

AHR MEMBERSHIP MEETING

OCTOBER 25, 2007

The meeting was called to order at just after 5 pm on Thursday October 25th, 2007.

President Paul Sutton introduced the AHR Board Members.

Aileen Ayers and Carolyn Sutton presented the Youth Scholarships to Crystal Weesner and Rachel Cooper. Dave Wilson accepted on behalf of Crystal who was not in attendance.

Bill Hendershot makes the motion:

I make the motion that a complete set of minutes, of this and all future membership meetings, be recorded and published in the AHR magazine for the entire membership. Also as part of this motion all suggestions, comments and questions to the board be so noted and follow-up discussion of such be reported in the minutes of the annual board meeting or the boards monthly meeting. Dirk Young seconds.

President Paul Sutton opened the meeting for general discussion and Deb Parker reports that she is currently working with PHBA – Palomino Horse Breeders of America to have a motion brought up at their National Convention in March, 2008, to allow the Haflingers that meet the Palomino criteria be allowed to be double registered with PHBA. If the motion passes, Haflingers could be able to show in recognized PHBA shows around the country and gain national points toward year end and life time awards as long as they meet the PHBA color criteria and are thus registered. This would start in 2009. Presently, any Haflinger gelding that meets PHBA criteria can be registered for the sum of \$165.

Binnie Ann Masters shared that the Kentucky Legislature has a purse of \$370,000 for horses born and bred in Kentucky which goes toward points earned for any breed. The Kentucky Quarter Horse Assoc has jumped on the band wagon and this year each born/bred KY Quarter Horse has the potential to earn thousands of dollars for points acquired during the show season. We as an organization need to get a point system in place similar to what Quarter Horse has with the AQHA Incentive Fund. This would enhance the demand for Kentucky bred Haflingers. Kentucky Haflinger owners need to look into this to get their share of the purse. She would like to especially see a point system for geldings. Discussion followed with Maureen Morlang from Washington State asking how we can transfer this into our breed. Binnie Ann says we need to create a point system, regionally first, if necessary. Shows and specific classes would have to be approved. Jennifer Rousseau added that we would need a structured breed circuit. Jacque Woodward suggested that we could charge \$5-10 per horse and put it into the pot for starters. Look at the Hoosier Sire Program that has been very successful for many years.

Dirk Young asked a question about the balance sheet regarding the bank accounts that we have. He asked for clarification on the account formerly called the USDA account and now referred to as the AHR Reserve Account.

Tana Money Penny explained that formerly, the USDA account was locked up by the USDA to, in effect, insure our sales in case we would default and not pay the consignors. When the USDA lowered our requirement to \$69K, it didn't make sense to leave \$100,000 locked up in that account. We investigated the possibility of purchasing a bond, similar to an insurance policy, to cover our sales. That was done for the fall 2006 and spring 2007 sale. When the bond came up for renewal, the agent refused to re-issue the bond for additional years, so we worked with the USDA and our bank to arrange for an annually renewable CD that covers our sales. We are saving money by not having to buy a bond and making interest money on the CD.

Dirk Young then asked where the DNA expense showed on our balance sheet.

Tana explained that the DNA kits that are sold go to reduce liability for those kits still outstanding. Many kits are sold, but not immediately used and so AHR carries a liability on the balance sheet to cover the kits not yet processed. The difference between the cost of the kit and what the University of Kentucky charges us to process them is \$8 for members and \$33 for non-members. At the end of the year, we'll be able to move the difference over to the Profit & Loss as income.

Joel Greenisen asked where do we show the gain? Where is it realized? He requests that Tana ask the CPA again to make sure we are doing it correctly. And ask them why it does not show on the P&L. Why is it not proper for the members to know the gain vs what is spent? How much we take in vs how much to UK (lab)?

Tana explained that she could add this information as a footnote but agreed to ask the CPA again to make sure it is being done correctly.

Paul Sutton added that we raised the price for DNA in anticipation of an increased charge for processing when the initial contract with the lab came up for renewal. The contract has been renewed and the processing price remained the same.

Tana stated that we started tracking DNA kits in 2004 so historical data is not complete for kits sold prior to that. Sue Casseday added that we still get between six and twelve DNA forms per month that were purchased before any tracking mechanisms were established.

