

NCHA EXECUTIVE COMMITTEE MEETING
Tuesday, March 20, 2018 and Wednesday, March 21, 2015
NCHA Offices
Fort Worth, Texas

The Executive Committee met on Tuesday, March 20, 2018 and on Wednesday, March 21, 2018, at the NCHA offices in Fort Worth, Texas. The following members were present: Ernie Beutenmiller, Kathy Daughn, Rock Hedlund, Jack Holt, Jay Klamon, J.B. McLamb, Matt Miller, Tommy Neal, Ron Pietrafeso, David Pilcher, Phil Rapp, Tatum Rice, Ronnie Smith and Lewis Wray. Also present was NCHA Executive Director Chuck Smith. The meeting was called to order by President Lewis Wray.

MOTION was made by Ron Pietrafeso and **SECONDED** by Ernie Beutenmiller to approve the Executive Committee meeting minutes for the January 23, 2018, meeting and the March 7, 2018, meeting, as amended. **MOTION PASSED.**

Administrative Report

NCHA Executive Director Chuck Smith reported to the Executive Committee members the status of the joint Pacific Coast Cutting Horse Association and Arizona Cutting Horse Association show scheduled to be held in Scottsdale. Smith advised that hotel night calculations for this show also will include nights for camping trailers at the show in addition to hotel rooms.

Discussion was led by Mr. Smith regarding the decrease in the number of entrants for the Eastern National Show held in Jackson, Mississippi. Discussion ensued regarding the need to explore the viability of continuing to hold this show in Jackson.

Ron Pietrafeso reported that the Western National Show in Denver should be a good show. Mr. Pietrafeso advised that he has secured two (2) sponsors that will contribute \$5,000.00 each for scholarships.

Discussion was had regarding the need for NCHA to look at its entire show structure and whether it may be necessary to redesign the entire NCHA competition format. Lengthy discussion ensued as to the major flaws. Executive Committee members agreed that both the Long-Range Planning Committee and the Competition Committee need to be heavily involved in research regarding NCHA format and shows, including NCHA show dates and a proposal for regional work-off series. After further discussion, a **MOTION** was made by Kathy Daughn and **SECONDED** by Jack Holt to task the Long-Range Planning Committee and the Competition Committee with reviewing the Eastern and Western National competitions as well as regional competitions to determine how NCHA might best be able to create viable, comprehensive format. **MOTION PASSED.**

NCHA Executive Director Chuck Smith reported to the Executive Committee members that the Foundation has been very active in the past several months and have instituted monthly

meetings. Mr. Smith advised that NCHA members likely will be receiving updates from the Foundation Officers in the near future.

Finance Report

NCHA Finance Committee Chair Jerry Yelverton addressed the Executive Committee members regarding the financial status of the Association. Also present from the Finance Committee were James Eakin, Barnwell Ramsey, Louis Baldwin and NCHA Chief Financial Officer Barb Benedum.

Mr. Yelverton advised that the Investment Committee, of which Mr. Eakin is chair, has realized a 12.7% rate of return, net of fees, on funds invested by NCHA.

NCHA CFO Barb Benedum presented the financial reports through February 28, 2018, and that the Association currently is on budget for the fiscal year ending September 30, 2018. Additionally, Ms. Benedum reported that the 2017 Futurity came in as budgeted.

Tommy Neal led a discussion on the process of applying for and receiving funds from the State of Texas.

Mr. Yelverton advised the members of the status of the contract negotiations with the Will Rogers Coliseum. He reminded the Executive Committee members that the current contract has been in place since 2005 with no increases and that proposed contract changes from Will Rogers will include a 10% increase in facility fees to take place beginning in 2021. Mr. Yelverton advised that NCHA is negotiating a phase in of this impact so that the Association does not bear the entire cost in the increase in one year. Lengthy discussion ensued regarding how the opening of the new Dickies Arena will impact the management of the Will Rogers Facility and how NCHA might best be planning for that impact. After further discussion, **MOTION** was made by Tommy Neal and **SECONDED** by Ron Pietrafeso that the Will Rogers contract be accepted as amended. **MOTION PASSED.**

Youth Scholarship Process

NCHA CFO Barb Benedum and NCHA Director of Administration Catherine Cheugh brought the Executive Committee members up to date on the NCHA Youth Scholarship process. They advised the Executive Committee members that a meeting was held with Youth Committee Chair Jody McGlothlin and Youth Committee Co-Chair Mary Ann Rapp to discuss how NCHA offices will be taking on most of the responsibility for the youth scholarship process, and that Denise Wiley, will be the NCHA contact for all youth scholarship matters.

