

**NATIONAL REINING HORSE ASSOCIATION  
MINUTES OF THE EXECUTIVE COMMITTEE  
NRHA Office**

**Friday, November 12<sup>th</sup>, 2010 & Saturday, November 13<sup>th</sup>, 2010**

**Approved 01/14/2011**

- I. **Call to Order** by President Rick Weaver at 9:50 a.m.
- II. **Roll Call:** President Rick Weaver, Allen Mitchels, Terry Griffin, Mike Hancock and Dale Lopp.

**Guest:** Rick Clark and Kit Cospers

**Not present:** Beth Himes, Rosanne Sternberg and Mark Schols.

**Staff Present:** Executive Director Dan Wall, Chief Financial Officer John Foy, Executive Assistant Debby Hutchinson, Chief Operations Officer Dennis York, and Sr. Director of Publications Carol Trimmer.

President Weaver gave a warm welcome to guest Rick Clark and Kit Cospers and thanked them for their participation. He stated it would make their transition between board and executive committee easier.

President Weaver asked that we compile materials as the meeting proceeds for Rosanne Sternberg and Beth Himes who will arrive later today.

**II. APPROVE MINUTES:**

- A. August 16, 2010 Executive Session Minutes of the Executive Committee Conference Call – Mike Hancock moved to approve the minutes. Seconded by Dale Lopp. Motion passed unanimously.
- B. August 19<sup>th</sup> & 20<sup>th</sup>, 2010 Minutes of the Executive Committee – Mike Hancock moved to approve the minutes. Seconded by Dale Lopp. Motion passed unanimously.
- C. August 25 & September 9, 2010 Minutes of E-Mail Votes of the Executive Committee – Allen Mitchels moved to approve the minutes. Seconded by Terry Griffin. Motion passed unanimously.
- D. September 16, 2010 Executive Session Minutes of the Executive Committee Conference Call – Terry Griffin moved to approve the minutes. Seconded by Dale Lopp. Motion passed unanimously.
- E. October 11, 2010 Executive Session Minutes of the Executive Committee Conference Call – Dale Lopp moved to approve the minutes. Seconded by Terry Griffin. Motion passed unanimously.

- F. October 20, 2010 Executive Session Minutes of the Executive Committee  
Conference Call – Mike Hancock moved to approve the minutes. Seconded by Terry Griffin. Motion passed unanimously.

### **III. FINANCIAL REPORT:**

The audited financial statements were reviewed and NRHA CFO John Foy provided an overview. Paragraph 3 of the Independent Auditor's Report was read to the Executive Committee and is the opinion paragraph, and in layman's terms states NRHA has a clean audit report and the financial statements fairly present the financial activities of NRHA and RHSF. The audited financial statements were posted to the NRHA member website in accordance with NRHA bylaws and the NRHA Board of Directors has fulfilled their fiduciary responsibility to the NRHA membership as it relates to the audited financial statements. The audit journal entries did not materially impact the June 30, 2010 financial results which were previously presented. John noted that on an operating basis (results before unrealized gains and losses), NRHA lost 117,912, Reiner department was the largest driver of this result, Reiner was \$139K below budget. This is concerning; however, NRHA has \$1.374M in net equity, strong cash position (\$5.1M), and as of 6/30/10 \$988K in investments, Investment account balance as of 10/31/10 is \$1,127,630. John noted he was directed at a previous meeting to secure NRHA's cash John noted \$1.2M was recently invested in secured CD's with multiple banks and that NRHA does need to be liquid as we move towards the Futurity. The Dodd-Frank Act that was previously passed by Congress becomes effective 12/31/10, as result of this act and the secured CD's that are currently in place, NRHA's cash will be fully secured.

John then reviewed the September 2010 Profit and Loss overview. John noted the first quarter for NRHA is a quarter in which NRHA has no major event like the Futurity and Derby. G & A is \$151K ahead of budget, \$65K of this variance is sponsorship billing which was generated earlier than when the billing was budgeted, the remaining G & A variance is due to a multitude of positive variances within the expense line items. John noted that some of the G & A expense line items are budgeted on a straight-line basis and the current positive variance on expenses would reverse to some degree. The Reiner department has a positive variance to budget, mostly driven by the Dartmouth printing contract Dan Wall recently renegotiated. Inside Reining has a nice positive variance but some expense is outstanding. Rick Weaver suggested pitching the young rider USEF/FEI expense to Adequan. Managed events has a large positive variance to budget and this variance will reverse itself as all WEG expenses are finalized. John cautioned the Board that NRHA currently has a very large positive variance to budget, but that for the reasons presented earlier, he would anticipate given the information available at this time for NRHA to operate close to budget on a fiscal year basis.

