

PACIFIC COAST CUTTING HORSE ASSN.

BOARD OF DIRECTORS MEETING

RANCHO MURIETA, CA - AUGUST 4, 2009

Call to Order by President Rick Corso at 10:02 am

Roll Call:

Present – David Costello, Rock Hedlund, John Echeverria, Rick Corso, Lee Brooks, Modine Smith, Tom DeRegt, Jerry Louie, Randy Lynn, Lance Madgwick, Jason Taylor, Carol Jenkins, Jason Haefner, Kathy Cardon.

Absent – Gavin Jordan, Theresa Gillock, Mark Borjon, George Hearst, Mike Wood.

Staff Present – Phil Benadum, Tami Rodman

John Echeverria gave a report on the Summer Circuit. Reporting a profit of \$19,500. This was helped by NCHA day monies contributed of \$3,000 and the facility use fees of \$7,500 which is added back through a corporate sponsorship from Echeta Livestock.

John E. also gave a Treasurers report on the Second Quarter differences in the numbers for the Summer Circuit.

Rick suggested we refrain from taking any action on Item #3 until all statements had been reported on.

John continued with Treasurers report:

- 2009-2010 Budget Summary. The Budgets for the following years events are figured at a 20% decrease in the previous year actual. Last year Futurity was figured at 20% then actual numbers were only 12%. In consideration for the 09 Futurity – thinks 20% is too drastic so budget will be figured on 10% off of 2008 numbers.
- Platinum Club Sponsor – One member will not be able to make their 2 year commitment of \$20K. Unfortunately these monies had already been figured into the 2008 Budget. Rather than re-open 2008 Budget will take all off of 2009 deficit.
- In consideration of the above, in the future the office staff will track a ledger of monies owed but will not add until it is collected and then by the direction of the Executive Committee.
- 2010 Budgets for Events:
 - Derby – Entry levels the same but increase the expenses by 4%.
 - Summer Series – Entry levels the same but back out the NCHA contribution and increase expenses by 4%
 - Futurity – Finance Committee suggests to decrease 10% off of the 2008 numbers.

MOTION: Motion was made by Jerry Louie to accept all items in Item #3 as presented. Seconded by Rock Hedlund. Unanimous in favor. Motion passed.

Executive Committee Report by Rick Corso:

- Open – Non-Pro \$2,500 Added money classes that started the Derby were successful. However, there was discussion as to whether the numbers would be the same for the Futurity.
 - Dave Costello spoke as to the negatives of everyone wanting to concentrate on babies. How much money could we lose if it has no participation?
 - Modine spoke as to year end standings may have a bigger draw than anticipated.

MOTION: Motion was made by Rock Hedlund to have the schedule at Paso as presented in May. Seconded by Modine Smith. Show of hands vote: In favor = 4 Opposed =7 Motion failed.

MOTION: Motion was made by Carol Jenkins to omit the Open and Non-Pro classes on the 1st day of the Futurity and keep the rest of the schedule as presented. Seconded by Modine Smith. Show of hands vote: In favor = 9 Opposed =2. Motion Passed.

Discussion about lowering the Added money for those 2 classes. John Echeverria noted that the economic impact for not having the 2 classes at the beginning of the show and using fresh cattle for the practice pen would be a negative of -\$8,208 to the association. Without the classes we run into problem of using fresh cattle for the practice pen on the first day for the 1st 3 sets...90 head figured at \$60/head. Rock reminded everyone that when we use fresh cattle there is only 15 head in each practice pen as opposed to 22 of re-runs.

MOTION: Motion was made by Lance Madgwick to lower the added money for the Open and Non-Pro classes from \$2,500 to \$500. Jerry Louie seconded. Show of hands vote: In favor =7 Opposed =4 Motion passed.

Phil Benadum spoke with Dave Woods at Harris Ranch about our year end banquet for 2010. The tentative dates will be January 29 & 30, 2010. Friday and Saturday following the same format as last year.

Phil reported that our Derby dates for 2010 had been approved by NCHA as March 6 – 14, 2010.

John Echeverria reported that the Executive Committee recommends that we post the PCCHA and PCYCHA Financials on the website in entirety. We also have a new accounting firm with a newly designed format that is easier to read and understand. Marilee Smith will now break down the format for ease of reading. This would be made available in the MEMBERS ONLY area of the website. A detailed financial statement was recommended.

MOTION: Motion was made to accept the Executive Committees Recommendations. Seconded by Rock Hedlund. Unanimous in favor. Motion Passed.

Rick Corso reported that the Executive Committee has successfully come with a proposal to Phil Benadum for the position of Executive Director for the association. It includes base salary of \$70,000 per year with an added 12.5% commission for new cash sponsors. After the first year he will receive 2.5% for maintenance of such. For the 2010 year Lance Madgwick is working on formulating an additional pay plan.

MOTION: Motion was made by Tom Deregt to approve the Executive Committees' proposed pay plan. Seconded by Carol Jenkins. Unanimous in favor. Motion Passed.

End of Executive Committee Reports.

Stallion Service Auction:

One of our largest sponsors – 4 years running has brought in approximately \$60K per year. Modine was compensated for her expenses last year for her part in getting Stallions. Exec. Committee and Finance Committee recommends that Modine be compensated at a rate of 5% for the 2009 revenues to be paid in 2010, then review on a year to year basis.

MOTION: Motions was made by John Echeverria to accept the above as presented. Seconded by Rock Hedlund. Unanimous in favor. Motion Passed.

Modine recommended that we spend the money to advertise in the NCHA Futurity Program. Will be discussed in Finance.

