

WTBA Board of Trustees Meeting Minutes

January 29, 2009

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

Board Minutes. Hopp made a motion to approve the November minutes, which was seconded by Laird. Minutes were then unanimously approved.

New Board Member. Todd Havens was introduced as the newest member of the board. The other members of the class of 2009 are Mary Lou Griffin and Boyd Lusaretta.

Executive Director's Report. See report following board minutes.

Responses to agenda items:

- Washington Horse Racing Commission – Carol Smith-Merkulov has resigned from the commission. The current legislative session, and how we can protect the breeding industry and industry as a whole, were discussed. On January 27, a proposal to eliminate the WHRC and put racing under the Washington State Gambling Commission was introduced. Belvoir was not aware of this until after the fact, but will now check the listing of proposed legislative bills, so that any that might affect the breeding industry can be addressed as quickly as possible.

- WTBA 2009 Calendar – The calendar has been well received. Belvoir stated it would not have been possible to develop, create and produce the calendar without the effort and support of the sponsors mentioned in the calendar and the staff.

- List and E-mail List Serves – The staff was complimented on their efforts to develop and create the different lists. Belvoir feels it is very important to obtain e-mail addresses to share information with members and those within the industry. He went on to say that an e-mail will go out to all current members during the first week of February, as an initial test.

- Stallion Season Auction – There were compliments for the stallion season auction, including participants, number involved, communication, etc. Belvoir pointed out that this event would not be possible without all of the stallion connections participating and contributing. He is pleased with the support of the many who came forward in the first stage of this event and also that we have already received a number of inquiries and bids.

- Northwest Race Series – Belvoir and Pabst answered a number of questions in regards to the participation, amount of money available this year, comparisons to last year and the expectations for this year's races. Both pointed out how important it is to retain the two stallion stakes at the same purse level, as well as to make sure that the series does not lose any of the races. There are plans for a meeting with Jack Hodge in the near future to discuss the races and the allocation of funds.

- Annual Awards Banquet – The date of this year's banquet was discussed. Belvoir has discussed a joint effort with the WHBPA. While the WHBPA felt that it was too late to collaborate on the event this year, they said they would contribute financially to support the event. Laird confirmed this.

Finance Committee. Belvoir reported on the finance committee meeting and the financial reports. He shared the numbers from the 2008 WTBA Winter Mixed Sale, which showed a net profit of \$9,800 prior to the cost allocation of shared expenses within the association. He also shared the differences between the new family membership and the previous dual membership. The number of nominations for the Northwest Race Series is down, compared to 2008. He asked for input pertaining to the membership and magazine subscription rates and in regards to some special offers. The financial books are up to date through October. He also pointed out that the budget and financial reports are available for viewing by the members in the office.

- Profit/Loss – July through December, \$122,455, which is currently inflated because of the sale.

- Balance Sheet – As of December 31, \$628,927, which is currently inflated because of the sale.

- Accounts Receivable – As of December 31, approximately \$63,000, which is inflated because of the sale.

- Accounts Payable – As of December 31, zero.

Equine Art Committee. Co-chairperson Canouse talked about the date of the show and covered sponsorships. Several people have already committed to participate as sponsors. She asked if anyone from the board would like to sponsor an award. Havens, Hagen and Griffin all agreed to participate. The next committee meeting will be on February 12.

Publications Committee. Chairperson Griffin shared a brief report pertaining to the December 30 meeting. The Annual Review issue will be moved to a combined April/May issue. The March issue will focus on the previous year's champions. Clark felt there should have been full photos of the highest priced Washington-bred colt and filly selling at the December sale in the January issue and more detail about them. The date of the next meeting had not been determined.

Sales Committee. Chairperson Pabst reiterated what was in the executive director's report. She shared information on the December 30 meeting, in which they discussed going to one sale, a two-day sale, cost of conducting a sale, impact on other aspects of the association, moving the winter sale to a different date, number of entries, etc. This led to a long discussion about the different aspects of the sales, including the cost of not having a winter sale or changing the date, as well as expanding the promotion of the sales. Feuerborn made a motion to have both the 2009 summer and winter mixed sales on their usual dates. Hopp and Havens seconded the motion, which was approved unanimously. The date of the next meeting had not been determined.

New Business. Covered in executive director's report.

