Board of Directors Meeting Minutes

July 19–22, 2014

Meeting: AOA Office, Lincoln, Nebraska

Board of Directors: Bonnie Potter, President
Dianna Jordan, Vice President
Laurel Shouvlin, Secretary
Julie Delaney, Treasurer
John Ferrante, Director
Steve Hull, Director
Wayne Jarvis, Director
Andy Merriwether, Director
Scott Miller, Director
Tom Petersen, Director

Executive Director: Darby Vannier

Show & Marketing Division Administrator: Margie Ault

1.0 Meeting Opening: Meeting opened at 9:34 a.m. CDT.

1.1 Ratify Email Votes:

1.1.1 I move that we approve the June minutes as amended (motion: Shouvlin/second: Jordan). Motion passed 9–0 (votes not cast: Miller abstained because he did not attend the meeting).

Motion to ratify the email vote was made by Hull and seconded by Jordan. Motion passed (9–0, Miller abstained).

2.0 Old Business: None.

3.0 New Business:

3.1 Board Code of Conduct: Potter presented a draft of a Code of Conduct she developed for Board comment and approval. Ferrante moved to approve the Board of Conduct as amended. Hull seconded the motion which passed (10–0).

3.2 Update Policy 01-04 Concerning Committees: Vannier presented the Board with the amended Policies and Procedures for all of the AOA Committees. He and AOA Attorney Sheri Visani made changes to the Policies and Procedures of ARI to accommodate the merger. After lengthy review and discussion a motion to accept the amended Policies and Procedures concerning AOA Committees was made by Jarvis and seconded by Hull. The motion passed unanimously (10–0).

3.3 General Committee Discussion:

3.3.1 Appointment of Committee Chairpersons: The Board decided that each standing committee will be asked to inform the Executive Director of needs for new members, as well as those committee members interested in serving as chairpersons. The Board will send an appeal to the general membership for interested parties to contact the AOA regarding their interest in serving, so that the committees will be seated on or as near to January 1st as possible.

3.3.2 Appointment of Board Liaisons: It was decided that in 2015 and thereafter, the Board will appoint liaisons to the standing committees after the new Board is seated following the annual election. Because no election was held in 2014, Hull moved that the Board make the following liaison appointments: Shouvlin to serve on the SRC, Miller on the JTCC, Delaney on the JAC, and Potter on GIRCom. Petersen seconded and the motion passed (10–0).

3.3.3 Compensation and Benefits Review Committee: Potter recommended that the Board consider forming a committee of current Board Members to review staff compensation and benefits to ensure that AOA is in line with similar organizations with respect to benefits and salaries of our employees. Petersen moved that we establish the Compensation and Benefits Review Committee and Hull seconded. Motion carried (10–0). The Board appointed Potter, Petersen, Delaney, and Ferrante to serve on this committee.

3.3.4 Jarvis moved that the Board create an ad hoc Alternative Alpaca Products committee. Miller seconded. Motion carried (10–0). Jarvis stated he would put together some ideas and suggestions regarding committee size, goals, and function for the next regular Board meeting.

3.3.5 Miller moved to form the Fiber and Fiber Products Committee, with the second by Hull. Motion passed 10–0. The Board appointed Jordan to serve as liaison.

3.4 Other Policy Updates:

3.4.1 Policy 01-09 Conflict of Interest: A motion to approve the Board Member Conflict of Interest document as submitted by Potter, was made by Petersen, seconded by Jarvis, and passed (10–0).

3.4.2 Policy 06-01 Fee Schedule: Vannier provided an updated fee schedule for Board review including General Fees, National Show and Auction Fees, Advertising Fees, and Products Fees. Hull moved to accept the updated fee schedules as presented, Jordan seconded, and the motion carried (10–0).

