

**DRAFT AGENDA**  
**AERC BOD Conference Call 9/14/20, 5 p.m. PT (new early start)**

Call to order and roll call

Housekeeping:

Acceptance of agenda

Excusals – Mollie Krumlaw-Smith – travelling & out of range – will join if possible

Approval of 8/22/20 midyear Zoom meeting minutes - ### below

Statistical report and Dashboard – will be provided closer to the meeting date.

Business before the Board:

Update – Ad hoc committee re inclusivity – roles & responsibilities – Jessica and Susan G

Update – Bylaw and policy data – Lisa Schneider

National awards motion previously passed - permission for the office to send certificates to those that would have placed. Cost of certificates will be handled privately.

AERC Legacy Foundation motion – seed monies - Mollie Krumlaw-Smith - \$\$\$ - below

**### Minutes- AERC BOD MIDYEAR MEETING, August 22, 2020**

President Nick Kohut DVM called the virtual meeting to order at 10:10 am EST.

Board members present were Olin Balch DVM, Michael Campbell, Connie Caudill, Monica Chapman, Jessica Cobbley, Chalice Coward, Gordie Cowan, Dawn Hilliard, Susan Garlinghouse DVM, Andrew Gerhard, Susan Kasemeyer, Nick Kohut DVM, Bob Marshall DVM, Mike Maul, Angie Mikkelson, Stephanie Palmer-DuRoss, John Parke, Maribel Paulson, Naomi Preston, Heather Reynolds, Lisa Schneider, Christoph Schork, Mollie Krumlaw-Smith, Jan Stevens, Vance Stine, and Tim Worden. Also present were Executive Director Kathleen Henkel, Kyra DeMartini, and Legal Committee member Barbara Baris.

Connie Caudill made a motion to accept the agenda, seconded by Michael Campbell. Motion passed. Motion for the approval of the 7/13/20 Board meeting minutes was made by Naomi Preston, seconded by Susan Kasemeyer. Motion passed.

Naomi Preston made a motion to accept the Committee reports, seconded by Jan Stevens. Motion passed. Gordie Cowan made a motion to excuse Naomi Preston, Chalice Coward and Susan Garlinghouse DVM should they need to leave for urgent reasons during the meeting. Seconded by Naomi Preston. Motion passed.

Kathleen Henkel presented the membership statistical report.

Membership 7/03/19	4437
Membership 7/29/20	4000

(Actual membership to date is 4092)

Sanction fees 7/29/19	\$14,420
Sanction fees 7/29/20	\$11,530

Rider fees 7/29/19 \$39,771

Rider fees 7/29/20 \$14,569

(An additional \$1,705 in rider fees have been collected but is not reflected in the above figures)

New members as of 7/29/19 432

New members as of 7/29/20 324

Mollie Krumlaw-Smith reviewed the financial statements with the Board. She said this year, due to CV-19, there are a lot of moving parts involved in controlling our budget. The good news is that AERC has been able to offset the \$47K in the membership shortfall by controlling our spending and obtaining a PPP loan (grant). When comparing our financial position to the same time last year, please keep in mind our ride insurance was paid in June of this year vs. July in 2019. Additionally, in 2019 we had a favorable \$20K one time gain from an investment. In 2020 we've incurred the moving expenses associated with the office move, but this will be offset favorably in savings by the end of the year. The \$39,000 PPP loan from the government has not been recorded against expense as we're still waiting for the exemption rules to be finalized. The requirements for the PPP loans/grants have been continually refined and at the moment it looks like we may not have to return any of the funds and can use all of them for payroll over an extended period of time.

When these adjustments are recorded, we will be \$2.7K favorable to the budget on the operations line, and \$44K favorable to the budget on the bottom line, both currently showing net gains. If the rides can continue to take place, we should be able to hold our present favorable to budget variances.

The question was asked as to what percentage of our income comes from dues and what percentage from rider fees. Mollie Krumlaw-Smith stated that approximately 78% comes from membership, 8% rider fees and 14% from the convention, but these can vary from year to year.

Bob Marshall DVM made a motion to cancel the 2021 in-person AERC convention. Seconded by Vance Stine.

A discussion was held concerning the 2021 San Antonio convention. Many large conventions have already been canceled, and it was thought to be a 50/50 chance that the convention would be able to go forward with the corona virus possibly still in play. All the Board members expressed sadness if we cancel the event since it is the only time that we get together to celebrate the accomplishments in the sport and so many are looking forward to the venue in San Antonio. Kathleen Henkel stated that a decision to cancel will need to be decided by September in order to save the AERC \$50,000-\$60,000 convention payment to the Hotel. She said the Office is prepared to have a virtual convention that would be fun as well as educational should we decide to cancel the face to face convention.

Olin Balch DVM made an amendment to the motion, which was seconded by Christoph Schork.

The amendment: Vote to cancel now but if Kathleen Henkel can get an extension on the cancelation deadline without having a financial impact to AERC, then the Board can vote on it at a later date.

More discussion was held and then a vote was conducted. Amendment to the motion failed 12 to 8.

The vote was then conducted on the original motion to cancel the 2021 convention. Motion passed unanimously.

