

NCHA Executive Committee Meeting
Monday, October 16 – Tuesday, October 17, 2017
NCHA Offices
Fort Worth, Texas

Monday, October 16, 2017

The NCHA Executive Committee met on Monday, October 16, 2017, at the NCHA Offices in Fort Worth, TX. The meeting was called to order at 9:00 a.m. with a quorum of 14 Executive Committee members present: President Lewis Wray, President-Elect Phil Rapp, Vice President Ron Pietrafeso, Ernie Beutenmiller, Kathy Daughn, Rock Hedlund, Jack Holt, Jay Klamon, J.B. McLamb, Matt Miller, David Pilcher, Tatum Rice (electronically), and Ronnie Smith. Also present was Executive Director Chuck Smith.

A **Motion** was made by Ronnie Smith and **Seconded** by J.B. McLamb to approve the minutes of the August 7 – August 9, 2017 minutes. **Motion Passed.**

Region Reports

Region reports were given by Executive Committee members for their specific regions.

President's Report

President Lewis Wray advised the Executive Committee members that HUB is now live and led a discussion regarding how helpful HUB will be for regional reporting.

President Wray also advised the members that NCHA needs to have a presence at district shows as well as other local equine events, especially those held at Will Rogers.

Kathy Daughn raised the issue of the possible need to review regional boundaries due to new emphasis on regional competition. It was also mentioned that this might be an appropriate issue for review by the Competition Committee.

Motion was made by Phil Rapp and **Seconded** by Ron Pietrafeso to enter into Executive Session. **Motion Passed.**

Motion was made by Tommy Neal and **Seconded** Jay Klamon to reenter open session.

Finance Committee

Jerry Yelverton, Finance Committee Chair and Barb Benedum, NCHA Chief Financial Officer, were present to discuss the NCHA financial statements. Mr. Yelverton advised the Executive Committee members as to how to interpret the financial statements that had been distributed. The operating budget format covered the 2017 budget estimates, the 2017 actuals through August 28, 2017 and the projected budget for 2018. He reviewed each department within the NCHA staff structure as well as each major NCHA produced show. He also reviewed in detail the cash flow and current cash position of NCHA as compared to October 1, 2016, which was the

beginning of the 2017 fiscal year. Discussion ensued regarding the success in building the NCHA bank account balance and plans for continuing that effort. There was significant improvement in strengthening the cash flow and cash position of the association. The continued focus of 2018 budget planning and execution should lead to continued strengthening and soundness of the financial position of the association.

Discussion was held regarding the treatment of the existing Stallion and Foal program loan, its terms and the status of repayment.

CFO Barb Benedum advised the Executive Committee members that the numbers for 2017 actual categories shown on the financial statements are through August 28, 2017 because the NCHA fiscal year had just ended on September 30, 2017, and that it will be 30-60 days before the final fiscal year books can be closed for fiscal year 2017.

Discussion ensued regarding how to account for "in kind" sponsorships in NCHA financial statements. Tommy Neal reported that he had met with NCHA Chief Marketing Officer, Terry Bassett regarding this issue and further information is necessary before recommendations can be made.

Questions arose as to the final numbers for the Denver national show. CFO Barb Benedum stated that as it now stands, there is an approximately \$28,000 to \$30,000 profit. However, she wanted the members to understand that this figure is an estimate as there are still a few outstanding expenses and revenues to be received before accounting for the show is complete.

Discussion was held regarding the Executive Committee reinstating the review of the NCHA Flash report each time the Executive Committee meets. This report provides a snapshot view of significant trend indicators and benchmark measurements as to memberships, show entries, by class, by weekend shows, by Limited Age Events, comparing the current year to date to each of the two prior years. It was noted that the current report indicates a downward trend in entries and this prompted a discussion as to whether added money was a positive or negative for NCHA. President Wray reported that HUB now will be able to break down this Flash report by regions as well as nationally. This information will provide Regional Executive Committee members with the ability to report regional activities and trends more accurately. Hub will begin to provide accurate detailed data that will enhance our ability to see, study and better measure the impact and results of new or adjusted programs that are implemented over time.

