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Delegates' Report June 9, 2011
Held in Durham, NC

This is the highlights of the Delegates' Meeting; a complete set of Delegates' Meeting Minutes is located at http://www.akc.org/pdfs/about/delegates_meeting/june11.pdf

The major points:

- **Vote on** - The amendment that would make an AKC Board member who has served two consecutive terms ineligible for reelection for the length of one full term of four years. **FAILED**
- **To be voted on in September** - A person would not be seated or allowed to remain as delegate if they are guilty of **misappropriating funds from the American Kennel Club or from an AKC subsidiary or affiliated organization as we now have for someone who misappropriates funds from an AKC sanctioned, licensed or member club.**
- **To be voted on in September** – This one is changing the Dog Show Rules and **would all establish a Reserve Best in Show Award.**
- **The AKC Gazette will only be publishing on-line starting in September 2011.** After 127 years of publication, it was just no longer financially viable. All AKC business and parent club breed columns will still be published on-line. Many of the articles will be in the *AKC Family Dog* magazine.

Points of interest from the Delegates' Meeting

Ron Menaker, AKC Board Chairman gave his report as follows:

Good morning. I am pleased to announce an exciting new title open to all AKC dogs. The AKC Therapy Dog title, or "THD," will launch June 27th as an official AKC suffix title and will reward dogs and their owners that have provided ongoing community service to help improve the well-being of others. Currently it is estimated that there are 50,000 certified and active therapy dogs in the United States. Volunteerism has exploded over the past decade, especially those with dog and owner teams working in schools, hospitals, nursing homes, and natural disasters.

As you know, the AKC annually recognizes an outstanding Therapy Dog as part of our annual ACE Awards. We receive so many great nominations that we know there are many more dogs out there that deserve recognition. We have also received many requests from the fancy to award titles to therapy dogs as a way to recognize the "great work their dogs do." Additionally, earning a THD title builds on the skills taught in the AKC S.T.A.R. Puppy and Canine Good Citizenship Programs, which create a sound and a friendly temperament needed by a successful therapy dog.

The title will be open to all AKC dogs that have completed a series of criteria. To qualify, dogs must be certified by a participating therapy dog certification organization and have performed a minimum of 50 documented community service visits.

To obtain a title, an owner must complete an application, along with evidence of documented visits. Application forms are available on the AKC website. The program will accept documentation of visits going back to January 1, 2000.

If your dog qualifies, we encourage you to apply for this title. For more information you can access the AKC website, or you can give us a call at the AKC.

So we hope you'll take advantage of this. We think it's an excellent opportunity for us to continue to get our name out in a positive fashion. Thank you all very much.

Therapy Dog Programs have been very popular. Maybe AKC can get some traction and recognition out of this. LLS

Ms. DiNardo spoke as follows:

Good morning. Today I would like to share with you recent changes and enhancements to the format and distribution methods of AKC's main print publications. In essence, we will shift focus and command a larger digital presence. These changes will increase access to AKC's Publications, deliver our important messages to a larger and more diverse audience and help us make a technological leap forward in our communications with constituents. Our new publication strategy was **necessary to address substantial financial losses in the division**. While these losses in Publications have always existed, they've grown to a point where they could no longer be justified. This should come as no surprise, as they are presented to the Delegate body in Jim Stevens' quarterly reports.

AKC has been able to thrive for 127 years by periodically reevaluating the way we do things and when necessary, we make changes and reinvent ourself. Today the manner in which we communicate with each other is driven more and more by mobile devices, like tablets and smart phones, as well as relying on the Internet to receive information.

The publications industry is changing just as rapidly as the technology that drives our phones and computers. Because of this, the Board asked the Staff to study and make a recommendation, which was accomplished. The Board unanimously voted to adopt this new plan. It will allow our Publications to join the 21st century by embracing digital communications. We see this evolution as an excellent opportunity to increase our visibility and our messaging.

First I'd like to show you some changes we've made to the *AKC Gazette*. As of October 2011 the *Gazette* will be published on the website as a PDF, available for downloading, printing and forwarding via email. In addition, a link to the digital edition will appear in AKC's Weekly Wins Gallery once a month.

