

Congratulations and thank you to all of you who helped Region 10 co- host the 2003 first annual Arabian Horse Association Convention. The conventions was very well received and positive comments were often heard. Everyone involved deserves a pat on the back. Thank yo everyone.

The AHA Board of Directors have a new meeting schedule which has eliminated one meeting and moved our traditional January meeting back to Feb 27-28. This change in the meeting date allows us to consider the AHA budget which is now operating on a new fiscal year.

In an effort to serve our members better, Region 10 has elected to move our Regional show back one week to accommodate those students finishing their school year or involved in graduation. This also allows extra time to prepare for and qualify for the show. The show will be in Milwaukee this year. Since our show depends heavily on volunteers, this change in location will hopefully allow more volunteer opportunities for a different group of volunteers. This is just one of the advantages of rotating the show.

The first meeting of the Regional delegates was Feb 1 in Eau Claire. Weather problems were a challenge again and we ended up one delegate short of a quorum. However, we were able to make some good progress on various issues subject to ratification by the full Board.

Region 10 will be producing a directory again in 2004. The board heard an interesting presentation from Walter Mishek and Mike Villasenor with the Arabian Horse Times regarding producing a Region 10 directory and promoting our Region and our Regional show. This proposal, along with others, will be discussed again at our March meeting.

Believe it or not, spring is around the corner. New foals are arriving, show horses are going back to work and some of you may just have returned from Scottsdale. Arabian horses have a way of renewing our spirit and giving us one more reason to look forward to spring!!! Enjoy everyone!

Van

March 2004
Director's Report

The first director's meeting of 2004 for the Arabian Horse Association was held on February 27 and 28 in Aurora, Colorado. The meeting was well attended and there was a definite "positive" attitude in the air. There were a number of items of business that were conducted which are reflected in the meeting minutes which are available on the AHA web site. It was not the action that was taken on the business items that demonstrated the positive attitude, it was the interaction of the board members and the delegates acting as one unified group making decisions that are necessary to grow the breed and strengthen our association.

Let me comment on some items you might find of interest. George Johnson, Judges and Stewards Commissioner, reported that the 2004 Judges and Stewards directory is now available for purchase for \$15.00, or it is also available on line.

There will be six new classes added to the Canadian Nationals this year. The classes are Arabian Reining JOTR, 18 –39 and 40 and over. Additionally there will be a Sport Horse Under Saddle class for both purebreds and half Arabians/AA. Training level dressage will also be added. Effective 1/1/05 the Stallion and Mare Breeding Championships at the US and Canadian Nationals will have the age divisions combined. The class numbers did not warrant continuing the age splits.

The Executive Study and Search process, as set forth in the Merger Agreement, is on track. The search firm has interviewed staff, Directors, Executive Committee members as well as some committee chairs regarding the position descriptions for the Executive Vice President as well as the Senior Directors. Salary studies will now be conducted as well as finalizing the final position descriptions, which will incorporate the input received from the interviews. The Board will review the Executive Vice President position description before it is finalized.

The Market Development Committee reported on the promotion activities they have been involved in as well as sharing with us their newly created strategic plan document. This committee has some lofty goals, and for the first time in a long time, they have some money to work with as provided as part of the Merger of the AHRA and IAHA.

Jan Seneker resigned from the registration commission and was replaced by Grace Greelee. I resigned from the nominating committee and was replaced by Alan Erlich.

The budget generated a great deal of discussion. Unfortunately, we are behind in our budget, and everyone agreed that we need to be more accountable to the budget; the discussion was very positive. I truly believe that everyone knows that to build a stronger association, we need to be accountable to the budget, and we all need to recognize that this may mean some belt tightening. The Ways and Means committee did request a 4.3% across the board reduction in the budget request. The 10 months that were covered in the budget to date (thru 1/31/04) showed that we had operating income of \$87,123 but were budgeted for income of \$234,882. When the merger expenses are added in, which are on track with what was budgeted for them, we have negative revenue. Now remember that the merger expenses will be falling off drastically after this year. Additionally, these negative numbers also reflect over \$549,000 for breed promotion. On a positive note (since I always look for the positive side of things) when was the last time we could say we put that much money into promoting this wonderful horse!!!

On Saturday, the Board spent a good deal of time talking about how we can operate this association more like a business. To do that, everyone agreed that we needed to look at some of the "sacred cows" that we all hang on to. We will have to make change in a variety of areas to move the association forward. For example, we talked about making our National show more of an "event" that will attract spectators and people interested in getting involved with this breed. We need to have some demonstrations and more time for interaction with the public and a more

relaxed atmosphere. To do this, we may have to look at the number of classes we have. No one wants to cancel or combine classes, but that is an example of the type of "sacred cow" that we must look at to modify how we do things.

Nothing is going to happen overnight, but we can't be idle either. Our registration numbers, as a whole, continue to decline, and we need to do something about it. And we need to do it now. I encourage all of you to keep an open mind, and don't rush to judgment on anything that may be suggested. Help us decide what we all can do to introduce new people to the wonderful world of the Arabian horse. Invite someone out to see your horses; a little hands on experience goes a long way.