It is an objective of this Executive Committee to establish a more consistent process in the oversight of the ongoing financial status of the association working closely with our Finance Committee, Executive Director and CFO.

Executive Director Chuck Smith led a discussion regarding the need for planned, strategic growth and the advisability of developing an overall strategic plan for NCHA.

Motion was made by Tommy Neal and **Seconded** by David Pilcher to approve a corporate resolution necessary for permitting Executive Director Chuck Smith, Chief Financial Officer Barbara Benedum, and Director of Administrative Services Catherine Cheugh to transact business on behalf of NCHA. **Motion Passed.**

There being no further discussion as to NCHA budget for fiscal 2018, **Motion** was made by Tommy Neal and **Seconded** by David Pilcher to approve the budget as presented. **Motion Passed.**

Executive Director Report

NCHA Executive Director Chuck Smith addressed the members regarding:

1. Scottsdale Show

Bryan Dygert from the WestWorld facility in Scottsdale, AZ was introduced and discussed with the Executive Committee members the financial ramifications of canceling the planned NCHA Scottsdale show. The Executive Committee members then discussed Chuck Smith's proposal to work with the Arizona Cutting Horse Association whereby co-branding the show would help mitigate NCHA contractual obligations for canceling the show. Mr. Dygert indicated that WestWorld would be agreeable to this plan so long as NCHA agreed to co-brand the event. Mr. Dygert advised the Executive Committee members that WestWorld entered into the current contract with NCHA because NCHA is a national organization. However, he stated his opinion that because NCHA had already produced the first show, that co-branding the second event with AzCHA would be acceptable. After the 2018 event, any continuation of the show would be between AzCHA and WestWorld, and NCHA would have no further financial responsibility.

Considerable discussion ensued as to the viability of this plan. The Executive Committee felt strongly that AzCHA should engage a consultant to conduct the necessary economic impact survey and bear any cost associated with such a survey to help further determine the viability of the plan.

Motion was made by Jack Holt and **Seconded** by Tommy Neal to table this issue until such time as a discussion could be held between Chuck Smith and the AzCHA to nail down all the specifics of the plan. **Motion Passed.**

2. Eastern and Western Shows

Chuck Smith led a discussion regarding whether the money won at NCHA produced shows count towards yearend earnings. Upon further discussion of the pros and cons regarding this issue, the Executive Committee members agreed to **Take No Action** on this matter.

3. Changing Timeframe by Which to Add/Delete Classes at Shows.

Chuck Smith advised the members that a question has arisen regarding shortening the timeframe by which to add and/or delete classes at shows. The object of this change would be to possibly increase show entries. After discussion of the impact of the pros and

cons of this issue, the Executive Committee members agreed to **Take No Action** on this matter.

4. **HUB Update**

A further update on the status of HUB was presented by Chuck Smith. He advised the group that it is producing well for NCHA staff and as a final cross check of accuracy, HUB and the AS400 will run concurrently through the Futurity.

5. **Challenger & Championship Regional Award Tiebreaker Structure**

Show Department Manager Dave Brian advised the Executive Committee that the recommendation regarding tiebreakers and eligibility for regional standings from the Show Department and the IT Department is:

- a. Regional Championship Shows – National top 15 riders and horses would not be eligible for regional awards;
- b. Regional Challenger Shows – A minimum of 3 points are required to be eligible for awards;
- c. Regional Challenger Shows -- Tiebreaker decisions would be made as follows, in order:
 - (i) Dollars won;
 - (ii) Number of shows attended; and
 - (iii) Total scores.

Dave Brian also advised the Executive Committee members that Youth money or points do not count towards World Finals. He further advised that the regional standings would be available 2 weeks before Thanksgiving, except for Youth as they are on a different point year. The Executive Committee members agreed that we need to start communicating this information immediately including in Chatter and on the NCHA website.

Motion was made by Ronnie Smith and **Seconded** by Ernie Beutenmiller to approve the Challenger & Championship Regional Eligibility and Award Tiebreaker Structure as presented. There being no further discussion, **Motion Passed**.

