

WTBA Board of Trustees Meeting Minutes

August 20, 2009

Board members present: Claudia Atwell Canouse, Char Clark, Michael Feuerborn, Mary Lou Griffin, Nina Hagen, Dana Halvorson, Todd Havens, Dr. Duane Hopp, Karla Laird, Boyd Lusarreta, Debbie Pabst and Joseph DiPietro (proxy by Duane Belvoir). Staff present: Duane Belvoir.

The meeting was called to order by President Halvorson at 12:05 p.m. at the WTBA offices in Auburn, Washington.

Board Minutes: Lusarreta made a motion to accept the minutes of the July meeting as presented, which was seconded by Hopp and approved unanimously.

Open Forum: A letter from WTBA members about the Equine Art Show, pertaining to a number of pieces not being accepted at the last minute, was presented. Canouse shared what had occurred and how it was resolved at the time. After the discussion, it was agreed that Canouse would discuss this matter further with the Equine Art Show committee and would recommend that the policy be changed to address any similar situation that may arise in the future. Griffin made a motion that the association write a response to these members, apprising them of the steps that were to be taken with regards this matter, which Pabst seconded and was approved.

Executive Director's Report

Response to items:

- Sales Committee – Belvoir shared that a few of the consignors had concerns regarding the hiping of the yearlings in the summer sale catalog and how it was implemented. A discussion followed, which led to the board members agreeing that this matter would be looked into further after the sale.

Committee Reports

a. Finance committee: Belvoir shared what was discussed during the finance committee meeting and the financial reports, as well as the potential budget for 2009-10. The budget was discussed in lengthy detail. Belvoir emphasized how important fundraising events are to the budget and the future of the association, as well as that the budget could not be realized without increased membership and other events that would generate revenue. Belvoir stated that the association will have to make significant changes in order to continue to move forward. He deferred all comments and questions pertaining to a proposal until later during new business on the agenda. The board agreed the budget could not be accepted at this time and that it would be discussed further after the summer sale.

- Profit/loss – July, negative \$39,900.
- Balance sheet – As of July 31, \$416,200.

b. Sales committee: Chairperson Pabst touched on the numbers for the summer sale and also discussed the winter mixed sale. She shared that a number of names of possible candidates for the upcoming sales committee election have been received. Belvoir will contact each of them to see if they would be interested in running for a position.

Unfinished Business

a. Future of breeders' and owners' awards – The focus was on how the discussion at the recent Washington Horse Racing Commission (WHRC) meeting would affect the future of breeders' and owners' awards and what could be done to address this matter. The WHRC meeting was also discussed under new business on the agenda and will be further discussed at the next board meeting.

b. Washington-bred race per day – Tabled until the next meeting.

c. Certification program – Tabled until the next meeting.

d. Fundraising – Tabled until the next meeting.

e. Board meeting dates – After discussion, it was decided that the next meetings will be held on September 15 and October 22. A decision on the remaining dates was tabled until the next meeting.

f. Amendment to by-laws (Article V, Directors) – Belvoir presented an amendment to the associations by-laws, which had been discussed at the June meeting. It states: "Each director elected

or appointed to the board of directors shall be a member of the association and be engaged in breeding, owning, racing and/or interested in improving the breed of Thoroughbred horses in the state of Washington at the time of their respective election or appointment." Havens made a motion to accept the amendment, which was seconded by Canouse and approved unanimously.

New Business

a. Proposal – Belvoir presented a proposal regarding the dissemination of information and personnel reduction. He stated that the association needs to eliminate the magazine and go to a hard copy newsletter and e-mail newsletter, as well as develop and create a modernized website that would be outsourced. Belvoir also shared that the association needs to eliminate two positions and/or reduce the hours on the remaining personnel and presented a list of proposals that will have to be discussed in the very near future and acted upon. After a long discussion, it was determined that these proposals would be held over for more discussion after the summer sale.

b. Other – August 13, 2009, WHRC meeting – Griffin shared what had been discussed at the meeting pertaining to breeders' and owners' awards, definition of a race meet and Ron Crockett's support of the plan that breeders' and owners' awards only be paid from monies on live cards. She also shared that the WHRC asked the WTBA for our position on this matter, but a representative for the association was not able to share the information at that time. Pabst had made a presentation at the commission meeting pertaining to the numbers in the breeding industry over the last 15 years. Griffin reported the commission has asked the WTBA to present our position in regards to these awards and the definition of a race meet, as well as more information pertaining to the breeding industry and how these changes could possibly affect the breeding industry in the future. After a long discussion, no decision was made in regards to our position and the subject was tabled until the next board meeting. Halvorson will provide additional information about the breeding industry to the commission.

