

NCHA EXECUTIVE COMMITTEE MEETING
Tuesday, January 23, 2018
NCHA Offices
Fort Worth, Texas

The Executive Committee met on Tuesday, January 23, 2018, at the NCHA offices in Fort Worth, Texas. The meeting was called to order by President Lewis Wray with a quorum of 13 Executive Committee members present. Those present were: Ernie Beutenmiller, Kathy Daughn, Rock Hedlund, Jack Holt, JB McLamb, Matt Miller, Tommy Neal, Ron Pietrafeso, David Pilcher, Phil Rapp, Tatum Rice and Ronnie Smith. Also present was NCHA Executive Director Chuck Smith and NCHA legal counsel Jim Morris.

A **MOTION** was made by Ron Pietrafeso and **SECONDED** by Ernie Beutenmiller to approve the minutes of the December 15, 2017, minutes of a telephonic meeting of the Executive Committee.
MOTION PASSED.

Finance Report

NCHA Finance Chair Jerry Yelverton advised the Executive Committee members that the NCHA financial statements audit has been completed and that there were just a few minor findings.

Mr. Yelverton advised the Executive Committee members that NCHA has earned over \$300,000 in interest. He advised that the recent changes in tax laws should not have an impact on NCHA.

Mr. Yelverton advised the Executive Committee members that NCHA has incurred unexpected costs, i.e., attorney fees, that were not budgeted for that will have an effect on the NCHA year-to-date financial statements. In addition, Mr. Yelverton advised the Executive Committee members that the process of HUB depreciation has begun, a process that will be amortized over 3 years.

Finance Chair Jerry Yelverton and NCHA Barb Benedum presented an update on the 2017 Futurity financial results. It was suggested that NCHA begin tracking the actual number of horses entered in the event in the future. It was reported that the Western Bloodstock commission received by NCHA was down. Discussion ensued as to the disparity in reporting for the practice pens. After discussion, it was recommended that the numbers for the practice pen be broken down between functions in order to determine where the disparity lies. A question was raised as to the profitability of the Trade Show at the 2017 Futurity noting that the funds realized from the show are down, but the booth space was sold out.

A discussion was led by Finance Chair Jerry Yelverton regarding the status of NCHA's contract with Will Rogers Coliseum. Mr. Yelverton advised the committee that NCHA has a good contract with the facility. Will Rogers is proposing an increase in overall rent and a tax on stall usage. A lengthy discussion ensued as to whether a "pass through" proposal on the increase proposed by Will Rogers will pose a hardship to entrants.

Mr. Yelverton reported that Will Rogers is asking for an increase in the cattle charge of \$1.00 per pen. The Executive Committee members agreed that this request is reasonable. There will be no change in parking rates.

Mr. Yelverton advised the members that the new Will Rogers contract is enacting a reduction in the credit/incentive to \$20,000.00 beginning in 2021 and spread over 5 years. NCHA Executive Director Chuck Smith and Finance Chair Jerry Yelverton are scheduled to meet with representatives of Will Rogers on January 31, 2018, to discuss whether there is a possibility of obtaining a more favorable contract for NCHA. Mr. Yelverton advised that NCHA legal counsel will review the contract.

Per Mr. Yelverton, the Finance Committee recommends that NCHA extend its contract with Will Rogers pending further legal review.

Finance Chair Yelverton then advised the Executive Committee members of projects the finance group is reviewing:

- Membership dues
- Box Seats
- Tickets
- General Seating
- Trade Show
- Sky boxes
- Elimination of "in-kind" sponsorships
- Eliminating multiple copies of Chatter per household
- Exploring whether Chatter can be moved to a completely online publication

Discussion was held regarding the cost of awards. NCHA Executive Director Chuck Smith suggested the possibility of having the awards sponsored and that possibly a cost benefit analysis needs to be done of the current award payment structure versus a sponsored awards structure.

Executive Session

MOTION was made by Tommy Neal and **SECONDED** by Ronnie Smith to move the meeting into Executive Session.

