

**National Reining Horse Association
Minutes of the Board of Directors Meeting
NRHA Office
Oklahoma City, OK
January 22, 2006**

Approved April 2, 2006

Present: President, Dell Hendricks; Vice President, Mike Boyle; President-Elect, Kim Sloan; Elected Board members, Anne-Marie Burns, Doug Carpenter, Troy Heikes, Marc Wagman, Rick Weaver, and Dave Wilkins; RHSF President, Frank Costantini; and Appointed Board members, Lisa Cover, Walter Fuchs, Lance Griffin, Terry Griffin, Steve Harris, Greg Hill, Sam Houston, Dale Lopp, Colleen McQuay, Bill Peel, Jeff Petska, Chris Potter, Flis Sassella, Dave young, and Vaughn Zimmerman.

Not Present: Immediate Past President, Bill Bradley; Nick Cornelissens, Dave Dorland, Paul Kratschmer, Eugenio Latorre, Anat Kirshner Leventhal, Mike McEntire, Michele Pfender, Rosanne Sternberg, Bob Thompson, Monica Widh, and Francois Zurcher.

Staff: Executive Director, Dan Wall; Chief Financial and Operations Officer, John Foy; Senior Director of Publications, Carol Trimmer; Senior Director Affiliate and Alliance Programs, Debbie Drinko; Director of Information Technology, Rick Hall; Director of Marketing and Communications, Lisa Garza; Executive Assistant, Susie Trimmer; Manager of Membership Services, Tobi Coleman; Membership Services Supervisor (Shows), Melanie Rinehart; Membership Services Supervisor (Sire & Dam/Judges), Michelle Wrigley; Membership Services Supervisor (Futurity & Derby entries), Jennifer Hettinger; Supervisor of Youth Programs, Lindsey Childress; Programmer/Analyst, James Gant; Web Designer, Haley Carmen.

Guests: Becky Jordan, Wayne McDonald, Terry Owens, and Rod Miller.

CALL TO ORDER

The meeting was called to order at 8:15 a.m.

INTRODUCTION OF BOARD MEMBERS

Dell Hendricks welcomed everyone to the Board meeting. Everyone introduced themselves.

PRIORITY ONE

Dell Hendricks noted that the Priority One theme that was started in 2005 was a success. He stated that we will continue this policy in 2006 with one change. The theme previously stated "One Team, One Vision, One Direction". Dell stated that the biggest reason that most people get into the sport of Reining is because it is fun. The theme this year will state "One Team, One Vision, All Fun". A sample of the current logo and a sample of a new

logo were passed around for everyone to see. Kim Sloan moved to accept the new logo. Seconded by Mike Boyle. Motion passed.

APPROVE MINUTES FROM THE SEPTEMBER 17-18, 2005 MEETNG

Dell asked everyone to take a moment and review the minutes. Flis Sassella stated that Jim Morgan was in attendance at the September meeting but was not listed in the minutes as present. Bill Peel moved to approve the minutes as amended. Seconded by Dave Wilkins. Motion passed.

Dan wall stated that everyone will receive a copy of a draft of the minutes by the Friday following each Board meeting.

APPROVE MINUTES FROM THE GENERAL MEMBERSHIP MEETING OCTOBER 6, 2005

Chris Potter noted that Cowboy Central was listed as a sponsor that had renewed its contract. It was noted that line would be removed. Kim Sloan moved to approve the minutes as amended. Seconded by Mike Boyle. Motion passed.

FINANCIAL REPORT

Anne-Marie Burns, Finance Committee Chairperson, presented the December 2005 financial overview to the NRHA Board. Anne-Marie stated that she preferred to concentrate on the year to date numbers because they are more reflective of the actual activities for the year, and that the current financials were for a 6 month period, July 2005 thru December 2005.

Anne-Marie pointed out the G & A department has a positive variance to budget of \$155,177, but for the Board to understand \$62,000 of this variance was unrealized investment gains.

