

BOARD OF GOVERNORS MEETING
USDF Annual Convention – San Diego
Friday, December 2, 2011

DRAFT MINUTES (PENDING 2012 BOG APPROVAL)

USDF President, George Williams, called the meeting to order at 8:10 a.m.

Janine Malone, Secretary, conducted the delegate roll call for delegates who had not checked in through the voting kiosks. A quorum was declared.

Debra Reinhardt MOVED and Sue McKuen SECONDED a motion that item #20 on the agenda (Voting for At Large Directors), be moved to between items #13 and 14. MOTION CARRIED.

As item #14 is next on the agenda, voting by region started immediately after roll call. During voting, the business continued.

Mr. Williams announced that for all committee reports for which there are no motions or budget requests, an opportunity will be given for questions on these reports later in the meeting. After questions are answered, one vote will be taken for approval of all of these reports in only one motion.

Proposed Bylaws Changes – Chris Trentelman, chair

Mr. Trentelman explained the Bylaws change proposals which relate to At Large Directors and the advisor role of the immediate past President.

Paul Cormier MOVED and Sally Davenport SECONDED a motion to approve the following Bylaw change:
ARTICLE VII

EXECUTIVE BOARD

Add new language:

Section 1. The Executive Board shall consist of the Officers, elected by the Board of Governors, one Regional Director elected from each USDF Region *and the At-Large Directors*. The number of Regions and their boundaries shall be determined by the Board of Governors.

Delete and Add new language and lettering:

*a) ~~The immediate Past President and~~ The Executive Director shall sit as **an** advisor on the Executive Board, but shall not have a vote and shall not be considered when determining a quorum.*

*b) **The immediate Past President shall sit as an advisor on the Executive Board for one year after the end of his term of office. The immediate past President shall not have a vote and shall not be considered when determining a quorum, but shall otherwise be considered a full member of the Executive Board and subject to the terms and conditions of any other elected Board member.***

c) Employees shall not be members of the USDF Executive Board.

MOTION CARRIED.

The following amendment will change the length of ALD office term from a two to three year term thereby creating an election stagger that coincides with the current election off year, and reduces the potential for excessive board turnover in any one year.

Chris Trentleman MOVED and Sue McKuen SECONDED a motion to approve the following Bylaw change:
ARTICLE X

AT-LARGE DIRECTORS

Delete and add new language:

Section 2: The At Large Directors (ALD):

*b) Shall hold office for a ~~two-year~~ **three-year** term, or until a successor shall have been duly elected.*

MOTION CARRIED.

Mr. Trentelman explained that once the amendment to Article X was adopted, a conforming amendment to Art XIII, Section 3, to change the ALD term to three years and to set the ALD election in the queue for 2011 should be adopted, as follows:

Paul Cormier MOVED and Sally Davenport SECONDED a motion to approve the following Bylaw change: ARTICLE XIII, Section 3: Delete and add new language:

The election of the At Large Directors shall be held ~~every two years~~ *every third year* beginning in 2011.

MOTION CARRIED.

Susan Howard made a motion to take the Audit Committee report during voting, i.e before item #22 on the agenda. There were no objections to the motion, therefore business continued.

Audit Committee Report – Approval of 2011 Auditor – Charles A. Smith, chair

Mr. Smith reported on the audit of the 2010-2011 financials. For the last auditing cycle, Fister Williams & Oberlander, PLLC conducted the audit and their report was reviewed by the Auditing Committee. The Audit Committee recommends that Fister, Williams & Oberlander, PLLC Lexington, Kentucky be contracted to conduct the financial audit for the fiscal year ending March 31, 2012.

Robert Higgins MOVED and Paul Cormier SECONDED a motion to approve Fister, Williams & Oberlander, PLLC of Lexington, Kentucky to be contracted to conduct the financial audit for the fiscal year ending March 31, 2012. MOTION CARRIED.

Susan Howard MOVED that all agenda items requiring no votes (item #17) be considered immediately after item #16, before item #22. There were no objections to the motion, therefore business continued.

Q & A and Collective Approval of Committee Reports with No Motions

Mr. Williams asked for questions on the committee reports with no motions and there were none. **A motion was MOVED and SECONDED to approve all committee reports with no motions. MOTION CARRIED.**

Awards Committee:

Awards Committee chair Peggy Klump drew attention to the committee report and printed motion in the BOG Committee Report booklet. She explained the rationale for the motion.