Gelding Stakes:

John Echeverria spoke about the budget. There was discussion as to whether to include stalls within the Nomination fee or charge separately. Jason Haefner spoke that we do not have a signed contract as yet. RML has not returned our contract as presented to him. There was overall concern as to delay in progress and need to move forward. Rick suggested that the board give Jason and Phil the "Go Ahead" to give RML a "Drop Dead Date", at which time the BOD will drop the sale and proceed with a Flat Fee Nomination for the 2010 Futurity year.

MOTION: Motion was made by Lance Madgwick for the Sales committee to move ahead with aggressive tactics to finalize a contract or drop the sale completely. Seconded by Kathy Cardon. Unanimous in favor. Motion Passed.

- **Recommendation:** From the Finance Committee for a Flat Fee Option for Gelding Stakes of 2010.
 - \$2,200 up until December 31, 2009
 - \$3,000 up until April 30, 2010
 - \$3,800 until the beginning of the first go round, October 2010

MOTION: Motion was made by Modine Smith to accept the recommendations put forth by the Finance Committee for the Flat Fee Options. Seconded by Mark Nelson. Unanimous in favor. Motion Passed.

If we proceed with the Gelding Stakes Sale...discussion in nomination fees, stall fees, change the administration fees to sale to compensate the association to 10% of the gross. (Costs the association approx. 9.26% of revenue to produce the event.)

MOTION: Motions was made by Tom Deregt to include the stall fee within the Nomination fee and set it at \$825 and accept the 10% commission to help cover costs. Seconded by Mark Nelson. Unanimous in favor. Motion Passed.

Committee Reports:

- Sponsorship: Mark Nelson – They have added new sponsorship forms to the website. Jenny S. is working on year end buckle sponsors. Cathy Lamb is working on Futurity buckle sponsors. Invited 3 buckle makers to do a presentation to the board.
- Weekend Events: Kathy Cardon – No Report
- Rules: Randy Lynn – Reported on the committees work done on the "Employee Participation in Cutting Horse Events Policy". Rock, Kathy and Randy put together, the Executive Committee and Executive Director all concurred that it was workable.

MOTION: Motion was made by Jerry Louie to accept the new Employee Participation Policy and the Amendment as presented by the Rules Committee. Seconded by Rock Hedlund. Unanimous in favor. Motion Passed.

- Judges: Rock Hedlund – Reports that all of the judges for the Futurity have been hired.
- Strategic Planning: Tom Deregt – No Report
- Youth: Lance Madgwick – The committee reported its budget had been submitted. The committee trimmed 20% off past budgets without changing the overall structure of the programs. Reduced some scholarship monies but there would be no reduction in the "Best of the West" production.

- Paso Events: Phil Benadum – Reported that Mike Rawitzer had agreed to 2nd chair and Rhonda Benadum had once again agreed to do the decorations for the Futurity.
- Cattle: Lee Brooks – He and Phil met over in Bridgeport and looked at 10,000 head of #1 Mexican 75% of which were charolais cross. Estimated weight by futurity would be 530#. Cattle begin arriving 2 days prior to futurity. Estimated usage between 4,200 and 4,600.
- Hall of Fame: Randy Lynn announced that they had 2 recommendations. John Ellis and Rick Corso.

MOTION: Motion was made by Randy Lynn to induct John Ellis and Rick Corso into the PCCHA Hall of Fame this year. Seconded by Modine Smith. Unanimous in favor. Motion Passed.

- 2010 Committee Chairs: Lance Madgwick suggested that we add a committee for the Hesa Missouri Doc award and a Hall of Fame Committee and asked if Randy would consider heading up the latter.

MOTION: Motion was made by Jerry Louie to accept Lance's proposal as stated. Seconded by Dave Costello. Unanimous in favor. Motion Passed.

Dates & Locations for 2010 Board of Directors meetings:

- January 30, 2010 - Harris Ranch
- May 27, 2010 - Location to be determined
- August 4, 2010 - Location to be determined

RECESS

Reconvened for presentations from Vogt, Gist, Skyline Silversmiths and Straydog Saddles.

- Vogt said they would not want to split their buckle sponsorship with anyone else as they advertised themselves as the "Official Buckle maker of the PCCHA."
- Gist brought in many buckle types and cost variations.
- Skyline offered 3 types of sponsorships and variety of buckles.
- Straydog showed a saddle and an offer that all saddles could be made in an 8 week delivery.

Discussion of Roohide Corporate Sponsorship renewal. Also Vogt Sponsorship.

MOTION: Motion was made by Jerry Louie to have staff go back to Vogt and Gist and work on buckle costs and sponsorships. Seconded by Lee Brooks. Unanimous in favor. Motion Passed.

MOTION: Motion was made by Lance Madgwick once again for Phil to proceed aggressively with RML on Gelding Stakes Contract. Seconded by Randy Lynn. Unanimous in favor. Motion Passed.

OLD BUSINESS: None

NEW BUSINESS: Modine recommends that the board consider a **RIDERS HALL OF FAME** as we need to recognize excellence in our participants that may not qualify for the **MEMBERS HALL OF FAME**. There was discussion on how to determine earnings as either NCHA LTE or if possible PCCHA LTE. Modine suggested a benchmark of \$500K - \$750K. The general consensus is Yes...and it was referred to the Rules Committee for further study and a recommendation to the Board at the January '10 meeting.

MOTION: Motion to adjourn made by Randy Lynn. Seconded by Jerry Louie. Unanimous in favor. Motion Passed.