

MINUTES OF MONTANA CUTTING HORSE ASSOCIATION (MCHA) - GENERAL MEMBERSHIP MEETING

September 29, 2017

Millers Horse Palace - Billings, MT

President Rachel Showalter called the meeting to order at 6:05 p.m.

Directors Present: President Rachel Showalter, Todd Banner, Cody Lee, Michelle Van Dyke

Directors Absent: Vice President Kelly Zelikovitz, Kip Denton, Kathy Foote, Andrea James, Helen Larsen

Others Present: Secretary / Treasurer Sara Pahlke
MCHA Members (Appendix A)

As proof of due notice, Secretary / Treasurer Sara Pahlke said the meeting notice was made available on the MCHA website, Facebook, and in an e-newsletter. She said all prior Directors' and General Membership Meeting Minutes are available online and asked whether there were any suggested changes or questions, no questions or comments were made.

REPORTS

Financial Report

Secretary / Treasurer Sara Pahlke provided a year to date financial summary report (Appendix B).

Rules Committee Report

Secretary / Treasurer Sara Pahlke said pursuant to the MCHA Constitution – Article VI -Section 1, any proposed modification, amendment or new by-law(s) is required to be provided to all members for consideration 30 days prior to the General Membership Meeting. She said due to time constraints, the Fall 2017 General Membership Meeting will include an open discussion on suggested changes to the MCHA Constitution, then any proposed changes that arise from this discussion will be considered at the Spring 2018 General Membership meeting. She said changes will be drafted by MCHA Directors and available on MCHA website 30 days prior to the Spring 2018 General Membership Meeting for members' review.

Secretary / Treasurer Sara Pahlke said discussed changes may include:

- *\$4 per Entry Approval Fee*
- *MCHA Secretary / Treasurer Fees*

ELECTION

Secretary / Treasurer Sara Pahlke provided a list of persons for the three open Director positions and the Vice President position:

- **Director Positions - 2018 - 2020**

Brian Anderson
Joeseph Kalt
Jann Parker
Gayle Weber

- **Vice President**

Jeremy Young

Secretary / Treasurer Sara Pahlke said any additional candidates interested in running may also announce their intent to run for an open position at the meeting. No additional candidates requested to be added to the ballot.

Secretary / Treasurer Sara Pahlke said following the year-end show, voting ballots will be emailed / mailed as specified in each member's MCHA Membership Application. Pursuant to MCHA rules, members will have 30 days to vote and candidates shall be elected by a majority of the MCHA members who voted. She said a membership address and email verification sheet was made available at the show office during the year-end show for members to verify that their on-file contact information is accurate.

President Rachel Showalter thanked outgoing Directors Todd Banner, Kip Denton, Kathy Foote, and Helen Larsen for their time and service.

OLD OR UNFINISHED BUSINESS

No items of old or unfinished business were brought forward for discussion.

NEW BUSINESS

Discussion of Proposed Changes To The MCHA Constitution

\$4 / Entry Approval Fee

President Rachel Showalter said as a producer, that she is in favor of reducing the \$4 / entry approval fee to better match rates of surrounding states. She said that South Dakota and Wyoming approval fees are \$2 / entry and that Western States has flexibility within their rules to charge \$2 - \$3 / entry approval fees. President Rachel Showalter said she was informed by a show producer that because of MCHA's higher approval fee, they would no longer seek MCHA approval of their shows.

Darrell Lee said he was unsure whether reducing the \$4 / entry approval fee by \$1 to \$2 would really influence a show producer's decision in seeking MCHA approval of their show.

Secretary / Treasurer Sara Pahlke said approval fee income has fallen from \$5,212 in 2015, to \$3,462 in 2016, to an estimated \$3,116 in 2017. She said that a further reduction in approval fee income would need to be

recouped elsewhere and to think of this in terms of the additional effort it would take to try and bring in additional sponsorships to recover the lost income.

Secretary / Treasurer Fees

Secretary / Treasurer Sara Pahlke said language in the MCHA rules needs to be updated regarding MCHA Secretary / Treasurer Fees to eliminate unnecessary fees billed to show producers, better reflect current practices and compensate for Secretary / Treasurer time required to record earnings and update standings. She said current rules do not accurately base compensation on Secretary / Treasurer time required to record show results when an approved show is not run in MCHA's standings program and the Secretary / Treasurer is required to rerun an entire show to update standings. She said the specific language that needs to be updated is Rule 24:

"A \$1.00 fee per horse entry per class to pay the MCHA Secretary shall be assessed by show management at every MCHA cutting event. This \$1.00 fee is to be paid to the MCHA Secretary within ten (10) days of the close of the show. A \$1.00 fee per horse entry per class for out of state approved cuttings will be paid to the MCHA Secretary from the MCHA approval fee received from the out of state cutting."

Director Michelle Van Dyke said rather than re-write a rule to provide for specific Secretary / Treasurer compensation, Directors should have flexibility to establish Secretary / Treasurer compensation each year.