3.4.3 Policy 07-01 Show System Handbook Reference: AOA Attorney Visani drafted a document for the AOA Policies and Procedures that the Show System Handbook would serve as the Policies and Procedures document for the AOA Show System. Jarvis moved to accept Policy 07-01, Merriwether seconded, motion passed (10–0).

3.4.4 Affiliate Policy Discussion: The policies involving affiliates were reviewed by the Board. Because there were some recommended changes, the policies will be taken back for further review by AOA Attorney Visani. A new version of those policies will be provided later for final approval by the Board.

3.5 Show System:

3.5.1 Class Size Requirements: Delaney communicated that breeders are frustrated that they are not getting feedback on their show entries when they are excused if they do not place in the class. Margie will gather data from previous shows in the last several months to present to the Board so that the Board will better understand how reducing class sizes will affect shows, placements, and the opportunity to provide feedback to exhibitors.

3.5.2 Judges Choice Minimum Number Requirement: The SRC recommendation is to lower the required number of suri entries from 150 to 100, huacaya entries from 300 to 250. The Board is requesting that the SRC provide input about also enabling shows to award Judges Choice if there are 5 out of the 7 champions per breed and sex, awarded at a show.

3.5.3 Show System Handbook: Vannier and Ault encouraged the Board to get any ideas or suggested changes to the Show System Handbook within the next week.

Board adjourned for the evening at 5:30 p.m. CDT.

Board reconvened at 8:30 a.m. CDT, 21 July, 2014, and skipped to agenda items 3.9 through 3.13 to accommodate guests.

Board returned to the agenda at 3:25 p.m., 21 July, 2014.

3.5.4 Costs of Holding Shows: Vannier conveyed to the Board his concerns regarding the costs to hold shows. Expenses for venues, show superintendents, judges, barn managers, announcers, etc. are substantial, while shows are getting smaller. He wanted the Board to be aware of the problem, and that shows, including the AOA Nationals, might have to rely more on volunteers or take other inventive measures to keep shows running.

Board skipped to agenda item 3.15.

3.5.5 Senior Judge Requirements: Miller proposed that the Board consider changing the requirements for attaining Senior Judge status. Miller moved that we ask the JTCC to investigate the possibility of changing the requirements for becoming senior judges. Hull seconded the motion and the motion passed (7–3 Merriwether, Potter, and Delaney opposed).

3.5.6 Other Ideas to Help Shows: Because this topic was covered under other agenda items, the Board skipped this item.

3.6 2015 National Show & Auction:

3.6.1 General Update: Vannier informed the Board of the status of planning for the 2015 National Show. The current plan is to conduct check-in on Thursday with a Meet and Greet.

The AOA Annual meeting will once again be a breakfast on Friday morning, followed by the auction viewing and auction taking place in the afternoon. The Board discussed exhibitor complaints about Friday being what some considered a wasted day. Vannier and staff are going to review the schedule and potentially modify it in response to these concerns.

Color Compliance check for the halter show will occur Friday morning, followed by a workshop on how best to show your alpacas.

There were also complaints that the auction occurred too early in the day. In response, the auction preview will be held at noon, with the auction scheduled for 3 o'clock. The Board asked Vannier to consider making that even later in the day.

The Halter Show will start Saturday morning.

Saturday evening's live auction will occur at the hotel and will include entertainment. This change is in response to exhibitors asking for the auction to be held in a nicer location with an opportunity to socialize in a venue that is nicer than those provided at the last several shows.

Sunday will be the last day of the halter show.

The host hotel is Holiday Inn in Grand Island and the secondary host hotel is the Best Western.

This year, Show System Administrator Ault will be in charge of enlisting and directing volunteers.

Vannier asked that the Board make travel arrangements so that they can attend the Meet and Greet on Thursday evening.

3.6.2 Separate Halter & Fleece Shows: The Board discussed separating the AOA National Fleece and Halter shows. This would allow the Fleece event to focus more on all aspects surrounding fleece. The Board asked that Vannier and staff further explore that possibility and present their findings at the next meeting.

