

**NCHA EXECUTIVE COMMITTEE
TELEPHONIC MEETING
SEPTEMBER 13, 2018**

A telephonic meeting of the NCHA Executive Committee was held on September 13, 2018. Those present on the call were: President Phil Rapp, President-Elect Ron Pietrafeso, Vice President Steven Norris, Ernie Beutenmiller, Rock Hedlund, Skip Jones, Jay Klamon, Matt Miller, Tommy Neal, Lachlan Perks, David Pilcher, Tatum Rice, Ronnie Smith and Kristen York. Also present were NCHA Interim Executive Director Lewis Wray, NCHA Chief Operating Officer Catherine Cheugh, NCHA Treasurer James Burris, NCHA Director of Shows Dave Brian, Bronc Willoughby, NCHA Consultant Angie Highland, Chair of NCHA Champions Party Committee Christina Cox and NCHA Legal Counsel James Morris.

President Phil Rapp called the meeting to order. President Rapp asked David Pilcher to lead the Executive Committee in prayer.

Cattle Update

A discussion was held regarding a number of issues regarding cattle for NCHA Triple Crown shows. One discussion centered around whether the NCHA was responsible for overages in the cattle counts. Mr. Willoughby informed the members that NCHA is responsible for any overage.

Mr. Willoughby also advised the members that he continues to solicit bids on feed for cattle at shows.

Discussion ensued regarding a discrepancy in the numbers presented to the Executive Committee at the August 6-8, 2018, meetings and the current numbers now being presented with respect to the potential cost savings by reducing the number of cattle by ¼ head. NCHA Director of Shows stated that the difference is a direct result of having worked from outdated numbers.

Further discussion ensued regarding revisiting the action taken by the Executive Committee during the August 6-8, 2018, meetings with respect to the reduction of cattle by ¼ head. After lengthy discussion, it was generally agreed to leave the cattle count as approved by the Executive Committee and if it doesn't work the issue can be revisited at a later date.

Financial Update

NCHA Treasurer James Burris addressed the Executive Committee on a number of NCHA financial matters. Mr. Burris advised that NCHA has received a check for \$1.4 million from the Major Events Trust Fund (MERP).

NCHA Interim Executive Director advised the Executive Committee members regarding his meeting with the City of Fort Worth officials with respect to the issue of Texas Lt. Governor Dan Patrick's request for an audit of the MERP, and the possibility of the MERP funds being eliminated after 2019.

The members entered into a discussion regarding how to plan strategically for the possibility of no longer receiving or not receiving the percentage of the NCHA request from the MERP.

Mr. Burris advised the Executive Committee members that NCHA cash flow information continues to be forwarded to the Executive Committee members and indicated that he will be adding projections for the first quarter of fiscal 2019. Mr. Burris reported to the committee that NCHA Finance group will perform an analysis on the box seat sponsorship revenue and the increase in membership dues revenue.

According to Mr. Burris, the NCHA staff has completed its first round of budget projections by department. Mr. Burris indicated that he will be meeting again with department managers to finalize departmental budgets for 2019. The NCHA Finance Committee will meet with NCHA Department Managers on September 25 & 26, 2018, to review the proposed fiscal 2019 departmental budgets.

Mr. Burris stated that the Finance Committee will present a 2019 NCHA fiscal budget to the Executive Committee at its October 2018 meeting.

The Executive Committee members expressed their sincere appreciation to Mr. Burris for all his efforts on behalf of the NCHA, and most especially during the budgeting process.

Mr. Burris was asked when the Executive Committee might expect the 2018 year-ended budget final numbers. Mr. Burris stated that he and Denise Seiz are still working on it. David Pilcher stated that he would like to receive the proposed NCHA 2019 proposed budget at least a week prior to the Executive Committee meeting in October. Mr. Burris stated that he hoped it would be available by then but that with all the current moving parts he could not promise he could meet that date.

A question was raised as to why it is so difficult to get any information regarding statistics on Challenger shows. Mr. Burris stated that much of the difficulty lies in the manner in which information for the Challenger Series was booked internally. Originally Challenger information was booked in the Marketing Department and that practice has changed and Challenger information is being booked to the Show Department. Mr. Burris stated that NCHA needs to take a hard look at the Challenger shows.

Mr. Burris was asked if youth scholarship checks have been disbursed. Mr. Burris advised the Executive Committee that all scholarship payment requests received to date have been disbursed.

Executive Director Search Status

A discussion amongst the Executive Committee ensued regarding when the search for a new Executive Director should commence. Various views were expressed. Among them, whether it

was necessary to push forward now notwithstanding the current NCHA financial position or whether it is feasible to wait until after the 2018 Futurity. Angie Highland, a consultant engaged by NCHA to assist in the search for a new Executive Director was asked whether NCHA should wait or begin the search in approximately 90 days (after 2018 Futurity). Ms. Highland stated that she does not believe it will hurt the NCHA to wait, but that she is unsure of where the Executive Committee stands on the issue.

Tommy Neal reminded the members of the Long Range Planning Committee initiative to seek an outside audit of NCHA management and office practices and suggested that it may be a good idea to obtain the results of such an audit prior to bringing in a new Executive Director.

Matt Miller stated that he believes that NCHA can't afford to wait and that strong leadership is needed now. Mr. Miller stated that he also believes that NCHA Interim Executive Director Lewis Wray is doing a good job but that we cannot expect him to remain in the spot indefinitely.

Further discussion centered around the difficulty in the recruiting process because of the less than positive reputation NCHA has with respect to the longevity in the position of Executive Director.

After further lengthy discussion, **MOTION** was made by Ron Pietrafeso to temporarily suspend the search launch and direct recruiting efforts for 90 days from September 13, 2018, and to recommence the full on search on December 15, 2018. **MOTION SECONDED** by Ronnie Smith. After discussion, **MOTION PASSED**. Those voting for the motion were Ernie Beutenmiller, Skip Jones, Jay Klamon, Tommy Neal, Steve Norris, Ron Pietrafeso, Ronnie Smith and Kristen York. Those opposed to the motion were Rock Hedlund, Matt Miller, Lachlan Perks, David Pilcher, and Tatum Rice.

Executive Session

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

General Session

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

2018 Futurity Champions Party

Chair of the Champions Party Committee Christina Cox advised the Executive Committee members of the plans for the 2018 Futurity Champions Party. She stated that the Committee has raised approximately \$60,000 to fund the party expenses and explained the details of the plans for the party.

Long-Range Planning Committee Audit Initiative

Discussion was held regarding the proposal by the Long Range Planning Committee for an audit of NCHA office practices and procedures. The LRPC has stated that such an audit will be paid by a donor and NCHA will bear no cost of the initiative. Questions were raised about the scope of the audit, timing and expected participants. After discussion, it was suggested that a Subcommittee be established by the Executive Committee to look into what the scope of the proposed audit is and bring the information to the October Executive Committee meeting. **MOTION** was made by Tommy Neal and **SECONDED** by Jay Klamon that a Subcommittee be constituted by the Executive Committee to determine the scope of such a proposed audit. **MOTION PASSED.**

President Phil Rapp suggested that the above-referenced subcommittee be comprised of David Pilcher, Tommy Neal, Finance Committee representatives Denise Seiz and Steve Smith, and himself.

Adjournment

There being no further business to come before the Executive Committee, **MOTION** was made by Skip Jones and **SECONDED** by Jay Klamon to adjourn the meeting. **MOTION PASSED.**