

# WTBA Board of Trustees Meeting Minutes

October 17, 2008

**B**oard members present: Dan Agnew, Claudia Atwell Canouse, Char Clark, Michael Feuerborn, Mary Lou Griffin, Nina Hagen, Dana Halvorson, Karla Laird, Boyd Lusarreta and Debbie Pabst. Board members present by proxy: Dr. Duane Hopp, Steve Meredith and Jerry Woods (Duane Belvoir), Joseph DiPietro (Nina Hagen), J.R. Leckbee (Mary Lou Griffin). Board member absent: Stan Gillman. Staff present: Duane Belvoir.

The meeting was called to order by WTBA president Halvorson at 12:30 p.m. at the WTBA offices in Auburn, Washington.

*Board Minutes:* A motion was made by Pabst and seconded by Griffin to approve the July minutes, which were unanimously approved.

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

Responses to items:

- Northwest Race Series – Belvoir answered questions about the number of entries and amount of funds available for next year. He felt that a meeting pertaining to the Northwest Race Series should be conducted in early November to address the upcoming year, how many non-members participate, purses, etc.

- Washington Horse Racing Commission – Belvoir answered questions in regards to the number of breeders receiving breeders' awards checks this year and the number who are members of the association. He provided insights into what he feels are the reasons for the low member numbers.

*Finance Committee:* Belvoir shared what was discussed at the last finance committee meeting and the financial reports, as well as the budget, which was revised as of October 1. The books are up-to-date through September and the new bookkeeper, Kate Percival, along with staff member Sheila Chandler, has been working very hard to resolve the previous problems. They deserve a lot of credit for getting the books in order. The budget and financial reports are available in the office for viewing by the members. Belvoir provided the following information:

- Profit/Loss – September, \$35,400; July 1 through September 30, minus \$1,720.
- Balance sheet – As of September 30, \$1,580,365. This number is currently inflated because of the summer sale.
- Checking account funds available – As of October 14, approximately \$100,000.
- Accounts receivable – As of October 14, approximately \$86,000.
- Accounts payable – As of October 14, zero.

*Equine Art Committee:* Co-chairperson Canouse talked about the recent luncheon held to close out the year. She thanked those who participated, as well as those who assisted in putting on the event. She also mentioned that it is time to start thinking about next year's event and hopes that everyone will continue to contribute their fantastic pieces of artwork.

*Publication Committee:* Chairperson Griffin discussed a number of different items pertaining to making the magazine more educational and interactive for the members, as well as implementing bar codes and increased distribution. She also mentioned that Belvoir would like to create a survey to learn what the members and magazine subscribers would like to see in the *Annual Review*.

*Sales Committee:* Chairperson Pabst reported the financial numbers for the summer sale were down, similar to the current nationwide trend. She also shared information about the winter mixed sale; i.e., the number of entries, promotions and efforts to make the event cost effective to the association. A number of board members questioned the feasibility of holding the December sale. The next sales committee meeting is scheduled for November 6 at 12:00 noon.

*New Business:* Covered in executive director's report.

a. Resignation – Belvoir announced that Dr. Michael Konecny has resigned his position on the board (and hence, as secretary treasurer) and the sales committee as of September 9.

b. Replacement of board members – Belvoir recommended that neither Konecny's nor Todd Hansen's positions be replaced at this time or in the future, which would lead to a reduction in the size of the board. It was agreed that neither of the board members who resigned would be replaced.

c. Reducing the size of the board of directors – Belvoir feels the association should consider only accepting three of the five people on this year's board election ballot and that the number of board members should be reduced from 18 to nine. A considerable amount of discussion followed. Griffin made a motion that we only accept three of the five names on this year's ballot for the class of 2009 and that the incumbent with the lowest number of votes would not be accepted, if the three incumbents received the highest number of votes. Hagen seconded the motion, which was approved unanimously. Because of this motion, another motion had to be made to amend the current bylaws in order to reflect this decision. Griffin made a motion to amend the bylaws to reduce the size of the board of directors from 18 to 15 members. Lusarreta seconded the motion and it was approved unanimously. It was agreed that the concept of reducing the size of the board to nine members would be tabled until the November meeting.

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

The next WTBA board of directors' meeting is scheduled for Thursday, November 13, at 12:00 noon.

(These minutes are tentative, prior to approval at the next board meeting.)

*Prepared and submitted by Duane Belvoir.*

## Executive Director's Report

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

- The association's membership number has surpassed last year's figure.

- The staff and I are preparing for next year's membership drive, which should be exciting considering the new direction of the association. My goal for next year is to surpass this year's total and to have at least 1,000 members.

- 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.

