

North American Flyball Association[®], Inc.

Board of Directors Meeting

Las Vegas, Nevada

Abridged Minutes

February 9, 2008

Present were: Executive Director Sam Ford
Board of Directors Lee Heighton,
Dana Nichols,
Lisa Peckham,
Kris Pickering,
Alisa Romaine,
Dale Smith,
Mike Smith,
Scott Stein

Chairman Lee Heighton called the meeting to order at 9:54 AM PST. Brian Fay was absent due to personal reasons and gave his proxy to Dale Smith.

Guest present: Captain's Marvel aka Shazam.

I. Chairperson's comments

Lee welcomed Alisa Romaine to the Board of Directors. Lee and Sam reminded all Board members of the duties and responsibilities of Board members.

II. Executive Director's comments

(1) **Revenue and expenses.** We have been conscious of the bottom line of this business. We have been doing what we can do maximize income and reduce expenses. The reduction of fees for second day tournaments has resulted in a decline in revenue.

- a. **Shipping Costs.** Our largest expense is through UPS for shipping of EJS. Sam reported he went through all UPS bills for September, October and November in the United States and put them into a spread sheet to check where changes were needed. He reported that we still have too many air shipments. Those are a large expenditure. In one instance the cost was \$900.00 to ship next day air to one tournament. To address this issue, we have purchased more light sets. But, we can't afford to have two sets of lights in every area. Sam reported that he has spoken to FedEx. FedEx has said they can reduce our costs by about 20%, which would amount to \$9,000 per year. Sam said he wanted to bring this issue to the Board. He reported that a change in carriers would obviously be a transition. FedEx has a supreme site where we could access where any of our shipments were at any time though barcode.

There was discussion from other Board members about what possible negatives there could be with switching to FedEx. Dale indicated he and Todd were in the process of integrating a shipping optimizer program through UPS. Scott mentioned that FedEx has more centralized billing. Dale thought it would probably be relatively similar. There was discussion about how readily available FedEx was in Canada. Autopayment on AmEx

North American Flyball Association[®], Inc.

Board of Directors Meeting

Las Vegas, Nevada

Abridged Minutes

February 9, 2008

through FedEx might also yield savings.

Kris raised a concern about whether we could reduce the amount of air shipments by making sure that lights are dispatched in the most efficient way. She'd like a better understanding of why some of the air shipments are needed. She stated that we should be able to map out ahead of time where EJS need to go based on tournament sanctioning and that use of air shipment should not be required. Kris wanted better accountability for air shipments.

Lee mentioned that he has had discussions with Todd about host clubs not sending lights in a prompt fashion. There was discussion about having an update on any air shipments at each Board meeting and publishing that information in the minutes. Scott said that in general, if NAFA[®] is required to ship EJS by air, then NAFA[®] yields a loss on that tournament. The Board was supportive of Sam reporting air shipments and the reasons requiring such shipments at future meetings.

Sam clarified that we have had only two air shipments of approximately \$500 per case in the three month period he reviewed. Most air shipments were around \$100 per case. Sam indicated we would need to have an analyst to put this information into a spreadsheet to be able to truly be able to track these costs.

There was some concern that there may not always be prompt communication with clubs about when or where to ship lights. Dale pointed out that there are a very large number of lights now and the EJS coordinator is a volunteer and has a huge task.

The Board expressed support to Sam and his continued research into this issue.

- b. **Maximizing accounts.** NAFA[®] currently uses an American Express account. Any rewards points are converted into cash back into our account. Sam led a discussion about changing to another type of American Express account to yield a better return. Sam asked that this be a priority item. Scott as Treasurer will look into this issue will look into card options and possible savings tied with FedEx through American Express within the next 10 days.
- (2) **Limited entry tournaments.** Sam discussed the history of limited entry tournaments. Initially tournament directors had two options – limited or unlimited. If limited, TDs had to guess how many teams would be regular and how many would be multibreed. The sanctioning rules are not supposed to be changed after entries close. Now TDs may have to also predict how many entries they will receive in Open and Veterans as well. The rules require that the limits be established by class. With the four different classes, it is a far greater challenge for TDs to estimate how many entries would be in each class.

Sam reported that when we turn a team away from a tournament, we lose money. In some cases, TDs may have the capability of having more teams, but guessed incorrectly as to the distribution of teams into classes. For instance, if a club set the limit for regular at 35, multibreed at 5, veterans at 5, and open at 5, but the entries they received were 20 regular teams, 7 multibreed, 7 veterans, and 7 open teams, then 6 teams were excluded even though

North American Flyball Association[®], Inc.