The meeting was adjourned at approximately 2:30 p.m.

The next board of directors' meeting is scheduled for Tuesday, September 15 at 12:00 noon.

September 15, 2009

Board members present: Claudia Atwell Canouse, Char Clark, Michael Feuerborn, Mary Lou Griffin, Dana Halvorson, Todd Havens, Dr. Duane Hopp, Karla Laird, Boyd Lusarreta, Debbie Pabst and Joseph DiPietro (proxy by Duane Belvoir). Staff present: Duane Belvoir.

The meeting was called to order by President Halvorson at 1:00 p.m. at the WTBA offices in Auburn, Washington.

Board Minutes: Feuerborn made a motion to accept the minutes of the August meeting as presented, which was seconded by Pabst and approved unanimously.

Executive Director's Report

Response to items:

- Sales Committee – Belvoir shared the results and some numbers pertaining to the summer sale. He also shared the projected financial numbers that were achieved by the sale. A number of questions and comments followed pertaining to the sound system, monitors, hiping, attendance, etc. Questions were asked about the winter mixed sale. Belvoir deferred all comments and questions pertaining to the winter mixed sale until new business.

Committee Reports

a. Finance Committee: Belvoir shared what was discussed during the finance committee meeting and the financial reports, as well as the potential budget for 2009-10. The budget was discussed in lengthy

detail. Belvoir feels it is important to increase our membership, do fundraising and other events to generate revenue, as well as make certain cuts within the association. He stated the association will have to address and make significant changes in order to continue to move forward. He deferred all comments and questions pertaining to the winter mixed sale fees until later during new business. The board agreed that the budget could not be accepted at this time. It will be discussed again after the budget is revised with the final numbers from the summer sale, new projections from the changes to the winter mixed sale and changes in personnel. During the finance committee meeting, Feuerborn had made a motion that, starting in October, the association would reduce the health insurance benefits, hours and wages of the employees to the figures agreed upon by the committee, except that Belvoir's wage would remain the same at this time. Clark seconded the motion, which was approved unanimously.

- Profit/loss – August, negative \$47,000.
- Profit/loss – July through August, negative \$8,900.
- Balance sheet – As of August 31, \$344,844.

Unfinished Business

a. Future of breeders' and owners' awards – There was limited discussion with the focus being on how discussion at the Washington Horse Racing Commission meeting would affect breeders' and owners' awards in the future and what could be done to address this matter. Further discussion was tabled until the next meeting. The WHRC meeting was further discussed under new business

b. Certification program – Tabled until the next meeting.

c. Fundraising – Tabled until the next meeting.

d. Board meeting dates – After discussion, it was decided that the next meeting will be on October 22. No meetings will be held in November and December and the first meeting of 2010 will be held on January 7.

e. Hipping for catalog – Belvoir shared comments and concerns from a number of the consignors and buyers about the way the hipping was handled for the summer sale catalog. Different ideas and possible changes were discussed. It was also noted that we should not discourage the possible participation of members, consignors and buyers in the sales. Feuerborn made a motion to return to the original way of hipping for the catalog, which was seconded by Havens and approved by a vote of seven-to-two.

Belvoir noted that for the 2009 winter mixed sale weanlings and yearlings will be cataloged by the names of their dams beginning with the letter "B" and all other entries will be cataloged in their various sections by their individual names, beginning with the letter "B." The 2010 summer sale yearling sale will also begin with yearlings whose dams' names begin with the letter "B."

f. Dissemination of information and personnel reduction proposal – Belvoir discussed the proposal, which had been initially presented at the August meeting. The proposal is to eliminate the magazine, with the final issue being October, and replace the dissemination of information with a hard copy newsletter, e-mail newsletter and revised website. Pabst made a motion that we accept the proposal in regards to the dissemination of information, which was seconded by Hopp and approved by a vote of seven-to-two, with Feuerborn and Havens opposed.