3.6.3 Review National Championship: There was lengthy discussion on the concept of inviting champions from previous shows from the calendar year prior to the National show (in this year's case, champions from 2014 AOA certified shows) and so that those champions would compete in a color championship class to create a path toward a "National Color Champion." Two models were discussed and the Board decided on the model that invites the color champions so that they compete against the blue ribbon winners from their respective breed, gender, and color in a final championship National Show. The motion carried 7–2 (Miller and Shouvlin opposed and Jarvis abstained).

3.6.4 Breeder's Cup: The Board affirmed that from 2015 forward, permanent cups will be engraved with the winners' names and will be transported for display at each National Show. Vannier will explore the costs for awarding either a smaller cup or a unique banner for the winners to take home and bring to shows to proudly display.

Adjourned at 5:30 p.m. CDT.

3.6.5 Add Evaluation Judge?: The Board decided that an evaluation judge should be offered at the 2015 National Show for no fee to the exhibitors to answer the concern that many alpacas do not ribbon, and the exhibitor leaves the show with no feedback on their alpaca. Laurel Shouvlin volunteered to serve in that capacity at no charge to the organization.

3.6.6 Live Streaming at the National Show: Because of the expense of offering live streaming, it was decided that there would be no live streaming at the National Show.

3.6.7 National Show Education: There are several potential topics that Vannier is hoping to offer as education at the National Show including a "how to best show your alpaca" workshop, emergency management, parasites, IRS and Audits, creating a business plan, preparing for shearing, fiber topics such as skirting, social media marketing, as well as a class for the public on raising alpacas.

3.6.8 Herdsire Auction: Jarvis asked that EPDs have much more emphasis in the herdsire auction. Vannier stated that the office will be responsible for contacting owners of potential herdsires for the 2015 Herdsire Auction. There was discussion about requiring that EPDs be available for the herdsires. Consensus was that we cannot make those demands of owners that are being so generous as to offer their herdsires.

3.6.9 Auction Consignor/Entry Fee: There was discussion regarding the fees for consigning alpacas to the National Auction and lowering that fee to enable the consignors to make more money on their sales and potentially increase the size of the pool of potential alpacas for the auction.

3.7 2016 and Beyond—National Show & Auction Update:

3.7.1 General Update: By choosing to hold our National Show in March, a popular time for conventions, finding available facilities is more difficult. Vannier presented a chart of facilities that meet AOA requirements with their prices and available dates. The Board also discussed partnering with affiliates in some way. Vannier is going to further explore Fort Wayne, Lincoln, as well as research locations west of the Rockies. Miller also raised concerns about positioning a show either geographically or chronologically too close to an auction.

3.7.2 Partnership with Futurity: It was agreed that we will not be partnering with the Futurity in 2015 or 2016.

3.8 National Marketing: While the Board did not have adequate time to discuss National Marketing, a complete discussion of marketing will be held at the strategic planning session and subsequent monthly meetings.

3.8.1 General Discussion of Plan Development: See above.

3.8.2 Industry Infomercial: See above.

3.9 Strategic Planning Presentation: The Board listened to a presentation by Boyd Ober and Dan Sedor from Leadership Resources concerning potentially doing Strategic Planning with AOA. This is the group that has worked with both AOBA and ARI in the past as they independently developed their strategic plans. The AOA Board is considering conducting Strategic Planning in 2015 in a manner similar to what ARI conducted where industry stakeholders were invited to be part of the planning. Due to finances, that model will have to be scaled down, however it still was the model the Board would like to pursue.

3.10 Merger Transition Update: Vannier provided an update on the merger transition. He reviewed all that has been accomplished in the last several months and is pleased to report that when compared to the plan that was suggested in 2012 when merger was considered by the Board, the merger transition is on schedule and in some areas ahead of schedule, in spite of facing unforeseen obstacles and delays.

