



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

September 26, 2023

PRESENT

President Tom Goncharoff, 1st Vice President Norma Alvarez, 2nd Vice President Nancy Summers and Trustees Mark Brown, Denise Chambliss, Warren Franklin, Debra J. Laney, Mike Logan, Susie Prather (attended by Zoom), Patrick Sanders.

ABSENT

Helen Nave and Brian Anderson

GUESTS

Association lobbyist Joe Thompson and Betty Hickman.

QUORUM

President Goncharoff acknowledged a quorum present.

MINUTE APPROVAL

Debra Laney made a motion to approve the minutes from the July 22, 2023, seconded by Norma Alvarez. Motion carried 9:0.

LOBBYIST REPORT

Joe Thompson thanked the Trustees for the event the association put on for Speaker of the House, Javier Martinez. He visited with the Speaker several times after that, and Javier was blown away by our group. He really appreciated everything. Joe was very impressed by him and has not seen a lot of Speakers go out to meet New Mexicans like that, so it was truly special. Speaker Martinez wanted to stress that as we get closer to the session if there is anything we are worried about, we need to get together to discuss it.

We are in the second term of Governor Lujan Grisham, and this is the second session of that term. It is a thirty-day session so the only business that is germane to the session is financial stuff, unless the Governor issues an executive message that would make a particular piece of legislation germane. So, if the racetracks wanted to do something they would have to get the Governor to agree to give a message and then we would have a bill introduced and could have the fight of our lives. Joe Thompson suggests that we have him go up there and encourage the Governor's office not to do anything with racing. He would say the Governor hasn't had a great time and has had a tough few months. She needs to focus on things she can do something about, and this would just be a distraction from important issues. He doesn't think we should try to get a bill heard ourselves unless we have the entire industry on board. There is just not a lot of time to get a bill through if there is opposition. Joe thinks we have enough credibility with the administration, the Speaker, and others and be able to avoid a skirmish by letting them know that we have a problem with any dangerous bills in advance.

President Goncharoff asked if Joe would know if the racetracks should get the okay from the Governor to present any bills and Joe replied that he would be working to make sure and would ask the Governor's office to tell us if they are going to do that.

Mike Logan was concerned about the letter the Governor sent out and asked if Joe Thompson was aware of that. It was from the Governor to Izzy Trejo and the New Mexico Racing Commission about the breakdowns at the racetrack. Joe had not seen this letter yet but felt that it could be a setup to a piece of legislation. Mary could not bring up the letter but sent Ralph Vincent an email asking him to send it to Joe Thompson.

The other thing Joe recommended was for us to have conversations with people on the other side of this to see if we could get any information. He will visit with the Thompson Brothers who work for the horsemen and Jason Weeks who works for the Downs At Albuquerque to see if he can find out anything as well.

Nancy Summers had talked to Don Cook at the Downs At Albuquerque and things were going very well and they are very happy and are going to raise the purses. He had no problems with the horsemen or the breeders or anyone. There have not been any breakdowns on the track during the QH trials for the Futurity or Derby.

Mike Logan also wanted to make sure that Joe was aware that the horsemen's office was closing down, and he replied that he had heard about that.

Joe Thompson then left the meeting.

Some discussion about this topic followed. Denise Chambliss explained that only the office is closing down but that the association will continue. When asked about who will be distributing their benevolent fund and was told it would either be Pam Sena, Denise Chambliss, or the CPA. They will not be selling the office building at this time. They are just cutting the employees to save those expenses.