John then reviewed the Key Economic Indicators report for October 2010 and noted fewer items are on alert. Memberships and competition license statistics although not up, are not significantly down. Nominations are in track with prior years and Futurity entries are strong. Reiner advertising is up slightly over prior year, and the digital Reiner has an enormous

advantage to advertisers by offering a variety of enhancements. As previously discussed, investments continue to perform well.

**Break 10:47/11:30 a.m.**

**Reconvened 11:30 a.m.**

*Michelle Wrigley joined the meeting*

## **V. NEW BUSINESS**

### **IT REPORT**

Terry Griffin provided a handout and gave the IT Report. Goals for the IT Project were developed with an integrated system which allowed the Membership Services and Accounting Departments to communicate to one another and provide seamless integration. There have been numerous accomplishments for the organization. They have migrated to a new accounting software package and hardware. We will continue to stay on Horse Shows for Windows through the Futurity. We anticipate going live December 13, 2010. There are numerous advantages to parallel testing in Memberships, Horses, Reports and Security Roles & Rights. We need to continue the dedication on the project. We are within our budget figures to the end of the year. Biz Data will continue on the project until the end of the year to get the system up and running. Chief Financial Officer Foy has expressed concerns for going live in this time frame due to the difficulties it will cause his department, with end of year deadlines that must be met in a timely fashion.

Terry Griffin expressed the need to go live before the end of the year as she will not be able to dedicate as much of her time to the project in the New Year as she has other areas of commitments.

**12:00 noon break for lunch**

**Resumed at 12:41 p.m.**

### **REVIEW TASK FORCE ASSIGNMENTS**

The 2010 NRHA Task Force List was discussed We will repopulate the Sire & Dam Task Force. Karen Shedlauskas and Terry Griffin met at the Derby and the task force provided her the necessary information.

The Eligibility Task Force is waiting on data, per Dale Lopp. Leave all task forces in place except the Sire & Dam Task Force. Karen Shedlauskas will be the Staff Liaison. The Events Management Task Force is planning to hold a meeting at the Futurity. We need to form a task force to review the election procedures and make recommendations to the Bylaw Committee.

*Tab 13 Karen Shedlauskas joined the meeting by telephone at 12:59 p.m.*

### **SIRE & DAM PROGRAM PROPOSAL**

Karen gave an overview of her report dated October 12, 2010 regarding the Sire and Dam proposed changes that would be beneficial to the organization. Advertising needs to move into the digital age as the entire program would be enhanced if members could do their own searches within the Sire & Dam program based on program year, sire and/or dam. There is confusion by members in the Sire & Dam nominations program that we need to identify foals thru the program. Sire and Dam foals need to be included on the year end list of nominations with a Sire & Dam designation.

Offering a tiered donation program to stallion owners would be a nice added benefit to the Sire & Dam program. If stallion owners donate a predetermined minimum number of breeding's at 60% and additional breeding's could be sold in the program at a lower donation amount. This would bring in additional income to the program and still allow the stallion owner to recognize some profit, which in turn would encourage additional donations. This would allow the stallion owner to offer an incentive to a "Blue Chip" mare that might otherwise demand a free breeding. Also developing and implementing a European Sire & Dam program in concert with the European Nomination program. This aspect would bring additional revenue to the organization and offer Europeans a more complete NRHA experience.

*Michelle Wrigley joined the meeting at 1:24 p.m.*

A directive was given to Karen Shedlauskas to close the upcoming auction at 5:00 p.m. and provide her with timelines for completion of suggestions.

*Karen departed at 1:30 p.m.*

Discussion was held about these topics and it was decided that Allen Mitchels, Terry Griffin and Karen Shedlauskas will discuss a working group for these issues.

**Break 1:45/1:56 p.m.**

*Jessica Johnson joined the meeting at 1:45 p.m.*

### **IV. OLD BUSINESS**

#### **NON PRO DECLARATION**

The description of horse on the ground or astride was discussed in depth. Michelle Wrigley felt it would be impossible to regulate. In the definition, commas are to be added after lunging.

Mike Hancock moved to have clarification Section B. inserting astride under clarification and submit as an informational change and send the recommendation to the Board of Directors for approval. Seconded by Allen Mitchels.

Michelle Wrigley discussed the Non Pro Definition. Jessica Johnson provided information to the Committee noting the Non Pro Declaration wording should be changed as follows:

- c) Employees of reining horse training operations may be considered Non Pro provided they do not teach reining horse riders or train reining horses that are outside of their immediate family ownership.
- 1) Any preparation of a horse on the ground, including lunging, or astride at a walk is not considered training.
- d) A person who has not given instruction on showing or training of a performance horse for direct or indirect remuneration within the past 5 years.