Board of Directors Meeting

Las Vegas, Nevada

Abridged Minutes

February 9, 2008

the entire number of teams the tournament was able to handle was not met. Sam discussed finding potential remedies to this problem which would allow teams to maximize the number of entries they can handle. The issue was passed to the Rules Committee for further research.

- (3) **Cynosports.** Sam formally requested that Cynosports to be expanded to include regular, multibreed, veterans, open, and championship classes. The regular class would not compete in Championship rounds, but would run a regular tournament Friday, Saturday and Sunday. The Championship class would be teams who wanted to compete for the Cynosport Championship would go through elimination rounds on Sunday. In order to do this, we would need more space and more workers to accommodate the increased entries. The viability of this request would be dependent on negotiations with USDAA for space requirements. This expansion would maximize revenue from entry fees and enable more clubs to compete at Cynosports. It would also open competition to a broader spectrum of teams and clubs.
- (4) **EJS Status.** Sam reported there are currently eight red, eight yellow, and three blue Signature Gear lights. There is one case from a set of lights that is missing. He and his staff have been trying to track down the missing section without success. He is seeking a bid from Signature Gear to replace the lost section. The existing light sets are circulating through a preventative maintenance program. Currently, six sets have already gone through preventative maintenance.

Lee moved we enter Executive Session to discuss a CRN issue.

The Board entered Executive Session at 11:41 a.m.

The Board exited Executive Session at 12:02 p.m.

III. Secretary's Report

The minutes of the November 30, 2007 Board of Directors Meeting and the December 1, 2007 Annual General Meeting were approved via email on January 12, 2008 and posted to the NAFA[®] webpage.

Committee assignments were approved by unanimous consent via email on 12/7/07 and posted to the NAFA[®] webpage.

IV. Treasurer's Report

The 990 has been filed with the IRS and is now ready for posting to the web page. Scott distributed the Profit and Loss sheet for Fiscal Year 2007 (October 1, 2006 through September 30, 2007) [*included as Attachment A*]. There was an increase in accounting fees due to the transition in accounting services. A substantial portion is a one-time expense. Legal expenses were related to protection and enforcement of intellectual property. Kris requested clarification regarding the Cynosport line item for Travel/Hotel/Meals. Scott indicated this figure included airfare, travel, hotel and meals costs for all individuals working the event. This figure also included the hospitality tent.

North American Flyball Association® , Inc.

Board of Directors Meeting

Las Vegas, Nevada

Abridged Minutes

February 9, 2008

Scott also passed out a current Balance Sheet [*included as Attachment B*].

The Profit and Loss sheet for the current fiscal year to date was distributed [*included as Attachment C*]. Our income from tournament fees is down approximately \$9,000.00 to date. This decrease was based primarily on the reduction in fees for second day tournaments. The Finance Committee had projected a \$26,000.00/year decline in revenue based on this fee schedule change and that projection appears to be accurate. Team entries have actually increased this fiscal year. There have been 196 open entries so far. Other areas of revenue have increased slightly. Expenses included an increased expenditure of \$7,000.00 in EJS shipping, primarily due to air shipments. Professional fees decreased. Web site expenses increased, but that is primarily due to when bills were received in cash based accounting. Currently, we have a net loss of approximately \$6,200.00.

There was additional discussion about ways to minimizing air shipment to reduce costs. Kris proposed requiring Sam's approval before any EJS can be shipped by air.

V. Committee Reports

A. Judges/Education Committee

Scott reported that the Judges Committee has received complaints that the new Novice program requires the initial phase with line judging, box judging, and score table under a supervising judge. The Judges Committee recommended that the program be modified to permit those requirements to be completed under an approved judge or a supervising judge.

Scott moved that the Novice Judging Program be modified to permit line judging, box judging, and score table assignments be completed under either a supervising judge or an approved judge. Kris seconded. The motion passed unanimously.

Scott requested input from the Board as to whether one of the three required Novice measuring training requirements could be completed under an approved judge. He proposed that the last assignment would be required with a supervising judge. There was discussion about whether such a change would accommodate more judges progressing through the program without compromising the quality of our judging program. There was further discussion as to whether the first two measuring training assignments could be under two different approved judges with the final assignment under a supervising judge. There was discussion that this would also give the Judges Committee valuable information on the teaching ability of approved judges if they apply for supervising status.