The reformatted digital *Gazette* will include the Secretary's Page, the President's Letter, the Chairman's Report, AKC Updates, Times Past, and the Parent Club Breed Columns, which will now contain a link to the Parent Club websites. This new format will make it easier for Parent Clubs to share their breed columns with their membership or anyone else they wish. By going digital we'll provide current subscribers, the vast majority who have access to the Internet, this complementary content. This also enables a broader reach to new readers.

Of course, we all feel a sense of loss for the tradition of the *Gazette*. Personally, I grew up with a copy of it on my parents' coffee table and for over 40 years it's been a part of my life as well. But this decision was made once it was evident, despite subscription promotions, a redesign, advertisers switching more ad dollars to digital and cost cutting in all areas that these declining trends in subscriptions and advertising would only continue to accelerate. I will share with you some facts and figures that contributed to the decision to reformat the *Gazette*.

The first year the Events Calendar appeared on the AKC website, at the request of our exhibitors, we lost 5,000 subscribers. It is anticipated that subscriptions will drop to below 20,000 in 2012. To put that into perspective, out of 46.3 million dog-owning households nationwide, only 20,000 would read the *Gazette*.

In the past number of years paid subscriptions and advertising revenues have each declined by approximately 50 percent. In fact, we would need a minimum of 76,000 paid subscribers - more than three times our current base - to be financially viable today, i.e. to simply break even. We know that some Delegates believe that this should have been discussed with the body before the decision was made. However, there were factors that did not permit this.

They include personnel issues, confidentiality agreements, and contracts involving printers, ad agencies, advertisers, paper companies, etc. These had to be negotiated, renegotiated or even terminated before anything could be made public.

Unfortunately, no amount of discussion would have changed the bottom line, which dictated a shift to the online version only. Please know the decision to eliminate the print magazine was not taken lightly. In fact, if it was made strictly from a business standpoint, the decision would have been made years ago. But we are pleased that the online edition still provides subscribers access to the most vital *Gazette* content in a highly cost effective way, while also making it available to a significantly wider audience.

Now the enhancements to *Family Dog* magazine. *AKC Family Dog* serves as a vital communications tool to the general dog enthusiast - a large, ever growing segment, and a constituency that is important to AKC's future.

Family Dog circulated to 180,000 per issue, allows us to have a conversation with dog owners about our core values and mission, while providing content that's interesting, entertaining and relevant to them.

To let the public know about the good works of AKC, we distribute *Family Dog* to 27,000 veterinarians' offices, 23,000 groomers' shops, and we've recently added federal and state legislators to the *Family Dog* mailing list. Our plan includes an expansion of *Family Dog* to include content that fanciers found most popular in the *Gazette*.

In July we will launch the inaugural digital version of *AKC Family Dog*. It will have all the same content as the printed version. In addition, there will be a number of innovative and exciting extras - including a slideshow, video, scrolling ticker tape that links to the AKC's YouTube channel, the AKC Online Breeder Classifieds and other valuable website content. The digital version of the magazine will be available on our website, linked to *Your AKC*, which has a readership of 1.4 million, and it will be emailed to 600,000 people on a bi-monthly basis. The addition of a digital *Family Dog* to the already widely read print version will make *Family Dog* the most widely read dog magazine in the world - in the most efficient way possible, and it allows AKC to achieve between five and six million media impressions annually.

And finally, I would like to show you the enhancements Charley Kneifel and his team have made to the AKC Events Calendar for the AKC website.

The new view of the event data will look more like a traditional calendar and allows you to look at events as they are happening on a certain day, week, or month.

The week runs from Thursday through Wednesday. This way the weekend events are shown continuously, rather than having a break like a traditional Sunday to Saturday calendar. Additionally, the AKC Events Calendar is mobile friendly, meaning, if you access via a mobile device, such as an iPhone, a smart phone, such as a Droid based unit or a BlackBerry, you can access a calendar that will be formatted to your mobile device. This is not an "app" in the sense that you would download it from iTunes or the Droid marketplace, it's simply a webpage that's aware of whether it's being accessed via a smart phone, smaller screen, or a computer.