The Executive Committee made a recommendation to forward the necessary changes to the Board of Directors.

Dale moved to send the Non Pro Declaration forward to the Board of Directors for approval. Mike Hancock seconded. Passed unanimously.

*Michelle Wrigley and Jessica Johnson departed at 2:20 p.m.*

#### **REINER – SHOW RESULTS**

Carol Trimmer addressed the policy on show event coverage in the *Reiner* magazine. It is required by the US Postal Service that the magazine consist of 40% editorial while 60% is advertising. The committee gave a directive to Carol Trimmer to continue doing the results as done in the past.

*Melanie Rinehart entered at 2:30 p.m.*

#### **2010 MEXICO RAF REPORT**

Melanie Rinehart provided a report on her trip to Mexico. Everyone there was very receptive to the NRHA sending a representative and showed much interest in NRHA and the sport of Reining. They are moving to a new facility shortly as they are out of stalls at the current location. A new affiliate will be starting in the area very soon. The Regional Affiliate Finals will count toward the AQHA trailer race next year. Our total revenue increased from \$8,000 in 2009 to \$9,225 in 2010 which can be contributed to onsite member services.

*Melanie Rinehart departed at 2:33 p.m.*

#### **2010 NRHA GERMANY FUTURITY REPORT**

NRHA Germany asked for a rule clarification which will read as follows, “The first rule says the score is final 30 minutes after the class” where the second says “they have until the end of the day to ask the judge to look at the video.” The handbook was reviewed on page 70 and 135.

*Michelle Wrigley entered at 2:40 p.m.*

Michelle Wrigley stated the terminology in number 10; page 70 of the handbook was incorrect. It should read “last horse of the class is last horse of the day. 1 hour to post – 30 minutes after class.”

*Michelle Wrigley departed at 2:45 p.m.*

**Break 2:47/3:05 p.m.**

*Frank Costantini entered at 3:05 p.m.*

### **2011 USEF OPEN, YOUTH & NAJYRC BIDS**

The USEF placed bid requests for the 2011 USEF Open, Youth and NAJRYC. Executive Director Wall recommends applying for the youth championships and NAJYRC qualifying competition. The question was asked what will be the cost to the NRHA. It pays for itself.

A directive was given to Executive Director Wall in support of this initiative and to bid and hold the youth championships & NAJYRC at the Derby.

*Michelle Wrigley, Jessica Johnson, Christa Morris and Todd Barden entered at 3:11 p.m.*

## **V. NEW BUSINESS**

### **WORLD EQUESTRIAN GAMES (WEG) RECAP**

On the business plan for 2010, WEG was our number one task and was accomplished beyond our expectations.

Frank Costantini asked how much was spent for the WEG. Frank was informed that RHSF spent approximately \$203,000. NRHA and RHSF spent approximately \$436,000 combined.

*Brian Bendele joined the meeting at 3:30 p.m.*

Executive Director Wall praised the success of the World Equestrian Games and the NRHA employee's who have worked and dedicated themselves for two years in preparation for the games. They are what made the games a success. NRHA employees that kept the office running while his team completed the necessary task at the WEG made an overall effort to be successful. CFO Foy provided a second handout and discussed the reconciliation of RHSF and WEG activities.

Christa Morris and Todd Barden presented a DVD they put together showing the highlights of Ride a Reiner and competition.

*John Foy departed at 4:00 p.m.*

*Christa Morris, Todd Barden, Brian Bendele, Jessica Johnson and Michelle Wrigley departed at 4:05 p.m.*

#### **NAAC/EAC FUNDING PROPOSAL**

The NAAC has been enormously successful. NRHA is looking at the possibility of using the same model used by the USTRC to build added money. The concept is to retain \$5 per entry which would go into the added money at the Championships for that respective class. Executive Director Wall stated the motive is to support affiliate and membership development component of the business plan. This will allow continued growth and success in grassroots and the affiliates globally. This is a novel concept and would help the affiliates in several ways.

*Rosanne Sternberg joined the meeting at 4:19 p.m.*

#### **FEI GENERAL ASSEMBLY UPDATE**

Frank Costantini gave a report on his trip to the FEI General Assembly held in Taipei, Tiwain.

Princess Haya Al Hussein was reelected as President and the hierarchy remained unchanged. John McElane, DVM is the first Vice President, Pablo Mollarca, Attorney second Vice President. The Reining Committee consists of Anat Kirschner, Jan Boogaerts, Johannes Oregeldinger, Bill Brewer and Bob Thompson Chairman. A new FEI office has been provided by Princess Haya Al Hussein. Frank Costantini has served eight years on the Reining Committee and his term has been completed. He expressed his appreciation for the opportunity to serve in this capacity.

