincent, Mike Logan, and Tom Goncharoff to talk to them about some ideas she had. One of the things that Ralph has spoken about in the past is that we should be thinking about racing opportunities instead of race days. So, after we went to the

meeting at the Commission where the racetracks were talking about how much money they weren't making on horseracing, and how they couldn't afford horseracing. She started brainstorming about this and one of the ideas she came up with is not adding days but adding races. They are already open and already have their staff there. If we add three races a day, we are just talking about another hour and a half each day.

A handout of Debra's ideas was provided for each of the Trustees (copy incorporated into the record). She thinks we need to work on the Horse Racing Act first and think about bills that we would like to submit instead of always having to worry about what the racetracks are going to do. The Breeders took the commonsense approach by taking the time to explain to the legislators what these bills would do if they were to pass them. She thinks we need to build on that and start trying to turn things around a little bit to where the racetracks are chasing us. The Horse Racing Act will be first and then we can move on to the Gaming Act.

There was discussion about if races are being written for the horses that are available or if they are just using the same condition book over and over again. Most of the races are for cheap claiming races and if our better horses do not get opportunities to run, we have a big problem. Someone needs to help the racing secretaries to know what they have on the backside. The papers in the racing office are not necessarily a good source of information because papers are left in those files for horses that are not really there or ready to run.

Debra Laney feels that the Breeders and our lobbyists had a great victory this year. She does not know what they cost but they were worth their weight in gold this year. President Goncharoff feels that the lobbyists helped to give us a little credibility with the legislators. Mary Barber mentioned that the Thompson Brothers, who work for the horsemen did a lot also. They really made a difference and they worked together with our lobbyists as well.

BUDGET

Mary Barber reported that coming up with the budget was a little difficult this year. She may have figured a little high for the projected income. We did really great in 2022. We only went over by about \$4,000, so we came in pretty close. She is forecasting a little bit more income from last year. Hopefully we will be close and she asked the Trustees to look over the budget to see if they have any questions or ideas. Mary Barber explained that she did budget for new computers this year. We are starting to have some problems and our current computers are getting pretty old. She had asked for a proposal from our IT guy and has not received it yet. She figured a bit high for this but we have spent about \$5,000 on computer expenses already this year. The employee salaries went up last year unexpectedly so that new figure is reflected in the figures for this year. Our Trophies were really big so we had an unexpected shipping expense. She budgeted a lot for our lobbyists this year. Raymond Sanchez really had to step in and help out while Joe had Covid and he did a great job. His bill so far has been about \$5,000. Joe Thompson's contract is for \$2,000 per month plus tax but he did say that he would charge us extra if he had to work on trying to get a bill passed so we will see how much that is going to cost. Mary Barber will invite Joe Thompson to our future meetings and we will also have him work with

Debra Laney and Helen Nave who are on our legislative committee. Another large item is the audit. She asked three firms for proposals and Moss Adams is the only one who actually gave us one and they will be charging \$24,000.

President Goncharoff told the Trustees that he heard back from Patrick Sanders and he has accepted the invitation to join the board. He does understand that we have in person meetings and will travel to attend.

FUTURE MEETINGS

Mary Barber had put a tentative schedule for future meetings in the packets. She only has the meeting dates for the New Mexico Racing Commission meetings through June so there could be a conflict. She thought that Thursdays might be a better day to have meetings because Albuquerque runs on Wednesdays. She thinks they will work since they are the last Thursday of the month and the NMRC has theirs on the third Thursday of the month. She asked the Trustees to look over their calendars and let her know if they have any conflicts.

If we have any special or emergency meetings, they will be held by Zoom.

OPEN DISCUSSION

There was some discussion about the mediation that was planned for the NMRC and the NMHA and Susie Prather reported that the NMRC backed out of that meeting.

President Goncharoff had talked to Todd Fincher who came up with an idea that what if the breeder of a New Mexico Bred maiden horse who won a race would receive the equivalent of the stud fee for that breeding.

After a few days, Todd Fincher called Tom Goncharoff again with an idea on how to fund this program. He thinks that possibly there could be a fee added to the claiming price to go into a fund. President Goncharoff invited Todd to come to our Town Hall Discussion in Ruidoso this Summer.

There was a lot of discussion that followed about this idea.

Norma Alvarez discussed a program that Tim Keithly is proposing and they need sponsors. They are reaching out to the farms and are charging \$1,000 each and need a total of \$6,000 to include our logo and advertisement, show the farms. So far Copper Springs, La Feliz, Mike Logan, Norma Alvarez, and the NMHBA are signed up. Annette McCloy and Double L Farms are going to share one. They did not play our commercial last year so Norma Alvarez asked Tim Keithly if the racetrack would be playing our commercial this year and was told yes, since we would be a paying customer. This will be an advertisement that will be shown at the racetrack and will also be shared with others. Mike Logan feels it is refreshing that Ruidoso Downs is trying to promote New Mexico horseracing.

Mike Logan feels that we are getting less airtime with the Cowboy Channel because they are getting more and more sponsors. This year we will be paying a little less but we will be getting less by cutting out a race. He is okay with it this year but next year he would like to be more race specific that is good for us and then take part of that money and spend it on our trophies. Other jurisdictions are spending twice as much as we are. Norma Alvarez stated that the Cowboy Channel will be carrying the big day at Albuquerque. A lot of people from Texas and some from Oklahoma buy our horses at the sale and will be seeing our commercial during the races we have chosen.

Linda Griego came in to address the Trustees. She explained that she had not been looking for another job when she was offered the Executive Director position at an organization that she was on the board. After taking a weekend to think it over, she decided to accept the position. She really loved working here and it was a very difficult decision to leave. Mary and Amber are really great to work with and she will miss working here and she thanked the board for having her. The Trustees thanked Linda and wished her well in her new job.

Helen Nave made a motion to adjourn the meeting, seconded by Brian Anderson. Motion carried 8:0.

Tom Goncharoff
President

Mary M. Barber
Attest