STAKES PROJECT

Debra Laney reported that Dustin Dix had given us his 2024 stakes schedule. The amount the breeders are adding to the NM Bred races comes to \$425,000 for the Quarter Horses and \$800,000 for the Thoroughbreds. This committee was created to produce parity and Dustin will work with us a little in 2024 but will be able to make the most impact in 2025. That is a pretty wide birth between the breeds. When you look at all the racetracks the biggest discrepancies are at Sunland Park and Zia Park. There is a Quarter Horse excess at the Downs At Albuquerque. She feels we should leave Albuquerque as it is and let the Thoroughbreds enjoy \$140,000 more at Sunland Park than the Quarter Horses and that evens that up. This would create overall parity with the amounts varying from track to track. Everyone agrees that Sunland Park is the premiere Thoroughbred racetrack. We are adding a lot of money to the NM Breeders Derby and the NM Breeders Oaks. The problem is that they are not getting a whole lot of participation. Nancy Summers explained that we are getting a lot of new people coming here and they are interested in New Mexico Breds. She thinks that we need to wait and see how they fill this year. Nancy Summers asked why we need parity. People bet more on Thoroughbreds. Debra explained that the amount of funds we get from breakage is very little. In 2022, Sunland Park only made \$29,000 for stakes from breakage.

Nancy Summers spoke about how Quarter Horses are thriving and how it is easier to train them. You can train them down the ditch bank and out of your backyard, but a Thoroughbred cannot just haul in because they have to train. The circuit racing has really hurt the Thoroughbreds where it has not hurt the Quarter Horses. With the closing of Phoenix, it benefits us. All these new people with Thoroughbreds are looking at us and to come to New Mexico. They are looking at our program and will want New Mexico Breds. We don't need to run these people off by taking money away from the Thoroughbreds. We need more days in order to keep these people here. Our numbers are down on Thoroughbreds but just this last week at Albuquerque, the Thoroughbred races were overfilling. She believes we could move slowly with parity, but we can't just jerk a lot of money away all at once.

Debra Laney feels that we have been losing days since 1994. The loss of days did not happen overnight. Warren Franklin pointed out that we know we have been losing days for a long time, but it is now getting to the point where it is becoming very worrisome. Mark Brown thinks we should just have the racetracks run twelve races a day. Warren thinks that they boosted the Thoroughbred purses in an attempt to get more people to have Thoroughbreds.

There was discussion about having the NM Breeders Derby and Oaks be early closing races. This could make up for the difference if we lower our share of those purses. Debra Laney thought this might give people more incentive to breed Thoroughbreds and also to purchase them at the sale. Mike Logan explained that Sunland Park is matching us on these purses so even though they went up to \$125,000 and we came down to \$125,000 on both the Derby and Oaks but Sunland came down on the Shue Fly and the New Mexican

Spring. He also pointed out that our races are not on the same day as Sunland Park Derby day. This year we are running on a different day, so we won't get the extra coverage. We also used to have a pretty good sized slush fund and we have gone through it slowly and we also had the Purse Tax Agreement where Sunland Park gave funds to other racetracks during COVID. Now we have less money and will have to come down.

After much discussion, Debra Laney made a motion to work on the parity issue by cutting a mile race & a 5 ½ furlong race at Sunland Park in 2025. The NMRC Handicap or the La Senora Stakes and the Albert & Henry Dominguez or the NMSU Stakes and reduce the contribution to the Breeders' Derby & Oaks to have parity between Thoroughbreds and Quarter Horses & incorporate nomination payments for those two races and have the stakes committee present this to the racetrack, seconded by Mark Brown.

After more discussion, Mary Barber took a roll call vote.

Susie Prather = No

Mike Logan = Yes

Nancy Summers = Yes

Mark Brown = Yes

Debra Laney = Yes

Norma Alvarez = Yes

Denise Chambliss = Yes

R. Patrick Sanders, Jr. = Yes

Warren Franklin = No

Motion carried 7 to 2.

Nancy Summers asked if anyone had a problem with possibly taking a few years to get this done. Everyone agreed that it could take a few years.