- I have challenged the board members to participate in this aspect, and except for a few, I still need much support. I again ask board members for your vendor, client and contact lists in order that I might contact them to explain the new direction of the association and the importance of creating a voice. I will only ask this one more time (December) and will then work with the material and information I have been provided.

- Board Members

- The ballots for the board member positions have been mailed. There is, however, a problem that must be addressed pertaining to credibility and integrity of the association and it concerns the number of board members running for re-election this year.

- The association must consider the advantages and disadvantages of having an 18-member board, as well as the members' perception of the board. I feel the association has to consider drastically reducing the size and/or reconfiguring the board. A few of the expressed concerns are: conflicts of interest; roles and responsibilities; amount of time on the board (lack of term limits); lack of support, attendance, and leadership; true representation of the members; and what board members have done for the association in the past.

- Michael Konecny resigned from the board on September 9.

- Sales

- The sales committee met on September 9 for an emergency meeting to discuss the winter mixed sale. It was agreed to extend the entry deadline to September 22 and to continue forward if there were

approximately 100 entries. There was also discussion about the summer sale figures being down and that the difference between this year's and last year's association gross was approximately \$40,000.

- Michael Konecny resigned from the sales committee on September 9.

- On September 23, I sent out an e-mail to the board to ask for a formal vote as to whether the association should have the 2008 winter sale. Of the 16 board members that voted, nine said yes and five said no, with one abstaining and one that was not counted.

- The winter mixed sale is moving forward with nearly 100 entries.

- There will be a number of different promotions for the December sale, which will be noted in the catalog, magazine, on the website and in a direct mailing to members.

- The catalog is scheduled to go to the printer early next week. If there are any additional entries from this point on, the association will create a supplemental catalog, to be done in-house.

- Sales manager Melissa Wenzel has resigned and her last day was October 16. The president and sales committee chairperson were notified of this situation. At this time and throughout the sale, I will be taking over this role, with the possibility of bringing someone in a few hours a week to assist me with the clerical aspects.

- Ballots for the sales committee positions have been mailed.

- A plan needs to be developed as soon as possible to address the future of the WTBA sales program.

- The association needs to evaluate the advantages and disadvantages of having a sales committee, as well as the members' perception of the committee. Among the concerns are: conflicts of interest, the number of board members on the sales committee and the committee's authority. There needs to be consideration of reconfiguring and/or eliminating the sales committee.

- Finance Committee – Met prior to the board meeting at 11:00 a.m. on Friday, October 17.

- Current fiscal reports were shared.

- Michael Konecny resigned from the finance committee.

- Finance

- Kate Percival, the association's new bookkeeper, Sheila Chandler and I have been working together and moving forward with the bookkeeping. Percival is training Chandler to do a number of different aspects of the bookkeeping.

- Debbie Gill, our prior bookkeeper, entered all of last year's information – through the June 30 end of fiscal year – into Peachtree in order to obtain the financial reports and have the information we need to be prepared for the fiscal audit.

- The fiscal reports have been shared with the finance committee.

- I have revised our budget for the current fiscal year, and it has been provided to the finance committee. Revisions to the budget had to be made after the summer sale's downturn and the lack of entries in the upcoming winter sale.

- New Corporation and Tax-Exempt Status

- I have been moving forward with this and continue to work with Michael Thorner.

- At this time, the first two stages have been completed. The new corporation is registered with the state and has an EIN.

- By next month I hope to have completed the assumed business name and bylaws. I have the IRS application and hope to have it completed and ready to submit in December.

- This process takes time because of the many different aspects that need to be changed.

- Committees

- Reports for all committees should be in bullet form, similar to this report. This will make the information easier to follow and understand.

- Publications Committee

- The publication and dissemination of information to the members and the general public should be the main priority of the association.

- The association has a great team involved with the publication, which I would like to recognize and thank them on behalf of the membership. In my opinion, they are the most viable and respected part of the association.

- The staff and I will create a plan to move forward with the development, direction and distribution of the magazine. I hope to talk with other successful regional and theme-specific publications. I also hope to meet with Bob Cooke of *The Racing Journal* in the next month.

- At this time, the *Farm and Service Directory* deadline will be moved back with a publication date of next year. The reasons for this are: time constraints on the staff and the unfortunate way the information has slowly trickled in. I will be sending a letter to the people who have already mailed in information to explain the circumstances.

- The association will need to start distributing the magazine to others within the industry to either sell or distribute. If anyone is interested in copies of the magazine for this purpose, please let me know. Anne Sweet and staff are providing valuable information each month that needs to be seen by more.

- I will be acquiring two bar codes for the publication this month, which should lead to us selling the magazine in retail stores.

- The publications committee has postponed their next meeting in order to conduct a new survey. While the WTBA survey from last year indicated how much the members appreciate and enjoy the monthly publication, this survey will focus on the contents of the magazine, and what members and subscribers would like to see more of or less of in both the regular issues and the *Annual Review*, as well as any new ideas and concepts they may wish to provide.

