

May 2009 Director's Report

I would like to thank the Region 10 membership and delegates for their support in electing me to serve once again as your Region 10 Director. Dean Meier did a great job representing Region 10 at the Arabian Horse Association Board of Directors Meetings. Dean provided a key leadership role during his tenure as Region 10 Director and continues to maintain significant involvement in AHA today.

I pledge to continue to represent Region 10 in a positive fashion, working towards the furtherment of our association and the beautiful Arabian, Half Arabian and Anglo Arabian horses we all love and enjoy.

Region 10 should be very proud of the fact that we have a reputation as being a Region that works together for the betterment of our breed. This is a common goal we should all keep in mind in everything we do for our clubs, our region and our association. Region 10 also enjoys a history of having significant membership involvement at a national level. Thank you to our many Region 10 members who are involved in local club activities, regional activities and who are involved in many AHA national committees and boards.

Spring in Region 10 is a beautiful time of the year. This is the time of year we welcome new foals, contemplate breeding decisions, exhibit our horses in shows, events or pleasure rides and look forward to these events continuing through the remainder of the year.

Our Regional Championship Horse Show begins with a pre-show on June 10th, followed by the Regional Champion Show June 11th through the 14th in St. Paul. There have been some exciting additions to the Region 10 Championship Horse Show this year, including extra promotion aimed at bringing excitement to our breeding classes. Regional 10 will be having five judges judge our breeding classes this year, with the elimination of the high and low score, similar to how the breeding classes were judged at the U.S. Nationals last year. Additionally, through breeding class sponsorships, there will be a revenue sharing component with added money offered in some of the breeding classes. I would like to commend everyone for their willingness to back this program and think outside of the box as to ways to increase participation in our breeding classes at this year's Regional Show. Please be sure to attend and enjoy the beautiful horses and the companionship of friends who share your passion.

Additionally, our Region 10 Championship Sport Horse Show will be held June 27th and 28th in Waukesha, Wisconsin. Please be sure to attend this ever-expanding aspect of our Regional Championship Show.

The first AHA Board of Director's meeting for 2009 was held March 6th and 7th in Aurora, Colorado. This was my first meeting as your new Director, and it had been four years since I last represented Region 10 at an AHA Board Meeting. I felt very comfortable at this Board Meeting, feeling as if I had never been gone. There is some comfort to this and also some concern, as everyone agrees we would like to develop an effective way of doing business for the Arabian Horse Association with appropriate delegation to various individuals, committees or boards. Nevertheless, it was apparent that the AHA Board of Directors consists of a dedicated group of individuals with the best interest of the Arabian, Half Arabian and Anglo Arabian at heart.

Items of interest to our membership include the following:

- The AHA Board of Directors clarified the conflict of interest/confidentiality issues policy. All AHA Board of Directors must sign conflict of interest and confidentiality agreements.
- The AHA Board of Directors adopted a motion that at each May meeting, the Board of Directors will discuss possible fee increases for AHA programs. These fee increases will not take place until the following year. Membership will be advised of potential fee increases prior to their implementation via AHA e-mail, E-Blast and the Modern Arabian Horse magazine.
- The Budget and Finance Committee developed the fiscal year 2010 operating budget which was passed by the Board of Directors following significant discussion. I would like to thank Dean Meier for his involvement in this important committee.
- The Board of Directors approved a motion that all non-unanimous votes of the Executive Committee must be reported with recognition of how each EC member voted.

- Additional classes were added to the AHA standard class list, including Purebred Team Penning, Open and ATR; Half-Arabian/Anglo-Arabian Team Penning, Open and ATR; Showmanship AAT; Saddle Seat Equitation AAT; Reining Seat Equitation AAT; Hunter Seat Equitation NTJ AAT; Hunter Seat Equitation Over Obstacles AAT and Western Horsemanship AAT.
- A new “Open Competition Award” was adopted by the Board of Directors designed to give recognition to Arabians, Half-Arabians or Anglo-Arabians in Open Competitions. This award is effective January 1, 2010.
- The Board of Directors dealt with the issue associated with confusion between the concept of concurrent classes and concurrent shows. The Board of Directors adopted the recommendation of the Competition Advisory Committee to revise Article 1108 in the AHA Handbook associated with concurrent class/judge system. The language of this Article sets forth the procedure for holding concurrent classes at a horse show.
- The Board of Directors approved the recommendation of the Points Monitoring Committee to revise Regional and National qualification point requirements for the Walk/Jog trail classes and provide points for the English/Country English Pleasure Select qualifications.

