

## **WTBOA Board of Trustees Minutes October 27, 2015**

Board members present: Mary Lou Griffin, Nina Hagen, Dana Halvorson, Dr. Duane Hopp, Debra Pabst, Darrin Paul, Keith Swagerty, Jennifer Webber and Steve Zerda. Absent: William P. Brewer, John Parker and Candice Tollett. Staff present: M. Anne Sweet.

The meeting was called to order at 12:10 p.m. at the WTBOA offices by 1st Vice President Paul.

**Previous Board Minutes:** Minutes from the September 11, 2015, meeting were presented and reviewed. *Swagerty moved to approve the minutes as presented. Webber seconded the motion and the minutes were approved.*

**Past Board Member Updates:** Griffin and Sweet reported that Board Member Emeritus Claudia Canouse had been hospitalized for a few days after suffering a small stroke. She is now at home and doing well. Her scheduled hip replacement had to be postponed for at least 30 days.

Halvorson reported that past Board member and Secretary/Treasurer Stanley Gillman passed away on September 14 from multiple myeloma. A celebration of life has been scheduled for November 23, 2015, at Jazz Alley in Seattle. Halvorson noted his long involvement in the Thoroughbred industry, as a breeder and owner, as well as in his capacity as a CPA. Gillman was an expert in equine tax regulations. He had many clients in the Thoroughbred industry and had conducted audits pro bono for the industry in the past.

**Finance Committee Report:** Treasurer Pabst reported that overall the sale's net income was down about \$6,000 from the previous year. This was mainly a result of there being fewer entries, since there was no large dispersal as there had been in the 2014 sale with the Karen and Mickey Taylor dispersal.

Regarding the Northwest Race Series (NWRS), Pabst noted that there was \$557.50 in undistributed funds at the end of the 2015 series. When added to the existing Carry Forward amount, it will bring the Carry Forward balance to \$3,429. Pabst noted that nominations for the 2016 series are up compared to nominations for 2015 at the same time period. Stallion nominations for 2016 at the lowest level ever, but 2017 and 2018 nominations are up significantly. Full and provisional nominations for weanlings and yearlings will be coming in through the end of the year.

A letter regarding the track dues has been mailed to Emerald Downs. The amount is nearly the same as last year at this time.

There was discussion regarding the accumulated credit card fees of \$5,800 so far this year. In large part, this is due to higher volumes in credit card payments. There is a three percent surcharge assessed on credit card payments for horses purchased at the sale, but not on other credit card payments. The Finance Committee had discussed this issue and recommended a five dollar (\$5) increase in membership dues. For the early bird fee, due by January 1, the individual rate would raise from \$125 to \$130 and regular rate, after January 1, would raise from \$150 to \$155. *Griffin moved to increase the membership fee as outlined. Hopp seconded and the motion was approved.*

**Sale:** Griffin reported on the Sales Committee meeting that took place on October 20. Overall, the sale was very good. Sales barn manager Floyd Hughes had some difficulties in getting access to the stalls for cleanup prior to the sale. A letter will be written to Emerald Downs management asking for their assistance in making this a smoother process in the future. The live stream of the sale cost \$2,000 this year, but we will continue to live stream the sale. Entry fees had been discussed and it was suggested and agreed upon to keep the entry fees the same for Washington-breds, at \$125 for the early bird fee, while non-Washington-breds would be

charged an additional \$25, at \$150 for the early bird fee. After the early bird deadline the fees would be raised to \$150 and \$175 respectively.

**Northwest Race Series (NWRS):** See Finance Committee Report.

**Publications/Social Media:** Sweet reported that the 2016 calendar and the Stallion Register were in progress. She was in the process of reviewing advertising rates, as well as the possibility of revisiting the idea of making updateable Stallion Register statistical pages available to stallion owners/managers. Griffin asked about the possibility of changing the statistical Stallion Register pages to the same format as used by the *Thoroughbred of California*. Sweet said she would investigate. *[After conferring with The Jockey Club and considering the late timeframe and the potential impact this might have, it was decided to leave the statistical pages the same for this year. The Sales Committee will be examining whether to make changes in the cataloging standard, stakes versus black-type rules, and the stallion statistical pages will be kept consistent with the decision that is made for the catalog.]*

**Washington Thoroughbred Foundation (WTF):** Sweet reported that the sublease negotiation with Emerald Downs Racing LLC is still in progress, as is the required general liability insurance policy.

