Hoofer Riding Club Presentation to Union Council

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Presentation Outline

Overview of Proposals
Recent History
Demographics
Current Finances
Debt Forgiveness
New Structure
Facility Improvements
Liquidation
Review & Discussion
History

- Overview
- 2005 Stable Study
- 2012 Stable Study
- 2014 False Profit
- 2015 Deficit
History

- **Overview**
  - FY6-FY15 – Average deficit $6,175
  - FY6-FY13 – Average deficit $488
History

● **2005 Stable Study**
  ○ Postponed facility maintenance catches up
    • need to increase maintenance budget
  ○ Decrease boarding
    • Done successfully
  ○ Increase lesson program
    • Quantity increased without structural changes to program
History

2012 Stable Study

- Raise prices
  - Not done significantly
    - Exec members benefitted from cheap board & lessons
- Cut expenses
  - Done
  - Health of horses suffered
  - Staff undertrained & overworked
  - Facility in disrepair with safety issues
- Increase fundraising
  - No plan made
History

2014 Incorrect Profit
- Outstanding bills and delayed facility maintenance skewed expenses
- Loss of community members in core leadership positions
- Budget for FY15 created based on incorrect profit, led to budget shortfalls later on
History

2015 Deficit

- Accounting error in calculating wages (>26,000)
- New positions
  - Hoofer Financial Specialist (>5,000 past due bills)
  - Club Advisor
  - Barn Manager
  - Assistant Barn Manager ($10,500)
- Other identifiable expenses (>5,000)
- Price increases at end of FY15 to mitigate losses
Demographics

- Riding Club
- Horses & Employees
- Community Impact
Demographics

- **Riding Club members**
  - Students make up 70% - a ten-year high
    - Undergraduate 66%, graduate 4%
  - Average # of members since 2008: 124 annually
Demographics

● Horses
  ○ 20 Hoofer horses
  ○ 9 Boarder horses

● Employees
  ○ 15 stable employees
  ○ 5 instructors
  ○ Barn Manager
  ○ Assistant BM
  ○ Operations Coordinator
  ○ IHSA Team Head Coach
Demographics

- **Community**
  - 160 high school FFA students for huge contest
  - 140 MATC Vet Tech students learn to handle horses and practice technical skills
Demographics

Community cont'd
- 15-20 UW Vet School students perform dental exams
- 80-100 community members participate in shows/clinics
- Other collaborations with UW departments and clubs
Current Finances

- Challenges
- November Final
- Revenue
- Limitations on Revenue
Current Finances

- Challenges
  - Advisors
    - Past Hoofer advisor had knowledge of stables/equine programs
    - Spent majority of time on Riding Club
    - Recent Club Advisor transition from July to January
    - Need technical Advisor or Advisor with specific industry knowledge
  - Summer Camp
    - Lack of professional/safety oversight
  - Student turnover
    - Late start to fall lessons
    - Canceled lessons and members leaving
Current Finances

- **November Final**
  - Shows club deficit of ~$6,000
  - Correcting accounting error puts club positive ~$4,000 at end of November
  - December prelim $897
Current Finances

- **Revenue**
  - Increased board in October
  - Increased house rent
  - Limitations on additional price increases
Current Finances

- Limitations on Revenue
  - Student capacity to schedule lessons
    - Turning away private and semi-private lesson requests
  - Instructor availability and lack of training
  - Student capacity to run summer camp, associated risk
  - Annual turnover, leader burnout
  - Quality must match price increases
New Structure

- Organizational Chart
- Equestrian Program Director
- Instruction Intern
- Benefits
New Structure

Advisory Board
NEW

Advisor
Joe Webb

Operations Coordinator
Colleen Beier

Equestrian Program Director
NEW

Riding Club

Equestrian Team

Barn Manager
Kirbi Rogers

Instruction Intern
NEW

Student Instructors
New Structure

- **Equestrian Program Director**
  - Program safety
    - Safety audit recommendations
    - Youth programming
  - Instructional oversight
    - Training, continuity, quality
  - Oversee riding program budget
  - Long-term vision
New Structure

- Instruction Intern
  - Monthly stipend, housing, and board
  - Primary club instructor
  - Schedule all lessons
  - Regular stable duties
  - On-site emergency staff
  - Position pays for itself
    - Potential to bring in additional revenue
New Structure