- 2009 WTBA board meeting dates – The dates for the next five board meetings were set as follows: February 14, March 13, April 17 (Emerald Downs opening day), May 21 and July 11 (to correspond with the equine art show).

- Nomination of 2009 officers – Belvoir distributed the nomination sheets and Halvorson asked board members to fax or e-mail their choices back to him within the next couple of days, in order to give him time to contact those nominated to see if they will run and then create a list of names for each position prior to the next meeting, when the voting of officers will occur.

- Letter from Don Munger – Feuerborn presented a letter that he prepared from a phone conversation with Don Munger and discussed a number of ideas from the letter related to promoting and helping Washington Thoroughbreds. A few of the ideas shared were:

- Allowing a one or two jump over the claiming price for Washington-breds running in claiming races.

- Allowing a three to five pound jockey advantage for Washington-breds.

- Reducing the field size requirements for restricted Washington-bred races.

- Providing a two-year-old stakes for Washington-breds only (other than the Stallion Stakes).

- Networking with other associations throughout the country to obtain and share ideas.

- Possibly absorbing Oregon and Idaho breeders and creating a "Northwest Breeders and Owners Association."

It was also mentioned that Illinois casinos pay into the state racetracks.

The letter and information were well received and had a number of positive comments. Members agreed that the association should look into all of the ideas. A few of the topics are already being

worked on and Feuerborn said he would discuss them with Jack Hodge. Belvoir and Feuerborn will contact Munger to let him know how well received his comments were and that the association is looking into his ideas.

d. Other – Laird shared information about a handout called “Backstretch Conservation Policies” that was developed in conjunction with the WHBPA board and Emerald Downs to address the stable area and to reduce costs so that the track can maintain an efficient and sustainable operation.

e. Other – Halvorson shared that he, Griffin and Feuerborn were asked by Ron Crockett to meet with him to discuss a number of concerns. Crockett provided a number of handouts and discussed the estimated economic contribution of Thoroughbred breeding, horse owners, Emerald Downs and industry to the state of Washington; 2009 stall applications; a letter to Washington State Gambling Commission; and Northwest Racing Associates’ payment vs. retention. He also discussed the current economic times, the industry as a whole and the status of Emerald Downs, as well as how Emerald Downs will need the breeders’ and owners’ awards in the future. After discussion, Halvorson asked board members to review the Emerald handouts prior to next month’s meeting in order to discuss this matter further. Halvorson also shared that purses will probably be down by five percent this year and that the Muckleshoot Tribe was turned down in regards to converting the Emerald Downs property into a trust.

f. Good and Welfare. Covered in executive director’s report.

The meeting was adjourned at 2:45 p.m.

The next WTBA board of directors meeting is scheduled for Saturday, February 14.

Prepared and submitted by Duane Belvoir.

Executive Director’s Report

• Membership – Creating a voice within the industry, state and Northwest.

– The membership drive is going well. The association cannot create a voice within the industry and further develop without the members and their support. Each board member must participate in this aspect of the association.

– Through January 21, there are 244 members, compared to 198 at this same time last year. Of the 244 members, 60 are new.

– Belvoir’s goal for next year is surpass this year’s total and have at least 1,000 members.

• Sales Committee

– The sales committee met on December 30 to discuss the future of the sales, assess the winter sale, etc.

– Dr. Bud Hallowell was introduced as the newest sales committee member.

– Pabst will discuss in further detail under committee reports.

– The next meeting date has not been set at this time.

– Auctioneer Cris Caldwell will attend the February board meeting to discuss the regional and national trends and the future of the sales in the country, as well as provide his advice and recommendations in regards to the association’s sales.

• Publications Committee

– The publications committee met on December 30 to discuss the future of the publication, Annual Review issue, costs of the certain publications and distribution. The main priority of the association should be the dissemination of information to the members and the general public.

– Griffin will discuss in further detail under committee reports.

– The next meeting date has not been set at this time.

• Finance Committee

– The fiscal reports were discussed with the committee prior to the board meeting.

– The financial reports will be further discussed at the board meeting.

– Belvoir has not spoken to our accountant Randy Farrell recently about preparing the association’s tax returns. He has spoken to our bookkeeper about finding someone else to complete the association’s tax returns.

• Art Show Committee

– Committee members have started to pull things together for this year.

– The next meeting will be February 12.

• New Corporation and Tax-Exempt Status

– Belvoir has been moving forward with this new direction and continues to work with our lawyer Michael Thorner.