Anne-Marie explained that NRHA financials are in accordance with GAAP and this was the reason the NRHA booked unrealized investment gains. Frank Costantini asked Anne-Marie what GAAP stood for, and Anne-Marie stated that GAAP stood for Generally Accepted Accounting Principles. Anne-Marie also provided a brief explanation as to the significance of GAAP to the NRHA.

Anne-Marie discussed the Futurity performance against budget, and that approximately \$20,000 in unrecorded Futurity expenses were not included in the December Financials.

Anne-Marie continued to review each departmental year to date results against the budget, explaining the major items responsible for the variances.

Anne-Marie thanked the NRHA accounting staff for providing a very useful budgeting tool that has allowed the association to better manage its finances.

DEPARTMENTAL UPDATES

Membership Services – Tobi Coleman reported that Melanie Rinehart and Jennifer Hettinger were both promoted in December to Membership Services Supervisors. New staff just hired are May Reed and Danielle Olterman. Tobi stated that membership and licensing is just within the required two week turnaround time. The department is currently preparing for the Convention and for upcoming Show Management Seminars.

Tobi reported that as of January 3, 2006 there were a total of 5,630 members, down from 6,272 at the same time in 2005. She stated that new licenses and license transfers are also down over the same time period. There were a total of 13,495 members in 2005, up 4.9% over 2004.

Shows – Melanie Rinehart reported that in 2005 NRHA approved 575 shows worldwide. This is 52 more shows than in 2004. There were 92 international shows, 15 more than in 2004. Currently, there are 82 shows approved so far for 2006; 10 of which are international shows.

Futurity – Jennifer Hettinger reported that there were a total of 692 Futurity nominations for the 2005 Futurity. This is up 48 nominations over 2004. Jennifer stated that she is now going to start keeping track of the number of substitutions. She reported that there were a total of 84 substitutions at the 2005 Futurity. Jennifer stated that she does not yet have a number of nominations yet for 2006 due to the amount of nominations she has not yet processed. Marc Wagman stated that this year, the Futurity nomination form asked for an Open or Non Pro designation for statistical purposes. Jennifer stated that due to the amount of unprocessed mail, she did not yet have the statistics on that but would have it before the Convention.

Sire & Dam Program – Michelle Wrigley reported that 286 breedings have been donated so far for 2006 and 130 have been sold. She stated that \$116,900 has been collected to date. She also reported that in 2005 a total of 537 breedings were donated, 357 were sold and \$258,350. was collected.

A final Top Ten was provided for everyone's information.

2005 FUTURITY REPORT

Susie Trimmer directed the Board to the Futurity handout in their packets. She reported that the 2005 Futurity was a great success. Susie went over the successes in each area as well as areas of improvement for the 2006 Futurity.

Break 9:15 am

Reconvene 9:35 am

2006 DERBY CONDITIONS AND GENERAL CONDITIONS

Troy Heikes noted that a proposed schedule for the 2006 Derby had been handed out during the break. He noted that the schedule would stay same as 2005 except the pattern for the Non Pro, Intermediate Non Pro, and Limited Non Pro Derby finals would change to

pattern 5 and the pattern for the \$4,000 added Open would change to pattern 10. Troy also stated that exhibitor move in for the 2006 Derby would be at 6:00 a.m. instead of 8:00 a.m. He also stated that we may want to put an article in the *Reiner* regarding the renovations at the fairgrounds in order to keep members informed on what the plan is. Marc Wagman moved to approve the schedule with the amended patterns. Seconded by Kim Sloan. Motion passed.

It was decided to table the General Conditions until after lunch.

COMMITTEE REPORTS

Affiliate Committee – tabled until the end of the reports

Aged Events – Chair, Troy Heikes reported that the committee met on January 21. Two new members have been added to the list of committee members. Troy stated that the mission statement was reviewed as well as the 2005 goals. The committee set their goals for 2006 and reviewed the 2005 Futurity addressing concerns and discussed how to make the 2006 Futurity better and more exhibitor and spectator friendly.

Eligibility Committee – Chair, Kim Sloan reported that the committee met on January 21. Items discussed were worldwide eligibility, the introduction of new Youth and Non Pro classes, and a policy to determine how to handle money won in team competitions.

