

Teleconference – Monday – February 13th – 7:00 p.m. Central Standard Time

7:04 p.m. Greg Bagley called to order and Cathy Behn was asked to take roll call. Roll call confirmed Greg Bagley, Andrew Stalhiem, Sierra Covell, Dennis Johnson, Pat Connors, Chuck Cryderman, Shannon Cobbs, and Dave Hennen were present on the teleconference. Ken Airgood had called and stated he would be a bit late as he had an appointment. At 7:20 Ken Airgood came on the line.

President Bagley asked for Approval of Jan. 10th Teleconference minutes. ***Chuck Cryderman moved to approve the January 10th, 2017 Teleconference Minutes as presented. Pat Connors second the motion and motion carried.***

President Bagley asked for approval of the February bills as presented. He stated he was pleased to see the accounting bill was less. He asked Cathy Behn about the phone bill and if what it included. Cathy Behn related the phone bill was for two phone lines and a fax line. She stated that the bill seemed a little higher and would phone the telephone company to see if they had something better to offer. ***Pat Connors moved to accept bills as presented. Sierra Covell second the motion and motion carried.***

President Bagley asked for the Executive Director Report. Cathy Behn related that she had been really busy with emails and sale documents due to deadlines and more awareness on Social Media. Cathy Behn related she would report on other items as the board went through the agenda so her information was not repetitive.

President Bagley moved onto the topic of the Annuity. He stated the board had received information from Cathy Behn on the Annuity and asked if there was any questions. It was the consensus of the board to leave the annuity where it was at and the same.

President Bagley moved onto the topic of the USA Clydesdale Preservation Foundation from Arizona. He asked if anyone was prepared to formulate a letter to the Foundation as discussed by the board in several emails. President Bagley stated he was concerned if the board made a statement, it would re-fuel the controversy of the issue. Pat Connors asked if anyone had ever talked to Rebecca Stivers. President Bagley stated he had sold her a horse, and Cathy Behn stated she had talked to her several occasions, back during the time she was wishing to do a survey, and again when the survey was done. Cathy Behn related that she had not had good results with her survey and was discouraged to use any facts or numbers gathered as they would not be accurate. Cathy Behn again spoke to Rebecca after a TV spot used false information and Rebecca told Cathy it would not happen again. Sierra Covell stated the Foundation continues to use information to contact members etc. and felt she is abusing the right to use the names. Shannon Cobbs shared his concern that some people think her numbers are spot on. Shannon Cobbs asked what numbers were on the Facebook quick survey. Sierra Covell stated the numbers were up over 1400 with approx. 100 people reporting. Sierra Covell said a lot of people responding were not even members. Shannon Cobbs stated that we should not argue over the Foundation's numbers without having actual numbers. Sierra Covell stated that process could be done in the future with some on-line survey calculators. She suggested that maybe the Association should contact the CEF to see if we can get a grant to do our own survey. Shannon Cobbs stated the bigger picture with her is that the numbers don't matter but they are getting donations by posting the information. Sierra Covell stated she felt strong that we need actual numbers. Discussion was held on whether to contact the Foundation on the issue. President Bagley stated he felt if the topic was published in minutes, there would be no other reason to contact them. Sierra Covell stated she had put a personal statement on FB explaining the numbers were not accurate. She also stated she has gotten many negative messages regarding the misrepresentation and wanting real numbers. Chuck Cryderman stated the board should put a nice letter together to the membership explaining there is no affiliation with the Foundation and it could be posted on FB and website. Cathy Behn and Sierra Covell were assigned the task of putting put together a letter together and get to board for approval to be posted on the website and FB. ***Chuck Cryderman moved to draft letter to the USA Clydesdale Foundation stating the board's clear consensus, then to be put on the website and FB. Shannon Cobbs seconded the motion and motion carried.***

Chuck Cryderman stated he would like to clarify an issue. He stated that for years Cathy Behn has been known as an Executive Director, but it seems as her position had been turned into a clerical position. He stated it did not make any sense to pay a clerical person what Cathy Behn should get paid for her skills and experience. Chuck Cryderman stated he felt firmly that Cathy Behn should be recognized as the ex-official on all committees, publications, sale, etc. as