- Website

- Working on e-commerce, accepting fees and payments online for the upcoming year and membership drive.

- I am also looking into installing Hypo-Mating on the website, which will depend on input from stallion connections and their participation in other activities and events associated with stallions.

- On-line auction – I have obtained the material and have spoken with representatives from Barretts. This will not be implemented for the winter mixed sale, but we will be revisiting the concept at a later time, after considering plans for future sales.

- Work on website designs and templates have been started in order to provide our members with a new service, one which allows them to have their own website at a minimal fee.

- The website continues to be under construction to better serve our membership.

- The Handle and Track Dues

- The association has submitted an invoice, through September 28, to Emerald Downs for track dues.

- List and E-mail List Serves – Continuing to develop and work on these lists, which takes considerable time. The most recent list developed concerned those with stallion connections.

- Service Information – Developing and working on:

- List of items and events.

- Information for brochures, magazine, advertisements and website for the upcoming year and new membership drive.

- Marketing/Promotion

- Have a number of promotions in the works for the winter mixed sale.

- Joe Pirone and I are working on the stallion season auction.

- Incentives to breed and own Washington-breds – I am working on a campaign to have the owners' and breeders' awards restored to 100 percent in June 2011, as well as generating support for the required one Washington-bred race per day.

- Cheri Wicklund, Pirone and I have met to discuss putting together a Washington Thoroughbred calendar. I also plan to speak with Reed and Erin Palmer, as well as Duane Hamamura, in the next couple of weeks to ask for their photo participation with this project. The calendar will be one of our first of many attempts at merchandising for the association, which will promote the Washington Thoroughbred industry.

- I hope the marketing/promotion committee can meet again in the near future to continue to move forward with this very important aspect of the association.

- Northwest Race Series

- The final results for the year have been tallied and will be published in the November magazine.

– Of the 11 races, only three were won by Washington-bred horses, the same number as last year. Of those three, two came in the restricted Stallion Stakes.

– While this may initially have been a good concept to promote horses in the Northwest, I feel it is no longer valid or accomplishing its original intent.

– This aspect of the association needs to be reevaluated in order to better promote Washington-breds and the broodmares in the state.

- WHRC

– I have obtained the list of the 2008 breeders' awards recipients. Of the 285 different people who are receiving awards, only 131 (45 percent) are current WTBA members. This indicates to me that many breeders must have some concerns pertaining to the association and the board.

– I have been working with the WHRC and we will be sending out a complimentary copy of the October magazine to each breeders' awards check recipient, along with a congratulatory letter. According to the WHRC, the checks will be ready to mail by the end October.

- Stallion Season Auction

– The staff and I have begun to work on the 2009 stallion season auction.

– You will start to see ads for this event, as well as information regarding donating a season, in the magazine and on the website. We will also be sending out a direct mailing to those people we have on file who have connections to local stallions.

– The staff and I hope to surpass both last year's total of seasons offered and the dollar amount earned. The goal is to have at least 75 seasons and raise more than \$30,000 to assist with general operating funds.

- NTRA – Collaboration

– On September 26, Emerald Downs' Susie Sourwine provided a NTRA PowerPoint® presentation pertaining to the integrity and perceptions of the Thoroughbred racing industry nationally.

– On October 8, I sent all board members an e-mail and attachment pertaining to the NTRA Safety and Integrity Alliance and asked for your formal vote in regards to participating with other significant parties in the state on this alliance. Out of the 16 board members, 13 voted, 12 said yes and one member said no. There was concern expressed regarding the costs involved.

– On October 13, I signed and delivered the pledge on behalf of the association to support the NTRA Safety and Integrity Alliance to Jack Hodge of Emerald Downs.

- Thank You for Your Support:

– Todd and Shawn Hansen of Scatter Creek Training Center for their sponsorship of the October issue of the association's magazine.

– The three stallion connections that have donated stallion breeding seasons to the "matchmaker" event for the WTBA Winter Mixed Sale: Bob Cappelletti for Dr. George Todaro with Trickey Trevor; Pam and Neal Christopherson for Bar C Racing Stables with Harbor the Gold; and Lance Williams for Ron Crockett with Raise the Bluff.

– Debbie and Rick Pabst for their contribution of the four \$500 raffles for Washington-bred or -sired yearlings or weanlings in the winter sale.

– Traber, Bergsma, Simkins Inc. for their sponsorship of the complementary breakfast buffet on Saturday, December 6, to kick off the winter sale.

– Joe and Sally Steiner for providing the facility and breakfast at the Quarter Chute Café for the December breakfast buffet. ■

*Prepared and submitted by Duane Belvoir.*