Paul Sutton explained that the AHR BOD instituted a five-year plan that started in 2006 to help keep AHR fiscally sound. The first step was to raise prices and that was hard to do, but necessary for us to stay solid financially. At the end of five years, we'll need to re-evaluate our pricing structure again so see if any adjustments need to be made.

Bill Hendershot raised the question as to what the AHR BOD is doing to stabilize membership numbers since we are presently down from previous years.

Paul Sutton commented that the Membership Committee chaired by Bob Duvall is working on a plan. He added that he felt several hundred members have gotten out of the Haflingers in the past few years for various reasons. The economy has affected our breed as well as all other breeds. As far as the Registry is concerned – non members have to pay higher prices for services performed by the AHR office. We won't have a completely accurate picture of our members until the end of the year because there is always a registration rush and member fees are paid to save money on registering foals. Some are now paying non member fees depending on how many foals they are registering.

Tana added that 16% of members were new members in both 2006 and again in 2007. In the past, we have paid people to become members because of our pricing structure. For example, two non-member transfers were \$100. That same person could buy a \$40 membership and then pay \$40 for two transfers for a total of \$80. We were forcing new Haflinger owners to become members in order to save money. Many of those didn't renew in subsequent years. With our current prices, two non-member transfers are \$100. A membership (\$65) and two member transfers (\$40) is \$105. People who are interested in membership will still become members, but we won't have those people who became members just to save a few dollars on the fees. Because of that, we believe our membership numbers will level out and slowly increase over the next few years.

Dirk Young asked how the non member registrations compared to the previous year.

Tana said probably about double.

Ruth Schwab suggested that we can increase membership because of our programs. Many want to be members to enable them to classify their horses, participate in our Points and Awards program, and in the Disposition and Trainability Assessment program.

Mike Bobal gave the statistics on the actual numbers of transfers and registrations for the past two years.

Bob Duvall suggested looking at the membership map supplied in the packet which was handed out to meeting attendees. The map indicates membership numbers by state. We can see that we've lost members in some areas, but gained some in others.

The discussion turned to the classification program and Bill Hendershot asked when classification information would be available on line?

Jennifer Rousseau answered that the Committee was working out the details of how the information should be supplied for posting to the website. It should be coming soon.

Gary Leisure added that we are close to having that information on the website. There are board members working to interface with the AHR website. This next year it should be available.

Jim Arnold stated his appreciation of the magazine survey that went out on how to improve the magazine. He saw this as a very positive step on getting member feedback. Also, what does the BOD see as major concerns in the AHR Registry?

Theo Hug commented that we would like to see numbers of new members increasing and bringing new ideas and new business to the present members. Again, compare your members by state and you will see the growth areas.

Bob Duvall states that there are things on the drawing board to be sent to the annual BOD meeting for discussion and approval.

Paul Sutton added that across the US and Canada there are over 9000 different Haflinger owners. Bob solicited assistance from Mike Williams and they put together a telephone campaign to reach out to as many owners as possible. Mike worked on that project last winter and he reported that the feedback he received from Haflinger owners was positive.

Bob Duvall thanked Mike Williams for all of his hard work thus far.

Gary Leisure - No newly elected BOD this year. Ballot returns turnout was the lowest ever recorded. Total = 396 votes. 22% of total member's vs 25% in the past years. The Magazine Committee needs and encourages members to send in articles for the magazine for their regions (as AHR has no paid reporters). Please share information/articles/events. We would like to see more active involvement from more people.

Rebecca Williams said that she bought her first Haflinger 14 months ago and now has three. AHR needs to make a bigger deal out of the benefits of a membership. We are selling to adults not kids. Many use Haflingers for trail rides and we need to get them out in the public everywhere we can. Continue promotion to adults and youth.

Phil Greenisen mentioned that the Farm Bureau in every state successfully focuses on membership drives and we need to figure out a way to copy that program.

Theo Hug reminds everyone that it is all of our jobs to help bring in new members.

Bob Duvall thanked Robert Eicher (Chair) and his committee on the Disposition and Trainability (D&T) Program that had its official kick-off today and states that this is a great marketing tool.

