Board of Directors Meeting Minutes

October 24, 2016

Board of Directors: Norm Johnson, President; Don Greene, Vice President; Vern Butler, Secretary; Joe Crocco, Treasurer; Steve Hull, Director; Andy Merriwether, Director; Bonnie Potter, Director; Laurel Shouvlin, Director; Mike Vigus, Director

Meeting: Monthly Business Meeting
Conference Call — October 24, 2016, 6:00 p.m. EDT

Present: Deb Hill (Managing Editor *Alpacas Magazine*)

1.0 Meeting Opening: Meeting called to order at 6:02 p.m. EDT, by President Johnson.

1.1 Ratify Email Votes: Johnson reviewed the following email votes. Hull made a motion to ratify the following email votes, Shouvlin seconded the motion. Motion passed by unanimous vote 9–0.

1.1.1 Motion to approve AOA's hiring Background Information Services, Inc. to conduct complete background searches on two candidates for the executive director position. (Motion: Merriwether/ Second: Hull) Motion passed 9–0.

1.1.2 Motion to approve August 15, 2016, minutes. (Motion: Johnson/Second: Vigus) Motion passed 8–0–1 (Abstained: Hull, did not attend meeting).

1.1.3 Motion to approve incurring unbudgeted expenses for an executive director candidate to travel to Lincoln for an interview with the board, and for board members and a Nashville staff person to attend. (Motion: Greene/Second: Shouvlin) Motion passed 9–0.

1.1.4 Motion to approve Hope Bittner as a fleece judge apprentice. (Motion: Hull/Second: Greene) Motion passed 8–0–1 (Abstain: Shouvlin — she is an AOA judge).

1.1.5 Motion to approve the August 29, 2016, board meeting minutes. (Motion: Greene/Second: Johnson) Motion passed 7–2 (No: Shouvlin and Potter).

1.1.6 Motion to approve the "From the Board" eblast message for October. (Motion: Greene/Second: Johnson) Motion passed 9–0.

1.1.7 Motion to approve the president's letter in the fall edition of the membership newsletter. (Motion: Johnson/Second: Greene) Motion passed 9–0.

1.1.8 Motion to approve the Government and Industry Relations Committee's eblast to members regarding emergency preparedness. (Motion: Potter/Second: Merriwether) Motion passed 9–0.

2.0 Special Guest:

2.1 *Alpacas Magazine* Revenue Generation Discussion: Deb Hill (Managing Editor *Alpacas Magazine*) stated that in past surveys members felt that *Alpacas Magazine* was one of the most important benefits of AOA (AOBA) membership. In the height of the industry the magazine would generate $70k–$90k per issue in ad revenue. Today it is difficult to get $20k–$25K per issue. Even though the magazine is a membership benefit, it is funded solely by ad revenue, not AOA membership fees. Hill presented a few options for short and long term cash flow improvement. The short term income opportunities were:

- Buy one ad get one half price
- Discounted Ranch profiles for 2017
- Promotion for US gift subscriptions — new customers only

The board questioned how well the current advertising options are known by our membership. Hill stated that most members are probably not aware of the options to advertise and promote their farm within *Alpacas Magazine*. Any promotional pricing will most likely need some publicity so members will know to take advantage of it. The board also stated that Hill should let potential advertisers know that the number of the magazine readers has increased via the electronic distribution. A suggestion was made to reach out to non-members in an effort to get them to subscribe to the magazine. Eblasts may be the best way to reach these potential customers.

The longer term opportunities are:

- Increase subscription prices—we are underpriced compared to other livestock magazines
- Possibly offer an online only subscription
- Target groups outside the alpaca industry to get a more diversified readership
- To stop giving the magazine to members for free or to raise membership fees to cover the cost of the magazine
- Create a magazine sponsorship program

The board suggested that we remind registry members that they have access to the electronic version of the magazine. It was also suggested that we offer a discounted subscription price for registry members if they want the printed copy. The idea of giving a free digital version to alpaca farm customers was discussed. Hill said she will look into that possibility. The board asked Hill what would be the one thing that AOA could provide that would most benefit the magazine. Hill said that a photographer or a photography budget will provide the most benefit. A question was raised about the cost of producing the printed version. The exact amount was not known but it appears to be more than the current subscription price. Level of service was discussed as reason that some advertisers might choose a competitor over *Alpacas Magazine*. Hill will follow up with a board member that does some advertising in a competitor publication. The board also discussed the possibility of changing the focus and content of the magazine. If we change the focus and content it might attract more advertisers.