I am pleased to say that you are the first people to see this application. It went live a few hours ago. With our new plan we will gain millions of new readers. Besides reaching a much wider audience than ever before, this publication strategy will reduce the deficit in the publications division by over \$500,000 a year prospectively.

I believe this was the right thing to do. I will miss the *AKC Gazette*, but I will enjoy the *AKC Family Dog* magazine. This action was a fact of dollars and cents. LLS

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Jim Stevens, Chief Financial Officer, gave the financial report. A summary follows:
Total revenues for the **first five months of 2011 of approximately \$23 million were 6.4% lower than last year.** The major sources of our revenues continued to be adversely impacted by a sluggish economy. Successful cost containment efforts resulted in total year-to-date expenses remaining comparable with the previous year.
This resulted in a year-to-date operating deficit of \$1.4 million. However, operations had a positive cash flow due to certain expenses being of a non-cash nature.
A better performing stock market environment in 2011 produced a year-to-date investment gain of \$3.2 million. This was double last year's gain of \$1.6 million during the same period.

Registrations just will not make the upturn. LLS

There was a vote on the proposed amendment to Article VII, Section 1 of the *Charter and Bylaws of the American Kennel Club*. This amendment would make an AKC Board member who has served two consecutive terms ineligible for reelection for the length of one full term of four years.

A two-thirds vote in the affirmative vote was required for adoption.

At the request of Barbara Shaw, Delegate for the Greater Collin Kennel Club, without objection, there was a standing counted vote. The vote was 100 affirmative and 144 opposed. The amendment was not adopted.

This motion failed and was not even close. LLS

The Chair called on the Executive Secretary to read the proposed amendment to Article VI, Section 5 of the *Charter and Bylaws of the American Kennel Club*.

The amendment would apply the identical restriction **to someone who misappropriates funds from the American Kennel Club or from an AKC subsidiary or affiliated organization as we now have for someone who misappropriates funds from an AKC sanctioned, licensed or member club.** The full text is on the blue worksheet.

The amendment is approved by the AKC Board of Directors. It will be published in two issues of the *AKC GAZETTE*, and Delegates will be asked to vote on it at the September 2011 meeting.

The Chair called on the Executive Secretary to read the proposed amendment to Article VI, Section 7 of the *Charter and Bylaws of the American Kennel Club*.

This amendment would make a provision that when the Board has determined that a seated Delegate is ineligible to serve under Section 5 that the Delegate's club may appeal to the Delegate body. Currently the Bylaws only provide an appeal for a Delegate candidate and not for a seated Delegate. The full text is on the pink worksheet.

The amendment is approved by the AKC Board of Directors. It will be published in two issues of the *AKC GAZETTE*, and Delegates will be asked to vote on it at the September of 2011 meeting.

These are a no brainer and should be approved. LLS

The Chair called on the Executive Secretary to read the proposed amendments to Chapter 3, Section 17 of the *Rules Applying to Dog Shows, Dog Show Classifications*; Chapter 4, Section 1 of *Rules Applying to Dog Shows – Approval of Judges’ Panels and Premium Lists*; Chapter 5, Sections 1 and 7 of *Rules Applying to Dog Shows – Prizes, Ribbons and Trophies*; Chapter 6, Section 2A of *Rules Applying to Dog Shows – Premium Lists and Closing of Entries*; and Chapter 7, Sections 13 and 19 of *Rules Applying to Dog Shows – Judges*, **which would all establish a Reserve Best in Show Award**. The full text is on the yellow worksheet.

These amendments were brought forward by the Delegate Dog Show Rules Committee and are approved by the AKC Board of Directors. They will be published in two issues of the *AKC GAZETTE*, and Delegates will be asked to vote on them at the September 2011 meeting.

I am not sure about this proposal; the DCA Board needs to think about this one. LLS

The next Delegates meeting will be in Newark, NJ on September 12 and 13, 2011.