Committee member Lou Sutton reported that they have been working to get this off the ground for over two years. The Inspection and Classification Program deals with the breeding stock and the geldings have a huge value of their own. We want to be able to qualify and quantify the attributes of each Haflinger when possible. The program was developed to get a feel for the horse's character by exposing them to different situations, and from there evaluate their reactions. There is an in-hand portion, a ridden portion and a driven portion. Today there were also several learner judges participating under the guidance of committee member Peggy Brown (who is well known and respected for her work with "Anatomy in Motion, The Invisible Horse" and "Centered

Driving"). Janet Baker asked what the plan was as to when/where these tests would be available. The idea going forward is to possibly offer this on a Friday or Saturday before a sale. Then people could use this as a selling tool. Tests would be offered throughout the year at various locations.

Jacque Woodward participated today with her stallion and suggested that maybe Regional Groups should be invited to get involved and possibly coordinate sites in their regions.

Rebecca Williams thought it was a great start and that we need to get the word out and suggested sending the information to outside magazines so others can see what we're doing with Haflingers.

Maureen Morlang from WA participated in the D&T testing as a learner judge and commented that the most difficult aspect was to separate herself from being a horse show judge. Evaluations can only be on the horse, not on the gear or the handler.

Binnie Ann Masters said there were ranges of scores among the group due to different backgrounds but that it was easy for comments to be written to help the handlers/riders/drivers. The program is easy so we should encourage all Haflinger owners to participate, not just the professionals.

Kathy Myers commented that we need to promote the D&T test in non-breed specific arenas.

Carol Hummel suggested adding a video segment as a training tool.

Dirk Young challenged the BOD that now that we have a seasoned office staff that the BOD should be assigning them some top priorities on which to spend time, to help keep office focused on new in-roads.

The discussion continued with different facts of breed promotion. Mike Bobal looked back at financial statements that showed where AHR advertised in the past and explained that they saved money by decreasing some ad sizes but did not discontinue advertising in any publications that had previously been supported. All regional requests were honored.

Paul Sutton recognized HOPE, the Haflinger Owners Promotional Enterprise, which is a group of AHR member Haflinger owners and breeders who have banded together for the purpose of advertising and promoting the Haflinger breed. Everything the HOPE organization does, helps us all.

Lisa Schott from Ohio states that more Haflingers need to get out in the show ring with other breeds. We need to get more of them in the hands of youth in 4H etc. She recognized the Youth Committee supporting Youth clinics but also suggested that AHR should assist with clinics for adults with their Haflingers. She completely agrees on doing some sort of Incentive Fund for our Haflingers.

Ruth Schwab put a plug in for the AHR membership Directory by asking all members to participate. 10,000 copies will be printed and it will be passed out at Equine Affairs and large non Haflinger events. They'll also be sent to individuals that contact the office for more information on haflingers. This will be printed every two years so don't miss the opportunity to get your farm included.

Paul Sutton reminded the audience that our magazine goes to our members, but the Member Farm Directory will go to a completely different market.

At the member meeting last year, there was extensive discussion regarding the Haflinger Breeders Organization so Paul Sutton asked David Villeneuve to bring us up to date on any new developments. David reported that he has contacted Bob MacArthur and Dean Woodward several times to no avail. He stated that he had released his attorney to file suit in order to get the HBO information handed over to AHR as agreed.

Maureen Morlang wanted to know exactly what it was he was going after and David replied that he was trying to get breeding records and classification information. Ruth Schwab added that it would be great if we could get the pedigree and owner information as well.

Paul Sutton thanked the BOD for all their volunteer hours and hard work on the Board and all the additional committees. Without these non paid volunteers we wouldn't have an organization. He also thanked the entire office staff for what they do day in and day out supporting Haflinger owners and AHR programs.

Willie Lehman wanted to let everyone know that the Indiana sale is moving to The Hendricks County Fairgrounds 4H Complex in Danville, Indiana starting in 2008. It will be the same weekend in May as before. It is a brand new facility at a cost of over \$18M and should be a great place for upcoming events.

Lou Sutton added that the National Show will be at the same facility Sept 10 – 13 2008.

Meeting adjourned.

Thank you to minute takers: Janet Baker, Deb Parker, & Carolyn Sutton