

**BBU BOARD OF DIRECTORS MEETING
APRIL 24, 2015 (9 A.M.)
FORT WORTH, TX (SWTCR OFFICE)**

President Mackie Bounds called the meeting to order. Billy Welkener opened the meeting in prayer. Dan Gattis called roll with the following board members in attendance.

Mackie Bounds	Davin Vaughn	Sue Pierson
Steve Carpenter	Melvin Scherer, Jr	JC Thompson
Dan A Gattis	Clark Jones	Collin Osbourn
Dwight Bertrand	Tom Hood	Bill Pendergrass
Derek Frenzel	Chris Kauffman	
Billy Welkener	Tony Psencik	

Jerry A. Davis (health issues), Steve Emmons and Bob Siddons were absent.

Dwight Bertrand made a motion to approve the minutes of the March 31, 2015, conference call meeting as presented. Chris Kauffman seconded and the motion carried.

Financial Report – Treasurer, Dwight Bertrand reported that BBU is solvent, in the black and in better shape financially than we have been in a long while. Collin Osbourn, CFO, commented on the projected loss for March, noting that we actually ended with a net profit. Osbourn stated that part of the reason was the timing of the dues notices and responses. He noted BBU would end the year with a profit IF things continue as they have. Increased income and less expenses from what was projected have made the difference. June and July are slower months historically but Osbourn feels the Association will still end the year with a net profit. Collin stated that registration and transfer income is a key factor in the success of our breed and we must continue to encourage participation in these areas. Welkener had a question on the International funds (item 6623). Collin explained the International reimbursements from USLGE and the payments made for expenses will balance out eventually but may be incomplete on one side or the other (reimbursements or expense) as of this financial report. Osbourn would check further into the question and email the explanation to the board. Bounds asked about the Junior Program balance. Osbourn reported on JBBA noting that with Junior Nationals coming up the income would increase but so would the expenses and they should pretty much balance themselves out when it is all recorded. This concluded the financial reports.

Old Business

Mackie Bounds entertained a motion to go into executive session at this time. **Steve Carpenter made a motion to move the meeting into executive session. Sue Pierson seconded and the motion passed.**

President Bounds asked all guests to please leave the room during the executive session.

Open session resumed after approval of a motion by Dwight Bertrand and a second by Sue Pierson.

New Business

Davin Vaughn reported that the Central States Beefmaster Breeders Association currently has forty three members. Their board, including the officers, consists of almost 40 percent of their membership. This makes it difficult to get replacements. The CSBBA Board asked the By-Laws committee about changing their number of board members from twelve to nine and received a letter from By-Laws committee chairman, Bill Carr, concerning the change. The majority of the By-Laws committee members agreed to the change from twelve board members to nine or twelve board members. Vaughn indicated the next step was to ask the board to approve the change as approved by the By-Laws Committee. **Billy Welkener made a motion to approve the change in the Central States BBA number of directors from twelve to nine (or twelve) as requested by the CSBBA President, Davin Vaughn. Steve Carpenter seconded and the motion carried.** Central States BBA will present the proposed CSBBA By-Law change to their membership for approval at their next membership meeting.

President's Report

President Bounds reported that all committee chairs and committees are working diligently to move this breed forward to be competitive in this industry. Bounds indicated that the science of this industry is changing and progressing quickly and we have the board and committees in place to help us keep in step with these changes. Change is not always easy but is often necessary to remain a contender. Bounds stated how proud he is of the committees and the board and staff for stepping up to the tasks presented them. He stated that the board may meet more often than they have in past years but there is also more happening in the industry now than in past years. Bounds noted that Beefmaster Breeders United is set up differently than other associations in our industry and we have some unique challenges. Bounds indicated that together we will work through the challenges to find the best solution for our association and our satellites/members.

Bounds noted that the committees are currently being encouraged to take action. The South 40 has been asked to look into presenting educational webinars each month that breeders can log into. The Long Range Planning Committee will be reviewing current criteria for the annual BBU awards and making recommendations to change or tweak the criteria to insure the awards are given to the most worthy candidate. Nominations for the awards have always come through the satellites. The committee will look at accepting nominations from any individual or satellite. A point system will be established and will be a deciding factor in determining winners.

Bounds shared his plans to have a conference call with former BBU Presidents to update them on what is happening in our association today and ask for their input. Bounds will report back to the board with any guidance he gets in that meeting.