If anyone would like to discuss any of these items or any other things they may be hearing out there, please give me a call. I am an advocate of open communication.

Van

August 2004
Director's Report

It feels like it has been a long time since I prepared a meeting report for your review...well it has been! Traditionally we have a May Board of Directors meeting but the meeting was canceled this year with the idea that two meetings in Denver plus a meeting at convention would be sufficient. There was clear consensus at the meeting that we need a May meeting again. Five months between meetings was just too long. We had a lot of business to cover at our August meeting.

The meeting was held August 12 – 14 at the AHA office in Aurora, Colorado. There was 100% attendance by the directors and officers as well as all of the director elects. Dean Meier was able to attend and participate. I was thankful to have the opportunity to give Dean a few inside tips on how the meetings are run and what to expect. I think it is very helpful to send our Director elect to this meeting, and it is something we should always continue.

The first item on the agenda for Thursday was scheduled to be a presentation of the EVP finalists to the Board of Directors. As you will recall, AHA was involved in an executive study and search as part of the Merger agreement. This process included hiring consultants to work with the Governance Committee and staff to develop job descriptions for the EVP and all management positions. This process was completed in early June.

The consultants then began recruiting candidates for the EVP position, acknowledging that Barbara Burck would be one of the candidates. It was anticipated that there would be candidates to submit to the Board at this meeting. This was not to be the case. The Directors were advised that although many resumes were reviewed and several candidates were interviewed by Bob Fauls and Alan Sankpill (a Governance Committee sub committee) they did not feel the candidates interviewed to date were the right fit to present to our Board. Accordingly, there were not candidates to interview at the Board meeting.

This development led to a motion by the Executive Committee to stop the executive search. The motion passed and was presented to the full Board of Directors for ratification. There was a lot of discussion on the pros and cons of this motion. The motion was approved, and the executive search is concluded.

George Johnson gave the Judges and Stewards Commissioner's report and reported that there are 5 new National and Regional level judges. There are now 280 total judges. George reported that the Mark Himmel case is now scheduled for a jury trial the week of April 18, 2005.

Barbara Burck gave the EVP report. She reported that there has been "lots of progress in house bringing the two staffs together." She then asked the department managers to report on their various departments.

Janet Holloway reported on the Competition Services Department. We have had 379 recognized competitions this year compared to 412 for the same period last year. Sweepstakes breeding entries are down slightly with 4,469 for 2004 compared with 4,667 for 2003.

Candy Vande Ven gave the HR report. The employee count has been reduced from 71 to 65. We are in the process of hiring a new director for the IT position.

Rick Wilson reported on the IT dept. We also heard a special presentation from the IT committee with their recommendations for upgrading and merging the IT functions of the AHRA and IAHA. This proposal is very costly, between \$600,000 and \$700,000 depending on how it is implemented. There was a motion to approve the recommendations of the IT committee with the timing and funding to be determined by the President and the EVP. We also discussed this issue in one of our break out focus groups as how to best implement these recommendations. There are no easy answers here folks, but we need to make these improvements. The old system is becoming obsolete and we need to act soon or we could crash big time.

Steve Josephs and Cynthia Richardson gave a report on Marketing and Market Development and Promotion. Revenue from the AHA magazine is up and we are recruiting new corporate sponsors and show sponsors. I anticipate that we will receive a special report from the Market Development and Promotion committee at convention. The promotion efforts are very impressive. We were shown many ads that are running in all breed magazines, which are very impressive. MDP sponsored the Arabian Horsepower at Youth Nationals. This program exposed 230 children and their parents to the Arabian horse. The children had to learn about the horse by participating in a scavenger hunt for correct answers about horses. This involved visiting various farm stalls at the show and getting the opportunity to see the horses up close. This program was very well received and indicates just one of the many activities the MDP committee is involved with. There are many more, but space does not allow me to talk about all of them here.

Lorrie Liddicoat gave the Member Services report. We have 45,195 current memberships as compared with 45,151 from one year ago. This is very encouraging because we expected the number to decrease as some of the duplicate memberships were expiring. The membership renewal VIP trip program is back in effect. Renew your membership on line by 9/15 to be eligible for this promotion. AHA currently has 205 linked clubs and 52 non-linked clubs.

Debbie Fuentes gave the Registry Services report. The number of purebred registrations is down 8% from last year. There is a slight increase in HA/AA registrations, and transfers are up slightly. AHA will be issuing new HA/AA registration papers with the pedigrees and any legion awards listed. You will be able to update to the new papers for a cost of \$10.00. We are in the process of updating our database to include foreign registries. There are now 15 foreign countries included in our database.