Peggy Klump MOVED and Carol Tice SECONDED a motion to approve the following change: To reinstate year-end award prizes for third through fifth place for Dressage Horse of the Year, Dressage Sport Horse Breeding Horse of the Year, Materiale Horse of the Year, Junior/Young Rider, Adult Amateur, Vintage Cup, USEF Four-year-old, FEI Five and Six-year-old, Dressage Breeder and Dressage Sport Horse Breeder of the Year. Effective: 2013 competition year.

Ms. Klump explained that third through fifth place awards were given several years ago, but that only first and second place awards have been given recently. The additional prizes were cut from the budget a few years ago to contain costs. She noted that there are hundreds of horses competing in these award levels and that USDF should recognize the top five horses, rather than only the top two. Ms. Klump stated that the maximum impact to the budget to award these additional prizes is approximately \$2500. It was clarified that this change would take effect for the budget year starting April 1, 2013. **MOTION CARRIED.**

Regional Championships:

On behalf of committee chair Veronica Holt, Lisa Gorretta gave the report. Ms. Gorretta reported that there is one motion to come before the BOG to correct a motion approved by the 2010 BOG.

Lisa Gorretta MOVED and Paul Cormier SECONDED a motion to approve the following change: Competitions that occur within the week prior to the closing date of Regional Championships must submit results, fees and paperwork so that they are received in the USDF Office within four days following the end of the competition. MOTION CARRIED.

Presentation to Outgoing Committee Chairs – George Williams, president

Mr. Williams announced that several chairs are stepping down at the end of 2011. He recognized the following Council chairs: Administrative Council Chair – Anne Sushko; Technical Council Chair, Gerhard Politz and Activities Council Chair, Veronica Holt. Mr. Politz and Ms. Holt were recognized but were not present. The following outgoing Committee chairs were also recognized: Miki Christophersen, Nominating Committee; Fran Crocco, Adult Education Committee; Lois Yukins, Judges Committee; Marilyn Heath, “L” Program; Regina Antonioli, Competition Management; and Scott Hassler, co-chair of the Sport Horse Committee. All present were presented plaques in recognition of their service to USDF. Mr. Williams noted that Ms. Yukins is moving to become the chairman of the “L” Program.

Presentation of GMO and Regional VOY Awards – George Williams

Mr. Hienzsch announced the awards and the winners of each category. Awards were presented by Mr. Williams.

USDF National Dressage Championships

Mr. Williams announced that the following motion was made on behalf of the EB by Janine Malone, USDF Secretary:

The National Championships will be established starting in 2013 as a head-to-head competition showcasing Adult Amateur and Open riders at Training – GP levels, who are US citizens. The proposed date for the first National Championships is early November. The last date for a Regional Championships would be approximately no later than three weeks prior to the National Championships.

The National Championships is proposed to rotate at least every three years from east to west. The first proposed location is the Kentucky Horse Park.

Levels and Divisions for the first three years:

Open Division: Training – Grand Prix and all Freestyles

Adult Amateur Division: Training – Grand Prix

For the initial Championships, in order to participate:

- 1) A ‘Declaration of Intent’ for the National Championships, specifically committing “Yes” or “No” to participate in the National Championships, would be required of competitors when entering the Regional Championships competition.**
- 2) Champion and reserve champion horse/rider combinations for each level and division, who are US citizens, will be invited from each of the nine (9) Regional Championships.**
- 3) Only if one or both of the top two competitors decline the invitation, will another competitor be invited. Invitations will be limited to the top five placings.**

Debra Reinhardt SECONDED the motion. Copies of the proposal were handed out to delegates and shown on the large screen.

Mr. Williams asked for unanimous consent to limit discussion on this motion to two minutes per individual.

MOTION CARRIED to limit discussion. During discussion, it was clarified that AAs and Jr/YRs can ride in the open division including Freestyle, but that a separate Jr/YR division would not be offered in the first years. Debbie DelGiorno asked why Jr/YRs are not included. Janine Malone responded that while the championships would like to include Jr/YRs in the future, it was felt that we should start with a smaller number and target Adult Amateurs, as there is currently no national championships for that large segment of our membership.