*Brian Bendele entered at 4:53 p.m. and departed at 4:55 p.m.*

**Adjourned at 5:05 p.m.**

**November 13<sup>th</sup>, 2010**

**Reconvened @ 8:15 a.m.**

*Frank Constantini and Christa Morris joined the meeting @ 8:15 a.m.*

#### **Roll Call**

VI. President Rick Weaver, Allen Mitchels, Terry Griffin, Mike Hancock, Beth Himes, Dale Lopp and Rosanne Sternberg.

Guest: Rick Clark and Kit Cosper

Not present: Mark Schols.

Staff Present: Executive Director Dan Wall, Chief Financial Officer John Foy, Executive Assistant Debby Hutchinson, Chief Operations Officer Dennis York, and Sr. Director of Publications Carol Trimmer.

### **MEDICATIONS UPDATE**

Rick Weaver discussed the task force recommendation that was presented in June. The task force members, all offering a variety of expertise, include: Dr. Dave Frisbie who is with Equine Sports Medicine and Colorado State University; Dr. Harry Werner is past president of AAEP and has great wisdom and communication; Jeff Petska has been the Chef d'Equipe for Team U.S.A. at three World Equestrian Games and is an NRHA and AQHA judge, Mike McEntire is an NRHA Professional, Lindy Burch is an NCHA past president, Bernard Roland is a CSU Ethics Professor and Task Force consultant Dr. Steve Schumacher is with the USEF Equine Drugs and Medications Program and works with multiple associations in testing and governance.

The task force discussed using other association's policies as a starting point in creating a policy for NRHA. The task force agreed the USEF policy was the best model to use with three adaptations regarding lidocaine, banamine and non steroidal anti-inflammatory drugs (NSAIDS). In addition, the USEF policy has several resources that explain to members how medications can and cannot be used for competition horses. Psychotropics (tranquilizers) were a big part of the discussion. Weaver stated the task force recommendation does not allow their use in competition since a policy that allows them cannot be publicly defended.

Discussion continued on the subject of penalties and fines. Weaver stated that there isn't an industry standard for either. Therefore, NRHA can develop appropriate fees and penalties as it sees fit. Penalties can be enforced by the Hearing Body or a "body" to be determined by the Board. We may need to consider appointing a veterinarian to the hearing body for 2011. The penalty phase will be tied into our current disciplinary procedures. We will need to discuss whether or not to publish standardized fines since there may be mitigating circumstances with some cases. We may need two tiers of penalties so we can adjust if needed for mitigating circumstances. We also need to be sure to consider how a policy would affect Europe.

In the new policy, horses competing at an NRHA approved show are subject to examination and testing by a licensed veterinarian who must be appointed by the Director of the Equine and Medications Program. For the conditional use of therapeutic medications (i.e. repairing a laceration prior to competition), we will need to have a medications form filled out and have it witnessed by an official veterinarian and steward.

The intent remains to submit a proposal for a 2012 rule change. The language of the current draft needs to be cleaned up and then sent for a legal opinion.

**BREAK 9:49/10:15 p.m.**

**CLOSED SESSION**

**BREAK 11:09/11:19 p.m.**

**INSIDE REINING**

*Jennifer Reynolds-Cook and Rick Ford joined the meeting.*

Todd Barden gave an update on Inside Reining and HRTV. The 2011 goals will be to focus on programming, training and event coverage, one hour live to tape Futurity Program, create subscription based website, education source for entry level Reiner's, entry level/Green as Grass show promotion, Milestones/Hall of Fame, Reining News. He provided financial information on the net income, additional revenues and costs that may be incurred. NRHA is also conscious of major competitors emerging within the industry.

Terry Griffin made a motion to recommend to the board HRTV proposal. Seconded by Beth Himes. Approved.

A directive was given to Todd Barden to provide Executive Director Wall with a monthly report.

*11:40 a.m. Jennifer Reynolds Cook, Rick Ford and Todd Barden departed the meeting.*

*11:45 a.m. Jessica Johnson and Michelle Wrigley joined meeting.*

**IV. Old Business:**

**SHOW APPROVAL POLICY**

Executive Director Wall provided an overview of the Show Approval Procedures and how this will impact the World Championship title.

After discussion the EC gave directive to staff to send a letter out to show secretaries and affiliates noting our intention to be more strict in enforcing guidelines outlined in the Handbook.

**2011 JANUARY BOARD OF DIRECTORS MEETING**

The 2011 meeting bid has been tabled.

The Executive Committee thanked Rick Weaver for his wisdom and experience that he provided to the group during his two year term as President. They appreciated his excellent leadership and presented him with a gift for his service to the organization.

**Adjourned at 1:00 p.m.**

*Respectively submitted by Debby Hutchinson, Executive Assistant.*