

**BBU BOARD MEETING
OCTOBER 29, 2015
10:00 A.M. GALVESTON, TX**

CALL TO ORDER

President Mackie Bounds called the meeting to order at 10:10 a.m.
Chris Kauffman opened in prayer.

Secretary Dan Gattis called roll with the following in attendance:

Mackie Bounds	Billy Welkener	Sue Pierson
Steve Carpenter	Melvin Scherer, Jr.	Tony Psencik
Dan A. Gattis	Clark Jones	Bill Pendergrass
Dwight Bertrand	Tom Hood	Collin Osbourn
Steve Emmons	Bob Siddons	
Derek Frenzel	Chris Kauffman	

Davin Vaughn and Jerry A. Davis were absent due to family and health issues.

President Bounds entertained a motion to approve the minutes of the previous conference call meetings. **Clark Jones made a motion to accept the minutes of the 8/25/15 AND the 9/8/15 meetings as presented. Dwight Bertrand seconded and the board voted to approve the minutes.**

FINANCIAL REPORT – Treasurer Dwight Bertrand reported on the September Financials stating we are in good shape right now. Bertrand thanked the CFO for his guidance and work to keep us in the black. Bounds affirmed the recognition and expanded it recognizing the efforts of the entire staff. **CFO Collin Osbourn** reported on the wrap up of the 2015 audit stating it was a good year. Osbourn addressed the start of the 2016 Fiscal Year with reference to the September financials. The CFO noted that the DNA budget will change a bit with the increased expense and income resulting from the added Genomics testing being done. This expense and income should level off in this line item with no loss or significant profit. Registrations have increased from what was budgeted, transfers are about where we budgeted them to be and new memberships have increased according to recent year comparisons. Osbourn stated that the JBBA financials weren't sent out before this meeting but reported the current balance and noted expected allocations of the usual incoming Heifer Purchase Certificates and Scholarships.

President Bounds referred to the Annual Report from the auditors noting the increase in net assets from the previous year. The increase will allow for opportunities to make investments which will then give the association a chance to reap the benefits of the investments to fund and develop better services for the membership.

Treasurer Bertrand made a motion to approve the Audit and Financial Statement presented by BDO (Accounting Firm). Billy Welkener seconded and the board agreed to approve the report. The motion carried with a vote.

OLD BUSINESS – None

B.E.E.F. CAMPAIGN – President Bounds presented the update in Davin’s absence. Brandt and Associates were hired to help grow our foundation and establish an endowment fund. Interest from the endowment will be used to fund requested grants (that are approved by a board other than BBU) for research and/or education. Grant requests can even come from BBU satellites for educational/research projects they wish to do but don’t have the money for. The next step for us is choosing an individual that will head up the campaign to raise this money for the endowment and then a committee will be put together (members spread throughout this country) that will approach members asking them to make pledges. Once a certain percentage of funds is reached from the membership pledges, then suppliers (those who benefit from our business) will be approached and asked for pledges to continue to increase the endowment. An endowment pledge is a one-time pledge that allows lee way for a change of circumstances along the way. The research and education projects funded by the endowment will move us forward as a breed and thus benefit all of our breeders.

EVP REPORT

Pro Services - Bill Pendergrass announced the roll out of Pro Services. The change in the seed stock industry toward being based on more scientific data means we as a breed have to change to keep up, like it or not. The demand for accurate records is important. Pro Services includes help with paperwork, registering cattle, cleaning up inventories, recording performance and scan data and general herd data management. There will be an annual fee for the services. The fee would not include registration fees, but would include 2 visits per year for the participating breeder as well as the data entry for registration and record keeping. An added benefit is that it also allows BBU staff to build a relationship with the membership. Staff will offer tech support, management guidance and marketing guidance (will not market cattle but offer tips and insight). The staff may also assist breeders with various industry contacts in their area that offer services they may have a need for (i.e. ultrasound techs, hair trimmers, etc.). No action was taken by the board at this time. The board was simply asked to consider the program, formulate questions and give feedback. A proposal for approval will be made at a later date (hopefully by the July meeting). Bounds noted that this is a self-funded way to hire more field staff, collect more data and increase registrations, memberships and transfers. The best benefit is collecting more information and educating the members on the importance of the information. There was discussion among the board and guests concerning the program. Mackie will ask a group within the board to take a look at the program and also to look at the financial side of it. Mackie asked the board to study the proposal and be ready to discuss it further in future meetings.

