

NATIONAL REINING HORSE ASSOCIATION
MINUTES OF THE EXECUTIVE COMMITTEE
South Point Hotel and Casino
Las Vegas, Nevada
January 13-14th, 2011

Approved 4/9/2011
Amended 7/14/2011

January 13, 2011

Present: President Allen Mitchels, Beth Himes, Rick Clark, Kit Cosper, Terry Griffin, Dale Lopp, Rick Ramsey, Rosanne Sternberg

Not Present:

Guest:

Staff: Executive Director Dan Wall, Chief Financial Officer John Foy, Chief Operations Officer Dennis York, Director of Marketing & Communications Christa Morris, Manager of Events & Shows Melanie Rinehart, Show Department Supervisor Jessica Johnson

Call to Order

President Allen Mitchels called the meeting to order at 1:04pm.

President Allen Mitchels welcomed the 2011-2012 NRHA Executive Committee members and thanked them for their participation and involvement. Mitchels explained the importance on focusing and completing key priorities, as outlined in the business plan, and avoid "spinning wheels" on minor issues. NRHA Executive Committee should focus on tying business plan, actions and activities back to NRHA objectives. The ability to make decisions and stand behind our decisions is very important. The NRHA Executive Committee must have the ability to make viable decisions, by gathering all available information, and confidently standing behind that decision. Dan mentioned the importance of standing behind a vote, even if the proposal wasn't unanimously approved. The group philosophy is imperative to NRHA.

Mitchels asked staff members to perform monthly reports to NRHA Executive Committee explaining the progress and meetings of task forces, additional and standing committees. In addition, Mitchels asked staff to alert the Executive Committee if standing or additional committees are not meeting on a monthly basis. Chairs of task forces and committees will be included on the update as a reminder of needed activities or reports of concluded items. The alert system will aid staff and committees by keeping them on task throughout the year.

Approve Minutes

November 12-13, 2010 – Tabled until amended changes can be reviewed.

November 13, 2010 – Beth Himes motioned to approve as amended. Seconded by Dale Lopp. Motion passed unanimously.

November 13, 2010 – Dale Lopp motioned to approve as amended. Seconded by Rosanne Sternberg. Motion passed unanimously.

November 17, 2010 – Beth Himes motioned to approve. Seconded by Terry Griffin. Motion passed unanimously.

November 22, 2010 - Tabled until amended changes can be reviewed.

December 15, 2010 –

December 15, 2010 -

December 21, 2010 –

December 21, 2010 -

Dale Lopp motioned to approve minutes for December 15 and 21. Seconded by Terry Griffin. Motion passed unanimously.

Financial Report

NRHA CFO John Foy reviewed the December 31, 2010 Profit and Loss overview. John noted that NRHA operates on a fiscal year; consequently the NRHA Futurity is not the final item of the year. NRHA Futurity finances were reviewed as presented. According to the financial information gathered, NRHA showed a positive variance for the Futurity (\$98,832). Slight variances may be seen with the continued arrival of invoices and estimated items not reflected in the financial overview. Overall the Futurity was a very successful event. The sale budget was based off of prior year's finances, causing a variance in budget. Overall, the 2010 Futurity sale increased, showing a variance in budget of \$30,470. Managed Events, which included the Shootout, were presented. The budget for the Shootout was completed prior to the Shootout conditions being completed. This created a variance in budget. Executive Director Dan Wall asked John to breakout ticket revenue for only the Shootout to get an adequate estimation of the events performance. The budgeting for the World Equestrian Games (WEG) was very well done, showing less than 1% variance. Dan reminded the EC that the money for WEG was backed from prior years. President Allen Mitchels asked where the money spent to support the RHSF was reflected – Dan stated that it was only an agreement and was not reflected in the budget breakout. Overall, NRHA shows a positive variance in budget of \$217,952 from the four events previously mentioned.

Conversation from WEG continued into the Reining Horse Sports Foundation (RHSF) budget. The financial report for RHSF shows total WEG expenses, which reflects total money spent by RHSF. Net deficit for WEG is \$57k, which could see expansion if we do not offset with unrestricted funds. Dan explained the original agreement between RHSF and NRHA and how the line of credit available to RHSF has not yet been transferred. RHSF will pay back NRHA through fundraising efforts.