Kathy McHugh asked the BOG to consider setting aside money for a travel grant. **Kathy McHugh MOVED and Linda Mendenhall SECONDED a motion to amend the proposal for the first USDF National Championships to be held in the spring of 2014 following the 2013 Regional Championship Finals that determine the competing horse and rider teams.**

Ms. McHugh recommended that to avoid conflicts with regional competitions, and to minimize over stressing horses due to extensive travel and the difficult logistics of planning and making such a journey on short notice the national

championships should be held the following spring. Susan Posner said that the Kentucky Horse Park schedule is fully booked in the spring. It was noted that such a schedule is a disadvantage for many competitors in northern climates who cannot ride and compete until late in the spring due to bad weather and travel conditions. Their horses would be disadvantaged by lack of preparation time if the championships was moved to the spring. Ms. Malone replied that this is a primary reason why the championships is proposed to be held in the fall. **MOTION DEFEATED.**

In response to questions about the reason for requiring a declaration of intent, Ms. Malone explained that the declaration of intent would be the best mechanism for people to know if they would be eligible to attend, especially with the short timeline for planning between the regional championships and the proposed national championship. KDA President, Charli Stevens, spoke of the local GMO's support of the National Championships at the Kentucky Horse Park, and it was noted that the Arabian Horse Association championship has become a goal for a lot of their members. A question was raised regarding the qualifying system and the budget for this event. Ms. Malone explained that qualifying is through the current regional championships program. She further explained that the budget has many variables that must be addressed, including the partnership with USEF in marketing the event. If marketing is shared with USEF, it would positively impact the budget. She further stated that a preliminary operating budget put together in 2008 listed \$480,000 in expenses, excluding possible travel grants and prize money. Ms. Malone added that budgeting is dependent on the scope of any motion that would be approved by the BOG.

Another person asked if there would be a penalty for anyone who had declared to attend the championship and could not fulfill the commitment. Ms. Malone stated there would be no penalty. It was pointed out that there was no business plan for the event that was presented to the BOG. Ms. Malone explained that, once the details of the championship proposal is approved, and the scope of the partnership with USEF is determined, a business plan would be included along with the budget and sent to the BOG. The original proposal in 2008 did include a preliminary budget.

Joann Smith voiced her support for the proposal and suggested that the Para Equestrians be considered. Peter Rothschild asked how we plan to have the best horses from each region competing head to head, as is stated in the motion before the BOG. He also asked if a major network had been approached yet. He suggested that the motion not be so detailed and use more general language. Ms. Malone responded that the MOU that was signed was contingent on whether this would be approved by the BOG.

Peter Rothschild MOVED and Claire Evans SECONDED an amendment to strike “will be established starting in 2013” and insert “may be established” and add after the word “citizens”, to read: “after a budget for such championships has been presented to and approved by the Board of Governors”. Kathy McHugh felt that the BOG is too large a body to micromanage the budget and felt that the EB should be allowed to manage the budget for this event. Susan Howard asked how this change would affect the alliance with USEF. Ms. Malone responded that this could negatively affect the relationship since this would eliminate a start date and no contracts could be signed without a date. Someone asked why USEF could not hold the championship on its own, without USDF involvement. Ms. Malone responded that USEF could hold the championship and has already expressed interest in holding such events as this, especially since there is currently no national championships primarily for Adult Amateurs in dressage. Mr. Williams responded that USDF would lose any control and he felt it would be a mistake to have a national dressage championship for the levels proposed without USDF being involved. **MOTION DEFEATED.**

Bettina Longaker suggested starting the national championships in 2014 rather in 2013 in order to allow more time for facilities that bid for regional championships to move to earlier dates. Region 1 is supportive of a national championships, but has concerns about the economic effect and trickle down, and that there needs to be sufficient time for regions to make adjustments to their calendar. Several others also recommended moving the start date to 2014, but Ms. Malone responded that most regions already have an annual rotation for their championships. If shows do not fit into the qualifying year for one regional championships year, they will count for the next year, so this is not a new concern. She noted that only Region 9 has an annual November championship date. Other regions already hold their regional championships, in most years, at least three weeks or more before the proposed cutoff date to declare for the national championships. Therefore, it would not significantly impact most regions to start in 2013. It was asked whether benchmarks were in place for event planning. Mr. Williams stated that benchmarks are

not yet set in the planning process, but that a timeline will be developed as soon as the scope of the approval is known and agreement are finalized with USEF.

Debbie DelGiorno MOVED and Anne Moss SECONDED a motion to modify the national championship proposal to add a Jr/YR Division at Training Level through Grand Prix. She stated that this would provide opportunities for youth who are not competing at the upper levels in events like the NAJYRC. Voting by a show of hands was unclear so it was determined that a roll call vote was necessary. **MOTION DEFEATED. 694 votes IN FAVOR, 719 OPPOSED and 51 ABSTAINED.**

Election Results Announced

Mr. Williams announced the results of the ALD elections. For the Activities Council, Lisa Gorretta is the new ALD; for the Administrative Council, Kevin Bradbury is the new ALD, and for the Technical Council, Carolyn Vandenberg is the new ALD.