6. **Moving Trade Show to Coliseum for Superstakes and Summer Show**

After brief discussion, the Executive Committee members agreed to **Take No Action** regarding this issue and to leave things as they now stand as it does not seem physically practical to move the trade show and the recognition that this would not be in the best interest of our vendors.

7. **Discussion re Removing Trainers from NCHA Directory**

Chuck Smith led a discussion regarding the suggestion of not publishing trainers in the NCHA directory. He indicated that some of the membership were concerned that by publishing the directory with the trainers listed, people may assume that the NCHA is endorsing the trainers. After discussion, it was agreed that NCHA would continue to

publish the trainers and ask Jim Morris to draft a disclaimer to appear in the NCHA directory stating that NCHA does not endorse the trainers and that it's paid advertising. It was discussed that the trainers are an intricate part of our association and one of the objectives of the association is to be a clearinghouse of information for its members. This is also a common practice in many other industry associations with regard to providing useful contact information to its customers and members without any intention of endorsement. **Motion** was made by Ron Pietrafeso and **Seconded** by David Pilcher to engage Jim Morris to craft a disclaimer to appear in the directory. **Motion Passed.**

Live Scoring

Jay Klamon led a discussion regarding the proposal from Cutting Horse Central to provide the live scoring technology for the 2017 Futurity and for shows through the 2018 Futurity. After a brief discussion that included the recognition that many of our members want this technology, **Motion** was made by Ron Pietrafeso and **Seconded** by Tommy Neal to adopt the proposal from Cutting Horse Central to provide live scoring technology for one year including the 2018 Futurity. **Motion Passed.**

Administrative Updates

1. Futurity Open Semi-Finals Time Change

Show Department Manager Dave Brian advised the members that currently the 2017 Futurity Open Semi-Finals are scheduled to begin at 4:00 p.m. Brian proposed a schedule change to allow these semi-finals to begin at 3:00p.m. The objective of this change was to provide smoother transition with regards to other planned events in the schedule. The Executive Committee members agreed that this is a good idea and advised Dave to make the change in the schedule.

2. Staff Reassignment

Dave Brian advised the Executive Committee members that Ashley Thomas is being moved from the Youth Department to the Show Department. He advised that Ashley also now will be running the practice pen function for NCHA. Chuck Smith advised that much of the processing of the Stallion & Foal accounting tasks and processing of the Youth scholarships will be moved to Accounting. Chuck stated that he and other staff members will be working with the Youth Committee Chair and Co-Chair to replace the Youth staff person as quickly as possible.

3. NCHA Employee Handbook

Personnel Committee Chair Jerry Yelverton and Director of Administrative Services Catherine Cheugh discussed the revisions to the NCHA Employee Handbook that had been distributed to the Executive Committee members prior to the meeting. Yelverton advised the Executive Committee members that many of the issues that had been raised by various constituents have been addressed in the updated draft. Catherine Cheugh stated that the handbook had been almost completely rewritten to address such issues as paid

time off, benefits, ethics, NCHA atmosphere of respect, social media, appropriate use of NCHA equipment, compensation, performance reviews, etc.

Discussion ensued amongst the Executive Committee members regarding addressing concerns about mileage reimbursement issues and the payment for alcohol when using the NCHA corporate credit card.

After further discussion, **Motion** was made by David Pilcher and **Seconded** by Jay Klamon to approve the draft of the updated NCHA Employee Handbook subject to the addition of verbiage addressing mileage reimbursement and payment for alcohol with any NCHA credit card, and subject to review by outside legal counsel. **Motion Passed.**

Futurity Update

Rebecca Brian Finley brought the Executive Committee members up to date with respect to events planned to coincide with the 2017 Futurity. Events include Cowgirl Hall of Fame luncheon participation and welcome to the trade show, Waco Bend Ranch Collegiate Horse Judging Competition, Celebrity Cutting, World Finals Awards Party, Exhibitors Gone Wild/NCHA Foundation Auction and Cocktail Party, Western Bloodstock Sales, Select Yearling Sale & Gala, Unlimited Amateur Draw Party, and NCHA Celebrates 50 Years at the Will Rogers Memorial Coliseum.