- **Advisory Board**
  - Students involved, separate from exec board
    - execs focus on short-term: events, shows, promotion, marketing, annual turnover
  - Include industry professionals and MUBA representative
  - Bigger picture: focus on mission & long-term fiscal planning
New Structure

- **Benefits of new structure**
  - **Student leaders**
    - Focus on annual programs, manageable budget
    - Less burnout
    - More attractive positions
  - **Club members**
    - More lessons available
    - Instructor consistency
    - Safer camps and lessons
  - **Increased revenue**
    - Increase price/quantity of services
    - Secure horse sponsorships
    - Expand youth programming
The Riding Club Tradition

- Riding Club founded 1939
- Despite early difficulties (no stable facility), members dedicated to their sport
- Late 90's club banded together for unexpected move from Middleton to current HEC
- Team is only self-funded team competing nationally
- We can take this dedication to the next level with Director and facility improvements
Liquidation

- Timeline
- Budget
- Staff & Horses
- Club & Team
Liquidation

HEC Liquidation Timeline

- Month 1
  - Consult Attorney
  - Consult Accountant
  - Inform Stakeholders
  - Begin documenting inventory
  - Secure Environment

- Month 2
  - Determine sale venue(s)

- Month 3
  - Determine marketing strategy
  - Begin preparing live animals for sale

- Month 4
  - Begin sale of live animals
  - Finalize inventory
  - Begin preparing property and assets for sale

- Month 6
  - Conduct sale of assets
  - List physical property for sale

- Month 10
  - All sales transactions complete
  - Vacate Property
  - Return all leased equipment

- Month 12
  - Liquidation complete
Liquidation

**Budget**

- **Projected operating expenses**
  - 50% of usual operating expenses: $184,928

- **Potential additional liquidation-specific costs**
  - Staff retention bonuses: $30,000-35,000
  - Marketing/communications: $500-1,000
  - Additional staff hours: $21,236-35,754
  - Attorney fees: $5,000-10,000
  - Dumpster rental: $1,006-2,400

- **Projected revenue**
  - Animal and asset sales, remaining boarders: $32,720
Liquidation

People & Horses
● Corinne Meyer
  ○ Stable employee 6 years
  ○ Daughter in summer camp
  ○ Leases and takes regular lessons
  ○ Saving to buy first family home
People & Horses

● Dreamer
  ○ Past Hoofer Horse
  ○ 34 years old
  ○ Could not handle moving to new home, would have to be euthanized
Liquidation

People and Horses

- **Families**
  - Eichelkraut Family
    - Board two horses, former Hoofer horse Cody
    - Jackie Exec Board member
  - Beier Family
    - Knew nothing about horses until Hollie joined
    - Own former Hoofer horse Grace, boarded another horse
    - Both parents employed by stable/club, Colleen Exec Board member
    - Hollie summer camp CIT, now stable employee
Liquidation

- Club
  - Club dwindles to small interest group with no lessons or programming
  - Lose Hoofer Club status and legacy
  - No other organization like HRC - student leadership opportunities, Equestrian Team, community-building focus
  - Very few stables within 30 minutes of campus, none could accommodate us
Liquidation

● Team
  ○ Best Equestrian Team in Midwest, top ten in Nation
  ○ No other local facility for team, would be eliminated
  ○ 40 student athletes lose their team
  ○ Coach Mark loses job, reason he moved to Madison
Review

- Proposal A
- Proposal B
- Liquidation
- Discussion
Review

- **Proposal A**
  - Union takes over management and financial responsibility of the Equestrian Center (>400,000 budget)
  - Riding Club operates separately at HEC with smaller budget
    - Recommends hiring Program Director and Instruction Intern
  - Council requests $72,074 of Riding Club debt transfer to Union
Review

Proposal B
- Riding Club maintains management and financial responsibility of Equestrian Center
- Club creates new structure
  - Equestrian Program Director
    - Paid by Union ($50,000 + benefits)
  - Intern
  - Advisory Board
- Union carry out facility upgrades according to Master Plan
- Council requests $72,074 of Riding Club debt transfer to Union
- Favored option of Riding Club
Review

- **Liquidation**
  - Unknown time - potentially 12 months
  - Club dissolved - liquidation carried out by paid staff
  - Team eliminated
  - Debt transferred to Union
    - Liquidation estimate: $223,156
    - Current debt: $72,074
    - Actual numbers unknown
  - Least favored by Riding Club and Hoofer Council
Discussion