Stallion Breeders Program

Chair of the Stallion Breeders Committee Gail Holmes, Stallion Breeders committee member Michelle Cowan and Attorney Lew Stevens were in attendance to present to the Executive Committee members a proposal for treatment of the funds generated by the program. Mr. Stevens stated that there are 4 options proposed to the Executive Committee for consideration, those being:

1. Continue Existing Best Practices
2. Creation of a Revocable Grantor Trust
3. Creation of a Wholly-Owned Subsidiary
4. Creation of an Irrevocable Trust

Mr. Stevens outline the pros and cons for each of the options. After a lengthy discussion that also included members of the NCHA Finance Committee, **MOTION** was made by Ron Pietrafeso and **SECONDED** by Ernie Beutenmiller to remain with Option 1 (Continuation of Existing Best Practices) but to explore the possibility of adding additional general liability coverage to the existing NCHA general liability insurance.

IT UPDATE

NCHA Chief Information Officer Steve Carnes updated the Executive Committee regarding the status of HUB. Mr. Carnes noted that HUB is now the system of record and has been for some time. Discussion ensued regarding whether the AS400 is still being used in any capacity by NCHA staff. Mr. Carnes reported that the AS400 is still being used by the Accounting Department, by choice and that other NCHA staff continue to use it but in a very reduced capacity. Discussion then ensued regarding the process for the update of the NCHA website. NCHA Director of Administration Catherine Cheugh advised that she and Mr. Carnes had met with Eric Schmoyer of Blackbox, Inc. to discuss a proposal to provide the technical expertise to upgrade the website, it's back office construction, the navigation, and the look and feel of the site. Ms. Cheugh indicated that both she and Mr. Carnes were impressed with Mr. Schmoyer's expertise and prior experience and that Mr. Schmoyer will be providing a written proposal to NCHA for the project.

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

MOTION was made by Ernie Beutenmiller and **SECONDED** by J.B. McLamb to move the meeting back to general session. **MOTION PASSED.**

Region 26 (Europe) Request

NCHA Executive Director Chuck Smith reported that Region 26 is requesting an increase in the level of funds provided by NCHA for the region. Mr. Smith outlined the extent of NCHA's current funding for Region 26 and provided the Executive Committee with a spreadsheet showing the number of the regions shows, funds expended by supplying trophies and buckles and the general \$15,000.00 contribution by NCHA for the program. Discussion ensued and the committee members noted the increase in the number of Challenger Shows. After further discussion, **MOTION** was made by Phil Rapp and **SECONDED** by Ernie Beutenmiller to continue the current level of financial participation by NCHA, including the \$15,000.00 contribution. **MOTION PASSED.**

Challenger Show Discussion

A general discussion was held regarding the popularity of the Challenger Show format and the increase in the number of Challenger shows. A decision was made by the Executive Committee to increase the fee for a Challenger Show with jackpot classes only from \$100 to \$200 to become effective beginning with the 2019 point year. Added money Challenger Show approval fees will remain at \$200.00.

NCHA Presence at Other Events

Discussion was held regarding the NCHA having a “presence” at events other than NCHA events held in Fort Worth. It was generally agreed that NCHA might benefit from having such a presence such as a booth (manned or unmanned), printed materials, and other deliverables at NCHA shows as well as other such equine/stock events not only in Fort Worth, but in other areas as well. Discussion ensued regarding how to best accomplish this goal in the most cost-effective manner for NCHA. After further discussion, NCHA Director Chuck Smith agreed to work the NCHA Marketing Department to explore how best to identify events at which NCHA might participate and the cost associated with producing marketing materials and staff for such events.

Membership Survey

Executive Committee member David Pilcher suggested to the Executive Committee that the NCHA membership receive surveys following the Annual Convention soliciting input as to the success of the Convention, what other ideas might work for future conventions and solicit comments general to NCHA. The Executive Committee members agreed that this idea has merit and asked Mr. Pilcher to work with NCHA staff to draft such a survey.

Standing Rule 11

Discussion was held regarding the wording of the NCHA Rules and Regulations Handbook with respect to the handling of late entries at the Eastern and Western Nationals. After discussion a **MOTION** was made by Ernie Beutenmiller and **SECONDED** by Ron Pietrafeso to change the wording of Rule 11, effective beginning with the 2018 Western Nationals, as follows:

Late entries will be allowed up to 5:00 p.m. the day before a class starts for the original entry fee plus a fee of \$100, of which \$50 will be allocated to the jackpot and \$50 will be allocated as office charge.

After further discussion, **MOTION PASSED.**

Long-Range Planning Committee

Long-Range Planning Committee (“LRPC”) Chair Sharon Beach updated the Executive Committee members of the actions of the LRPC.

Ms. Beach advised that the LRPC has been working on the schedule for the 2018 NCHA Annual Convention and has suggested modifications in order to include topics of interest and to add to the usual governance meetings format. Ms. Beach shared with the members a draft of a schedule for the convention.