She then discussed with the Executive Committee members the prospect of placing of a plaque at Will Rogers commemorating the 50th anniversary of the NCHA Futurity. After a brief discussion, Ms. Finley was advised that Executive Committee members agreed with the idea and chose the Richard Bass building as the best site for installation of the plaque. She was directed to determine the cost of the plaque and report back to the Executive Committee.

Discussion ensued regarding the Exhibitors Gone wild event, ties to the NCHA Foundation and how this event came about. Discussion was suspended pending talking with Jo Ellard, Chair of the NCHA Foundation on Tuesday, October 17.

Discussion re Rule 34

Discussion was postponed until Tuesday, October 17, 2017.

Judging Program

1. Director of Judges Russell McCord discussed the issue of Rule 6.n, page 18 of the 2017 NCHA rulebook, and to recommend changing the verbiage of "Bit Drop". This was due to an incident that occurred at a recent show when a contestant physically dropped the bit/bridle in the dirt during a "Bit Drop". After discussion and addressing what could be done to correct the problem. Russell discussed that the Judges Rules Committee are recommending these following changes.

The first change would to change the verbiage from "**Bit Drop**" to "**Bridle Inspection**".

2. Recommendation on Rule 6.n, page 18 to change the wording from “drop” to “remove” and the word “bit” to the word “bridle” in the sentence. It would read as in part:
 - a. It is recommended that at each NCHA produced show, that one contestant per set be asked to dismount and clearly ~~drop~~ **remove** and show their ~~bit~~ **bridle** to the judge or judges for their approval.
3. Recommendation on Judging Rule 16, page 133 to reword “Rule 16” to “this rule” and add the verbiage “and also the Standing Rule 35.A.1 - Zero Tolerance Policy” at the end of the sentence below to read as:

A judge has the right to have a contestant report to him/her if he/she is suspicious of any infraction of ~~Rule 16~~ **this rule and also the Standing Rule 35.A.1 - Zero Tolerance Policy.**

4. Recommendation to reverse the order of the two following sentences in Judging Rule 16, page 133 to read as:

A judge has the right to have a contestant report to him/her if he/she is suspicious of any infraction of this rule and also the Standing Rule 35.A.1 - Zero Tolerance Policy. Any time a contestant is guilty of an infraction of this rule or any part therein, he/she shall be disqualified.

5. Recommendation to remove Rule 16 from Standing Rule 16.g, page 134 in the rulebook. To read as:

g. Violations of Rule ~~16~~, 16b, c, d, e, & h shall result in:

6. It is recommended by the Judges Committee when there is the call for a “Bridle Inspection” in Rule 6.n, and it is a possible Standing Rule 35.A.1- Zero Tolerance Policy violation, the majority vote of the judges would determine the disqualification.
7. In addition, it is recommended that the official videographer and photographer of the show would take a video and photo(s) of the horse/bridle being inspected.
8. It is recommended that the official announcer should announce specifically “***show your bridle to the Judge(s) in the middle***” when asked for a “bridle inspection”.

Motion was made by Ron Pietrafeso, **Seconded** by Tommy Neal to approve all of these recommendations 1 through 8. **Vote Passed Unanimously.**

9. Recommended revisiting the revised Videographer Recertification to make Videographers more accountable by making all the below requirement to complete:

- a. Update Video Procedures in the 2018 rulebook
- b. Videographer Code of Ethics- to be signed by all videographers
- c. Upgraded the online Videographer Certification Test to taken every other year.
- d. Letter from Chuck Smith announcing the new Videographer Certification process that is due by December 28, 2017

Motion to approve the revised Videographer Procedures was made by Ronnie Smith and **Seconded** by Jay Klamon. **Motion was passed by unanimous vote.**

10. Ernie Beutenmiller discussed being approached to be an NCHA Judge Clinician at a Judge Recertification Seminar in Frankfurt Germany. This event would be held on January 28-29, 2018. Ernie asked for the assistance of Executive Director Chuck Smith to discuss the matter in detail, to see if it is an option worth looking into financially. Chuck Smith agreed to explore more information on the clinic to see if it is was reasonable and cost effective to send a clinician. **Motion** was made by Jay Klamon and **Seconded** by Tommy Neal for Chuck Smith to further explore the European Annual Meeting as discussed.