Old Business – Hard Rock Reining Classic

EC discussed proper cancellation procedures. Kit Cospers brought to the Executive Committee's attention that proper procedure was not followed because Frank Marley cancelled prior to receiving Executive Committee approval. Rosanne Sternberg motioned that Frank Marley is fined \$250 for cancelling the show prior to Executive Committee approval and a letter will be mailed to address proper procedures of show cancellations. Seconded by Terry Griffin. Motion passed unanimously.

Break at 2:08

Reconvened at 2:26

New Business:

FEI update

Executive Director Dan Wall addressed the current position between NRHA and FEI. FEI will discuss the FEI/NRHA relationship next week during their meeting. In addition, NRHA will schedule a time to prepare a formal response to FEI on the progress of compliance issues. NRHA has a positive desire to comply with FEI regulations; however, NRHA is only willing to expose certain levels of conformity. The goal of NRHA is to create a sustainable partnership which complies with what NRHA is willing to give. Rosanne Sternberg motioned that the FEI representatives for NRHA should be President Allen Mitchels, Vice President Beth Himes, and Executive Director Dan Wall. Seconded by Beth Himes. Motion passed unanimously.

Break – 2:58

Reconvened at 3:00pm

Luminair presenter, Jack O'Donnell, joined the meeting at 3:00pm.

Luminair Presentation

President Allen Mitchels discussed with presenter, O'Donnell, the objective of developing NRHA media. Media objectives are to promote reining, attract enthusiast/hobbyist, increase prize money, and create celebrity affiliation.

Jack O'Donnell departed at 3:42pm.

President Allen Mitchels continued discussion on the value in a company such as Luminair. The cost to create the product ranges from \$15,000-18,000, which is not a significant cost. Also, Luminair could potentially create the sponsor money needed to fund the project. NRHA should decide exactly what NRHA needs and wants from this opportunity.

Rookie of the Year - Top 10 buckle proposal

Executive Director Dan Wall proposed the Rookie of the Year competition, held at the NRHA North American Affiliate Championships (NAAC), award buckles to the top ten placings. Rookie of the Year is a coveted title and the top ten finishers at the North American Affiliate

Championships should receive buckles to commemorate their achievement. The total expense incurred by NRHA would be approximately \$3500. Dale Lopp motioned to approve top ten buckles in the Rookie class. Seconded by Kit Cosper. Motion approved unanimously.

Melanie and Christa will create a promotional package for Rookie of the Year. Package will include buckles, photos and *Reiner* magazine advertising.

NRHA Office Update

President Allen Mitchels explained past discussions on the NRHA office relocation. The original task force was responsible for finding property, costs, availability and locations. When the opportunity from an anonymous donor appeared the task force stopped searching for property and began pursuing the donation property. Dan and John reviewed the financials and the leasing costs would be nearly the same price as the cost to purchase the property. The anonymous donor intends to donate the land to RHSF. President Mitchels created a task force to evaluate opportunities. Task force will include Rick Ramsey - Chair, Rick Clark, Kit Cosper, Dale Lopp, John Foy, Dan Wall and Jim Blumer. The task force will explore all reasonable possibilities and the relocation opportunities for the NRHA office and ownership.

Break at 4:18pm

Reconvened at 4:26pm

NRHA Trophy Production/Usage

President Allen Mitchels expressed his concern with the resin trophies. NRHA has conducted three membership surveys to see what NRHA members appreciate about the association. Members commented 1) judging program 2) awards program, more specifically the metal trophies which branded NRHA. Currently, show management is given the opportunity to order resin trophies or no trophies. President Allen Mitchels said that we should expand our offerings to bronze, resin or no trophies. Two recommendations were developed by staff, 1) let the members decide after the show was held or 2) let show management decide prior to ordering trophies. Executive Director Dan Wall would like to find a viable option to maintain "branding" in NRHA's awards program. President Allen Mitchels asked staff to conduct more research on the possibility of metal trophies, create a timeline, research shipping costs, labor in office and consequences associated with two trophy companies.

Nomination Update

Melanie Rinehart gave an update on current nominations. Executive Director Dan Wall explained to the Executive Committee the depth of marketing for the program was extensive and comparable to past years. The US nominators are more supportive of the Euro option because more horses are sold to Europeans than vice versa. The breeding industry has decreased and the 2010 NRHA Futurity Derby Nomination Program is reflective of the downsizing. Rick Ramsey commented that the Nomination Program is doing very well and has held its own during the rough economic conditions.

