

American Saddlebred Horse Association, Inc.

Board of Directors Meeting

Embassy Suites Hotel

Lexington, Kentucky

Thursday, February 15, 2007

7:00 p.m. Eastern Time

MINUTES

[As Approved July 9, 2007]

Members Present: President Fred Sarver, First Vice President Misdee Wrigley, Second Vice President Mary Anne Cronan, Secretary Mary Ann Pardieck, Treasurer David Howard, Directors Nancy Boone, Victoria Gillenwater, Louise Gilliland, Nelson Green, Matthew Heiman, Tim Lockard, Scott Matton, Dr. Alan Raun, Kay Richardson, Jim Ruwoldt, Paul Treiber, Art Zubrod.

Members Absent: Bill Blacklaw.

Others Present: Registry Directors Joan Hamilton, Rick Luft, Spencer Mains, Anne Stafford; UPHA President Jim Taylor; Directors-elect Jimmy Robertson, Judith Werner; Charter Club Council Representative Barbara Molland.

Counsel Jeff Streepey, Executive Secretary Alan Balch.

I. The meeting was called to order at 7:05 p.m., and a quorum was in attendance. Guests were introduced.

II. Consideration of Minutes

Ms. Wrigley moved the approval of the minutes of the Executive Committee meeting on October 25, 2006, and Ms. Pardieck seconded. With only members of the Executive Committee voting, the motion carried without objection or abstention. Ms. Richardson moved the approval of the minutes from the directors' meeting of October 25, 2006, as circulated to all directors, and Ms. Boone seconded. The motion carried unanimously.

III. President's Report

Mr. Sarver reported briefly on the meeting of the Kentucky State Fair Advisory Committee, which had been preceded by a joint meeting of the leadership of the UPHA and the Association. He stated that the State Fair and the Advisory Committee had agreed on the need to move toward qualifying for competition at the Kentucky State Fair in the Pleasure and Park sections, and that both organizations favored this. He expressed the hope that the leaderships of ASHA and UPHA could meet again as often as needed.

IV. Treasurer's Report

Mr. Howard referred the directors to the detailed financials circulated with board materials. He noted particularly the strength in membership fees, the controlled expenses for magazine production, and referred to the investment portfolio performance. He expressed concern that expense reduction had probably reached a point where not too much more of significance could be achieved.

Mr. Zubrod questioned whether it was prudent in terms of return on investment to have so much cash on hand, and a discussion ensued on the cash needs of the Association and its conservative approach to investment policy, as well as the better returns that might be achieved.

Mr. Balch distributed the Merrill-Lynch investment summaries as well as the independent audit and summary prepared by Mr. Bill Bennett.

Ms. Cronan moved the acceptance of the Treasurer's Report, Ms. Gillenwater seconded, and the motion was adopted without objection.

V. Executive Secretary's Report

a. Election Results

Mr. Balch referred the directors to the detailed election results in the meeting materials, indicating that the slate proposed by the Nominating Committee was elected by a wide margin.

b. Statistical Data

Statistics on membership, registration, and transfers were provided as customary.

c. Policies

Mr. Balch drew the directors' attention to the policies and guidelines enacted as revised in 2006 and which remain in place, as provided in the packets.

VI. Consideration of Advancement Report and Plans

Mr. Balch began the discussion by reiterating the financial report received earlier. He noted that despite the strong financial performance of the immediately preceding years, a look at the net assets comparison distributed to directors shows the organization remains undercapitalized. Moreover, much of the asset base of the Association is not readily available. Therefore, he pointed out that the goal leadership should be to decide how to leverage the assets – both financial and otherwise – we do have.

He stated that we have had some robust growth in membership and finance despite weak fundamentals, and that this trend therefore cannot last. Major available economies have been achieved, and cannot be repeated. Leadership of the Association has to walk a fine line between looking at the upside that can be attained and being realistic about the fundamentals we cannot ignore, as far as registrations, transfers, mares bred, and stallions reporting. Compared to most other breeds, our numbers are relatively stable, and this can be exploited to some extent. Opportunities we face must be conveyed to the membership.

Addressing the prospects for growth requires patience, because turnaround in breeding numbers is necessarily slow. We have to work hard to stay even. Mr. Balch reiterated his belief that whatever concerns we have they aren't as significant as they would be if our breed were an inferior breed; it is not, and the basic product is strong. He reminded the directors that the real financial engine of the breed is the Registry, and that we must attend to putting real value into the registration itself, and the value of maintaining registrations via transfers. He stressed his opinion that formerly the registration was of greater value in most all breeds because it was perceived as a guarantee of quality, and also of the preferred phenotype; however, in the USA, the phenotype is protected in the competition arena (rather than by inspection), and if judging standards are not maintained, and the phenotype is therefore not maintained, then the registration may become perceived as less valuable. This appears to be happening in most American breeds, and must be addressed urgently. Since the disciplines and organizations which are not breed specific appear to be growing, when compared to the decline of registered breeds, cultural factors are probably also involved.

A wide-ranging discussion ensued. Mr. Balch pointed out demographic trends by state compared to the Association membership, demonstrating that there tends to be an inverse relationship between states with large populations and states with large ASHA memberships. While this presents market opportunities, it also presents a vivid picture of the present regional nature of Saddlebred interest.

Additional topics included improving relationships with USEF and capitalizing on the lack of interest in the Federation's awards program, pursuing the possibility of a group membership contract with USEF, updating the fee schedule and providing incentives for proper completion of registration and transfer forms, opportunities for the breed's representation in dressage, driving, and endurance, emphasis on Charter

Club outreach, network marketing reliance on a constantly improving Web site, RFD-TV and other broadcast opportunities, the cost and benefit of developing content for television and Internet uses, including public television programming, the need to achieve consensus on content of broadcast materials, the importance of outreach through trade fairs and equine events in which large public attendance is present, the priority of national vs. international markets, and the need to constantly improve collateral/printed materials, and their availability, for member use and outreach.

VII. Old Business

No old business matters were raised.

VIII. New Business

Mr. Heiman raised staff and personnel issues for the attention of the board, and a discussion followed.

Mr. Sarver presented gifts of appreciation to Ms. Boone and Mr. Heiman for their service to the board and the Association as outgoing directors.

IX. Adjournment

With no further business to come before the directors, Mr. Howard moved to adjourn, Ms. Pardieck seconded, and the meeting was adjourned, without objection, at approximately 8:40 p.m.

Submitted by: _____

Alan F. Balch
Executive Secretary

Mary Ann Pardieck,
Secretary