someone has got to be in the office to promote and market and move the Association forward. He stated that would mean hiring some clerical staff or temp staff. Chuck Cryderman stated there needs to be an administrator and use felt Cathy Behn should be used as such. He stated that the organization runs by volunteers and that cannot ever stop but somewhere along the way there needs to be a director for volunteers, questions, and so forth to keep things going. Chuck Cryderman as if this topic could be discussed at this time. President Bagley stated he had put that into other business but was willing to discuss the topic. Chuck Cryderman felt it needed to be discussed before any additional duties were assigned to Cathy Behn. Pat Connors stated he felt the discussion needed to be held as there was much work on the job descriptions and the topic goes hand and hand with the documents presented to the board. President Bagley asked if the board should go into executive session. Sierra Covell stated the board needed to move forward with the Exec. Director position, stating it would be hard to move forward by taking all the power from the office and delegating board members to do the work. Sierra Covell stated that Cathy Behn knows the office, business of the association, and is experienced with events. Pat Connors agreed with Chuck Cryderman and Sierra Covell stating their opinion was on track as far as he was concerned. Pat Connors related that after reading the job description of the Office duties, there was no way one person could do all the work. Pat Connors stated that in past the past no one wanted to spend money on such a position, but the Association needs someone up front to be the face of the Association and temp work could be done part time employee. Chuck Cryderman stated that with the 2018 WCS coming up, the Youth/Novice Congress, and a new Summer Publication, someone has to be in charge to head things up. Chuck Cryderman stated he thought was time to stop kicking the can and acknowledge Cathy Behn as the CEO as she has done a great job and would like to see it happen. Shannon Cobbs stated he had known the Behn Family for several years and cared about them and Cathy Behn, but as an elected board member he felt there are those in the membership that would not agree with the move as they have issues with the office. He stated there are members that do not want more power to be given to the office and felt he must speak for that portion of the membership. Discussion was held on how the membership would view the job description of the Executive Director with Shannon Cobbs revealing some reasons for speaking out. Chuck Cryderman stated the job of board is to keep a positive status quo flow going and keep everything positive. Shannon asked if some of his statements about the Behn Family could be stricken from the records. ***Dennis Johnson moved to have Shannon Cobb's personal comments stricken from the record. Dave Hennen seconded the motion and the motion carried.*** Shannon Cobbs stated that some members think it is a conflict of interest. Cathy Behn asked to speak stating she had received many calls from members and business associates that had heard negative comments being made by board members regarding the office and herself. Shannon Cobbs asked how to fix the negativity of the Association. Cathy Behn stated that one solution was to try and be positive in our communication with members. She stated it was the responsibility of the Board of Directors, Executive Director, and staff to move forward as a team to promote a positive influence for the Association. ***Chuck Cryderman moved to hire Cathy Behn as a CEO/Executive Director, acting as an official and chair on committees, with monthly reports given to the Board of Directors. Pat Connors seconded the motion.*** President Bagley asked for Cathy Behn to take a roll call vote on the motion. Ken Airgood asked if the motion would be adopting the Executive Director Position as defined in the document presented by Dave Hennen and Pat Connors. President Bagley stated he was under the understanding that the agreement was a working document that could be amendable. Chuck Cryderman stated that when things that come up regarding the position that it needed to be discussed internally and not publically. ***Results of the roll call vote were as follows; Shannon Cobbs – no; – Dave Hennen – yes; Pat Connors – yes; Dennis Johnson – No; Sierra Covell – yes; Chuck Cryderman – yes; Ken Airgood – yes. Motion carried with Dennis Johnson and Shannon Cobbs opposed and Andrew Stalhiem was not present to vote.***

President Bagley moved on to the National Sale. Dave Hennen stated there was an awesome sale coming up. He stated the committee was working with a marketing firm and also working of FB. He stated there would be a TV newsfeed taped at the sale on Thursday and aired on Friday. Dave Hennen reported there was a new texting program for the sale and felt it could be used to promote other events, deadlines, and activities of the Association. He stated that Sierra Covell and Cathy Behn were working diligently with marketing firm to get it all out. He reported that at the time, numbers are pretty solid, landing in the 80's before sale deadline. Chuck Cryderman congratulated Dave Hennen on the great job he was doing with the National Sale. Cathy Behn stated there was a lot of feedback on the sale from social media, etc.

At 7:55 p.m. President Bagley asked Cathy Behn to reconfirm who is on the phone. Roll call resulted in Dave Hennen, Pat Connors, Dennis Johnson, Chuck Cryderman, Ken Airgood, Shannon Cobbs, Andrews Stalhiem, Greg Bagley, and Sierra Covell.

Sierra Covell reported that Social Media was going good with lots of interest. She was planning on posts on Fridays with major information and target specific people targeting sale. She stated she does receives questions on the FB page and some were regarding allowing grade horses to show at the WCS. She explained that was nothing new, as grade geldings had been allowed before to show.

