

2019 APHA Convention Report

Respectfully submitted by Linda Vance

If you have never had the opportunity to attend one of APHA's Conventions, you might want to consider planning a trip to this event, as it always provides great opportunities to see the Association governance process in action as well as meet with other APHA members from many different states and countries who are as passionate as you are about their Paint horses which always makes for many interesting conversations! As always, this year's Convention proved to be another great experience with great discussions on how to guide our beloved Association forward into the future.

Dr. Craig Wood, current APHA President, welcomed us to the Convention and gave us his platform for the year; which is "Promote" our Association, our horses and our programs in everything we do. At the General Membership meeting, we next heard from Brian Brindle, with the American Horse Council for an update on how things are going for the agriculture community and more specifically the horse industry in Washington DC. We had major wins in the farm bills for horses, including a definition of horses and advocating for horses to be in a stand alone category and preserving the definition of horses as livestock. Congress in September, 2018, authorized 1.5 million for the Equine Assisted Therapy program which is indirectly also a "win" for the horse industry. Since trail riders make up the bulk of the "grassroots" activists advocating on behalf of the American Horse Council, much work is being done of providing more access to trails and the maintenance of current trail systems. Sending youth members to serve as your voice in DC is very powerful! The ELD issue is now postponed until at least 9/30/19 for the Livestock industry.

Progress Report and Strategic Plan presented by ED, Billy Smith, was next on the agenda. Due to the fact that the Convention schedule has been shortened by one day, it certainly does not fail to keep you engaged and rather breathless at times as you try to absorb all of the different type and amounts of information being disseminated to us. I will provide you with information that you cannot find in the reports available to you online; and will not belabor the info you can access on the website (such as the rules passed, and specific financials). We found out that our International memberships are growing in many countries; and we had members in attendance from Ireland, Israel, Germany, Mexico, and Canada. APHA has emerged in the horse industry as a leader in many areas and are sought after for advice; including governance, educational opportunities, scholarship programs, etc.

A Governance Task Force created from members/directors looked at all aspects of the current best practices and worked with an outside consulting firm to develop a plan on how to bring our governance more up to date and streamline processes to allow faster reaction time for issues at hand. I am attaching a copy of the link to the Governance Task Force Recommendations for everyone to be able to see what the proposed changes are, as it will totally change the way we manage our Association in the future. <https://1drv.ms/b/s!AjKtSHocjpDWgcNxXu6xqU2EKiTSfQ> Also, note there is talk of a "special election" to move this through, so please make your feelings known to your National Directors on this very important issue as quickly as possible. Strategic Plan - Modern Boards of Directors need to: think far into the future, change to meet market demands, keep up with the entire horse industry, and avoid self-service and insular thinking. Values are: visionary thinking, fostering camaraderie, and demonstrating integrity. 2018 Open and Amateur World Show was up in # of horses competing as well as in total

entries. 2018 Youth World Show was down 3 horses from the previous year, but total entries were up overall. The Youth World Show Scholarship program continues to assist youth in continuing their education.

The Meacham building that APHA built has been sold to Mid-States Distributing at a \$5.175 million sale price which was more than the 2018 assessed value of \$4.75 million. It is anticipated that the move into the new Stockyards location will be final in October, 2019. We were provided with a virtual tour of the new space and then had the opportunity to, again, visit the stockyards barn site "boots on" to view the progress being made since last year's convention during our Welcome Reception. It is very exciting to see the plans and try to envision how this move to the historic Fort Worth Stockyards will impact the future of our Association. The possibilities are endless as to the corners of the world our famous Paint Horse Bronzes will ride in the memories of the millions of visitors who will now have the opportunity to see them! For more information on our new home in the Stockyards visit the APHA website. Additionally, our publication "Chrome" will become the official publication of the historic Stockyards, and will be in every hotel room at the new Drover Hotel located at the end of Mule Alley very close to the new APHA home. Last, but not least, APHA has entered into a working relationship with Twisted J Boutique, a Dallas firm, to manage our store now called APHA Barn Door. This move will allow expansion of lines without any cost of materials on hand or risk to APHA financially; and should increase our bottom line profit from this source.