Ms. Beach then addressed the Executive Committee regarding the LRPC's proposed changes to the NCHA By Laws, which generally include the following areas:

1. Deletion of unnecessary and redundant By Law verbiage in the NCHA Rules and Regulations Handbook
2. Modifying the qualification requirements for the office of NCHA Vice President
3. Redefining the roles of NCHA President and NCHA Executive Director
4. Requiring members who wish to stand for election as NCHA Director to submit resumes outlining qualifications for the office and how their election might benefit NCHA

After lengthy and involved discussion, the Executive Committee members decided to study the proposed changes more closely and vote on the proposed revisions in a subsequent meeting to be brought to the Board of Directors for consideration at the time of the Convention.

MOTION was made by J.B. McLamb to move the meeting into executive session. **MOTION** was **SECONDED** Kathy Daughn. **MOTION PASSED.**

MOTION was made by Ron Pietrafeso and **SECONDED** by David Pilcher to return the meeting to general session.

Discussion re Limited the Number of Horses a Rider May Show at LAE Shows

NCHA Director of Shows Dave Brian advised the Executive Committee members that he has had questions from members regarding the number of horses a rider is allowed to show at LAE shows. Considerable discussion ensued regarding how this currently effects the shows and what any potential change to this format may have future shows. After lengthy discussion, the decision was made to form a sub-committee of Executive Committee members to formulate recommendations of how to pose this issue to the Competition Committee. The Sub-Committee shall consist of Phil Rapp as Chair, Tatum Rice, Matt Miller and Ron Pietrafeso.

There being no further business to come before the Executive Committee, **MOTION** was made by Jack Holt and **SECONDED** by Kathy Daughn to adjourn the meeting for the day.

Wednesday, March 21, 2018

President Lewis Wray called the meeting to order.

Sean Ryon Award Saddles Update

Mr. Sean Ryon addressed the Executive Committee members and provided an update on the completion status of the backlog of saddles promised to NCHA award winners. Mr. Ryon

advised that due to various unforeseen circumstances he had been unable to adhere to the previously NCHA approved schedule to complete the backlog of award saddles. Mr. Ryon indicated that he will get back on schedule and provide the saddles in accordance with the previously approved schedule. The Executive Committee members thanked Mr. Ryon for the update.

MOTION was made by Phil Rapp and **SECONDED** by Ernie Beutenmiller to move the meeting to executive session. **MOTION PASSED.**

MOTION was made by Ronnie Smith and **SECONDED** by Rock Hedlund to move the meeting back into general session. **MOTION PASSED.**

NCHA PAC Update

NCHA Lobbyist Jim Short provided the Executive Committee members with an update regarding the recent elections and the potential impact on NCHA. Mr. Short advised the members of upcoming PAC needs.

MOTION was made by Tommy Neal and **SECONDED** by Ron Pietrafeso to move the meeting into executive session.

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

Competition Committee

NCHA Competition Committee Chair Frank Merrill provided the Executive Committee with an update as to the operation and deliberations of the Competition Committee. Mr. Merrill advised that he and Competition Committee Vice Chair Bob Tregemba are addressing issues brought to the committee by implementing a system of sub-committees to address issues as they arise. Each sub-committee is made up of Competition Committee members who are most familiar and have significant experience with the particular issue at hand. Discussion followed regarding a projected timeline for a report to the Executive Committee and subsequently to the NCHA membership at large.

Redwood Empire Cutting Association

Executive Committee member Rock Hedlund advised the Executive Committee members that the Redwood Empire Cutting Association would like to once again raise the issue of the treatment of that associations' December 2017 show. The Executive Committee members discussed the history of the issue, the documentation of what transpired and the situation as it now stands. The Executive Committee members were referred to the approved minutes of the January 23, 2018, meeting wherein Redwood Empire's request was previously addressed as follows:

“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.**"

The Executive Committee members were then joined by telephone with Redwood Empire Cutting Association representatives Kathy Cardon and Katrina Bartolomie who once again presented their association's request for a change in the ruling of the Executive Committee with respect to how the December 2017 show was recorded and counted. After discussion, Ms. Cardon and Ms. Bartolomie ended their call. Upon further discussion by the Executive Committee it was decided to adhere to the action taken at the January 23, 2018, Executive Committee meeting as outlined in the approved meeting minutes for that meeting.

MOTION was made by Tatum Rice and **SECONDED** by Ernie Beutenmiller to move the meeting into executive session. **MOTION PASSED.**

MOTION was made by Tommy Neal and **SECONDED** by Ron Pietrafeso to move the meeting back into general session.

There being no further business to come before the Executive Committee, **MOTION** was made by Phil Rapp and **SECONDED** by Jack Holt to adjourn. **MOTION PASSED.**