President Bagley gave a report for the WCS as he had spoken to Keith Mann. He stated that Keith Mann and Linda Harmon would be going to Gordyville Sale and would spend time in Lisa Graham's booth promoting the show for sponsorships and such. Shannon Cobbs wondered if the Executive Director would be head of the WCS or if Keith Mann and Linda Harmon still would be. Cathy Behn stated she had already been working on a structure chart for the WCS, and the same structure chart had been used before when her and Keith Mann worked together. Cathy Behn asked how the communication would go forward for the structure. President Bagley asked what protocol would be used going forward on all committees. He stated he felt there needed to be a short term/long term plan, defined Policy and Procedures, and protocol. Cathy Behn stated if the position is implemented, she will be acting in that position and should be respected as such. Chuck Cryderman stated key people should move as one and make it work Cathy Behn. Dave Hennen stated that the entire plan was built for the betterment of the Association as a first step to move forward into the future. Once the position was defined, then the by-laws, policy and procedure, evaluation process and more should be considered. Discussion was held on who would be contacting Keith Mann and President Bagley requested to be the person to contact and explain the new Executive Director position.

President Bagley moved onto the By-laws, stating that several committee members, himself, with Cathy Behn's help in preparing the documentation had come up with a document to present to the BOD for Approval. He reported there were 8 items marked in red to change, two discussion items in yellow, and several articles were re-arranged on the by-laws document. He stated the BOD has to be approve the document at this teleconference in order to present it to the membership for a vote at the 2017 Annual Meeting. President Bagley asked for direction from the board. Chuck Cryderman stated had had a call from Jack Parnell, who had some concerns with the by-law changes. He stated he had served on many boards of large corporations and as he studied the Association By-Laws, he found nothing wrong with them. He felt that too many details can result in too many problems, stating that sometimes the less the better when it comes to legal issues. Chuck Cryderman stated he agreed with Jack Parnell's theory. Dennis Johnson agreed and stated he had talked to several people that said to keep it simple and he personally would like to leave the by-laws as is. President Bagley drew attention to Article 6 regarding email voting, and Article 10 regarding complaints must be in writing. President Bagley shared he thought those things needed to be changed in the by-laws. Chuck Cryderman stated he felt the by-laws should remain the same with Jack Parnell being a part of the by-law committee. President Bagley stated that he wanted it on the record that four years ago the Association paid \$2500 to Bob Vickery to amend the by-laws and he felt that was a waste of a lot of money. ***Chuck Cryderman moved to leave by-laws as is with future opportunity to revisit the by-laws. Dennis Johnson seconded the motion.*** Shannon Cobbs asked if the new position needs to be in the by-laws. Chuck Cryderman said employee is an employee at will and that didn't need to change at this time. Dave Hennen stated the board and staff need to review the policy and procedures instead of the by-laws at this time. ***President Bagley asked for a vote on the motion and the motion carried.***

Moving on with the agenda to Budget review, Cathy Behn reported some differences this year on income and expense that were due to decisions that had been made after adoption of the budget. Those things included the loss of income on delinquent fees with the amnesty program and such. Cathy Behn asked for direction in amending the budget for additional office help. Chuck Cryderman asked if someone could be hired for three days a week until October. Cathy Behn related that capable part time person that worked for the Association in the past and let go in October had secured another job. Chuck Cryderman asked if there was a reason that the funding for office help could not come out of the WCS budget. President Bagley said the CBUSA budget would need to be amended. Discussion was held on where the funding would come from and it was noted that no budget for the 2018 WCS had been established as of yet. Chuck Cryderman moved to hire someone for 6 months with funds being included in the 2018 WCS budget in the sum of \$6,000 or approximately thereof. Ken Airgood seconded the motion and the motion carried.