Belvoir shared that the finance committee has been discussing the proposed personnel reduction and a revision of the budget. Belvoir also shared that that Sheila Chandler, the association's secretary/receptionist, had left to take another position, which resolves one of the issues pertaining to this matter. He informed that the proposal will have to be revised based upon recommendations, which will have effects on the budget and staff. Further discussion of this topic was tabled until the next meeting.

g. Budget 2009-10 – Belvoir informed that the budget will need to be revised again after the recommendations by the finance committee, consideration of the final numbers from the summer sale, the personnel changes and the lowering of entry fees for the winter mixed sale. After discussion, Havens was asked if he would like to attend the next finance committee meeting, which he accepted and the topic was tabled until the next meeting.

New Business

a. Northwest Race Series proposal – Belvoir presented a proposal which would make the following changes to the current program:

- Every nominator would be required to be a WTBA member; or have all non-members pay an additional \$50 per nomination.

- Whoever completes the final payment of a provisional nomination would receive 50 percent of the nomination award, with the other 50 percent being paid to the original nominator.

- Nomination fees would be changed beginning with the 2011 series (foals of 2009) to: a one-time weanling full nomination payment of \$450 by December 31, 2009, with an extended payment of \$650 by the January 31, 2010, deadline; or a provisional weanling nomination payment of \$250 by December 31, 2009, with an extended payment of \$450 by January 31, 2010 and an additional \$300 to be paid to complete the nomination, due by December 31, 2010.

- Twenty-five percent of the nomination fees be set aside for three-year-old races.

After a long discussion it was decided that non-members of the WTBA would be assessed an additional \$50 per nomination and that the individual who completes the provisional nomination would receive 50 percent of the nomination award. The changes to the prices were also agreed upon. The proposal to a fund allocation of 25 percent of the nomination fees being set aside for three-year-old races was not agreed upon and will be discussed at the next NWRS committee meeting, which will be held within the month to discuss these changes, as well as to prepare for the meeting with Emerald Downs to discuss next year's series.

b. Other – winter mixed sale – Belvoir shared concerns about the sale and that the finance committee has decided to create a "Horse Seller Stimulus Package," which would reduce the cost of the entry fees and commissions, as well as an early deadline fee. The new changes proposed are as follows:

- \$160 fee for weanlings, yearlings, horses of racing age, stallions and stallion prospects.

- \$100 fee for broodmares, broodmare prospects and stallion shares.

- Commission will be ten percent of the last bid, with a minimum of commission of \$100.

- Refund of \$10 for each stall cleaned by consignor after sale.

- Entries received after the October 5 early deadline, but before October 16 final closing deadline, would cost an additional \$50 per entry.

The reduced entry fees and commissions will affect the association's 2009-10 budget. In order to accommodate this loss, Belvoir feels we need to reduce and eliminate staff and create the pedigrees and produce the catalog in house.

c. Other – Washington Cup – A number of the members shared that Washington Cup VII went very well and were very pleased with the attendance, handle and the size of the fields. There was also some discussion about the Pacific Challenge with the addition of British Columbia-bred and -sired runners and how it can be improved upon in the future. Moving Washington Cup to the weekend prior to the summer sale, as marketing strategy to promote the Washington-breds in the sale, was discussed, including concerns about whether consignors would be able to attend and participate in both.

d. Other – September 10, 2009, WHRC meeting – Halvorson shared what had been discussed at the meeting pertaining to the state of the breeding industry, breeders' and owners' awards and definition of a race meet. Also discussed was a letter from Emerald Downs in which they state they intend to donate the funds that were generated during the non-live period from the past year to the Washington-bred owners' bonus and breeders' awards funds, which would have been eliminated with the new definition of a race meet. Belvoir was asked to obtain a copy of the letter to share at the next WTBA board meeting.

The meeting was adjourned at approximately 3:30 p.m.

The next board of directors' meeting is scheduled for Thursday, October 22, at 12:00 noon.

Board minutes are tentative until approved at October board meeting.

Prepared and submitted by Duane Belvoir. ■