Secretary / Treasurer Sara Pahlke said if the language under Rule 24 were removed, Directors would have this flexibility each year when establishing the annual operating budget under Section 9 of Article IV.

MCHA Budget Surplus

Secretary / Treasurer Sara Pahlke said at the end of 2017 MCHA's bank balance is estimated to be just over \$50,000, a year over year increase of about \$17,000. She said historically MCHA's bank balance at year-end has been around \$30,000.

MCHA members in attendance discussed the desire for more in-state shows and the possibility of utilizing available funds to either produce or assist a show producer to put on an in-state cutting.

Secretary / Treasurer Sara Pahlke said that ideas and / or proposals for in-state shows should be submitted to Directors for review and consideration in planning the 2018 show schedule prior to their annual planning meeting tentatively scheduled for January 2018.

DISCUSSION AND DIRECTIVES

President Rachel Showalter adjourned the meeting at 6:55 p.m.

MCHA Members Present

Appendix A

Sandra Brown
Karla Camp
Kelly and Wiley Fraser
Mike Giannini
Darrel Lee
Joani Mink
Audrey O'Keefe
Pam and Jerry Rankin
Dorothy and John Seymour
Ashley Sherman
Tim Stryker
Gayle Weber
Betty Lou and Donald Weeding

MCHA Financial Report - 9/29/17

At the end of 2017 MCHA's bank balance is estimated to be just over \$50,000, a year over year increase of about \$17,000. At the end of 2016, the MCHA bank balance was \$32,687. For comparison the ending balance in 2015 was \$19,082, 2014 was \$22,150, and in 2013 was \$33,800.

This increase is primarily due to MCHA production of two very successful shows; Crazy Mountain Cutting (CMC) in Livingston and the Big Piney, WY show.

- CMC included 3 days of weekend along with Derby and Classic classes. This show made a profit of \$8,790. The show also brought in new memberships of \$1,700.
- The Big Piney, WY show included 3 days of aged event classes including a futurity class and a 2 day weekend show. Preliminary results indicate the show made \$16,680. The show also brought in new memberships of \$1,170.

Other key performance indicators include:

- **Increase in Membership Income.** Membership income increased approximately \$500 over 2016, to just over \$6,000. This increase is due in part to the requirement that contestants hold an MCHA membership to show at an MCHA produced show and at the BSAE show in Kalispell, MT.
- **Decrease in Approval Fee Income.** MCHA typically does not produce its own shows, the organization relies on individual show producers to put on MCHA events. For example, in 2017 Millers Horse Palace produced 2 shows in Billings, Showdown Productions produced the Sheridan WY show, and Big Sky Aged Events produced the Kalispell show. To provide additional cuttings to our show schedule, MCHA Directors also co-approved the 2016 UCHA Fall Show, 2017 Spring ICHA, and June Saratoga WY show. Rules read a \$4 / entry approval fee is to be paid on all approved MCHA shows, however UCHA, ICHA, and BSAE are exceptions to this rule. Approval fees have fallen from \$5,212 in 2015, to \$3,462 in 2016, to an estimated \$3,116 in 2017.
- **Decrease in Sponsorships.** MCHA Sponsor Committee, gathered sponsorships of \$10,550 in 2017. This is down from \$12,225 in 2016, but higher than \$6,425 which was collected in 2015.
- **Decrease in Fundraising Activity Income.** The MCHA Directors determined that in lieu of holding numerous silent auctions at MCHA produced shows and year-end as was done in 2016, alternative fundraising methods would be utilized. Dog races at the CMC brought in \$605. At this time final numbers for the Shoot-out Calcutta and silent auction held with our year-end show are not available, but we are hopeful income will be similar to 2016 where the dog races and live auction brought in \$3,350.
- **Decrease in Charitable License Plate Income.** The Montana Cutting Horse Association was organized as a not for profit 501c3 entity in 1983. With this not for profit status, MCHA has a personalized / charitable license plate with the State of Montana which MCHA collects a percentage of the revenue from. In 2015 license plate revenue was \$9,760 and in 2016 \$7,380. MCHA's monthly checks from the state are running slightly less again in 2017, if you live in Montana and want to show support of this organization or know someone who would please encourage them to consider getting MCHA personal plates.
- **Other Expenses.** Other expenses of the organization remain steady. Main expenses include year-end awards of approximately \$15,000, the paid position of Secretary / Treasurer approximately \$6,500, and participation in the Northwest Regional Cutting Series \$2,200.
- **Change in Accounting Firm.** MCHA changed accounting firms to Eide Bailly LLP, a larger accounting firm with a division specializing in Non Profit entities. The accounting cost increased to \$1,664 from \$395 to complete the 2016 tax return and file 1099s. MCHA revenue was greater than \$200,000 in 2016, which required MCHA to file a more detailed tax return than prior years and additional 1099s were also required to be issued due to earnings payouts from the two produced shows.

MCHA financial statements are available to any current member of this organization, if you want to see details on financials or the show summaries please send an email to info@montanacha.com