Johnson asked the board if we should take action now. It was suggested that we take the time to digest the long term suggestions and vote on the appropriate actions at a future meeting.

After Hill left the meeting, the board discussed taking action on the short term items in this meeting. Shouvlin made a motion to take Hill's recommendation to offer reduced price ($25) gift memberships for current US based subscribers given to new US based customers. Hull seconded the motion. A discussion of whether this pricing will result in a profit or loss followed. Without the current printing costs we don't know the answer so we are following Hill's recommendation. The motion passed 9–0.

Greene made a motion to accept Hill's recommendation for a buy one, get one free advertising promotion with the guidelines she outlined for the board as follows: "buy one, get one 1/2 price" ad special, spaced over two issues and paid up-front (this works out to 25% off of an ad in each of the two issues, using the non-contract ad price). The special would apply to ads 1\4 page or larger. Merriwether seconded the motion. The motion passed 9–0.

Hull made a motion to accept Hill's recommendation to offer a discounted ranch profile as follows, the board authorizes the magazine to offer discounted advertorials for $1100 for 2 pages, limiting this promotion to 2 per issues and giving the magazine discretion to start this at any point, continued through the end of 2017. Greene seconded the motion. The motion passed 9–0.

Johnson made a motion that he will reach out to Hill and inform her of the board decisions. Greene seconded the motion. The motion passed 9–0.

3.0 Financial Report:

3.1 Financials: Crocco reviewed the current financial statement. It appears that the report provided to the board was not formatted correctly and some of information isn't reflected properly. There was discussion about concerns of how the financial statements are being reviewed in the absence of an Executive Director. Johnson and Crocco will follow up and make sure the information is reported correctly before posting it to the website.

3.2 Dashboard: Johnson reviewed the dashboard report.

4.0 Old Business:

4.1 2017 Draft Budget Review: Johnson stated that he and Crocco are working on the 2017 budget. The suggestion was made to talk to Deb Hill about the projections in the 2017 working budget as they don't seem to reflect a true picture of the magazine's finances. It was also suggested that we wait until we have actuals for October to look at the 2017 budget so we have a better representation of actuals for 2016. Johnson and Crocco will meet with Darby Vannier to get some input for the budgeting process.

4.2 Alternative Product Committee Responses/Recommendations: Butler stated that he reviewed all of the committee applications and reached out to the past members. Two past members said they are interested in participating. The board gave their recommendations. Butler made a motion to approve Wayne Dorband, Eric Stoneberg, Nancy Edwards, Joy Hays, Lisa Bickford, Ian Lutz, Mary Beth Debrodie, and Vern Butler as

Alternative Products Committee members. Greene seconded the motion. The motion passed 9–0.

4.3 Ad Hoc Membership Committee Responses/Recommendations: Potter asked to form the committee even though there were only 3 applicants. Potter made a motion to approve James Beck, Michelle Kutzler, Ruth Goss and Bonnie Potter as members of the ad hoc Membership Committee. Greene seconded the motion. Motion passed 9–0.

4.4 2018 National Halter Show Venue update: Johnson informed the board that Andrea Harrington (AOA Event Coordinator) is still gathering information related to the venue for the 2018 AOA National Halter Show.

4.5 2017 National Auction Update: Johnson stated that we have received 2 RFPs. Johnson had a couple questions for the respondents and will inform the board when he has more information.

4.6 Executive Director Search Update:

4.6.1 Outline of the Executive Director Candidate Interview Day: Johnson described the process for the Executive Director interview process. All board members and staff members will participate either in person or via skype. We will interview one candidate per day and meet to discuss each candidate at the end of the day.