**Kit Cospers motioned to adjourn. Seconded by Dale Lopp.
Adjourned at 5:40pm**

January 14, 2011

Present: President Allen Mitchels, Beth Himes, Rick Clark, Kit Cospers, Terry Griffin, Dale Lopp, Rick Ramsey, Rosanne Sternberg

Not Present:

Guest:

Staff: Executive Director Dan Wall, Chief Financial Officer John Foy, Chief Operations Officer Dennis York, Director of Marketing & Communications Christa Morris, Manager of Events & Shows Melanie Rinehart, Show Department Supervisor Jessica Johnson

Call to Order

President Allen Mitchels called the meeting to order at 8:06am.

Business Plan

Executive Director Dan Wall explained the logic behind the development of the 2011 business plan. The NRHA Business Plan is color coded in red to represent completed and in black to represent ongoing task. The business plan illustrates factors that drive NRHA. The spokes of the wheel must continue to broaden because they are the key factors that keep NRHA revolving. It is important to continue developing structure and become comfortable with the working relationship among Executive Committee, Board of Directors and staff. The key initiatives on the business plan are as follows: IT, Medications, Targeted Growth Initiatives (TGI), Managed Events, NRHA Office, Judges Program, Election Procedures, Trophy/Awards Programs and WEG. The importance of going back and looking at historic business plan items and understanding how we got to this point is imperative to NRHA. In the past, all committees created their own goals causing a lack of focus, now all goals are pushed down to committees to direct their focus.

WEG will be removed from key priorities and placed under marketing or events to continue to capitalize. WEG and Rolex will be relocated to managed events. Sponsorship will be moved to marketing department- business as usual.

IT will remain on the key priorities until the end of the year because it is still in process, in addition, gaining a new employee in the IT department will be added. The goal of IT is to transition to business as usual by the end of 2011.

Animal Welfare/Medications is a targeted key priority in the business plan. Christa will send Executive Committee medications updates so everyone remains informed.

The primary goal of TGI is to focus on affiliate and membership development. Exploiting the Ride a Reiner program at equine affairs, Rookie Days, Legacy and other equine events would give NRHA extended reach. A bullet will be added to continue Affiliate Summits. The affiliate committee will be tasked with reviewing the NAAC award distribution. A task force was created to evaluate the current eligibility levels. The task force is composed of Kit Cospers – Chair, Rosanne Sternberg, Beth Himes, Dale Lopp, Rick Clark and Terry Griffin.

Judges Program Enhancements will have the following bullets added: 1) Evaluate application and approval process, 2) energize JEEP program, 3) evaluate the need for the position of director of judges, 4) enrich show steward program. A committee was developed to assess the stewards program; committee will consist of chair of pro committee, chair of events, chair of animal welfare committee and 3-4 members of the judges committee.

Enhance Election Process was evaluated and suggested not to become a key priority but instead a task force was created. Gary Pipkin - Chair, Beth Himes, Mike Hancock, Cathy Irvin, Kit Cospers and Gerd Wilhelm will be responsible for working as a task force to evaluate the election process.

Staff will create and roll out a program addressing NRHA Awards Programs/Trophies prior to the creation of a task force. A questionnaire to affiliates and members addressing the awards programs will be created and completed by staff.

Ordering of the Key Priorities:

Animal Welfare – unanimously approved as first

Judging Program

Managed Events

TGI

NRHA Office

IT

Rosanne Sternberg motioned to approve the key priorities as discussed and listed. Seconded by Beth Himes. Motion approved unanimously.

Break at 9:50am.

Reconvened at 10:08am

Business Plan Committees

Standing Committees

Nominating Committee – Appointed members of the committee include Mike Hancock, Marshall Baird and Gerd Wilhelm. Mike Deer will be removed from the. The committee will elect their chair at a later date.

Kit Cosper motioned to support the presidents' selection for all standing committees. Seconded by Beth Himes. Motion approved unanimously.

Additional Committees

Affiliate Committee- Rick Clark will be added to the committee.

Animal Welfare Committee – Tim Bartlett will serve as chair. Kris Hiney, Rod Leibring and Lisa Lennington are currently confirmed.

International Committee – NRHA's international affiliates have grown tremendously since the committee was created. The language barriers in the International committee are large to overcome and remain productive. Discussion occurred about the possibility of dividing the committee into Europe and South America/Canada. Should the potential Europe International Committee be eliminated, because the European Council is responsible for reviewing futurity changes, conditions and nomination program? Rosanne Sternberg asks that we reserve the option to look at different ways to formulate the committee. President Allen Mitchels recommends tabling the decision to remove the international committee until further research can be completed. EAC (euro affiliate council) should be referenced and documented in the *NRHA Handbook* because it is a part of our overall structure. Allen asked that Roberto be left as committee chair and Executive Director Dan Wall can make the determination of the committee after further research.