The Trustees Broke for Lunch

**SPONSOR KELSI PURCELL FOR THE RACEHORSE RETIREMENT PROJECT
COMPETITION WITH TWO NEW MEXICO BRED HORSES.**

Nancy Summers pointed out that Kelsi is the only person from New Mexico that participates in this competition, and it is a pretty big deal back East. She was able to get Tom McKenna to put up \$500.00 since one of the horses was his named McClassic and she will also contact Michael Weatherly to see if he would help sponsor Kelsi since he is the breeder of the other horse Dutch Is My Name.

Mike Logan suggested that we invite Kelsi to come to one of our meetings to talk about the competition. The Annual Meeting or the Town Hall Discussion in Ruidoso since that is where she lives might work best for her and when there are more people attending.

Mary Barber told the Trustees that we have done this a few times and Kelsi has always sent us a thank you card. Last year she also sent us some photos of her on the New Mexico Bred and we included this in our newsletter last year and also put that this is coming up again this year if anyone wanted to help by sponsoring Kelsi. We will put a follow-up in the newsletter once we know the results and the competition is going to be held in mid-October.

Nancy Summers made a motion to give Kelsi Purcell \$500.00 to help her go to the Racehorse Retirement Project Competition, seconded by Denise Chambliss. Motion carried 9:0.

BUDGET REPORT

Mary Barber went over the expense items shown on the excel spreadsheet. She had just received it from the accountant that morning so she had not had a chance to look it over much but pointed out that the total budget for the year is \$446,067.00 and after the second quarter, we had spent \$229,760.00 which is just a little over half and close to where we should have been at that time. Some of the items were discussed. Mary Barber explained that the audit proposal from Moss Adams was for \$24,000 which is what she budgeted for but when we got the bill it was for \$29,308.00. We had to pay \$1,500 for some person that put all the figures together to produce the financial statement, \$2,000 was for the two leased pieces of equipment, and \$2000 was charged in taxes. Finding a new auditor was discussed.

Mary Barber also reported that representatives of US Bank had come by and proposed that we start up some Sweep Accounts in order to make some interest on our bank accounts so that we can offset the monthly bank charges. Mary explained that she had talked to Barbara Bates about this, and she did not think we could do this with the custodial accounts but when Mary asked Marvin Kiesow of Moss Adams what he thought, he felt it was something we could do. Mary Barber thought we might want to have our attorney check into this also. We might have some people from US Bank come to a meeting to give us a proposal.

STAKES COMMITTEE REPORT

Mike Logan talked about the qualifiers to the NMSF Futurity and the Juvenile. The Qualifiers for the NMSF Derby and Sophomore was also discussed. The Juvenile is \$100,000 and the Sophomore will be worth about \$65,000. There will be a \$200.00 entry fee. Mark Brown explained that makes this Black Type.

The list of the New Mexico Classic Futurity at Zia Park was included in the packet. This race has been having great participation. Changing the distance from 400 yards to 250 really made a difference. The Derby only got 62 original nominations.

The Sunland Park stakes schedule was also included in the packets.

MARKETING COMMITTEE REPORT

Norma Alvarez felt the advertising at Ruidoso was incredible. They played our advertisement a lot and also did two interviews about the breeders and the sale on their channel and AQHA's as well.

The Cowboy Channel has two more shows that we will have our advertisement shown during and that is the big day at Albuquerque and the Texas Classic. Albuquerque will be a live show.

Norma Alvarez also discussed our advertisements in the Paulick Report. It will cost a total of \$1,200.00 and it included a press release and banner ads.

Mike Logan asked about our contract with the Cowboy Channel. He thought that it would have special races live and this year they showed some of the races later in the day. He is not sure if we want to continue with the Cowboy Channel.

Norma Alvarez asked if anyone had been watching the Tripple Crown Show with Tim Keithly. Mike Logan mentioned that there was an advertisement that made it look like certain Trustees were getting promoted by the NMHBA and that was not the case. Those people mentioned were people who had sponsored the show by paying \$1,000.00 each. The NMHBA also paid \$1,000.00 as a sponsor. It just looked bad, and they were able to get that changed as soon as it was possible.