A highlight of the March Board of Directors Meeting is the opportunity for the Regional Directors to interact with the Regional Youth Directors. I had the pleasure of having lunch with Sydney Arnold and Jessica Hornung, both representing Region 10.

I am sure everyone would agree that we have all been affected by the current economic environment. AHA is no exception. When the Budget and Finance Committee was working on the proposed 2010 budget, the AHA staff was required to set forth budgets for each department with an emphasis on generating a profit. The Arabian Horse Association has been affected by these economic times, like most other businesses or organizations. As part of the 2010 budget planning, reductions were made in AHA staff benefits and a salary freeze was implemented as well as elimination of employer 401K contributions. The net effect of this is that all employees would experience a decrease in their net income of in their benefits.

We do have a dedicated group of AHA employees, and I would like you to keep in mind the sacrifices they are making for this association whenever you are dealing with them.

The next AHA Board of Directors Meeting was held May 15th through May 16th. I felt this was a very productive meeting and was pleased to see that, even when there was disagreement as to various issues amongst the Directors, once a vote was taken and the result reached, everyone moved forward in a positive fashion. This is an essential component of an effective Board of Directors, and I was pleased to see the AHA Board operating in that fashion.

The following items may be of particular interest to you:

- 2009 Fiscal Year Results.

Unfortunately, the fiscal year (FY) 2009 results missed our mark. Exact figures will be available when our auditors complete their work mid-June. Our review process includes an evaluation of the reporting process to assure more accurate financial reporting. All liabilities have been met within established terms.

During the 2009 fiscal year, like most equine organizations, AHA faced decreases in many areas. Other equine organizations are experiencing similar declines.

At the time of the Board of Directors Meeting, AHA was in the midst of evaluating how these shortcomings will affect the FY 10 budget approved in March. As members you should anticipate the same level of service, but AHA will be tightening the belt. As with any organization, it will be difficult to accurately budget in uncertain times. AHA will do what it takes to weather this economic climate and keep your organization sound.

- AHA Direct Members.

There was general discussion amongst the Regional Directors on how to encourage direct members to join a local club and be involved on a local level. Various regions provide a budget to supplement these new members by having them join a local club. Region 10 is in the midst of

gathering data on AHA direct members from Region 10 who do not belong to a club. We will be working to establish a way to encourage these members to join a local member club of Region 10.

- The AHA Board of Directors was advised that George Johnson, Judges and Stewards Commissioner, was released from his contract. Based upon Resolution 35-08, passed at the 2008 AHA Annual Convention, the Judges and Stewards Commissioner's job description was essentially modified. Prior the 2008 convention, emphasis had been placed on the position to require the Commissioner to an attorney. (Although not formally required, this was the direction utilized in selecting a candidate.) With passage of the new Resolution, it has been felt that the Commissioner would function better having been a senior judge, preferably an Arabian horse judge. Once the new job description is more fully developed, the position will be advertised through the HR Department at the Arabian Horse Association.
- The Board of Directors approved a motion that material changes in revenue or expenditures by a given department must be submitted to the Budget and Finance Committee for approval. Material changes defined as being equal to or greater than 5% of the department's budget.
- EVP-AHA Department Head Updates.

Debbie Fuentes, Customer Service, reported that membership is declining approximately 10%. We currently have 33,576 members compared to 37,460. Purebred registrations are down 5%, and Half Arabian/Anglo Arabian registrations are down 22%. Debbie reported that individual letters will be sent to mare owners whose horses were bred in 2007, but have not yet registered the foal. The Customer Service Department is attempting to gather data as to why foals are not being registered. The Registry Commission approved a registration amnesty program which will run from July 1, 2009 through December 31, 2009 with reduced prices for registering horses over two years of age.