• List and E-mail List Serves – Currently developing and working on one for the members.

• Marketing/Promotion

– Belvoir is hopeful the committee can meet in the near future to continue to move forward with this very important aspect of the association.

• Northwest Race Series

– The committee met on December 30 to discuss the current status of the series.

– Ads for the series have been in the magazine and on our website.

– Through January 15 there were \$208,200 in nominations for the 2009 series, compared to approximately \$265,000 for the 2008 series last year. A total of \$65,300 has been sent in for the 2010 series, compared to last year’s total for the 2009 series of \$80,600.

– While this may initially have been a good concept to promote horses in the Northwest, Belvoir feels it is no longer valid or doing its original intent and hopes to bring the committee together to discuss this matter in the near future.

– Belvoir is waiting to hear from Jack Hodge before setting a meeting for the allocation of the funds for the series.

• Annual Awards Banquet

– To be held on Saturday, February 14, at Emerald Downs.

– Information regarding the banquet has been mailed.

– The WHBPA will not be able to collaborate on the event this year; however, they will provide some financial assistance.

• Stallion Season Auction

– The auction has officially begun.

– Letters and a list of participating stallions have been sent to the broodmare owners that received 2008 breeders’ awards and to those who bought broodmares at the winter sale.

– Information on this event can be found in the magazine and on our website.

– Stallions seasons donated after the flier and magazine are printed will be added to the website. People will be informed of additions when they call in to place bids.

– Thank you to all of the people that committed to participate in the stallion season auction by donating breeding seasons.

• WTBA Calendar

– Everyone seems to like and enjoy the calendar.

– They are being sold for \$10 or two for \$15. There is a wholesale price for larger quantities.

– A complimentary calendar will be given to all 2009 WTBA members. Included in each calendar will be a flyer about how to acquire additional calendars.

– Ads for the calendar can be found in the magazine and on the website. We would also like to get them in local stores.

• Washington Horse Racing Commission

– Paul George was named the new WHRC chairman after Carol Smith-Merkulov’s resignation.

– The new interim executive secretary is Bob Lopez. ■

February 14, 2009

Board members present: Claudia Atwell Canouse, Char Clark, Joseph DiPietro, Michael Feuerborn, Mary Lou Griffin, Nina Hagen, Dana Halvorson, Todd Havens, Dr. Duane Hopp, Karla Laird, Boyd Lusarreta and Debbie Pabst. Staff present: Duane Belvoir. Guest: Cris Caldwell, auctioneer and WTBA member.

Board Minutes: Havens made a motion that we accept the minutes, with correction, which Clark seconded. Minutes were then unanimously approved.

Open Forum: Noted national and WTBA auctioneer Cris Caldwell was asked to present his thoughts on the current sales trends across

the country. Caldwell was present for open-ended questions from the board and shared his insights. Items of discussion included recent history, national and regional trends, quality of the product being sold and the next generation involved within the industry. Accountability, perception, concerns, who we are breeding for, size of sales, upset price and markets were also discussed. In addition, Caldwell urged the association to be proactive, address incentives, and to make sure the State understands and feels how important the breeding and Thoroughbred industry is in the state.

Executive Director's Report. See report following board minutes.

Responses to agenda items:

- Washington-bred Race per Day – Belvoir answered a few questions pertaining to this item. Feuerborn shared that he had spoken with Jack Hodge and Bret Anderson from Emerald Downs in regards to improving the number of Washington-bred races per day and that they were receptive and positive. Among the items they discussed were allowing a one jump over the claiming price for Washington-breds that run in a claiming race; allowing a three-pound jockey weight advantage for Washington-breds in claiming races; and whenever possible, to reducing the field size requirements for Washington-bred restricted races. Halvorson recently received a phone call from Ron Crockett in regards to working together to resolve this issue. This led to further discussion.

Finance Committee: Belvoir shared what was discussed during the finance committee meeting and the financial reports.

- Profit/Loss – July through January, \$19,500.
- Balance Sheet – As of January 31, \$522,346.
- Accounts Receivable – As of January 31, approximately \$60,000, which is inflated because of the sales.
- Accounts Payable – As of January 31, zero.