President Bagley moved on the agenda to the USLGE. Ken Airgood reported that the minutes stated if funding was obtained through donations, the program could continue. He reported that the last quarter dues of 2016 had been paid by a private donor and also the first quarter dues for 2017 had been secured through a private donor. Due to that fact, Tanya Connors, Cathy Behn, and himself had attended the Annual Meeting of the USLGE in Columbus, OH at their own expense to stay abreast with grants and funding requests. He shared there were many activities at the meeting including a tour to the Columbus OH airport facility that exports livestock internationally, strengthened relationships within the Equine group, direct communication with 2 FAS representatives from Washington that are instrumental in granting government money. Ken Airgood reported that the USLGE president retired and new CEO is based out of Mt. Horeb, WI and that we had used this individual for grant writing in the past. Ken Airgood reported that if we continue with the 2017 dues the Association would have \$28,000 in international marketing funds to use for 2017. He stated the focus was to get the remainder of the dues paid to be able to fully use the funding. Ken Airgood stated that the President stated if we do drop out of program and get back in at a later date our grant funding would be much less. Ken committed to writing a formal report on the program. Cathy Behn said there was a domestic value to the program through State Dept. of Ag representatives. Pat Connors said that Tanya was impressed with the representation in the USLGE and felt the program had very good networking value. Dave Hennen asked if the program is continued if the membership will be able to be more included. Ken Airgood stated that was possible and would do a better job trying to incorporate the membership if they were willing to participate. Sierra Covell thought another presentation could be made at the Annual Meeting. Shannon Cobbs stated there needs to be more communication with the board. President Bagley stated he felt there was no communication until they heard there was a convention. Cathy Behn stated that the funding was received at the last minute and felt there was a need to go to the convention. Shannon Cobbs stated he was in agreement with continuing the program if there could be better communication. Dennis Johnson stated he felt many people are being misled as the program was cancelled and not is starting again. Pat Connors stated the donations were given and was in line with the minutes so the decision should be well accepted. Sierra Covell stated that with the USLGE funds, printed materials and ads, etc. are a value to the program also. Pat Connors felt the USLGE program was a priceless value for return for marketing internationally.

Moving on with the agenda to the Call to the Annual meeting letter, Cathy Behn stated she needed information from President Bagley on the Educational Seminars for the Sale, and from Dennis Johnson on the Banquet information. Cathy Behn stated she felt there needed to be more information mailed with the letter regarding the WCS such as the sponsorship opportunities and donations forms. President Bagley stated he thought there was a problem with the trailer for the WCS. Discussion was held on what was happening with plans for the WCS. Dave Hennen stated that President Bagley needs to call Keith Mann and inform him that the Clydesdale Office Executive Director will be active in managing the WCS. Cathy Behn shared that she had put some time into the WCS structure chart and thought with that structure chart, the WCS could be organized and move forward. President Bagley agreed to make phone call to Keith Mann and Linda Harmon. Dave Hennen suggested that President Bagley make initial telephone call and maybe do a teleconference to regroup the structure. Dave Hennen shared his concern that the WCS needed to move forward. It was the consensus of the board that the plans for the WCS had not been aggressive enough and time was of a concern. President Bagley said there were issues contributing to the lack of enthusiasm. Sierra Covell stated that whatever is done needs to be in a very positive manner. Cathy Behn stated she was ready with documents to launch as soon as possible and was dedicated to the WCS.

President Bagley reported there were 7 nominees for the BOD election in April. He reported the incumbents of Pat Connors, Chuck Cryderman, and Dennis Johnson were are running for re-election, along with Karl Probst, Wayne Mast, Bob Wilson, and Mike Taft. Dennis Johnson asked if all of the nominees were members and Cathy Behn replied that they were all lifetime members. President Bagley stated that in order to lighten Cathy Behn's load in the office, he had contacted the CPA office of Jones and Clines located near him to see if they could handle the absentee ballots. He stated he asked what it would cost to have them mailed to them and tabulated and the cost would be \$300. President Bagley stated he would then pick up the ballots that were tabulated and sealed to bring to the Sale. Pat Connors asked if the account firm would do the tabulation and the answer was yes. Ken Airgood asked how many absentee ballots had been received in the past and it was noted there were usually between 20 – 50 absentee ballots. Dave Hennen asked what the prior practice had been. Cathy Behn explained that the request for absentee ballots goes out in the Call to the Annual Meeting. Lifetime members then have to send a request and self-addressed, stamped envelope for a ballot to be sent. The ballot is returned in a sealed ballot envelope that is in another sealed envelope that is signed by

the member. She then puts those sealed envelopes in the ballot box to be given to the nominations chair at the Sale. Cathy Behn asked where the expense of having the CPA would fall under the budget. Discussion was held on other line items on the budget that may need to be amended. Dave Hennen stated the staff line item for the sale would maybe be over budget as Cathy Behn's room would need to come out of that line item as the board had deleted secretary travel. Dave Hennen stated he did not feel having the absentee ballot go to a CPA would not save Cathy Behn that much work as she was already doing the time consuming part of the project. Dennis Johnson stated there was a procedure of three groups of three people counting the votes so no mistakes were made. It was the consensus of the board to leave the procedure as it remains and have the nomination committee count the ballots and absentee ballots at the sale. Dennis Johnson stated he would be willing to get another ballot box made for the Association.

At 9:06 p.m. Ken Airgood moved to adjourn, seconded by Pat Connors and motion carried.

Respectfully Submitted,

Cathy Behn, Executive Director
Clydesdale Breeders of the U.S.A.