Motion Passed.

Motion was made by Tommy Neal and **Seconded** by Ron Pietrafeso to move the meeting into executive session. **Motion Passed.**

Motion was made by Rock Hedlund and **Seconded** by Kathy Daughn to return to the meeting to open session. **Motion Passed.**

Updates to Chatter Publication

Patty Tiberg of Morris Publications and NCHA Chief Marketing Officer Terry Bassett presented to suggested layout and design updates alternatives. Ms. Tiberg advised the members that she would continue the work on the design and provide updates as they become available.

Motion was made by Phil Rapp and **Seconded** by Rock Hedlund to adjourn for the day. **Motion Carried.**

Tuesday, October 17, 2017

PAC Update

NCHA lobbyist Jim Short presented to the Executive Committee an update on the efforts of the NCHA PAC. He detailed efforts made in the past year and the projected efforts for the upcoming year. Mr. Short advised that the Executive Committee increase the PAC budget for 2018 from \$284,000 to \$333,000. After discussion, a **Motion** was made by Tommy Neal and **Seconded** by

Kathy Daughn to increase the PAC budget for 2018 to \$333,000. There being no further discussion, **Motion Passed.**

NCHA Foundation Update

NCHA Foundation Chair Jo Ellard was present to present an update on the status of Foundation efforts. Lengthy discussion ensued. Ms. Ellard acknowledged that the Foundation was founded as a support organization of NCHA, and advised that currently the Foundation Board of Trustees is comprised of Joey Milner (Chair), Charlie Israel, Frank Merrill, Renda Tillerson and herself. NCHA Executive Director reminded the Executive Committee members that the NCHA Executive Director is President of the Foundation and the NCHA CFO is the Secretary/Treasurer. Ms. Ellard stated that there are 5 sub-committees in the Foundation supporting the 5 tenets established at the formation of the Foundation, those being Finance, Education, Animal Welfare, Scholarship & Crisis and History and Preservation.

Discussion ensued as to the structure of the Crisis procedure of the Foundation and the perception that the restrictions as to how to qualify for a grant from this fund are too stringent and next to impossible to meet.

Considerable discussion was held regarding the Foundation's cost sharing relationship with NCHA for NCHA staff efforts on behalf of the Foundation. Discussion ensued regarding the process by which Foundation Trustees approach NCHA staff with requests for assistance.

Ms. Ellard informed the Executive Committee of a fund-raising event to be held during the 2017 Futurity, Exhibitors Gone Wild being sponsored by Cutting Purse. Lengthy discussion ensued regarding the fact that there is no association whatsoever between NCHA and Cutting Purse. Ms. Ellard advised the Executive Committee members that all proceeds from this event will be donated to the NCHA Charities Foundation.

After further discussion, the Executive Committee determined that Jim Morris, NCHA CFO Barbara Benedum, Tommy Neal and David Pilcher will meet to draft procedures and the manner by which the Foundation is assessed appropriate costs for NCHA staff assistance.

Scottsdale Show – Further Update

NCHA Executive Director Chuck Smith reported that he had talked with Arizona Cutting Horse Association earlier in the day with respect to questions the Executive Committee had posed during the Monday meeting.

1. AzCHA agreed to pay up to \$5,000 for the cost of an economic impact survey;
2. Several trainers from Region 2 have verbally committed to attend the Western Nationals show and that the new Scottsdale event have no bearing on their decision to participate in the Western Nationals;

3. The AzCHA plans to schedule 10-11 days of competition comprised of 2 sets of Weekend shows with an LAE event between those 2 shows.
4. AzCHA plans to run 2 show pens concurrently during the shows;
5. The PCCHA has expressed interest in working together with AzCHA in the production of the show with emphasis on producing the LAE events.