Northwest Race Series Committee: Chairperson Pabst discussed the purse allocation and dates of the races. She shared the allocation of funds for the races that Belvoir had presented to Hodge. The two stallion stakes will each be \$30,000-added this year, the Barbara Shinpoch will be \$60,000 and the Gottstein will be \$70,000, while the other two-year-old stakes will remain at \$50,000 each.

Unfinished Business: Covered in executive director's report.

New Business: Covered in executive director's report.

- Nomination of 2009 officers. Ballot forms were distributed, filled out, collected and tabulated.

The results of election of officers and two additional finance committee members are as follows:

President: Dana Halvorson.

1st Vice President: Michael Feuerborn.

2nd Vice President: Karla Laird.

Secretary/Treasurer: Debbie Pabst.

Finance Committee: Char Clark and Mary Lou Griffin, in addition to the officers.

Good and Welfare: Covered in executive director's report.

The meeting was adjourned at approximately 1:00 p.m.

The next WTBA board of directors meeting is scheduled for Thursday, March 12. (Meeting minutes are tentative prior to approval at next board meeting.)

Prepared and submitted by Duane Belvoir.

Executive Director's Report

- Membership – Creating a voice within the industry, state and Northwest.

- The membership drive is going well. There are currently 351 members through February 12, compared to 243 at this same time last year. Of the 351 members, 87 are new members.

- The association cannot create a voice within the industry without the members and their support. Each board member must participate in this aspect of the association.

- Belvoir's goal for next year is surpass this year's total and to have at least a minimum of 1,000 members.

- Sales Committee

- Cris Caldwell attended the board meeting to discuss the regional and national trends and the future of the sales in the country,

as well as provide his advice and recommendations in regards to the association's sales.

- The next meeting date has not been set at this time.

- Finance Committee

- The fiscal reports were discussed with the finance committee prior to the board meeting.

- Will be discussed in further detail under committee reports.

- Belvoir spoke with Randy Farrell and was informed that the association's tax returns will be done prior to March 15.

- Art Show Committee

- The committee met on February 12.

- Information pertaining to the meeting was included in the board packet.

- List and E-mail List Serves – On February 7, the association sent out the first newsletter to the current members.

- Northwest Race Series

- Chairperson Pabst and Belvoir met with Jack Hodge on February 10 to discuss the allocation of funds for the Northwest Race Series. After the meeting, Pabst called a meeting of the committee for February 11 to discuss the allocations further. Upon completion, Belvoir sent the revised numbers to Hodge. As of February 14, Belvoir had not heard back whether they were acceptable or not.

- The final amount in nomination fees for the 2009 series is \$209,400, compared to last year's total of \$265,000. Through January, \$69,400 has been received for the 2010 series, compared to last year's total for the 2009 series of \$80,600.

- Annual Awards Banquet

- The banquet will be held on February 14 at Emerald Downs.

- We expect attendance for the banquet to be around 200.

- The WHBPA has made a financial contribution to the event.

- Stallion Season Auction

- The closing date of the auction has been pushed back to February 25. The new deadline has been posted on the website and it will be sent out on the list serve to the members.

- Information on this event can be found in the magazine and on the website.

- Stallions seasons donated after the flier and magazine were printed have been added to the website. People will be informed of the new ones when they call in to place bids.

- Washington-bred Race per Day

- It is time to address this matter and the current state statute.

- Last year 106 races for Washington-breds were offered at Emerald Downs during the 91 days of racing and only 50 ran. In 2007 there were 134 races offered during 91 days of which 43 Washington-bred races ran.

- While the number of Washington-bred races increased from 2007 to 2008, Belvoir does not believe enough is being done to meet the requirements of a statute that states that there shall be one Washington-bred race per day. Other condition books offer around three statebred races per day. More than half of the horses on the backside are Washington-bred.

- Belvoir would like to see at least three Washington-bred races offered per day and that Washington-bred races be left on the board until the very end. If a race is not filled, rather than open it up, it should be carried over. We must make sure everyone understands how important it is to the breeding and Thoroughbred industry within the state.

- All horsemen need to work together to address this issue. The WTBA, WHBPA and Emerald Downs must all work together to resolve this matter to promote and develop the Washington-bred further.

- Belvoir believes we need to ask the WHRC what their interpretation of the regulation is, considering that it has not been followed for a number of years.

- Thank you – For Your Support

- Belvoir thanked all the many people in the Northwest and throughout the country who have sent their condolences on the passing of his father Clarence Belvoir. ■