Dana moved that the Novice Judging Program be modified to permit the first two Novice measuring training assignments to be performed under two different judges who may be either approved or supervising judges. The final assignment must be under a supervising judge. Kris seconded. In favor of the motion: Dana Nichols, Lisa Peckham, Kris Pickering, Alisa Romaine, Dale Smith, and Scott Stein. Against: Mike Smith. Abstain: Brian Fay (by proxy). The motion passed.

B. Finance Committee

Kris indicated that the Finance Committee's report echoes the Treasurer's report. A year ago there was a change in the fee schedule to reduce the fee for the second tournament for two one day

North American Flyball Association[®], Inc.

Board of Directors Meeting

Las Vegas, Nevada

Abridged Minutes

February 9, 2008

tournaments over a weekend. The Committee had predicted this change would result in a substantial decrease in income. Kris reported that we are now seeing that decrease in revenue. As a result, she indicated we need to discuss whether we need to increase fees. NAFA[®] has not raised tournament fees in quite some time. The Committee is not recommending an increase in fees at this meeting, but they believe one will need to be considered in the near future. There are quite a few programs that NAFA[®] would love to implement, but without revenue we cannot do so. Additionally, the current projection is for a net loss. Kris also indicated that the Committee wants to make sure that we take a realistic look at expenses that can be minimized.

Mirk Morris joined the meeting as a guest.

Kris moved we enter Executive Session. Scott seconded.

The Board entered Executive Session at 2:27 p.m.

The Board exited Executive Session at 3:14 p.m.

C. Disciplinary Committee

No report.

D. Technology Committee

Dale led a discussion regarding a possible change in the EJS delay from 1.2 to 1 second in the start cadence. Historically the cadence was put at 1.2 seconds because of the original technology limitations of the EJS. NAFA[®] has maintained that original cadence interval. Current technology would allow a cadence of 1 second. The Signature EJS systems would not require reprogramming, merely throwing an internal switch. Some of the other systems might need to be reprogrammed or refitted by the manufacturer. Dale said that one of the advantages of this modification would be to allow more realistic start points in smaller venues, and to allow starting at the third yellow light for longer venues.

Kris indicated she would like to hear feedback from competitors before making such a change. Dale said he was not asking for action today, but wanted to make sure the minutes reflected that we were beginning to explore this issue. Sam said he wanted to be cautious before implementing any change to the start cadence because this would have to be NAFA-wide and could limit the EJS systems still in use. Dale requested input from a few teams to test running under the modified start cadence. He will contact some teams for assistance, run tests, and report back. Sam also wanted feedback on how many facilities would be benefited given that a shorter runback would work for start dogs.

Kris asked if the Ontario entry verification was up on the webpage. Dale indicated it is now functional and available on the webpage.

E. Marketing Committee

No report.

North American Flyball Association[®], Inc.

Board of Directors Meeting

Las Vegas, Nevada

Abridged Minutes

February 9, 2008

F. Standing Rules/Regulatory/Bylaw Committee

1. Discussion regarding changing the lag time for awarding delegate votes. Kris discussed a proposal to change the calculation of delegate votes to the immediate preceding racing year, rather than the current one year lag time. Kris indicated that the Rules Committee still needs to look at the issue of a transition year during implementation to make sure the Michigan non-profit corporations requirements are honored. She also wanted to know how quickly the data would be available to calculate delegate numbers. We could be dependent on teams submitting results in a timely manner to determine delegate votes. No language has yet been drafted.

Dale asked about whether changes could be made to the type of AGM held to facilitate it being held in other areas of the county. The statutes pertaining to annual meeting requirements may prevent us from doing substantial changes. Kris will look into the Michigan rules.

2. Input regarding rules. Kris expressed interest in stimulating and getting more input from competitors regarding potential rule changes and how valuable such input is. Lee indicated that this topic will be addressed more fully later in the agenda.

G. Executive Committee

No report.

I. Outstanding Business

Dale ran through the to-do list from the last meeting.

VI. New Business

A. Suggestion from Chris VanWert to award certificates for second and third place Regional Champions

Lee led a discussion of Chris VanWert's suggestion to award certificates for clubs placing second and third in regional championships. Her email is attached as *Attachment D*.

Dana moved to accept the proposal starting with the current racing year. Alisa seconded. There was discussion. In favor of the motion: Dana Nichols, Lisa Peckham, Kris Pickering, Alisa Romaine, Dale Smith, Scott Stein. Against: Brian Fay (by proxy), Mike Smith. The motion passed.

