

NATIONAL REINING HORSE ASSOCIATION
Executive Committee Meeting Minutes
Oklahoma City, OK
January 19-20, 2012

Approved 4/26/2012

Present: Beth Himes, Rick Clark, Kit Cospers, Terry Griffin, Doug Milholland, Rick Ramsey

Web: Rosanne Sternberg

Staff: Executive Director Dan Wall, Chief Financial Officer John Foy, Chief Operations Officer Dennis York, Executive Administrator Jessica Johnson, Senior Director of Publications Carol Trimmer, Senior Director of Shows & Affiliate Programs Chris Potter

Guests: Legal Counsel Terry Wiens, Special Investigation Jeff Todd

Call to Order

Beth Himes called the meeting to order at 9:04am.

Executive Session Session at 9:06am

Open Session reconvened at 1:09pm

Minutes

November 11, 2011 Meeting Minutes: Terry Griffin motioned to approve. Seconded by Rick Ramsey. Motion passed unanimously.

November 11, 2011 Executive Session Meeting Minutes: Terry Griffin motioned to approve. Seconded by Rick Clark. Motion passed unanimously.

November 16, 2011 Conference Call Minutes: Rick Clark motioned to approve. Seconded by Kit Cospers. Motion passed unanimously.

Terry Griffin motioned to recommend to the BoD an amendment to the 2012 foal nomination conditions that any foal nomination made prior to 10/31 will be eligible for a refund if the foal becomes deceased before 12/31 of the foal's weanling year. Seconded by Rosanne Sternberg. Motion passed unanimously.

Kit Cospers motioned to allow Youth Non Pro Futurity entries the option of showing in the group preceding the regular draw on the first day of the Non Pro Futurity and recommend to the BoD to amend the 2012 Futurity Conditions to allow Youth Non Pro Futurity entries to designate beforehand if they would like to go in this group. Seconded by Rick Clark. Motion passed unanimously.

November 30, 2011 Conference Call Minutes: Kit Cospers motioned to approve. Seconded by Terry Griffin. Motion passed unanimously.

Kit Cospers motions that the EC accept the proposed report and for 2012 take Event Management Committee recommendation to move 1 week prior and direct them to reformat with emphasis on 7 & Up and Novice Horse Derby and to evaluate the viability of the NP Shootout & potential PT Category 1 event and to access the repositioning of the Futurity. Seconded by Rosanne Sternberg. Motion passed unanimously.

Terry Griffin motioned to reinstate previous policy where an EC officer does not work as judge, scribe or steward at an NRHA- owned event. Seconded by Rick Clark.

December 7, 2011 Conference Call Minutes: Rick Ramsey motioned to approve. Seconded by Terry Griffin. Motion passed unanimously.

December 7, 2011 Executive Session Conference Call Minutes: Rosanne Sternberg motioned to approve. Seconded by Kit Cospers. Motion passed unanimously.

December 21, 2011 Conference Call Minutes: Kit Cospers motioned to approve. Seconded by Rick Clark. Motion passed unanimously.

Terry Griffin motioned to recommend Dan Wall visit with Italian Reining Horse Association to allow IRHA to host the FEI World Championships if held in conjunction with an NRHA approved event. Seconded by Rick Clark. Motion passed unanimously.

Rick Clark motioned that pending approval of new Nevada affiliate status the EC will approve the jackpot show; the new affiliate may not advertise the show as NRHA approved. Seconded by Rosanne Sternberg. Motion passed unanimously.

December 24, 2011 E-Vote, December 29, 2011 E-Vote, December 29, 2011 E-Vote: Terry Griffin motioned to approve. Seconded by Kit Cospers. Motion passed unanimously.

January 4, 2012 Conference Call Minutes: Doug Milholland motioned to approve. Seconded by Rick Ramsey. Motion passed unanimously.

January 4, 2012 Executive Session Conference Call Minutes: Kit Cospers motioned to approve. Seconded by Doug Milholland. Motion passed unanimously.

November, December, and January E-Votes: Rick Ramsey motioned to approve. Seconded by Kit Cospers. Motion passed unanimously.