Executive Vice President's Report

Bill Pendergrass stated we hit a milestone when our first samples went to Zoetis for the HD 50K genotyping this week. Once they have the results, they will hold them until we are online with LGS and then the results will then be downloaded directly into that program. GeneSeek is now under contract with us and they own all of the old MMI blood samples, so we are excited about the prospect that presents with data on legacy animals. It isn't clear yet how many legacy animal samples we will end up with through this, but Pendergrass feels like it will be a pretty good number. We are in constant communication with GeneSeek. So we have now genotype samples going both to Zoetis and to GeneSeek. Through USDA we have data on approximately 100 legacy animals. It is undetermined at this

time how many more we will be able to capture until we hear back from GeneSeek on the data they have. We also have genotyping data available on an additional 400 animals that was done by a geneticist who is a GeneSeek employee and a BBU member. Collection of this data seems to be accumulating quickly and our hope is to have genomic enhanced EPDs before the 2016 spring run of the genetic evaluation.

Pendergrass reported on the progeny of several cows bred in the Missouri research project. Ernie Giddons will be keeping the daughters of the Missouri test in his herd and will report data back to us on them to feed into our genetic evaluations. Eleven sires were represented in the project. The steer mates are now in two separate feed yards in Kansas. Bill was able to get DNA samples from these cattle and has ordered the complete carcass data collection for the first set of these cattle.

The University of Arkansas in Monticello has been involved in a long term project that began when using a large semen donation from Bill Carr. The testing station is 100% devoted to research on the cow herd with nothing but Brahman influenced genetics and they have been exclusively using registered Beefmaster sires in an AI program every year since 1999. Once we are online with LGS and this data is put into our pedigree base, Pendergrass expects it will give us good maternal index information.

Pendergrass announced that on May 1st we will begin to sell ads for our new commercial publication, *The Beefmaster Pay Weight*. The publication will be in tabloid form and we will use our commercial mailing list for distribution of *The Beefmaster Pay Weight*. The editorial content will be heavily slanted to Beefmasters in the commercial situation. It will be an annual publication as of right now but that could change to bi-annual in the future. It was suggested that county agents receive the tabloid, too.

B.E.E.F. Endowment Update

President of B.E.E.F., Davin Vaughn, introduced Ed Brandt and Kristin Zelman of E. W. Brandt and Associates, LLC. Brandt and Zelman updated the board on an analysis study concerning the development of an endowment fund. Interviews with BBU members were conducted over the past year and information collected in these interviews were analyzed, published (111 page report) and sent to each BBU and B.E.E.F. board member for review. The feasibility study determined what is possible and practical for BBU and B.E.E.F. Brandt explained that interviews were personal and confidential and represented a cross section of the membership. Over fifty interviews were conducted and analyzed by four senior staff members from E. W. Brandt and Associates. Zelman noted that when E. W. Brandt and Associates take a client on, they are careful to be sure there is credibility, that the stakeholders believe that the organization is viable and that they have confidence in the leadership. The printed report is an excellent roadmap to consider in moving forward and is founded on nine solid principals based on the interviews: Volunteer Leadership, Fundraising Goal, Determining the Case, Prospects, Volunteer Support, Implementation, Credibility, Governance and Administration and Recognition. E. W. Brandt and Associates suggested the Foundation seek endowment pledges payable over a five year period for the following initiatives: Beefmaster Cross Breeding Progeny Testing & Research, Development of Genomics & Enhanced EPD Development and Information Initiative Dissemination on the Benefits of the Beefmaster Breed. Beefmaster Cooperative Bull Development Program and Beefmaster Performance Data-Base Education Program were recommended as possible fourth and fifth initiatives to be discussed and considered. Brandt and Associates also recommended that outside fundraising management be provided for a minimum of eighteen months. After discussing several options for fundraising management, Brandt and Associates noted that though they don't charge on a percentage of funds raised (as other companies do), based on a \$5 million campaign their fees would equal about 4.3% and

could be paid out over an eighteen month period. Brandt highly encouraged B.E.E.F. to continue with the plan drawn up for the Endowment effort, whether they hire them as managers or some other company.

After the Brandt presentation, a motion was made to adjourn the meeting. There were several seconds and the meeting adjourned.