Judges Committee- Michelle Wrigley, Staff Liaison, will contact Rick Ramsey and Dale Lopp to participate ad hoc. Beth Himes will be a formal member of the committee.

Marketing Committee- Rick Ford will serve as chair. Confirmed committee members include Becky Jordan, David Solum, Clint Haverty, Victoria Lambert, Jenifer Reynolds.

Non Pro Committee- Beth Himes and Rick Clark will work with Mike Deer to create a broad representation of non pro members.

Sire & Dam- Add Karen Shedlauskas as staff liaison.

Show Stewards Committee- The show stewards committee will be presented to the BOD.

Events Management will assign a sub-committee to research certification - secretary and manager certification procedures.

Terry Griffin motioned that all additional committee chairs be recommended to the BOD. Seconded by Beth Himes. Motion approved unanimously.

IT Update

Terry Griffin gave an update on the IT project. An overview of the financial situation of the project was given. Some deficiencies in the project were identified: website (up and running like old DB, however not interactive), show events software, sale software. The new software will allow the website to be more interactive. The sale package is $\frac{3}{4}$ built and should be completed prior to 2011 sale. Show events software was not in the core of the project and will be delayed until after the completion of the vital programs. An internal issue tracker is being used by staff to manage problems and sort critical items from enhancements. The new software will provide more efficient ways for staff to process documents and ways to keep more accurate record keeping. Accurate, reliable, repeatable data was the primary goal of switching to a new software system. The remaining dollar amount in the budget (\$57,000) will allow the minimal functionality to be completed. A formal announcement and publication to membership will be released once the project is complete. In summary, the staff did a great job in a difficult situation and worked hard on the project.

Break at 11:46am

Reconvened at 12:18pm

November 22, 2010- NAAC - Terry Griffin motioned to approve minutes as amended. Seconded by Dale Lopp. Motion approved unanimously.

November 12-13, 2010 – Dale Lopp motioned to approve minutes as amended. Seconded by Rosanne Sternberg. Motion approved unanimously.

Animal Welfare/Medications

Christa Morris presented the proposed workshop and town talk schedules. Events were identified between Jan-May for animal welfare and medications town talks. The town talk held in the NRHA office will begin with the professionals at noon on February 4th and continue with membership on the 5th. Confirmed guests are still to be determined. The address from Dr. Heird to the professionals on February 4th will be filmed and released to NRHA membership. Online forum and webcasting (looking into feasibility) will be used to help push the animal welfare concepts and intentions throughout our entire membership. NRHA plans on informing the rest of the membership (Europe, Canada, Australia), by using the forum and filmed address. In addition, a town talk will be offered at the European Futurity and staff will research hosting a town talk in Canada. The Executive Committee members were asked to evaluate the rule change proposal and determine changes needed to move forward.

Break at 1:15pm

Reconvened at 1:23pm

Minor changes were made to the draft of the medications rule change proposal to more accurately reflect the views of the Executive Committee. NRHA will approve the veterinarian and laboratory for testing. Debate still exists on which horses are eligible for testing (only those showing or any horse on the grounds). After receiving input from the membership, we will determine the term used to refer to the “responsible party” (ex. responsible party, trainer, owner, agent, etc.). The “responsible party” is accountable for the horse and any medication rule violations. The general term of “NRHA legal counsel” will be used in the rule to refer to the legal counsel involved with testing (instead of “Counsel of the Equine Medications Program”). All disciplinary procedures will follow the same procedure as outlined in the *NRHA Handbook*. Testing fees will be determined at a later date by the Board of Directors. Testing specific events (AA shows, NRHA owned, etc.) will be identified at a later date.

Beth Himes left the meeting at 1:47pm

Rick Ramsey motioned to present this initial draft of the animal welfare/medication rule change, on behalf of the Executive Committee, to the BOD for their review as a continuation of the associated work completed in 2010. Seconded by Dale Lopp. Motion passed.

Beth Himes returned to the meeting 1:55pm

Show Approval & Affiliate Exemptions

HOT – Kit Cosper motioned to approve. Seconded by Dale Lopp. Motion passed unanimously.

Sweden – Kit Cosper motioned to approve. Seconded by Rick Clark. Motion passed unanimously.

United Kingdom – Rick Ramsey motioned to approve. Seconded by Kit Cosper. Motion passed unanimously.