Financial Report

John Foy presented the December, 31, 2011 Profit and Loss Overview for the NRHA Futurity. According to the financial information gathered, NRHA showed a preliminary negative variance for the Futurity (\$11,465). Slight variances may be seen with the continued arrival of invoices and estimated items not reflected in the financial overview. The 2011 Futurity Sales showed a positive variance in budget of \$3,828. The Prospect Sale was the most successful, reflecting a positive variance of \$25,516. Further details on the Futurity were discussed, including the reduction of late fees compared to prior year budget (\$33,455). Variance was also seen with the NAAC entry fee; perhaps the scheduling could be the main factor in the negative variance to budget. (\$9,715). Futurity Badge sales were also negative to budget, this could be contributed to the reduced badge cost for ancillary entries and will be correct for next year's budget based on the new policy. (\$13,480).

Regarding NRHA Investments, NRHA did not meet benchmark this year. This is the second time in 7 years NRHA didn't meet benchmark. John will invite NRHA's investment counselor to the April EC meeting.

astly, the detailed Sale budget was analyzed. Sale staff was directed to research all aspects of the sale and prepare a proposal to the EC for the April Meeting.

Terry Griffin left the meeting at 1:45pm.

Michelle Wrigley and Chris Mossman joined the meeting.

Improved International Communications-AR Translation

Dan Wall challenged the staff to create methods to improve international communication.

Michelle Wrigley presented the notice to members that submit insufficient payment or have credit cards that are declined. The notice will be sent with the members membership card and will be available in 4 different languages (English, German, Italian and Spanish).

Chris Mossman presented the 15-day notice and suspension notice letters that will also be translated into the 4 mentioned languages. Finance department will not be sending statements to international members in the future.

Michelle Wrigley and Chris Mossman left the meeting.

Hearing Body Nominations – Executive Session

Reallocation of Nomination Funds

Rick Ramsey suggested the creation of a task force to review the possible reallocation of nomination funds. Kit Cospers suggested NRHA wait until after the Derby and then reconsider.

Tabled until July/August EC Meeting. Dan Wall noted that this subject will be added to the Business Plan.

Sweden Show Cancellation

The EC reviewed a letter requested by show secretary, Monica Widh. The EC agreed to continue to monitor the situation.

Masters Non Pro Reining

Chris Potter summarized the new class request from Amanda Brumley. The new class will be for riders 65 years and older.

Jessica Johnson suggested staff create a policy for generalizing the class names for all category 11 events and make management aware that they are responsible for checking eligibility.

Rick Ramsey motioned to approve the 2012 Masters Non Pro Class for the Cactus Reining Classic and the Reining by the Bay. Seconded by Kit Cospers. Motion passed unanimously.

Czech Show Conflict

Chris Potter presented a conflict with two shows in Czech Republic. The EC asked staff to consult the European Affiliate Council and send a recommendation via E-Vote back to the EC.

Ramsey left the meeting at 2:30pm.

Restricted European Eligibility

Jessica Johnson reminded the EC that the Restricted European Eligibility is in effect and that Show Secretaries operating under this policy are required to check and are responsible for their own eligibility.

Break at 2:34pm

Reconvene at 2:53pm

Todd Barden joined the meeting

NRHA Trophies

Todd Barden summarized the progress Montana Silversmiths has made regarding worldwide distribution. Currently, distribution sites in Australia and Europe are being created. NRHA Global has provided NRHA with an avenue to proceed with European distribution.

Additionally, an Article 81 letter is in final review with NRHA legal counsel. Once approved, this letter can accompany all European trophy shipments to reduce cost of duties and taxes. Montana Silversmith has also agreed to give European trophy orders a 25% shipping discount.

Television Programming Review- EXECUTIVE SESSION

Rick Ramsey joined the meeting at 3:08pm

Rosanne Sternberg joined the meeting at 3:12pm

Sponsorship Update – EXECUTIVE SESSION

Todd Barden updated the EC on the progress with corporate sponsorships to-date.

Todd Barden left the meeting at 3:34pm

NRHA *Reiner* Cover Proposal

Carol Trimmer presented the proposed *Reiner* cover options. Reiner Department needs the ability to be more artistic and create something that members want to view. Staff

has been bound by forcing ourselves to put something on the cover that is not fun to look at.

November Digital *Reiner* had over 90,000 hits and the January *Reiner* to-date has over 70,000 hits.