B. Suggestion from Barbara Craig regarding accountability of EJS

There was discussion about Barbara's suggestion. Her email is attached as *Attachment E*. There was no motion put forth.

C. Suggestion from Lori Whitney regarding change in point system

North American Flyball Association[®], Inc.

Board of Directors Meeting

Las Vegas, Nevada

Abridged Minutes

February 9, 2008

There was discussion about a proposal from Lori Whitney regarding a change in the point system. Her email is attached as *Attachment F*. There was no motion put forth.

D. Discussion regarding channeling comments to BoD on specified issues

Lee asked for discussion about a way to gather comments on specific topics that would be more accessible by topic and are archived. Dale addressed some technology options. For comments on the height change, we have used a separate email address that has allowed those comments to be in one place. There was discussion about using a separate email address for 90 day comment time frames and then deleting that address after the comment period. Lee also talked about expanding comments to more than delegate vote proposals, but to also include topics that the Board is discussing. Dale indicated he could set up comment addresses for various issues.

The Board discussed the nature of the 90 day comment period required before delegate ballot votes and how that comment should take place. Kris stated that she believed the 90 day comment period should include public debates or chats to facilitate discussion among delegates, not just comments to the board via dedicated email, since it is the delegates by whom the issue will be decided on a matter the board has decided to send to delegate vote. Lee expressed interest in having NAFA[®] sponsor two public chats for the flyball community during the current comment period on the jump height change.

Sam asked about getting survey results from delegates. Dale also wanted a way to ensure that we would be receiving comments from our delegates. Kris was concerned about using surveys as a blanket approach.

Kris moved that NAFA[®] sponsor two public chats regarding the pending jump height ballot issue during the comment period to facilitate discussion amongst the flyball community. Dale seconded. The motion passed unanimously.

E. Input from Mike Smith on measuring methods

Mike informed the Board that he is continuing to gather information and will be attending a seminar that will address structure and jumping ability.

F. CRN fee

Lee indicated that there are some places on the webpage and in the rulebook that have the old fee for the CRN. Those will be modified. The Rules Committee will also review the current forms for other needed updates.

G. Scheduling Program

Lee wanted to establish a special project group to develop a universal scheduling program. He has asked Dale to serve as liaison to the Board. Lee will appoint members to the committee. He and several members of the Board indicated a need for more standardization in the priorities used in generating schedules.

H. Video

North American Flyball Association® , Inc.

Board of Directors Meeting

Las Vegas, Nevada

Abridged Minutes

February 9, 2008

Lee raised that the NAFA® Board entered into oral contract with Dan Phillips to produce five videos. One video, the EJS assembly video, is complete and has been on our webpage for some time. The initial agreement was on a price for the total project. Dan has not yet submitted a bill and has not been paid for this video. Initially the idea was that the video would be 3-5 minutes long. The EJS video is 7 minutes long. Lee proposed that we modify the contract to pay separately on a per minute basis for videos. He suggested \$100 per minute for the final product.

Kris moved to pay Dan Phillips \$700.00 for the completed EJS video. Dale seconded. There was discussion. In favor of the motion: Dana Nichols, Lisa Peckham, Kris Pickering, Alisa Romaine, Dale Smith, Mike Smith, Scott Stein. Abstain: Brian Fay (by proxy). The motion passed.

I. 2008 AGM

Ally Stern has made a formal request for the 2008 AGM to be held in conjunction with her club's tournament in Montreal. The tournament weekend is United States Thanksgiving weekend. The Board discussed the viability of travel accommodations that weekend. Lee solicited input from Board members as to whether they would be available for the Friday Board meeting and the AGM on Saturday evening. Lee expressed flexibility with the start time of the Friday meeting to accommodate holiday commitments. Board members will check their schedules and holiday commitments and get back to Lee.

J. Summer Meeting

There was discussion about holding the summer meeting in the Denver metro area in Colorado. The meeting would be held in a city that did not have breed bans, perhaps in Golden, Colorado. Several dates were discussed. The date selected was August 2, 2008.

Sam expressed his gratitude to Kris Pickering for her hospitality in hosting the Board meeting. The rest of the Board members echoed their thanks as well.

Scott moved that the meeting be adjourned. Lisa seconded. The motion passed unanimously. The meeting was adjourned at 6:50 PM PST on February 9, 2008.

Respectfully submitted,

Dana Nichols
Secretary