

**National Reining Horse Association  
Minutes of the Board of Directors Meeting  
Best Western Saddleback Inn  
November 13, 2010**

**Approved 1/15/2011**

**PRESENT:** President Rick Weaver; Allen Mitchels, Terry Griffin, Mike Hancock, Beth Himes, Dale Lopp, Rosanne Sternberg, Rick Clark, Frank Costantini, Nancy Eppers, Tim Lynch, Michael Martin, Josh Visser and Brett Walters.

**Web cast:** Andre DeBellefeuille, Lee Foster, Jennifer Hoyt, George King, Michael Martin, Dan McGregor and Robert Welle.

**NOT PRESENT:** Mark Schols, Susy Baeck, Susan Camfferman, Julia Cowan, Luis Cruz, Roberto Cuoghi, Mike Deer, Katarina Dorminy, Tom Foran, Helmut Gerstenberg, Arie Huijberts, Matt Livengood, Raul Leal Cavazos, Matt Mills, Katharina Quinte, Rick Ramsey, Helmut Schulz, Woody Taylor, Guy Vernon and Flemming Winberg.

**GUESTS:** Kit Cospers, Don Yeager, Forest Wood.

**STAFF:** Executive Director Dan Wall, Chief Financial Officer John Foy, Chief Operations Officer Dennis York, Sr. Director of Publications Carol Trimmer, Executive Assistant Debby Hutchinson, Reiner Assistant Editor Katie Hendrickson, Reiner Production Coordinator/Designer Bucky Harris, Accounting Manager Chris Mossman, Sr. Director of Sponsorship and Television Programming Todd Barden, Manager of Marketing and Communications Christa Morris, Website Designer & Internet Marketing Specialist Haley Carmen, Manager of Events & Shows Melanie Rinehart, Manager of Member Services & Judges Program Michelle Wrigley, Show Department Supervisor Jessica Johnson, Member Services Representative Futurity/Derby Nomination Program Leigh Stevenson, Manager of RHSF and Youth Program Brian Bendele, Assistant RHSF & Youth Shianne Megel, Affiliate & International Programs Coordinator Hannah Spitler and Member Services Representative McKenzie Nygren and European Programs Advisor Nick Cornelissen (Web).

**No Quorum/SUPERMAJORITY**

**CALL TO ORDER**

President Weaver called the meeting to order at 2:05 p.m. Roll was called and a SUPERMAJORITY was announced.

President Weaver expressed how well the Board of Director's performed over the last two year.

**“You will be measured by what you build, not by what you tear down.”**

“This is how I've started every meeting during my tenure. The last two years, it is astonishing to think what you have built. You elected a new governing body. During this journey, you let personal thing go and jumped in to get the job done. If problems or conflicts arose they were

dealt with in Board Meetings. The NRHA staff at WEG was the best overall, well dressed, professional organization there. Look each other in the eye and remember the membership had confidence in you. This has been a great experience and I hope you continue on this path. I enjoyed this part of the journey with you.”

### **APPROVE MINUTES**

August 21, 2010 Motion to approve Dale Lopp. Seconded by Mike Hancock. Approved unanimously.

August 21, 2010 Motion to approve Dale Lopp. Seconded by Rosanne Sternberg. Approved unanimously.

October 14, 2010 Motion to approve Beth Himes. Seconded by Michael Martin. Approved unanimously.

*Andre DeBellefeuille joined the meeting @ 2:20 p.m.*

### **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. Managed events have 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.

### **OLD BUSINESS:**

#### **EUROPEAN FUTURITY JUDGE SELECTION**

This issue was tabled from last conference call due to no international representation.

Allen Mitchels moved to accept the recommendation. Seconded by Brett Walters. Approved unanimously.

### **NEW BUSINESS:**

#### **NRHA INSIDE REINING**

Todd Barden/Rick Ford presented the Inside Reining recap. We came in on budget. Going forward, the show will be more educational and have more event coverage and new changes to the website. Reining is threatened by other productions that include misinformation. The HRTV contract allows for more NBC coverage if NRHA should so choose. In spite of all the problems Marketing and Sanbur figured out a way to stay on budget and took care of NRHA.

More information is on the internet today than ever before about Reining. We are proud of our sport and want to move forward. More training DVD's and lifestyle pieces are forthcoming. We want to educate the viewers more and become more inclusive. We want our sport to go even farther. Reining workshops are coming out of the woodwork. *Equestrian Life* is a competitor, and shoots for free and is putting up numerous training DVDs.

Allen Mitchels moved to renew the Sandbar and HRTV contracts and to continue with Inside Reining. Seconded by Dale Lopp. Unanimously approved.

#### **WEG RECAP**

Todd Barden and Christa Morris put together a DVD from the WEG. Listen to the words of the song "What are we waiting for" Ride A Reiner at WEG. Comments from a variety of Board members were expressed: The NRHA Staff was phenomenal. WEG was awesome. It was great. Thank goodness for the Reining, they took home the Gold!!! The global economic crisis impacted all disciplines. The quality of riders and the competition was great. Thrilled to be a part of WEG and support Reining and put our best face forward. It was the highlight of my year. Reining Rules! The dream started when we went to Rome in 1998, the quality was great. It was really a thrill! Executive Director Wall shared this was his third WEG games and his role was as Technical Delegate. He thanked the volunteers and staff for their outstanding work done at WEG and by maintaining a staff that kept the office going. He thanked everyone for making this event successful.