Kit Cospers motioned to give the publishing department the responsibility and latitude for choosing the *Reiner* covers. Seconded by Doug Milholland. Motion passed unanimously.

Rosanne Sternberg left meeting at 3:51pm

Committee Reports

Jessica Johnson presented the requested additional committee changes.

Rick Ramsey motioned to direct all committee chairs to review their current committees and if they feel a need to add additional members or request resignation they are empowered to do so. Seconded by Rick Clark. Motion passed unanimously.

After all committees have had the opportunity to finalize their 2012 committees the EC will approve final committees for 2012.

Additional conversation regarding the Steward Committee is needed. The President needs to assign a committee chair. Dan Wall recommended Mario Boisjoli because of his experience and knowledge of the program.

Tabled.

Executive Session session at 4:06pm

January 20, 2012

Present: Beth Himes, Rick Clark, Kit Cospers, Terry Griffin, Doug Milholland, Rick Ramsey

Not Present: Rosanne Sternberg

Staff: Executive Director Dan Wall, Chief Financial Officer John Foy, Chief Operations Officer Dennis York, Executive Administrator Jessica Johnson, Senior Director of Publications Carol Trimmer, Senior Director of Shows & Affiliate Programs Chris Potter

Call to Order

Beth Himes called the meeting to order at 8:06am

Category 11 & 12 Complaint

Melanie Rinehart summarized a complaint regarding Category 11 & 12 earnings records. The complaint specifically outlines how the nomination incentive funds are recorded.

Jessica Johnson noted that the November policy has already been coded into the database.

Beth Himes asked for a working group to get together and determine the correct earnings delegation. Melanie Rinehart will lead the working group.

ANCR Brazil Nomination Program Proposal

Melanie Rinehart presented the staff proposal for the Brazil Nomination Program. During the 2011 NRHA Futurity a meeting with ANCR Brazil occurred. ANCR Brazil currently has a reciprocal nomination program that is non-related to the NRHA Nomination Program.

Rick Clark motioned to accept the proposal as presented by staff, which will allow all Brazil Nomination foals to enroll in the NRHA Nomination Program at the weanling rate until 06/30/2012. Seconded by Doug Milholland. Motion passed unanimously.

2012 NRHA Derby Task Force

Melanie Rinehart and Terry Griffin gave the 2012 NRHA Derby Task Force Update.

Dan Wall inquired about the 1 up entry structure and asked why the task force decided not to incorporate into the 2012 Derby Conditions. Terry Griffin stated that the eligibility

structure changes would dilute entries, participation and therefore money into the Level 3 and 4.

Other factors were identified to generate revenue to cover the increased facility rate, including: stall price increase by \$25, Judges Fee increase \$10, Non Pro Entry Fee increase, Medications entry fee price TBD.

Discussion tabled.

Executive Session Session at 9:02am

Reconvene in open 12:09pm

Christa Morris joined the meeting

NRHA Events Testing Phase 1

Christa Morris presented the testing fee options. A smaller cost during the phase-in period will be a lot more digestible for the membership.

Dan Wall recommends the testing veterinarian make a recommendation to get the best random sample possible. NRHA can set the price and guidelines and allow the testing veterinarian to select the testing samples.

Rick Clark motioned to recommend to the BoD to add the medication fee of \$10 to the 2012 Derby Conditions. Seconded by Rick Ramsey. Motion passed unanimously.

Medications Hearing Panel

A Hearing Panel needs to be established to review the 2012 NRHA Derby Testing Samples. The EC will work on the panel during a conference call and then make a final decision during the April EC meeting.

Beth Himes directed Christa Morris to work to inform the membership of medications fee and testing procedures.

Christa Morris asked to review the 2012 medications rule and review the topics discussed during a Board of Directors Conference Call held in October. The working group will be composed of Christa Morris, Terry Griffin and Kit Cospers.

Christa Morris left the meeting

Executive Session Session at 12:31pm

Protest Update- EXECUTIVE SESSION

Break at 12:45pm

Reconvene in Open Session at 1:19pm

Meeting Schedule

The meeting schedule was reviewed in July and August. The EC decided that August 2-5, 2012 would be the Rule Change Meeting.