Finance Committee – Chair, Anne-Marie Burns reported that the committee met on January 21. Items discussed were credit card processing for the Futurity and Derby, 2006 goals, the mission statement, the IT Department's request for an additional program, and a review of the December financial statements.

Hall of Fame Committee – Chair, Marc Wagman reported that the committee did not meet; however, he did read the committee's mission statement and goals for 2006.

Information Technology Committee – Chair, Kim Sloan reported that the committee met on January 21. He stated that the committee is currently obtaining all information needed for reports that are requested by the Marketing Department and other staff and Board members. The committee discussed making the website more informative to prospective and current members. We will use the website to deliver to a broad base of people about being involved with western disciplines. Discussed implementing the Olympic Dream page.

International Affiliate Committee – Chair, Lance Griffin reported that the committee did not meet at the January meeting. He stated what the committee's goals are and reviewed the mission statement. Lance noted that this year, every country that has a National Association Affiliate will have a seat on the International Affiliate Committee. He would like the committee to be a more world-wide committee.

Judges committee – Chair, Rick Weaver reported that the committee met January 18. The committee developed their 2006 goals, updated the judges policy manual, and discussed the

2006 Derby patterns and judges. Rick stated that they developed subcommittees to target specific areas.

Closed Session 10:25 am

Rick presented to the Board a list of individuals who have recently passed the judges test. Following discussion, the Board voted to approve the list of judges with the exception of one person.

Break 10:50 am

Reconvene 11:02 am

Open Session 11:02 am

Dan Wall explained the difference between committee reports and minutes.

Rick Weaver finished his Judges Committee report.

Marketing Committee – Tabled until the end of committee reports

Medications Committee – Chair, Steve Harris reported that the committee met on January 21. He stated that there will be a follow up meeting at the Convention. The committee developed a mission statement and discussed goals for 2006.

Non Pro Committee – Chair, Marc Wagman reported that the committee met on January 21. They reviewed and updated their mission statement, planned goals for 2006, discussed Derby and Futurity pattern recommendations, reviewed the policy concerning reinstatement of Non Pro privileges, and decided that the Futurity Youth Division will be highlighted in the next “What Every Non Pro Should Know” in the *Reiner*. The committee will continue to consider the Prime Time conditions; Non Pro Derby entry fees, payouts, and added money; and develop topics for the Non Pro Forum at the Convention.

Owners Committee – Chair, Bill Peel reported that the Committee met on January 21. The committee discussed potential additional committee members, reviewed 2005 goals and accomplishments, and decided to continue the Top 20 Owners program and the Owners Buckle program. Future projects include owners press releases, developing an owners FAQ sheet, an owners section on the website, an owners brochure, review trainer’s agreements for owners information/interface, and enhancing the Futurity owners celebration.

Professionals Committee – Chair, Jeff Petska reported that the committee met on January 21. The goals for 2005 were reviewed and the committee discussed goals for 2006. They are currently discussing their stance on the drugs and medications policy and are drafting a policy for reinstatement of NRHA Professional status. Future projects include developing guidelines for clinics, reviewing the possibility of developing a Top 20 for Intermediate and Limited Open riders, and developing a questionnaire for all NRHA members to

compile information to help the committee focus on getting more trainers enrolled and involved in NRHA Professionals.

Rules and Regulations Committee – Chair, Flis Sassella reported that the committee did not meet at the January meeting. She did review the mission statement and goals for 2006.

Sale Committee – Chair, Troy Heikes reported the committee did not meet at the January meeting. Troy noted the committee's accomplishments in 2005 and the goals for 2006. He reported that the Futurity sales were very successful. The sales grossed over \$4 million.

Sire & Dam Committee – Chair, Vaughn Zimmerman reported that the committee met on January 21. They reviewed their mission statement, discussed Sire & Dam revenue and program participation, as well as the possibility of increasing revenue through online bidding or raising the sale percentage.