Mike Logan mentioned that the New Mexico Bred Sale was advertised by Ruidoso Downs for the Quarter Horses and Thoroughbreds, but we only do advertising in the Paulick Report. He thinks we should do more advertising for the sale. We need to try to start taking care of ourselves. We have more breed money than any other state, but we don't get a lot of advertising. Debra Laney mentioned that on the Cowboy Channel, we mainly focus our advertising on the Triple Crown and maybe we could start focusing on our NM State Fair Futurity and Derby instead. We need to promote our own races. She also thinks we could advertise in the Monday Morning Report. It is affordable. We need to do something for the Thoroughbreds also. President Goncharoff mentioned the Thoroughbred Daily News.

TRUSTEE ABSENCES

President Goncharoff went over Article V – Board of Trustees. Section 7 – Removal which shows that any elected Trustee who fails to attend three meetings per year could be removed from the Board. This has never been done and there is no plan to remove anyone now, but he just wanted to remind everyone of this. Our meetings are in person and the discussion flows so much better in person. Someone on Zoom sometimes gets forgotten. Kind of out of sight out of mind. When we decided to invite Patrick Sanders, President Goncharoff called him and asked if he would be able to come to the meetings because our meetings are in person.

Denise Chambliss suggested having Zoom meetings during the breeding season. Maybe February and March be by Zoom and the rest be in person. Both Mike Logan and Debra Laney disagreed with this. Debra feels that we don't have that many meetings and thinks it is important to meet in person. Norma Alvarez also thinks that having people on Zoom is distracting. Nancy Summers commented that sometimes stuff happens. If you are on Zoom, at least you can listen to what is going on. She likes to be at meetings in person, but it is good to have that option. For some people it might be too much, and they should realize that like Mac Murray. Mike Logan thinks it is just not very productive for the people who are attending on Zoom.

President Goncharoff said that the point is, try to be here, you are allowed to miss up to three meetings a year. If it becomes habitual, then we are just going to have to ask the board to make a decision.

Mark Brown added that as long as you are productive, that is what is most important. The breeding season might be a busy time, but we are busy all the time. If someone is missing meetings but still being productive, he does not think that is grounds to take someone off.

Mike Logan thinks the least you can do is try to participate as much as you can in person. Everyone here today could be working and doing something else today. If he can't come to the meetings, then he will resign. He thinks everyone on the board brings a certain aspect to this group. He does think that we have been a very productive board.

TRUSTEE TERMS

Mary Barber had mocked up the Trustee Ballet for 2024 and put the six Trustees that will remain on the board at the top and they are Brian Anderson, Mike Logan, Debra Laney, Denise Chambliss, Helen Nave, and Susie Prather. The six Trustees who will be up for re-election if they wish to remain on the board are Norma Alvarez, Mark Brown, Patrick Sanders, Warren Franklin, Tom Goncharoff, and Nancy Summers.

Mary Barber asked each of the Trustees whose terms are ending if they wish to be on the ballot.

Norma Alvarez – Yes

Mark Brown – Yes

Patrick Sanders – Yes

Warren Franklin – He thinks he will run again but needs some time to think about it.

Tom Goncharoff – Yes

Nancy Summers – Yes

The Nomination Flyers will be going out on October 9th (10th since the 9th is a holiday). Debra Laney asked if they would be in Spanish as well. Mary Barber was not sure if Erica can write in Spanish so she might have to find someone else to do it. She showed the Trustees the mocked-up flyer and it has writing on both sides so there would have to be a second flyer. We are sending these out by flyer in order to save money. It was way too

expensive to send out a full mailing with paper, two envelopes, and postage to twelve hundred people to just get fifty back. Now we just send it digitally to Minuteman Press and they produce the flyer, address it, and mail it for us. Debra Laney suggested that we send out two flyers, one in English and one in Spanish. Mary Barber thought that we could do that, but it would double the cost. The consensus was that we should spend the money to send out the two flyers.

