

**BBU BOARD OF DIRECTOR'S MEETING**  
**Thursday October 25, 2018**  
**Franklin Marriott Cool Springs Franklin, TN**

President Steve Carpenter called the meeting to order at 10:00 a.m.

Ex-Officio Mackie Bounds led the opening prayer.

Secretary Dan Gattis called roll. Every board member was present and included the following:

Steve Carpenter	Ronnie Teague	Gary Halepeska
Bob Siddons	James Skelton	Sue Pierson
Chris Kauffman	Dalton Skinner	Larry Lairmore
Dan Gattis	Kendall McKenzie	Dr. Jim Colvin
Mackie Bounds	Justin Williams	Jerry Thomas
Trey Scherer	Derek Frenzel	Collin Osbourn

Minutes from the previous meetings had already been approved.

**Financial Report – Treasurer Chris Kauffman** opened with the audit report for the period ending July 31, 2018. Board members were presented copies at the meeting. Kauffman noted that as he had predicted in June BBU did end the year with a loss. Kauffman covered items that contributed to the loss such as projected DNA fees and expenses, legal fees and the Branded Beef equity in earnings. Kauffman then opened the floor to any questions. After a time of discussion **Kendall Mc Kenzie made a motion to accept the audit report as presented. James Skelton seconded and the motion passed.** Kauffman continued his report with the financial statements for August and September 2018, which were also made available to the board members at the meeting. Chris covered the report, highlighting various areas of the report including the balance sheet, budgeted versus actual, and year to year comparisons. Discussion ensued concerning thoughts and plans to overcome the year end deficit and what action is needed to accomplish these plans. Some suggestions included implementing finance charges on accounts 90 days or more past due and adding a data processing fee on a per item basis for work submitted to the office for processing. Larry Lairmore stated that receiving the financial reports the morning of the meeting does not allow board members time to review, study and formulate questions in advance of the meeting. **Larry Lairmore made a motion that the board members be presented the financial reports at least one week before the meetings in order to have time to review it for questions or concerns.** President Carpenter allowed Kauffman to address why the reports were so late being distributed. There were extenuating circumstances with the completion of the audit this year taking longer than previous years to complete. The new registry system and midyear staff changes in our bookkeeping department played a part in the delay. The audit report was not dispersed until all discrepancies and questions were cleared up. The delay in the audit report also delays the completion of the financials for August and

September which cannot be completed until the year end is completed. **Lairmore withdrew his motion** but stated that the board needs to have the reports in hand at least a week prior to meetings. Carpenter entertained a motion to accept the August/September financials. **Mackie Bounds made a motion to accept the August and September financials as presented. Bob Siddons seconded and the motion carried.**

**BBU Advertising Campaign – Eric Grant** of Grant and Company presented print outs of mock ups of the ads his company has developed for Beefmaster Breeders United. The ads were developed with geographic appeal in mind and can be used to target and spread the Beefmaster message in various areas of the country. Grant stated the last year and a half was spent collecting pictures of Beefmaster cattle in various areas of the country with different environments, etc. Various ads were presented and Grant asked for thoughts or suggestions on what was presented. **Gary Halepeska made a motion to accept the recommendation from the advertising committee to begin utilizing the ads developed for BBU by Grant and Company. Kendall McKenzie seconded and the motion passed.**

**B.E.E.F. Endowment Campaign Update** – Bob Siddons reported that though the campaign had slowed down, we are still above the one and half million dollar mark and we hope to see two million the first part of 2019. Mackie Bounds noted that the two million dollar mark is on the horizon. The interest produced from the endowment fund (not the fund itself) is what will be used to fund research opportunities to further the breed. There are still contacts to be made and work to be done but we are well on the way to our goal.

**President of B.E.E.F. Dave Loftin** reported that the B.E.E.F. board has expanded to twelve directors now. The six new directors are: Dalton Skinner, Clark Jones, Kendall McKenzie, John Long, Debbie Cheatham and Sue Pierson.

**2019/2020 Convention Updates** – Collin Osbourn reported that in 2019 the BBU Convention will be back in San Antonio at the Wyndham on the Riverwalk on October 24-26. Live Oak has been approached to help host and fundraise for the convention.

In 2020 we are looking into going back to Ft. Worth and the stockyards. We are looking for hosts and fundraising help for this convention. Convention planner Jennifer Haistens is working with area hotels on the best deals for this event.

**Sire Evaluation Reports** – **Collin Osbourn** updated the board on the B.E.E.F. funded University of Arkansas at Monticello and the Flying B Ranch projects. Lance Bauer reported on some of the data that was recently received from the projects. The results were favorable and encouraging for Beefmasters. To continue the projects we need funding and this is where the endowment and B.E.E.F. funds come into play and why they are so important.

**Genetic Evaluation Contract** – John Genho was bought out by NeoGen. We currently run two evaluations per year at \$20000/year. To run four per year would run \$26000 and if we ran it

monthly the cost would be \$39000. Genho assured us that our data will be kept separate and not shared. Collin indicated that one thing we are beginning to explore is potentially looking at running some DNA work with all of the American breeds together. It would incorporate the genotypes that are out there as well. Each would still run their own genetic evaluations yet we would pool all of that data and get a better picture of what is out there.

**Fees – Chris Kauffman** presented some fee change proposals back in June that were put on hold until the October board meeting. Carpenter stated that the membership fees have not changed since 2009. Osbourn indicated that the current membership fees are \$100 for Annual and Associate, \$60 for Juniors and \$2000 for Lifetime. Other associations add service fees to membership fees, but most didn't like that idea. Discussion ensued on the membership fees and costs involved with the memberships for magazine and mailing fees. After many comments, it was decided the fees that are set on calendar year are the ones that need to be addressed soon. These include membership fees and inventory fees. **Larry Lairmore made a motion to have a committee made up of Chris Kauffman, Collin Osbourn, Mackie Bounds and Bob Siddons look at fees and service amounts and the impact they may have and then come back to the board within 2 weeks via conference call to make recommendations. Dan Gattis seconded and the motion carried.** Mackie Bounds asked for anyone wanting input on the subject to give their names to Donna and he would contact them.

**EVP REPORT – Collin Osbourn** addressed the board thanking them for their service. He also thanked the staff noting we have the best staff bar none. Osbourn covered the changes we have seen in the past ten years in the industry and our growth as a breed as well as the association changes – buying a building and the new registry system. Collin stated he looks forward to continuing the forward progression and appreciates the board support.

**PRESIDENT'S REPORT – President Steve Carpenter** took a moment to address the board and thank them for their support and hard work. Having served on the board for many years now, he realizes the time and money it takes to be involved. It's been a tough year but the board has stepped up and kept rocking right through it all to try to reach a resolution.

**Justin Williams made a motion to move into executive session. Kendall McKenzie seconded. Guests were excused and the meeting then moved into executive session.**

**James Skelton made a motion to come out of executive session seconded by Justin Williams. Motion carried.**

President Carpenter then entertained a motion to adjourn. **Larry Lairmore made a motion to adjourn the meeting. Bob Siddons seconded along with several others and the meeting adjourned.**