3.11 New Website Mock-ups: Vannier showed slides of the mock-ups for the new AOA website. The Board was very pleased with the design. It is hoped that the site will go live in November in time for membership renewal.

3.12 Software Development Presentation: Joseph Knecht from Venture Tech (formerly I2rd) presented an overview of the website plan and the progress they have made with the software integration of AOBA and ARI into AOA. Having worked with ARI in the past to create and update the ARI site, they are very familiar with AOA's needs. Vannier added that at this time we are not including the software features for National Alpaca Farm Days, the certification of shows, or judge certification. However the design will allow for inclusion of all of those things at a later date.

3.13 DNA Testing/Parentage Validation Explanation: Vannier presented an explanation of the parentage validation process so that when the Board is faced with issues, they have a better understanding exactly how the process works from receiving blood cards to the validation software, and how alpacas are validated or excluded. Board Members are encouraged to always ask any owners with registration issues to contact the AOA office to work toward resolution.

3.14 Parentage Validation Rule Discussion: The Board discussed the number of markers required to validate parentage. Concerns were expressed that raising the number of markers required would create situations where one or both parents would need further DNA testing in order to acquire enough markers for validation. The Board discussed that while it would increase accuracy of validations, it would also put an additional financial burden on our members and possibly have a negative effect on registrations. Jarvis moved that we require 10 markers in common between the dam, sire and cria. Laurel seconded. Motion failed (2–8 Jarvis and Shouvlin voted for the motion).

3.15 Shutdown of ALCI: Patrick Meyer from HBE Becker Meyer Love (our accounting firm) spoke to the Board regarding AOA non-profit status and informed the Board that 35% of the income can come from unrelated business income or advertising, and not affect the non-profit status of AOA. Currently advertising revenue (primarily from the magazine) and unrelated business income is at approximately 10%, which makes ALCI of no financial benefit and a cost center due to the annual audit that must be performed. Delaney asked if there was any consequence to simply leaving the ALCI dormant because we have so many deductions that we might be able to take advantage of should AOA make more money. Mr. Meyer said that he would check into that and get back with the Board.

3.16 Legal: AOA attorney Sheri Visani joined the call at 2:15 p.m.

3.16.1 Copyright Issue from AOBA 2013: A member published a book using material allegedly taken from AOBA publications. Because no final resolution of this issue had been reached between AOBA and the author, it was decided that AOA Attorney Visani would compose and send a letter asking the author to stop producing the book in its current form. The letter will also convey that in the future, should they write any other material in electronic or printed form, they must first get permission from AOA before using any AOA material found in its publications or on the AOA website.

3.16.2 Letter from a Member to an AOA Affiliate: A letter was written to an affiliate that included incorrect statements about AOA, its staff, and the DNA validation process. It was decided that Vannier would send a letter to the affiliate to correct those misconceptions.

Board returned to Agenda Item 3.6.5.

3.17 Goal Setting: Due to time constraints, the Board was unable to delve into this at this meeting, however Potter asked that the Board to consider goal setting for future discussion and strategic planning.

3.18 Education: The Board asked Hull to review the educational material currently provided on both AOA websites (the old AOBA and ARI sites). He agreed to review what is there, identify areas that are lacking, recommend removal of outdated material, and potentially request updated material from authors.

4.0 Committee & Other Reports: No reports due to lack of time.

4.1 Government and Industry Relations Committee (GIRCom):

4.2 Judge Training and Certification Committee (JTCC):

4.3 Judges Advisory Committee (JAC):

4.4 Show Rules Committee (SRC):

5.0 Financial Report:

5.1 June Financials: Briefly reviewed by Delaney and Vannier.

6.0 Meeting Wrap:

6.1 Contact the Board Update: There were no new contacts.

6.2 Next Meeting: August 25, 2014.

6.3 Adjournment: Scott moved, Steve seconded 10:10 a.m. CDT, Tuesday, July 22, 2015.