The Executive Committee members discussed the need for additional regional shows such as this in order to promote NCHA growth. Based on Chuck Smith's discussion results listed above, there was strong consensus that this was the most viable and cost-effective option with regards to fulfilling our remaining obligations for Scottsdale in 2018. There being no further discussion, a **Motion** was made by David Pilcher and **Seconded** by Kathy Daughn to co-brand the Scottsdale show with the Arizona Cutting Horse Association and authorized Executive Director Chuck Smith to finalize the project. **Motion Passed.**

Rule 34 Discussion

Ernie Beutenmiller addressed the Executive Committee regarding further discussion on Rule 34 regarding the vagueness of the rule and the need for clarification of just where and how training equipment may be used during NCHA sanctioned shows. After lengthy discussion, **Motion** was made by Ron Pietrafeso and **Seconded** by Matt Miller to refer this issue to the newly formed Competition Committee for action. There being no further discussion, **Motion Passed.**

Competition Committee

Competition Committee Chair Frank Merrill was present to address the Executive Committee members regarding the formation of the Competition Committee and the selection of its members. Mr. Merrill reiterated that participation on the Competition Committee will be very time and effort intensive and that populating this committee must be done with attention to those nominees who truly will invest all the necessary effort to make the Competition Committee a success. He advised the Executive Committee there is no room on the Competition Committee for members who are unwilling or unable to fully meet the commitment. He suggested to the Executive Committee that he be given the authority to replace those members who cannot meet the time and effort commitments necessary to make the Competition Committee a success. There was further discussion regarding this request. The Executive Committee agreed there must be accountability of each member on the Competition Committee to diligently fulfill the requirements of time and effort as they serve on this committee. There was general consensus that the Chair and Vice Chair had the primary responsibility of working with each member committee member in facilitating their role as an effective contributor to the process. Should the need arise for a replacement on the Competition Committee, that request would come back to the Executive Committee. The Executive Committee would determine the proper method by which to fill that vacancy.

With respect to tasks before the Competition Committee, Mr. Merrill asked that the Executive Committee prioritize the assignments already referred to the committee. Chuck Smith stated

that NCHA staff liaison with the Competition Committee will be Show Department Manager Dave Brian and Director of Administrative Services Catherine Cheugh. Mr. Merrill agreed with the Executive Committee that any Executive Committee member is welcome to participate by telephone or attend the Competition Committee meetings should they wish to do so. Discussion was held as to when to schedule the inaugural meeting of the Competition Committee and it was agreed that choosing a date to coincide with the 2017 Futurity likely is the most convenient and many of the Competition Committee members will be in Fort Worth. The Executive Committee and Mr. Merrill agreed that it is very important that all contact whether it be in person or electronically be routed through Mr. Merrill as the Competition Committee Chair. President Wray also suggested that any ideas for possible Competition Committee action be forwarded to Chuck Smith or Catherine Cheugh for forwarding to the Competition Committee with the thought that there will be at least 3 routes by which to get information to the Competition Committee.

The Executive Committee appointees to the Competition Committee are as follows:

LAE Amateur:	Toddy Pitard (R6)
LAE Non-Pro:	Ora Diehl (R5)
Professional Trainers LAE:	Johnny Bates (R6)
LAE:	Katherine VanBoekel (R4)
LAE Producers:	Phil Benadum (R2)
Amateur Weekend:	John Lavelle (R4)
Non-Pro Weekend:	Buddy Westphal (R1)
Professional Trainers Weekend:	Don Pooley (R7)
Open Show Weekend:	Joe Wes Davis (R3)
Affiliate Officers Weekend:	Kirby Smith (R3)

There being no further discussion, **Motion** was made by Phil Rapp and **Seconded** by Jay Klamon to approve the roster as selected. **Motion Passed.**

Adjournment

There being no further business to come before the Executive Committee, **Motion** was made by Tommy Neal and **Seconded** by Kathy Daughn to adjourn this session of the Executive Committee meetings. **Motion Passed.**