Proposed Rule Changes – Bounds asked the board to look at a handout of proposed rule changes submitted by the staff. The changes will affect how we do AI, ET, Beefmaster Advancer, Commercial Upgrading and multiple sire registrations. Mackie asked the board to read it, study it, consider it and give feedback to the staff then be ready to discuss it further in future meetings. Pendergrass discussed the proposed rule changes noting that we are the only major breed that bases the AI registration on the ownership of AI certs on the conception date. The proposed change would change us from tracking semen to tracking certificates. It will be a fairly significant change but will line us up with the way other breeds handle AI registrations.

Mexico Beefmaster Association – Bill reported on recent developments and a planned meeting with the Mexico Beefmaster Association and the possibility of working with them in the future. The Mexican Government is mandating DNA parent verification to be able to qualify for government subsidies and they will no longer register multi-sired cattle. Our allowance of multi-sire registrations will hinder us from working with them in the future. They need and want genetic evaluations. They are built from our genetics and if they develop their own evaluations and it is different from ours, we will be competing with the same genetics based on different numbers and we don't want to go there at all. We will meet with them next month.

Fee Proposals – CFO Collin Osbourn asked the board to consider some fee changes that need to be made. Osbourn discussed the strain and disruption that rush requests put on the office staff. Many of the exhibitors have nothing to do with JBBA or BBU. They call needing their papers at the last minute for validation. The staff is proposing a validation fee of \$50 which would be channeled into JBBA and help fund the national show. The other proposed change is the rush fees. The current rush fee of \$5 per animal is obviously no deterrent nor sufficient enough to warrant the staff dropping things to move them to the top of the work load. Osbourn proposed that the rush fees change to \$25 per animal. The proposal was introduced for the board to consider and will be presented for approval at a future meeting. Discussion followed. Bounds stated that a JBBA task force is being established shortly and they will be asked to look at these proposals as well.

PRESIDENT'S REPORT

Mackie Bounds stated that he will give his (State of the Association) report on Saturday but wanted to take a brief moment to address the board and thank them for working together this past year. Dwight Bertrand, Derek Frenzel, Billy Welkener, Davin Vaughn and Melvin Scherer, Jr. will be leaving the board after this meeting. President Bounds let them know that they will still have jobs to do when they step down as he believes in utilizing talent. Bounds also announced that the Board members will be placed strategically through the rooms at each of the meal functions to encourage mingling with the membership.

NEW BUSINESS

Derek Frenzel, at the request of Texas and SWCRA, announced a PAC Heifer event. The Belles of Cowtown Heifer Sale is a fundraiser sale benefiting PAC, being held in conjunction with the TSCRA convention taking place in Ft. Worth in the spring of 2016. They are asking for donations of heifers from breeders. They will group them in lots of 5 and have a video sale with exposure on national television as well. Frenzel would like to get a group of 5 (or 10) Beefmaster open heifers donated. Once the heifers are donated they are taken care at no cost to the donor leading up to the sale. It's a great place for Beefmasters to be represented and get exposure. Mackie encouraged the staff to put it in E-News (as a donation to TSCRA) and asked the board to talk it up also.

B.E.E.F.

President Bounds presented the recent B.E.E.F. officer nomination/election results. As the sole member of the foundation, **Bounds asked for a motion from the board to approve the election of Dave Loftin – President and Andy Boudreau – Vice President of B.E.E.F. Dan Gattis made the motion and Dwight Bertrand seconded. The board agreed in full and the motion carried.**

GUESTS

John Genho from Livestock Genetic Services gave the board an update of the registry program and on genetic evaluations. Genho commented that the complexity of the rules has slowed the process of development, but it is a work in progress that will be worth the wait.

Dr. Skow from Texas A & M Vet School, a geneticist, made a power point presentation explaining SNIPS and what they mean. According to a geno-profile, currently Beefmaster is about 50% Hereford, 20% Shorthorn and 30% Brahman. Scientifically what that means is that over time Beefmaster has removed some traits from Shorthorn and Brahman and enhanced some traits coming from Hereford. It has not been determined which traits those are. The traits producers are interested in are complex traits, not single gene traits. Skow announced a new F250 Chip GeneSeek began using three weeks ago. It includes 120 parentage markers, markers for breed of origin, as well as coat color, etc. It will be an important genotyping contribution but right now there are questions that arise if you are not raising Angus or Holstein. How useful it will be for production traits in Beefmasters has not yet been determined.

Mackie thanked the guests for their presentations and entertained a motion to adjourn. **Dwight Bertrand made a motion to adjourn. JC Thompson seconded and the motion carried.**