

BOARD OF DIRECTORS  
November 18, 2012  
SPECIAL MEETING

The Board convened on Monday, November 18, 2012 at 8:00 am. All Directors, except Dr. Newman were present, as were the Chief Operating Officer, Executive Secretary, and Assistant Executive Secretary. Dr. Newman participated by telephone conference, but, in accordance with Board policy, was not permitted to vote.

This Special Meeting was convened to consider the proposed 2013 AKC Operating Budget. Additional staff attending participates were Peter Farnsworth, Daryl Hendricks, Connie Percy, Michael Ganey, Mark Dunn, Daphna Straus, and Joseph Buffuto. Michelle Belker participated by telephone conference.

There was an Executive Session, with nothing reported out.

**Executive Compensation**

Upon return to regular session, there was a presentation from Kelly Crean of Mercer, AKC's consultant on employee compensation since 1999. Mr. Crean explained how Mercer determined market values for each position in the organization based upon position as well as the scope and size of the organization. In assessing each position capabilities, qualifications and performance are considered.

**2012 Budget verses Actuals**

Mr. Farnsworth reviewed the 2012 actuals and projections against the 2012 budget. There was a discussion on any variances and the reason for them.

**2013 Operating Budget**

The Board considered the 2013 Operating Budget. Following a motion by Mr. Ashby, seconded by Mr. Gladstone, it was VOTED (affirmative: Mr. Ashby, Mr. Gladstone, Mr. Kalter, Dr. Smith, Dr. Garvin, Mr. Arnold, Ms. Scully, Dr. Battaglia, Mr. Amen, Mr. Feeney, Mr. Powers, opposed Ms. Cruz, not permitted to not by telephone, Dr Newman) to include a donation of \$500,000 to the AKC Canine Health Foundation for 2013. It was agreed that as this was a Board-approved donation it would not be part of the Operating Budget.

Michael Ganey gave a presentation on the 2013 Marketing Budget, and Connie Percy gave a presentation on the 2013 Information Services Budget, as well as the status of ongoing projects.

Mr. Farnsworth addressed questions submitted in advance by Board members as well as additional questions raised at the meeting.

Following a motion by Dr. Garvin, seconded by Mr. Ashby, it was VOTED (unanimously with Dr. Newman not permitted to vote by telephone, to approve the 2013 Operation Budget, it was agreed that there would be a quarterly review during 2013 of the actuals against the budget.

It was VOTED to adjourn on Monday November 18, 2012 at 3:35pm.

Adjourned

Attest:

James P. Crowley