**Washington Horse Racing Commission (WHRC)/Emerald Downs:** It was reported at the October 9 meeting that breeders' and owners' bonuses were being worked on and reviewed. It was anticipated that they would be about the same or possibly slightly up from last year and that checks would be mailed in early November.

**WTBOA Broodmare Club:** Webber reported that a January 10, 2016, deadline has been established to join the club. The goal is to have 80 members in order to be able to move forward with the program, although this number is not being made public. There were three members at the time of this meeting. The Broodmare Club has been promoted via the website, the e-newsletter and through mailings. Emerald Downs has assisted by sending it out to the Emerald Racing Club, their general e-mail list and by hanging posters that have been delivered to them. It was suggested that we might advertise it as an idea for Christmas gifts.

**Washington Cup 2016:** Brewer, Paul, Pabst, Halvorson and Frank Lucarrelly met at Emerald Downs with Emerald Downs President Phil Ziegler and former President Ron Crockett. Their intent was to talk about the future of the industry. However, when they arrived it seemed that the perception was that they were there to complain about the Washington Cup race that was not run due to lack of entries. Ziegler and Crockett explained that because more middle level horses had participated at levels that had not existed before, they accounted for a 30 percent aggregate payout. The 20 percent purse increase had been eaten up by these additional mid-level races. Not running the \$50,000 Washington Cup stakes (for three and up fillies and mares) had helped to make up a \$50,000 shortfall in the purse account. Ziegler explained that in order to maintain the purse levels as they are, they will need to go to the Muckleshoot Tribe to replenish; or they will need to reduce purses.

The WTBOA had gone into the meeting with an experienced group of breeders and owners with the intention of discussing how to move forward, but that the meeting had revolved around past history. Ziegler expressed the opinion that Washington Cup is mainly a showcase for breeders. However, it is not just a showcase, but an important incentive for breeders and owners, one that gives them the opportunity to reach some level of financial stability or acceptable loss level, as well as increasing the value of stallions and mares. It was felt that there needs to be greater appreciation for the state's breeding program and for the necessity of restricted races and their impact on the foal crop. The general overtone of the meeting seemed to be that if the money is there, the horses will come. The consensus of the WTBOA Board was that it would be better to focus on the California model of building a state-bred horse program, rather than depending on a "ship and run" program.

Paul also presented a packet of information related to the economics of the industry, field size as it relates to handle gain (or loss), as well as other factors, plus an informational breakdown about the breeders and owners incentives in several other states and the province of British Columbia.

**Guest Phil Ziegler:** Ziegler attended the latter portion of the meeting and addressed the Board. He stated that of this they may have found ways to maintain the 20 percent purse increase, and that they are looking for ways to keep what works and tweak other things as needed. At the November meeting of the WHRC, they will be requesting racing dates of April 9 through September 11 for the 2016 season. This will encompass 70 days of racing, the same as for 2015. They are closing earlier in September because they have found it difficult to compete against NFL games once they begin. Their biggest racing day is July 3, Fireworks Day, followed by Mother's Day, Father's Day, the Longacres Mile, Kentucky Derby and Belmont days. Emerald will be open for one Monday, on June 20, which is Emerald Downs' 20th anniversary. Ziegler also noted that they would be experimenting with evening racing on four Saturdays in July. First post will be at 6:30 p.m. on those nights. It is thought that they could take advantage of the longer daylight hours and might attract a different crowd, as well as they might have a better chance of selling their signal with less evening competition. These would probably be eight-race cards.

Washington Cup was discussed. Paul noted that the loss of the three-year-old races hurt WA Cup because many of the three-year-olds weren't going to stay around to race against the older horses in the three and up races. He also noted that WA Cup is the last big incentive to breeding and foaling in Washington and that the foal crop is directly tied to the health of the industry. Ziegler noted that state-breds running in open company are very strong for Washington-breds compared to other states.

Paul asked about what we can do. Ziegler responded that the Board can help with suggestions, such as what Pabst has been doing in helping to look at the flow of the stakes schedule. Also, be cautious of rumors. He informed the Board that they are working on plans for a card room on the fifth floor as another revenue stream, as well as looking at the addition of a cafe option on the fifth floor.

The Board thanked Ziegler for attending the meeting, presenting this information and answering questions.

**Annual Awards Banquet:** Tabled until next meeting.

**Next Meeting Date:** The next meeting was scheduled for Thursday, December 3, 2015.

The meeting was adjourned at 2:25 p.m.