Sponsorship Committee – Chair, Sam Houston reported that the committee met on January 21. The committee is currently working on maintaining all current sponsors, creating a plan to specifically target Oklahoma City sponsors, conducting a sponsorship retreat, creating a sponsorship magazine, creating a plan of action to target specific sponsors, and creating a sponsorship promotional video. Sam also reported that *Horse & Rider* magazine is not renewing their sponsorship. Future projects include working on creating a plan to send NRHA representatives annually to Denver market to attain new sponsors, creating a video that will be tailored to specific potential sponsors, developing an outline for different levels of sponsorship, and creating an Associate level sponsorship.

Youth Committee – Chair, Walter Fuchs reported that the committee met on January 21. They reviewed their 2006-2007 budget, reviewed the NRHyA Handbook, discussed making the by-laws and regulations electronic, discussed directing fundraising money toward Youth programs instead of the Scholarship fund due to a large reserve of money, and discussed developing a brochure to promote NRHyA at the Equine Affair. Future projects include the Year of the Youth, preparing a marketing and activities budget, developing a youth conference, inviting 4-H and FFA kids to have a field trip during the youth classes at the Derby and Futurity to watch and support their peers, and developing a short stirrup class for younger youth.

Lunch break 11:52 am

Reconvene 12:54 pm

Affiliate Committee – Chair, Mike Boyle reported that the committee met on January 21. The committee developed a marketing plan for the Gold Star Affiliate Program, reviewed and approved two new affiliates and submitted them to the Executive Board for approval, outlined the Affiliate Congress at the convention, developed a timeline and procedure for US redistricting, and voted to include Mexico for participation in the 2006 North American Affiliate Championships. Future projects include reviewing a draft of an Agreement of Affiliation and submit it to legal counsel for review, completing the US redistricting

proposal and submit to the Executive Board for approval at the August meeting, and developing a timeline to establish a regional affiliate finals in Mexico.

Marketing Committee – Chair, Dave Wilkins reported that the committee met on January 21. They discussed continuing to sponsor the trophy at the WRCA finals as well as a new ad campaign for the 40th anniversary of NRHA. Dave reported that to date, 99 silver and gold plated buckles and 34 sterling silver buckles have been sold. He also stated that logo wear is now up on the website. Future projects include getting a trophy made to use at events that ask us to sponsor a trophy, getting a membership retention program started, and producing a packet to go into new membership packets to show members sponsorship benefits. Dave then presented the Board with the results of the demographic survey that was recently done.

DERBY GENERAL SHOW CONDITIONS

Staff presented the Board with a draft of the General Show Conditions for the Derby. It was asked if substitutions should be the same for ancillary classes as it is for Derby classes. It was suggested to completely remove substitutions from the ancillary classes. Troy Heikes moved to approve the conditions as amended. Seconded by Dave Young. Following discussion the issue was tabled for discussion and approval at the Convention.

RHSF UPDATE

Frank Costantini reviewed the accomplishments of the RHSF in 2005. He stated that 2006 will be the Year of the Youth. The Executive Board approved the RHSF Board members. They are still considering raffling a 1966 Mustang at the Futurity. The Gala netted approximately \$80,000. Doug Carpenter noted that the RHSF will be planning a wild game hunt sometime this year in Cheyenne, OK.

CONVENTION UPDATE

Lindsey Childress stated that the hotel is nearly full, so if anyone hasn't made their reservations they need to do so as soon as possible. It was noted that time and rooms have been reserved for committees to have formal meetings.

OCTOBER MEETING DATES

Dell reported that there will not be a September Board meeting, however, the Executive Board will meet October 11-12.

2008 CONVENTION SITE

Dan Wall reported that we lost the hotel at Nashville for the 2008 Convention. The Executive Board voted to research sites in New Orleans.

Closed Session 1:43 p.m.

UPDATE ON PROTESTS AND HEARINGS

Dan Wall updated the Board of Directors on current protests and hearings that were held at the Executive Board meeting January 19 and 20.

There being no further items to discuss, the meeting was adjourned at 1:48 p.m.

Respectfully submitted by Susie Trimmer, Executive Assistant.