Alan Sankpill gave the treasurer's report. For the year ending March 2004, the association has a change in net assets of -\$545,260. Some of our activities had better financial results than others. The loss included \$116,198 of paper loss on investments and \$344,274 of merger expense (approx 327,000 was budgeted). We also paid \$609,859 to the Purebred Arabian Trust. Without the first two loss items, our loss would have been a much more manageable loss of \$84,788, but is still a loss. With a new association, we must be very serious about hitting our budget. We are actually a bit ahead of our budget for this year, but we budgeted for a loss the first quarter and have a smaller loss than budgeted for. Alan encouraged us not to do anything that did not support our business plan and budget.

Bob Fauls reported that the Purebred Arabian Trust is in the process of their annual audit.

Howard Pike gave the report for the Governance Committee. Three resolutions were put forth by the governance committee that were unofficially approved by the BOD that will now be coming to the convention delegates. These resolutions had to do with establishing a combined Budget and Finance committee, revising the duties of the AHA treasurer in the bylaws, and setting forth the EVP duties and responsibilities. A motion was also put forth and approved by the Board to adopt our Vision, Mission and Strategic plan.

Alan Ehrlich reported that we have lost about 100 horses from the Canadian Nationals because of VS. Alan feels we will still be able to meet budget. Good Luck everyone!!

The Market Development and Promotion committee is looking for a contact in each region. Is there someone out there that is willing to serve in this capacity? Please contact me.

Sport Horse Nationals is all systems go. Entries have just closed, so we were not able to get an accurate estimate as to the number of horses that we expect. There are a number of promotional activities planned.

Now I am sure most of you have heard this already.....but here I go anyhow. Lance Walters gave the report on US Nationals. Lance brought forth a very well thought out and well presented proposal to evaluate the proposal from Tulsa to hold our US National show there in 2008 – 2010. The presentation included comparing costs, projected revenues, and anticipated profits based on various comparisons of the three facilities and various numbers of entries. The report indicated that there would be estimated additional revenue of between \$87,630 and \$470,643 per year. This issue was discussed extensively and approved by the Board 27 in favor, 1 against. I know many of you may have strong opinions on this issue, but it was clear that the Board was voting based on what is in the best financial interest of AHA.

The next hot item that came from the US Nationals report was the approval of a point system to qualify for regionals and Nationals. The show commission had earlier been directed to bring back to the Board a proposal that would “tighten” qualification for Nationals to make the show more manageable from a size standpoint and hopefully support increased participation at the local shows. The point system can be viewed on the AHA web site and is open to revision as may be suggested and agreed upon. I raised a concern that this should have gone thru the National and Regional Classes committee and was advised that it had been sent to the Chair of that committee but that they did not support a point system.

There were some other items of business that may be of interest to all of you. There was a vote to approve the Regional AHA logos using a numeric listing as opposed to a Roman numeral. Therefore, we will need to use Region 10 on the AHA regional logo as opposed to Region X.

There will be a new membership resolution to provide for membership categories with add ons for additional services. This will be presented to the delegates at convention.

In summary, the meeting was well attended and generally positive. We worked on setting some GOALS and doing some planning for the association and not just dealing with short-term issues. It was a long meeting, but we were all there to work. Decisions were made with the best interests of the long-term success of AHA in mind. These decisions may not always be popular, but if they are in the best interests of the association, they represent a fiscally responsible course of action that needs to be taken.

Again, thank you for allowing me to serve as your Director these past four years. I have done my best to represent Region 10 and have done what I feel is in the best interests of the Arabian horse and AHA.

Finally, I have previously advised you that I am running for President of AHA. I have heard the rumor that I am the "registry guy." Nearly two years ago, at the 2002 convention, delegates voted by a landslide in favor of merger. We no longer have "the Registry," and we no longer have "IAHA." We have the Arabian Horse Association. I'm an "Arabian Horse Association guy," and I support ideas that are in the best interests of our breed, regardless of where they come from. I just want you all to know that I have always done what I feel is in the best interests of the Arabian horse and AHA. I am who I am, and I am simply an advocate for the Arabian horse and AHA. I believe strongly that we need to continue our efforts to be united for the Arabian horse and all work together. I believe that there is more work to be done along these lines, and I believe that I am the person who can get this done. I would appreciate your support. If any of you have any questions you would like to discuss with me, feel free to contact me.

Thanks again everyone.

Van

I would like to express my thanks to the delegates of Region 10 for the confidence they placed in me by electing me to be your new Director.

I appreciated the opportunity to attend the Arabian Horse Association Board of Directors meeting August 12th through the 14th and sincerely feel that this meeting was enlightening and will be helpful in allowing me to be a more effective director in a shorter period of time.

Hopefully, by now, you have had a chance to read Van's complete report. Our new combined association faces many challenges and I would like to enlist your input and cooperation in moving our association and our wonderful Arabian and Half Arabian horses forward.

I would also like to thank Van Jacobsen for the tremendous job he has done as our director. His accomplishments and his involvement in AHA have been effective and far reaching.

The most evident thing to me was how well respected Van is by the Directors and the AHA staff. His ability to respectfully listen to all sides of an issue and form a consensus is a true gift that few leaders possess. He assumed a leadership position on so many issues at this meeting, I, (and all of us), should be proud to be a Region 10 member!

Thank You, Van!!!