Netherlands – Rick Ramsey motioned to approve. Seconded by Kit Cosper. Motion passed unanimously.

TRHA – Tabled until RAF for East Central is established.

New Brunswick 1 – Rick Ramsey motioned to approve. Seconded by Terry Griffin. Motion passed unanimously.

New Brunswick 2 – Rick Ramsey motioned to approve. Seconded by Terry Griffin. Motion passed unanimously.

WSRHA – Terry Griffin motioned to approve. Seconded by Beth Himes. Motion passed unanimously.

Cajun Classic – Rick Ramsey motioned to approve. Seconded by Kit Cosper. Motion passed unanimously.

Wickersdorf – Rick Ramsey motioned to approve. Seconded by Beth Himes. Motion passed unanimously.

AQR Canada – Terry Griffin motioned to approve. Seconded by Rick Clark. Motion passed unanimously.

Derby Task Force

Terry Griffin reviewed the initial goals of the task force and the deciding factors within the event. Key evaluation points: 1) retainage, 2) stall costs, 3) management, 4) 7up division, 5) novice horse derby. The Novice Horse division inside the Derby needs more research in order to make a formal decision. The task force recommends the Novice Horse be delayed until more information can be gathered. In addition, the information for the novice horse would have to be included in the conditions-which go to print this week. Increasing stall costs by \$25, using NRHA's internal management team and increasing the retainage would allow NRHA to cover the additional facility rental costs. In addition, adding the 7up division would give older horses a place to show, increasing their worth and encouraging them to remain active in NRHA.

Rick Ramsey motioned to accept the task force recommendation to increase stall prices by \$25, increase retainage by 10%, use an internal management team and offer the 7up division. Seconded by Rick Clark. Motion passed unanimously.

International Non Pro Declaration

NAA countries may investigate potential Non Pro violations and are given the authority to revoke NP status, however, riders have right to appeal to the NRHA Executive Committee.

IEA Update

Executive Director explained the progress between NRHA and Interscholastic Equestrian Association (IEA), including their growth of membership by nearly 1,000 in one year.

Annual General Membership Meeting/AGM

Kit Cospier will prepare and present during the Board of Directors meeting on Saturday, January 15, 2011.

Break at 4:05pm

Reconvened at 4:16pm

Staff left the room at 4:18pm

Closed Session -Protest Update

Staff entered the room at 4:55pm

Open and Non Pro Shootout

Executive Director Dan Wall informed the Executive Committee about the idea of hosting a Non Pro Shootout. Concerns with the event were scheduling and location. President Allen Mitchels asked that the Non Pro Shootout class be dropped until visiting the concept with members and look at other NRHA events that would be a more appropriate host to the class. Executive Director Dan Wall is working on securing funds for the Open Shootout, the OKC Convention and Visitors Bureau are very optimistic about the funding. Beth Himes suggested the events committee review the class and all aspects of the creation to recommend a more appropriate

class structure. Dale Lopp motioned to continue the Open Shootout, with the recommendation that the events committee will review. Seconded by Beth Himes. Motion approved unanimously.

Copyright/License Agreement

Christa Morris presented an update on the conception of the non-exclusive video copyright license agreement. The contract agreement was approved as submitted.

French Show Results

Jessica Johnson presented the delayed submittal of the NRHA show results for the French Futurity. Staff recommended that two slates of the event not be recognized by NRHA due to not being received prior to the Futurity. In addition, show management will receive a \$600 fine. Rick Ramsey motioned to accept the staff recommendation and send letters to all money earners informing them of the circumstances. Seconded by Terry Griffin. Motion passed unanimously.

Sire & Dam

Terry Griffin gave an update on the Sire & Dam program and its current state. New program options were discussed, including the “bonus baby” program which would be effective for the 2012 breeding season. The bonus baby program, which would give stallion owners discounted rates for every breeding they donated. A floor must be established to maintain the integrity of the new program. Removing a floor will not work with the bonus baby program. Several aspects of the Sire & Dam program are being reworked to get the program back on a successful track. Rick Ramsey motioned to recommend to the BOD to approve in principal the sire and dam document. Seconded by Dale Lopp. Motion passed unanimously.

Sponsorship

Executive Director Dan Wall gave the sponsorship report outlining contract renewals, new contracts and total dollar amounts given.

Jessica, Christa and Melanie left the meeting at 5:30pm.

Closed Session – Personnel Manual

Meeting Adjourned 6:15pm