APHA is leading the industry with our Horse IQ education, Judge's emeritus awards program, 1st stock breed association to offer on-line transfers. We are currently working on replacing 40-year old programs but are being very careful as others are attempting to copy our programs. Breeding Paints is risky and using technology to help is powerful!

The current state of the overall horse industry is good and in 2017 generated \$1.2 billion; however, breed associations have not flourished with the same recovery statistics. Consequently, associations must think more like "for profit" organizations. Clubs are making progress by getting into the ranch horse areas. Regional shows should help develop more initiatives with regional titles. APHA is the only Youth World Show that provides scholarships to youth winners.

Six obstacles to Associations across the board (not just horse associations) are: time, value expectations, market structure, generational differences, competition, and technology. Younger folks nowadays don't join, they do their own thing!

International membership and show participation is up 6.92%, and for the 3rd year in a row, the European Championships was the top show in number of entries. Breeders Trust will pay \$7.98 per point.

Sabine Lazo of Texas, AjPHA President for 2019 presented her project "Color the Community". The concept is that community service projects are completed and documented online on the AjPHA website, then sponsors are obtained and pledged dollars are used to create youth scholarships. Please go to this website if you would like to participate in this very worthy project - www.aphayouth.wixsite.com/colorthecommunity.

Mike Short, incoming President for 2019 gave us an initial insight to his theme for the year which is Change - Change - Change!! Change is good and it is in everything; our color rules have not been encouraging folks to breed for color we need to define what a Paint Horse is and stick with it. We need to get our grass roots folks back rather than have them go to the open shows only. We need to figure out how to be more affordable and cultivate new exhibitors. The Hall of Fame Banquet is an opportunity for us to again come together as a group to discuss

the many issues facing us as we socialize before and after the event; the event itself allows us to pay tribute and give recognition to some of the great members, breeders, horses, judges and ring stewards who have given so much to our Association and Breed through the years. This Year's Hall of Fame Banquet was extra special for our Northwest group as we were able to help honor our own Jim and Judy Schehen and their incredible stallion Scribbles from Bend, Oregon. I have had the pleasure of knowing Jim and Judy for many years and they are some of the best folks you will ever meet. Both are very accomplished with horses in many different disciplines; and Scribbles was able to compete in many different disciplines, so it seemed to be a match made in heaven! If you do not know the Schehen's you might want to read about them on the APHA website, as they have been involved in promoting and helping to support the Paint horse programs here in the Northwest for many years and are continuing to do so still today. We all owe them a huge thank you for the many hours they have given us in their service for helping keep our Paint horse family going into the future.

This year's Distinguished service award was presented to a dear friend, Anita Hertner, from Nebraska. Anita and her husband, John, have been involved in Paint Horses for many years and have pretty much done it all from standing a stallion and showing to trail riding and a little bit of everything in between. You can read about Anita's accomplishments, including the fact that she has participated in everyone of the 23 APHA Fort Robinson Trail Rides at the following link <http://apha.com/news/anita-hertner-recognized-with-apha-distinguished-service-award/> From the Committees: Committee Reports are pretty minimal with our streamlined format and the new way of documenting minutes (per legal council). The main things we find out are whether the minutes of the previous meeting were approved and how many rule proposals passed and failed to make it out of Committee. Full Committee reports can be accessed at this site <http://apha.com/leadercare-77/> A few highlights include changes proposed for the Amateur Coaching Program; Breed Integrity develop a protocol on additional DNA testing and Paint Horse Breeders Program; Regional Clubs discussed eligibility and criteria, will make revisions to the Gold Star and Club of Distinction Programs as well they are working on a statement for all Clubs to use on Conflict of Interest; Rules Committee reviewed all rule proposals as well as all requests for modifications and industry clarifications; Equestrian Experience Committee recommended a change to the PAC program for a fee of \$30 for first horse and \$25 for each horse after added by same owner, Trail Riding records must be kept for 2 years and discussion on how to recognize top riders; World Show Task Force Committee had good discussion on classes that are not filling and how to combine and are also looking at how to bring back full line ups in World Champion classes.