Molly Gunning, reported on continued IT progress. AHA has contracted with a new management service provider and continues to work on improving the AHA IT. Changes have been made in services associated with membership. AHA is providing club secretaries and member chairs

with monthly report of memberships expiring in 30 days and improving the physical membership cards. New membership cards should be arriving shortly which will clearly show if an individual is a competition member. Additionally, the membership renewal form will now have a donation box for the Arabian Horse Foundation.

Dan Lawrence, Marketing Department, reported that the Marketing Department continues to work with the Arabian Data Source Program, Arabian Community Shows, Discovery Farms, radio promotion for Youth Nationals and U.S. Nationals, and the TAIL (Total Arabian Interactive Learning) Program.

Jim Gordon, Modern Arabian Horse, reported a noticeable increase in consumer advertising based upon the MAH focus on life style of Arabian horse owners. Jim reported that there is a new MAH advertising campaign, including E-Blast service available through AHA. Jim reported actual profit for the April-May issue of \$16,592.00 from the MAH magazine. (It is anticipated that *modernarabianhorse.com* is targeted to go on-line 06/01/09.)

Duane Elkins, National Events, reported that Youth National entries close June 15th and Canadian National entries close July 8th. A review of horse show entry numbers to-date shows that if we add concurrent classes, they are showing an increase both in entries and horses. If we look solely at the number of shows, entries and horse numbers are down.

- Organizational Efficiently Task Force.

Please note that AHA has now developed on-line forms for committees to use. These forms should be up and running. Look for communication from your committee chair using these forms.

- The AHA Board of Directors set the first AHA Board of Directors Meeting to be January 29th and 30th, 2010. We did not have an AHA Board Meeting this past January. We will need to consider this date when we are establishing our Region 10 meeting schedule.
- Governance.

There was significant discussion as to the status of the original Governance Committee that was established pursuant to the merger agreement. A motion to conclude that the Governance Committee had completed its' task and was to be dissolved was defeated. A motion was then made to have the Merger Governance Committee present to the Board of Directors their recommendation on governance for a vote at the August 2009 Board Meeting. This motion passed unanimously. Having served on the original Merger Governance Committee, I do believe that this is the right action. If anyone would like to discuss this issue with me personally, please feel free to contact me at either the Regional 10 Horse Show or via telephone or e-mail.

- Points Monitoring Committee.

The Board of Directors defeated a motion to modify the method of qualification for the 2009 show season for Regional Show qualifications. The Board of Directors essentially was reluctant to consider changes "mid-stream". It is anticipated that a similar motion will be presented to the Board of Directors in August, with an effective date January 2010.

- The Board of Directors approved a motion requiring show managers or show secretaries to be an active individual AHA member at the time of recognition and through completion of the show results.
- AHA President, Lance Walters, will report that the AHA position, after extensive research as a Board of Directors, is that we support the re-opening of equine processing plants for horses in the U.S. We believe the re-establishment of the humane processing of horses is in the best interest of the horse and livestock community.
- Annual Convention Issues.

Mary Ann Hughes reported that the 2009 annual convention will be hosted by Region 3 at the Silver Legacy in Reno. Room rates are \$85.00 per night. Mary Ann also reported that the 2010 convention will be in Orlando at a new hotel which is within the Walt Disney Resort Complex. The hotel rate is \$140.00 per night. This special rate will be available for three days before and after the convention. The Buena Vista Palace Resort and Spa is directly across the street from downtown Disney.

- Breed Promotion.

During general discussion of breed promotion, Marty Kleiner, Region 15 Director, reported that their Region had decided to support pet expos versus horse expos. He indicated they receive three to four times the interest at a pet expo than they did at a horse expo. He said they felt that they were breaching out to a new crowd. This is another example of thinking outside of the box.

- Misc. Staffing Issues.

It was reported at the May Board of Directors Meeting that John Barnickel is no longer employed at AHA. Barbara Burke has been hired on a part-time basis to assist in the Accounting Department to help with the accounting functions until a permanent replacement can be obtained.

- Committee Reports to the Board.

The Board of Directors approved a motion that all committee chairs who failed to submit a report to the Board, as required by AHA Rules, will result in removal of said chair or elimination of said committee.

If anyone would like to discuss any of these items, or any other things that they might be hearing out there, please give me a call. I believe in open communication.

I look forward to seeing all of you at shows or events this summer and hearing about your horse related activities and experiences.

Van P. Jacobsen