MOTION was made by Ron Pietrafeso and **SECONDED** by Kathy Daughn to move the meeting into general session.

Marketing Update

Interim Chief Marketing Officer Catherine Cheugh advised the Executive Committee members of the change in the reporting structure for the Marketing area and distributed an organizational chart outlining the reporting structure. NCHA Executive Director and Ms. Cheugh further discussed the strategy for the Marketing area.

Discussion was held regarding hiring Angie Highland to rejoin NCHA in a Special Projects role. Ms. Highland has significant experience with NCHA, the MERP funding and also has substantial and meaningful contacts with the City of Fort Worth.

After further discussion, **MOTION** was made by Tommy Neal and **SECONDED** by Ron Pietrafeso to hire Ms. Highland as an employee of NCHA as Director of Special Projects. **MOTION PASSED.**

The Executive Committee members commented on how well the awards events, banquets and parties were done and stated what an outstanding job Rebecca Brian Finley had done making those events so successful.

Executive Session

MOTION was made by Ernie Beutenmiller and **SECONDED** by Ron Pietrafeso to move the meeting into Executive Session.

General Session

MOTION was made by Ernie Beutenmiller and **SECONDED** by Ron Pietrafeso to move the meeting back into general session. **MOTION PASSED.**

Director Consent Process

Discussion was held regarding problems with receiving Director Consent responses in a before the January 15, 2018, deadline. A lengthy discussion ensued as to why this may have happened. Many of the Directors whose term expires in 2018 had not yet returned consent cards and the Executive Committee members discussed how either this was an oversight or that possibly some process had been followed in prior years that had not been followed this year. Several comments were made that ultimately it is the responsibility of the Director to make sure that the consent card is returned on a timely basis. After further discussion, a **MOTION** was made by Phil Rapp and **SECONDED** by Ron Pietrafeso to extend the deadline to receive Director Consent forms until February 1, 2018. After further discussion, **MOTION PASSED** with Jack Holt dissenting.

The Executive Committee then began a general discussion regarding the responsibilities and duties of a Director. It was noted that many Directors have no actual involvement or interest in fulfilling the duties of a Director as outlined in the NCHA Rulebook.

It was noted in some regions there were no Director Consent cards returned even though every Director's term in that region was expiring. The Executive Committee members comment that it would be very problematic if these Directors were not allowed to stand for reelection.

After lengthy discussion Phil Rapp stated that he would **WITHDRAW THE PRIOR MOTION** to extend the deadline for receipt of Director Consent forms. Ron Pietrafeso **SECONDED THE WITHDRAWAL.**

Further discussion ensued and it was determined that the election slate would be populated with those Directors for whom consent forms were received prior to the deadline. If slots are open in a Region after the election, the incoming President would appoint Directors to the vacant slots.

Box Seats

A discussion was held regarding the process for purchasing Box Seats. The Executive Committee members reiterated the policy in place whereby any person on the waiting list to move to a different box does not want the box available, they will go to the bottom of the waiting list.

IT UPDATE

Steve Carnes, NCHA Chief Information Officer, gave the members an update on the progress on the HUB project. Mr. Carnes also shared with the Executive Committee members the plans for other HUB capabilities that would provide additional self-service options for NCHA members. Mr. Carnes presented a graphic for the Executive Committee members to review.

Discussion was held regarding the breakdown of the videoboard scoring system at the 2017 Futurity. Mr. Carnes provided video and slides to show the committee where the breakdowns occurred. Mr. Carnes advised the members that a thorough check of all NCHA systems, connections and equipment was conducted and there does not appear that the breakdown was on the part of NCHA.

Judges Department

Director of Judges Russell McCord and Ernie Beutenmiller advised the Executive Committee that the annual judges certification would be canceled in favor of allowing this to be an applicants year. Mr. McCord noted that this change would alleviate the Judges from having to make the trip to recertify for 3 straight years. The Executive Committee members agreed with the proposal.