AGM Dates

The EC will recommend to the BOD to have the AGM during the Cowtown Classic. This will allow for notification in six Reiner issues, which will meet by-law requirements. The AGM dates need published in the e-reiner, *Reiner*, website and news release immediately.

Melanie Rinehart joined the meeting.

Cowtown Classic

Melanie Rinehart presented the Cowtown Structure and Schedule.

Dan Wall reminded the EC that the submitted proposal to Ft. Worth emphasized NRHA's efforts to grow the show, including more days, stalls and evening performances.

Doug Milholland recommended the freestyle be an invitational and increase the added money to \$15,000.

Terry Griffin commented that the EC shouldn't commit to the budget proposed by the Events Committee when the state money is expected to be so low. Financially, NRHA cannot afford another loss at the end of the year. The Events Management Committee should build a budget that fits the expected state funding.

Beth Himes asked the Events Management Committee to build a horse show with the budget as proposed by the State of Texas.

Rick Clark recommended that the BoD approve the Cowtown Classic dates as proposed by the Events Management Committee. Seconded by Rick Ramsey. Motion passed unanimously.

Executive Session Session at 2:10pm**NRHA Event Strategy- EXECUTIVE SESSION****Open Session at 2:25pm****Non Pro Affidavit**

Jessica Johnson presented the criteria in question regarding the 2012 rule change with NP sponsorships, endorsements and advertisements. Staff created guidelines in relation to the affidavits. Affidavits are required if they are in regards to Reining Industry products or services. Affidavits will not be required if they apply to breeding, training, sales, NRHA approved events, NRHA Programs and University/College equine programs.

Kit Cospers motioned that staff may use the guidelines as presented when determining if an affidavit is required. Seconded by Rick Ramsey.

Insurance Ads congratulating NP riders need reviewed by the EC.

Staff was directed to not send out affidavits or police this action; it is the NP's responsibility.

Motion passed unanimously.

Break at 2:48pm**Reconvene in Executive Session Session at 3:08am****IT Update- EXECUTIVE SESSION****Office Update**

John Foy presented the Office Update. The first lot of the land donation is completed and staff is beginning to prepare for fundraising campaign. The second lot of the donation is not finalized. The new office project will be moved to the top of the Key Priorities.

BoD Member Location

Dennis York asked about a BoD member relocating to a different region after elections. Kit Cospers mentioned that the *NRHA Handbook* is silent on directors relocating from a

region once elected; therefore, the regional director seats are based on the region the member is located in when elected.

Staff Update

Dan commended Shianne Megel, Manager of RHSF and Youth Programs, and Katie Hendrickson, Associate Editor, on their hard work and dedication for NRHA.

FEI- Executive Session

Eligibility Task Force

Terry Griffin presented the findings of the Eligibility Task Force. Findings include changes to the: number of years cumulative, removal of “top” riders and going back to total amount, category 1 restrictions, non pro relinquishments and green reiner eligibility. Additionally, the task force is still analyzing suspended members eligibility, deceased member policy, eligibility policy and youth points in rookie and entry level.

Discussion regarding Level 1 NP having amateur criteria occurred. Dan Wall suggests the Eligibility Task Force go back and evaluate the opportunity of growth with the amateur division.

Rick Clark suggests the Eligibility Task Force evaluate the impact of raising the \$100,000 NP requirement for riders wanting to gain NP status.

European Derby Amenities- EXECUTIVE SESSION

Break at 4:42pm

Reconvene in Open Session at 5:01pm

Melanie Rinehart joined the meeting.

2012 NRHA Derby Conditions

Melanie Rinehart presented the 2012 NRHA Derby Conditions. Changes to the conditions regarding increased judge’s fee, medications fee (\$10) and added money were presented. Melanie Rinehart was asked to prepare a report on the differences in payouts between 2011 and 2012.

Terry Griffin motioned to recommend to the BoD the 2012 Derby Conditions as Melanie Rinehart has presented. Seconded by Rick Ramsey. Motion passed unanimously.

Melanie Rinehart left the meeting

Gerd Wilhelm joined the meeting

NRHA European Futurity Update- EXECUTIVE SESSION

Rick Ramsey motioned to adjourn at 5:25pm. Seconded by Kit Cospers.