Christa Morris explained Facebook, blogging activities and the social atmosphere. If you have time to check out our blog, go to Reining.com and read the closing comments. Our traffic is still up with a 2% increase. The Cowboy Gala party was lots of fun.

BREAK 3:26 – 3:45 p.m.

## **IT UPDATE**

Dennis York gave the update. Parallel testing is in its last phase. The Membership, licenses, shows and accounting departments are integrated into one system. We will still have a data retain ability and be able to build reports in the new system. Nothing will be deleted in the new system. The new software is finishing integration into Great Plains. Nothing will be able to be deleted on the new system. The horse sale model should be up by the end of the year. Our go live date is scheduled for December 13, 2010. The horse sale, web portal and horse show program most likely won't be ready to go live right away. The scope of the project has grown since we began. The budget is about 20% over on projection and hasn't increased since the previous update.

## **MEDICATIONS**

Rick Weaver, Christa Morris and Executive Director Wall attended the meeting with the task force and revisited the recommendation that was presented in June to the Board (handout summary). The task force included: Dr. Dave Frisbie who is with Equine Sports Medicine and Colorado State University; Dr. Harry Werner is past president of AAEP; 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. Their goal was to develop a policy specifically for the reining horse. The task force started their discussion by talking about the use of psychotropics. They agreed they are helpful with anxiety management, but we cannot publicly defend a policy that allows their use in competition. Therefore, Weaver stated the recommendation does not allow the use of psychotropics. The overall recommendation is to adapt USEF rules to fit our sport while always considering the welfare of the horse. One adaptation will be to allow the use two non steroidal anti-inflammatory drugs (NSAIDS). Others include the use of banamine and lidocaine. A rule change draft was not completed prior to this meeting, but one will be distributed soon. The plan remains to present a proposal in time for a 2012 rule change in February 2011. The Executive Committee will host town talks to inform the membership and make any changes prior to the rule change vote in June. The Board will be sent the draft prior to approve and then it will be sent on to the membership. In addition, the *NRHA Reiner* will receive information prior to any other media.

Mike Hancock moved for the Board of Directors to receive the April 22, 2010 Medications Task Force Report and the Medications Policy Summary with the final draft to be presented at the next Board of Directors meeting as a rule change submittal. Due to the sensitivity of the information and our desire to disseminate the information in the best interest of the NRHA, the information will be held as confidential until released by the Executive Committee. Seconded by Rosanne Sternberg. A roll call vote was taken. Passed unanimously.

### **FEI UPDATE**

Frank Costantini gave an update of his trip to Tai Pei and thanked the board for allowing him to serve on the FEI Reining Committee for the past eight years. He felt NRHA's position is clear and will continue to move forward. Rick Weaver noted Frank's tremendous contribution to the NRHA.

### **2010 FUTURITY SCHEDULE**

Melanie Rinehart gave the recommendations for the Futurity Schedule. Beth Himes moved to approve the scheduled changes as recommended by Events Management. Seconded by Tim Lynch. Passed unanimously.

Allen Mitchels advised that Beth Himes and Terry Griffin will be the point Executive Committee members for any issues that arise at the Futurity.

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

For information purposes: The Affiliate Summit will be the last Thursday of the Futurity. A forum for the affiliates to talk with the Executive Committee and Board of Directors about issues or concerns they have and share ideas. Materials probably won't be ready for the Affiliate Summit. Executive Director Wall would be willing to work with the task force to come up with more details.

Rick Clark explained changes to the 2011 NAAC Conditions and a roster will be submitted to the NRHA rather than the other way around. Eastern Canada – Ontario RHA 2012, Western – Central Canada RHA 2012. The Affiliates Circuit Series as revised and recommended by the Affiliate committee. Frank Costantini moved to accept the changes on the proposal. Seconded by Nancy Eppers. Motion Passed.

Tim Lynch moved to except the Executive Committee's recommendation for disbanding the Sire & Dam Task Force. Seconded by Beth Himes. Motion passed unanimously.

Mike Hancock moved for the contract with the Italian RHA to host the NRHA European Derby be extended to three years, notifying the NRHA if they are not going to host the event and to provide an 11 month notice. Seconded by Beth Himes. Approved unanimously.

### **DEPARTMENTAL UPDATES**

The Show Department updates were given by Jessica Johnson. Futurity updates were given by Leigha Stevenson and Michelle Wrigley gave the Sire and Dam update.

Frank Costantini requested NRHA Futurity payouts be sent to him.

### **2011 JANUARY BOARD BIDS**

The January Board meeting will be in Las Vegas. One bid hasn't made it in, so this item will be tabled until we receive the second bid.

**NON PRO DECLARATION**

The Executive Committee clarified the definition by adding astride to the declaration form.

Staff and Kit Cospers departed at 5:40 pm

Closed Session