5.0 Committee and Other Reports:

5.1 Government and Industry Relations Committee (GIRCom): Potter reported that GIRCom met on September 28 and October 19. Dr. Long was congratulated on being the recipient of the AOA James G. King Award because of his long standing service to the alpaca industry. He has been a member of GIRCom since May 2009, and represented AOA at the United States Animal Health Association, where he also co-chairs the Committee on Infectious Diseases of Cattle, Bison and Camelids. There continue to be reports of mosquito-borne diseases in horses, including WNV, and EEE, which is being seen farther west than usual. EHV continues to be reported in horses. Dr. Long will be attending the USAHA meeting in October and will report back to us. Dr. Long reported that ARF has funded a study on Haemonchus which will be done by Ohio State. Everyone agreed that it is time to develop an eBlast as we continue to face the potential of natural disasters. A draft was circulated for review and a recommendation to send to the Board for distribution was approved. A suggestion was made that we develop an eBlast about preparing for death/succession planning. Potter brought up that AOA ran a special in June/July for changing Registry certificates from individual names to farm/trust name to reduce the problems that occur when one spouse dies. It was requested that the AOA Board consider running another special to coincide with the eBlast when it is sent. Brion Smoker developed an outline for review which will be discussed at the next meeting.

5.2 Judge Training and Certification Committee (JTCC): No report.

5.3 Judges Advisory Committee (JAC): No meeting.

5.4 Show Rules Committee (SRC): Vigus stated that the committee members discussed how AI and ET will affect the show rules. They were also finalizing the 2017 show rules. The changes will be presented to the board in November.

5.5 Fiber and Fiber Products Committee: Johnson's report is as follows:

The fiber and fiber product committee met on 3 October 2016.

The committee is focused on creating a broad reaching survey to help shape the fleece conference of 2018 and beyond. An initial set of questions were discussed and the team hopes to finalize them at the November meeting.

The team discussed the idea of the AOA market place at the 2017 National Show. The major challenge is organization and support as most people will be focused on showing vs. selling fiber products; The idea of a Market Place superintendent surfaced in the discussion, but no decision regarding this topic was made.

The committee is still a person short. One member resigned, but reconsidered and will remain a committee member. The team would like to invite Barb Ziek to be a committee member since she had applied in the last email solicitation.

Vigus made a motion to approve Barb Ziek as a member of the Fiber and Fiber Products Committee. Merriwether seconded the motion. The motion passed 9–0.

5.6 Alternative Products Committee: No meeting.

5.7 Leadership Council: Johnson stated that meeting went well and proceeded quickly. There were no major questions or issues. The affiliates provided feedback that they would like to present some ideas and concepts rather than just receiving information from AOA.

5.8 AFCNA Update: Hull informed the board that there is a member vote to decide whether to dissolve the organization.

5.9 Ad Hoc Youth Committee: Shouvlin's report is as follows:

The committee last met on September 28. The committee is moving forward with the creation of the AOA Youth Handbook and has agreed to a table of contents. Segments of the first chapters were assigned to committee members to write for further review by the committee at the next meeting. It is planned that the Handbook will be created this way taking a chapter or two at a time. Next meeting will be mid-November.

5.10 Ad Hoc Membership Committee: No meeting.

5.11 US Alpaca Fiber Council: Johnson's report is as follows:

The US Alpaca Fiber Council continues to meet weekly.

The team is finalizing their initial set of brochures dealing with Sorting Grading and Classing which will be designed for electronic distribution, but can be printed by those that prefer a print media.

The council is also finalizing a brochure focused on minimizing fleece contamination with proper pasture management. The group is also working with Cindy Berman to finalize a press release announcing the formation of the group. A website is under design and construction to support the press release.

6.0 Meeting Wrap:

6.1 Contact the Board Update: A member will be contacting the board about the possibility of entering alpacas into a show directly from the AOA website. We don't currently have that capability but it is something we will look at in the future.

6.2 Action Items Review: Greene.

6.3 Next Meeting (November 14, 2016—Strategic Plan/Special Topic Meeting): Johnson.

6.4 Adjournment: Hull made a motion to adjourn the meeting. Butler seconded the motion. The motion passed by unanimous vote (9–0).

Submitted by Vern Butler, Secretary