Mr. McCord advised that the applicants committee is proposing a total of 5 clinics. Discussion ensued whether NCHA should participate with the AQHA to provide video webinars. At issue was ownership of the video rights. The Executive Committee members suggested that NCHA Legal Counsel Jim Morris, NCHA Director of Judges Russell McCord and NCHA Chief Information Officer work with AQHA so that AQHA can access such a video but that ownership of the video would reside with NCHA.

Mr. McCord advised the Executive Committee that the monitors were being asked to work long hours without having the same benefits that the Judges get. Mr. McCord suggested that the monitors be treated the same as judges in this respect. The Executive Committee agreed. Ernie Beutenmiller noted that more of these types of expenses should go directly to the Show Producer.

Membership

Director of Membership Services Julie Davis reported that there have been issues with the Senior Rules with respect to the Limited Non-Pro class. After discussion, the Executive Committee agreed to adhere to the rule as written.

Ms. Davis reported that a question has arisen with respect to the Senior Unlimited Amateur members being unable to return because of the way the rule is written. After discussion, **MOTION** was made by Phil Rapp and **SECONDED** by Jack Holt to refer the issue to the NCHA Competition Committee for review. **MOTION PASSED.**

Ms. Davis advised the Executive Committee that membership status was down approximately 5% for 2017, but that 2018 is off to a great start.

Executive Session

MOTION was made by Ron Pietrafeso and **SECONDED** by Jack Holt to move the meeting into Executive Session. **MOTION PASSED.**

General Session

MOTION was made by Phil Rapp and **SECONDED** by Ernie Beutenmiller to move the meeting back into general session.

Show Department

Director of Show Dave Brian reported that there have been several requests from Challenger Show Producers to allow them to have the flexibility to have an approved Championship show or an unapproved LAE with no added money with no certified Judge required. A discussion was held

regarding how this might be a good way to help outlying areas to increase their participation and increase the number of members.

Discussion ensued and it was agreed to try this format for a year and see how it goes. **MOTION** was made by Ron Pietrafeso and **SECONDED** by David Pilcher to allow the Challenger Show Producers to try the format for a year. **MOTION PASSED.**

NCHA Official Handbook

NCHA Executive Director Chuck Smith advised the Executive Committee that the 2018 Rulebook currently is at the printers and should be available soon. He also noted that the Rulebook is available online now.

Disqualification/Appeal Process

NCHA Director Chuck Smith advised the members that because of a recent incident that occurred with accurately determining the age of a horse by dentition, a change in the official procedure is recommended.

After lengthy discussion, **MOTION** was made by Rock Hedlund and **SECONDED** by Ernie Beutenmiller to approve the rule change as presented. **MOTION PASSED.**

Redwood Empire Cutting Association

The Redwood Empire Cutting Association cutting held in December 2017 was submitted and approved as a Challenger event to count toward 2018 Challenger standings. Those results have been recorded by NCHA as Challenger standings. After lengthy discussion, David Pilcher made a **MOTION** and Tatum Rice **SECONDED** the motion to continue Redwood Empire's grandfathered status in December as the first weekend approval for the next point year. Redwood Empire was also granted the flexibility to have a \$200 added championship show in that time slot. All earnings in this format will count toward the upcoming year's world standings. **MOTION PASSED.**

SHOW SECRETARY/PRODUCER OF THE YEAR PROPOSAL

Ron Pietrafeso led a discussion regarding how NCHA might recognize Show Secretaries and Show Producers for their dedication and commitment to NCHA. He reminded the Executive Committee that because these people are paid, they are not eligible for NCHA Hall of Fame status. Ron suggested that NCHA establish a Show Secretary/Show Producer of the Year award to recognize this very vital group of people. **MOTION** was made by Ron Pietrafeso and **SECONDED** by Tommy Neal that NCHA establish a Show Secretary/Show Producer of the year award. **MOTION PASSED.** Mr. Pietrafeso advised that he will put together a committee for this purpose.

Adjournment

There being no further discussion to come before the Executive Committee, a **MOTION** was made by Phil Rapp and **SECONDED** by Ron Pietrafeso that the meeting be adjourned. **MOTION PASSED.**