It was also suggested that we eliminate putting the six people who remain on the board and then put the instructions at the top instead of at the bottom of the ballot.

Suzie Prather suggested that we put the vote on the website so people can vote online. Mary Barber said that would be a computer upgrade because we do not have the capability to do that at this time. It is also in our By-Laws that you can only vote by Mail In Ballot, in person, or in the magazine. Norma Alvarez feels that by sending it by mail, we are sure everyone gets a ballot. There are a lot of people who do not get email or go on the internet to website.

Mike Logan asked if we could nominate someone today. Mary Barber explained that he will have to fill out his nomination form once he gets it in the mail and send it in. All nominations will be sent out on October 10th and will have to be sent back with a postmark no later than October 30th. Mary Barber read the Nomination Instructions to the Trustees.

President Goncharoff said that it has been suggested to him to the Annual Meeting to a better time of the year. The meeting is held during the breeding season when a lot of people are busy. Mary Barber explained that the date is set in the By-Laws and that would be a By-Law change. There were several suggestions for other times of the year, but they all conflicted with other things going on.

OPEN DISCUSSION

Mark Brown has talked to Chaplain Darrell Winter, and he was very tickled for being involved in the cookout and he said that he would love to do it again. We do pay for all the food and then gave a donation, but he really just loves working with racehorse people.

Debra Laney is working on the awards and Ralph has gotten Kathy Houck, who is our software programmer) to do a data dump from our database for him. Mary Barber explained that she had been able to combine several years of data and that she does not have a way to do that herself. Debra Laney said that this will give us a better understanding of how our award money is spent. Just from the information that Mary has given her, 63% of the funds goes to class B and below. There are a lot of those horses. Mary Barber explained that there are four classes. A, B, C, and D are the four categories. So, if 63% is going to classes B, C, and D, then 37% is going to Class A. Debra Laney thinks there are too many types of horses going into class A, but she will not know for sure until they get all the information.

Norma Alvarez thinks that we should not be rewarding four horse fields with our breeder's money. She thinks that there should be a minimum number of horses in order for us to add our contribution. She mentioned that sometimes a trainer will enter several horses to make a race go and they scratch some later on and then you have a short field. Mary Barber asked what about the horses that do run. We would be taking purse money away from the horses that do run. Norma Alvarez said that this does not happen all that often. Mary asked about the award funds or the 10% Track Breeder Award and was told that they would still get those funds. Denise Chambliss thinks that if we advertise that we are going to add those funds. Nancy Summers mentioned that she might have a legitimate entry and then she gets penalized because some other trainer scratches some of their horses.

Denise Chambliss said that at the Ruidoso Horse Sale, the only nomination blanks that were in there were the ones for Ruidoso Downs. Mary Barber mentioned that the nomination blanks for other racetracks are not out yet. We have made a list of stakes for NM Breds at all the racetracks along with their phone numbers in the past, but we did not do that this year. Mike Logan thinks we can just make a list of NM Bred races for 2- and 3-year-olds. Mary also mentioned that we send out mass emails whenever there is a payment due. Norma Alvarez mentioned that we have done that before and there was some confusion and some envelopes got them and some did not. Mary Barber also pointed out that we put stickers on all the stall doors for horses that have been nominated to the million-dollar state fair futurity and it also has that at the bottom of the catalog page. Debra Laney thought it may be better to have this information at our booth. Norma Alvarez asked what budget this come out of? Mary Barber said it would probably be Marketing. Mike Logan thinks we also need to pay attention to what these racetracks are putting on open stakes. A lot of the money is going out of state. Mark Brown thinks the racetracks want people to come here from out of state to get better horses.

After more discussion, President Goncharoff adjourned the meeting.

Tom Goncharoff
President

Mary M. Barber
Attest