Financially, APHA continues to be very secure and we have 2 years of operating income in reserve. We did have a net operating loss for 2018, however, with our investment income we managed to have a net results of \$970,994. We netted \$2.4 on the sale of the Meacham Property. As of December, 2018, we have a total net Assets of \$18,169,893, which is up approximately \$500,000 over 2017. Registration revenue was down somewhat in 2018 but was still on par with 2016, and Member Services revenue was down approx. \$160,000, publications revenue was down miserably, World and Gift Show Revenue for 2018 was up approx. \$100,000, Performance Dept Revenue was down \$45,000 in show fees, Sponsorship Revenue was up approx. \$125,000 and is at a 5-year high. Youth World Show and Gift Show had an operating loss of \$101,595. For full financial reports available after the yearly audit, you can go to the APHA website. We also saw a presentation from Westwood Management the group who handles our investments for us. Their approach has equity-like returns with approx. half of the equity risk, and it seems to be performing well for us at this time.

Board of Directors Meeting: With a new Parliamentarian in place for this meeting, a few ground

rules were covered and a motion was made, seconded and passed to limit discussion to 2 minutes per person. After testing the electronic voting system, each of the Rule Change Proposals that made it to the floor were presented and voted on independently. The rule proposals that passed are listed at this address <http://apha.com/news/13-rules-passed-at-2019-apha-convention/> If you have further questions or discussion on these newly adopted rules, please feel free to contact me personally. Also, be aware that a few rules were requested to have early implementation and will go into effect April 1, 2019; you may view these rules on the APHA website.

We heard the outgoing President comments from Dr. Craig Wood, who thanked everyone who had supported him during his tenure. APHA can be very proud that they are the first breed association to offer online registrations and transfers, first to offer online learning and education platform, APHA Staff is now considered to be industry experts in many areas, and we have 2 years of operating income in reserve (thanks given to previous EC's for their insight to building this reserve). Our participation in the USLGE program through the years has allowed us to travel to foreign countries where there is interest in the Paint Horse and to assist members there in their quest to promote Paint horses which has helped our International markets. As we go forward, we need to be purpose driven to attract the millennial member, we must transcend from an information age economy to an experience economy if we are to survive. We will need to provide avenues for members to know that their participation and contributions have an impact.

The final order of business for us was to hear the nominations from the EC Nominating Committee for the 2019 Executive Committee. Chairperson, Ron Shelly, introduced the nominating committee members for 2019; and then presented the slate of officers with each officer being voted on as we proceeded. The slate included all of the previous EC members moving forward one seat and introduced their 6th Committee member nomination of David Lands from Virginia. There was also a nomination from the floor of Randall Roser from Florida. Result of the election were David Lands receiving 72 votes and Randall Roser receiving 37 votes. You may read more about David Lands at this link <http://apha.com/news/david-lands-joins-the-apha-executive-committee/>.

With all of our business concluded, we all said our goodbyes until next year (or the next phone call meeting) and started making our journeys home. Once again, as I have said before, if you have any questions about any of the information I have provided in this report, please feel free to contact me to discuss. I am also very honored and privileged to have been ask to Chair the Rules Committee for 2019, and I always welcome questions or input from you regarding how our processes work. Again, in closing, I implore you each and everyone to look over the newly proposed changes to our way of doing business through our current Board of Directors with the changed being proposed to our Governance at this link <https://1drv.ms/b/s!AjKtSHocjpDWgcNxXu6xqU2EKiTSfQ> then get in touch with all of your elected representatives to let them know your thoughts on this change. Hope to see you down the trail in the near future.

Respectfully,

Linda J Vance