Election Committee chair Robert Ribley was on hand to swear in the Directors since some were not available at the Convention in Jacksonville. After the swearing in, Nick Kohut DVM thanked Robert Ribley for his participation.

Mike Maul gave an update on the work to establish a relationship and cooperative agreement with the Ride and Tie Association. Mike Maul felt they had made progress on the agreement but explained an issue with insurance on unsanctioned events. Kathleen Henkel will check with their insurance company to see if arrangements can be made for the unsanctioned events that have maybe one or two teams. Mike Maul has sent

the working agreement to the Board. The Ride and Tie Association would enter a two-year agreement with AERC. Mike Maul gave a PowerPoint presentation to help Board members understand the details.

A thorough discussion was held with Mike Maul answering the questions and concerns. Ride and Tie would have a designated coordinator at each ride and provide educational webinars. Board members felt this would be a great way to broaden our membership base. Ride and Tie would subsidize up to 15 ride managers who will host a ride. R&T would like more venues and would like to allocate funding by region. A concern was noted for non-sanctioned rides when there are only one or two teams. Board members felt all events should be sanctioned regardless of how few members are entered. Mike Maul will be discussing this with R&T. If this agreement works well in the two-year timeframe, it could continue. It was stated this seems like a win-win for both organizations.

Nick Kohut DVM and the Board thanked Mike Maul and the committee for their work on this and will be looking forward to hearing more in the September meeting.

Connie Caudill presented a motion from the Sanctioning Committee that was discussed in the 4/13/20 meeting. It was deferred until now so the Board would be better informed on how many regions were having rides and how many have canceled rides.

Motion Name -Suspend 2020 National Awards. Continue as usual with the regional awards and awards not associated solely with yearly competition, such as HOF and mileage recognition. Proposed Motion- Due to the COVID19 nationwide shutdown and in turn the cancelation of rides, AERC will not award or recognize 2020 national awards associated solely with 2020 competitions.

The following will be awarded: Pard'ners, HOF Equine, HOF Person, Decade Team, Longevity, Perfect Ten, Ann Parr Trails Preservation Award, Volunteer Award, 3,000 Mile Equines, 5,000 Mile Riders, breed associations, Century Club, and regional awards. (Not certain about the Rookie award).

The National awards that will not be given: Bill Stuckey Award, Thornburgh Family Award, Bob & Julie Suhr Husband and Wife Award, Pioneer Award, Jim Jones Stallion Award, War Mare Award, Kathy Brunjes Young Rider Award, National 100 Mile Award, Junior National 100 Mile Award, National Mileage Award, National Limited Distance Mileage Award, National Best Condition Award.

Background, analysis and benefit: The riders are not on a level or fair playing field as some of the regions have had opportunities for rides while other regions will not have many opportunities.

Vote was conducted on the motion. Motion passed unanimously.

Connie Caudill presented a motion from the National Championship, Junior and Young Riders and AERC-I Committees.

Motion Name- AERC Young Riders Championship Ride (75 mile)

Proposed Motion - The AERC Young Riders Championship Ride to be held a couple days after the AERC National Championship ride at Fort Howes in 2021. Ride Managers are Bill and Jan Stevens.

Background, analysis and benefit -This proposal came directly from our Young Riders. They brought their idea to the committees. AERC already has a young rider division in place. This division is for ages 14-21 that are qualified to ride unsponsored. There are currently 191 members in this division. The Young Riders would have to qualify along with the horses in order for them to enter the 75-mile championship ride. The Young Riders would also have the opportunity to enter the AERC NC 50/100-mile rides during the days preceding this event.

This could be a great promotion for our young riders. The NC Ride wouldn't be negatively impacted as it is likely the young riders will bring riders to the NC ride who are related or friends of the young riders. The young riders will receive full points when completing the ride.

Budget effect/impact - The young riders already have many sponsors and are working on more.

Benefit and/or Impact to Membership and/or the AERC Organization- We think this will help build the Young Rider division within AERC and build enthusiasm among them as well as other members who will be cheering them on. They will be riding as teams which may help them develop strategy and also makes them think about completion over winning.

Discussion was held. Vote was conducted. Motion passed with one abstention.

From the Governance Group, Lisa Schneider began the discussion on the bylaws revision. She explained the revised bylaws have been discussed/reviewed/ revised over the past few Board meetings and they then were sent to the California nonprofit attorney, Chris Delfino for review and recommendations. The revision will bring the bylaws to up to date with the California corporate code. The changes would require that an IRS form 990 be re-filed.

Lisa Schneider stated that the bylaws are the general framework for the organization and the details should be left to the rules and policies. With these revisions, the bylaws will be easier to keep updated. The revisions the Board agrees on in this meeting will be incorporated and then sent to our attorney, Chris Delfino, for further review and suggestions, then brought back to the Board for a vote in the September Board meeting. After the Board approves the revisions, then the bylaws will go out to the membership for a vote along with the Articles of Incorporation, which Mr Delfino will also update to be consistent.

At 2:20 PM, Chalice Coward asked to be excused for family issues, Susan Garlinghouse DVM for fire evacuation and Naomi Preston to help at a ride.