Voting on the Proposed FY 2012-2013 Budget – Steven Schubert, treasurer

Mr. Schubert asked for any questions about the proposed budget. Corinne Stonier asked if the staff hiring and wage freeze was still in affect. It was clarified that there is no longer a hiring or wage freeze for employees. In response to a question from Paula Langan, Mr. Shubert responded that National Championship funds are no longer being diverted into the General Operating account and that the National Championship portion of the Regional Championship qualifying fees will again accrue to the National Championship investment fund starting with the next fiscal year. Mr. Schubert requested a motion to approve the budget. **Paul Cormier MOVED and Sally Davenport SECONDED a motion to approve the 2012-2013 budget as presented. MOTION CARRIED.** [Approved budget attached at the end of this report.]

National Championship Discussion (continued)

Debra Reinhardt urged approval of the national championship proposal, noting that competitors want it to go forward.

Debbie DelGiorno MOVED and Bettina Longaker SECONDED a motion to include a requirement to the national championship proposal to add a Jr/YR Division from Training-Grand Prix level within three years of the inaugural national championship. MOTION DEFEATED.

Sandy Johnson MOVED and Susan Lax SECONDED a motion that the inaugural National Championship be moved from fall 2013 to fall 2014. MOTION DEFEATED.

Ed Miller from Region 6 said there has been a poor presentation of the proposal and felt that not enough information had been presented to the BOG on the details.

Roll call vote was called. **MOTION CARRIED. 1014 votes IN FAVOR, 441 OPPOSED and 9 ABSTAINED.**

New Business

There was no new business. Mr. Williams thanked the sponsors for their support.

Debra Reinhardt MOVED and Paul Cormier SECONDED a motion to adjourn the meeting. MOTION CARRIED.

The Board of Governors meeting was adjourned at 12:30 pm.

Respectfully submitted,

Janine W. Malone
USDF Secretary

Approved Budget

	Budget	Budget	Budget	Preliminary	Preliminary	Preliminary	
	Revenue	Expense	Net Profit	Revenue	Expense	Net Profit	
	2011-2012	2011-2012	2011-2012	2012-2013	2012-2013	2012-2013	
	4/1/11-3/31/12	4/1/11-3/31/12	4/1/11-3/31/12	4/1/12-3/31/13	4/1/12-3/31/13	4/1/12-3/31/13	Budgets Include:
Annual Convention	92,200	134,275	(42,075)	119,250	126,250	(7,000)	
Competition Services	184,175	210,872	(26,697)	195,100	218,709	(23,609)	TD and Competition Management Activities
Education Programs	220,380	380,820	(160,440)	126,530	320,801	(194,271)	Historical Recognition, Adult Programs, Judges, Freestyle, "L" Program, Instructor Trainer Activities, (JCE Program, HOF, Adult Clinics, Trainers Conference & Symposium) No Symposium in 2012-2013
General Administration	115,650	1,687,708	(1,572,058)	46,900	1,610,666	(1,563,766)	Marketing, Development, Audit, Bylaws, Nominating, Steering & EB Activities, (IT, Accounting, HR, Office Administration, Executive Departments)
Membership	2,112,560	338,079	1,774,481	2,066,585	335,640	1,730,945	GMO & Membership Activities
Merchandise	120,000	114,266	5,734	106,000	98,900	7,100	
Publications	421,867	557,742	(135,875)	430,461	530,688	(100,227)	
Sport Programs	342,895	299,571	43,324	382,065	346,119	35,946	Regional Championships, Breeder's Championship Series & Sport Horse Activity
Youth Programs	89,179	147,573	(58,394)	68,600	135,718	(67,118)	Youth & FEI Jr Y Rider Program Activities (YR Graduate Program, Youth Clinics), DSMP
Capital	0	10,000	(10,000)	0	0	0	
Investments	64,750	0	64,750	118,250	0	118,250	
Operating Profit/(Loss)	3,763,656	3,880,906	(117,250)	3,659,741	3,723,491	(63,750)	
Less Depreciation/Amortization			182,000			182,000	
Investment Income			(64,750)			(118,250)	
Remaining Budget overage/shortfall			\$0			\$0	