John Parke made a motion to excuse them, Lisa Schneider seconded, motion passed.

A few minutes later, Naomi Preston was able to rejoin the meeting.

Each member of the Governance Group presented updated portions of the bylaws. Some questions came up during the discussion that will be taken to Chris Delfino for further clarification, review, and revision. One change noted in the revision was the removal of the definition of endurance and Limited Distance and simply revised to "equine distance events", which will give AERC the opportunity to incorporate other organizations such as Ride and Tie under our umbrella and not tie us down to definitions. This will give AERC more flexibility to keep the organization viable.

References to written ballots was replaced with electronic and digital format, giving flexibility to voting in the future. Many of the revisions just cleaned up some of the language and also combined repetitive articles or language and brought the bylaws in line with California corporate code. The number of board members to call a special meeting as well as how much notice the Board was required in order to call a special meeting were updated. The AERC membership will have the completed revision for review after the attorney and the Board have reviewed and approved the final revision.

The Board thanked Lisa Schneider and the Governance Committee for working on this and being prepared to present the revisions.

The projected date to have the Board review the final draft will be in the September meeting. The group had hopes of mailing the bylaws out for the membership vote by November 1<sup>st</sup>, so that they could go out with the Director At Large ballots but they want members to have proper time to review and return the ballots which may not be feasible with the slow down in the postal system. Currently the plan would be to mail them in November when the membership numbers are at the highest giving more members the opportunity to vote. It was discussed that we could offer a webinar to explain the bylaw revisions, as well as putting them on our website, sending out an Endurance Extra with the revised bylaws to help members understand why the revisions are needed.

Gordie Cowan led a discussion concerning timing of publishing the agenda in advance of a meeting. He felt that some motions brought up late didn't give reasonable time to determine how to vote on issues. Gordie Cowan made a motion which was seconded by Naomi Preston:

For any business requiring discussion, the agenda for the Board meeting is to be published no less than five calendar days before the scheduled Board meeting.

During the discussion, Gordie Cowan agreed to reduce the time frame down to two days. John Parke asked Gordie Cowan if he could wait until the Board could make a policy manual. Gordie Cowan agreed to withdraw the motion but not the discussion.

John Parke brought into the discussion Chalice Coward's Board Communication list which he stated all fit in together with policies. He said this could all be rolled into the policy manual and the code of conduct.

Kathleen Henkel has been pulling out of the minutes approved policies and has placed some of them in the midyear packet. John Parke suggested that since the policies are scattered all over our minutes that the Governance group would be the logical group to gather all those and put them into one policy manual. The Board agreed with having the policies in one location.

Some of the Board groups gave updates:

Lisa Schneider of the Governance Group- Goal- Ensure continuity of understanding for new Board members. Responsibilities of Board members and associated policies.

Mollie Krumlaw-Smith of the Finance Group- Goal- Survival through CV19. Paperwork filed on ALF with the IRS. Currently sending in signatures.

Monica Chapman of the Trails Group- Goal completed -MOU signed with BLM. (Will send out information to ride managers). Next project will be logging what types of property rides are put on. Target date will be the Convention. Also logging trail work.

Kathleen Henkel of the Membership Group- Email to non-members of 1-2 years. Goal of 4,100 members was just 7 members short with 4,093. Rolling out Fall special. Naomi Preston has some ideas that are being worked on.

Nick Kohut DVM, informed the Board that Andrew Gerhard is resigning as chair of the Education Committee and had suggested that Kyra DeMartini replace him.

John Parke made a motion that Kyra DeMartini chair the Education Committee, Gordie Cowan seconded. Motion passed unanimously.

John Parke thanked Nick Kohut DVM for a good meeting.

Nick Kohut DVM thanked the Board for a productive meeting.

At 4:04 pm EST John Parke made a motion to adjourn, Gordie Cowan seconded. Motion passed.

Respectfully submitted by Connie Caudill

### **\$\$\$ AERC Board of Directors**

#### **MOTION PROPOSAL**

**September 2, 2020**

Motion Name – Seed Money for the AERC Legacy Foundation

Proposing Committee- Finance

Classification of Motion Request – Operational

Proposed Motion

The budget and finance committee recommends and requests the initial funding of 10K for the AERC Legacy Foundation (ALF) money market and checking accounts to be taken from the AERC general fund. This initial funding will be treated as a start-up loan and will be paid back to the AERC general fund when the ALF Money Market account exceeds 20K,

Background, analysis and benefit

This funding will be used for the following:

5K to open an ALF Money Market Account

1K to open an ALF checking account

2k to develop an ALF website

2K to develop an ALF logo and marketing materials.

Budget effect/impact

Extraordinary item to be considered at the next board meeting.

Benefit and/or Impact to Membership and/or the AERC Organization

Provide necessary start-up capital to formally establish ALF.

Impact on AERC Office (Work load, budget)

N/A

Implementation plan (Schedule, resources, financial)

Effective immediately

Supporting approvals (proposing committee, participating committees)

Executive Committee, ALF Directors, Budget and Finance