# BBU BOARD OF DIRECTORS MEETING - SUMMER MEETINGS

# TEXAS A&M HOTEL AND CONFERENCE CENTER

# July 10, 2026, 8:00 AM – 1:00 PM CST

- **Roll Call:** President Trey Scherer called the meeting to order. Clark Jones called roll with the following members in attendance:
  President - Trey Scherer
  Vice President - Mike Moss
  Secretary - Clark Jones
  Treasurer - Ray Walther
  Ex-Officio - Derek Thompson
  Board Members **-** Clay Howell, Randy Mason, John Evangelo, Ruben Gutierrez, Lauren Lyssy, Charlie Bradbury, Rick Stonecipher, Leon Anderson, Bill Wilson, Judy Long, and Jared Stricklin
  Chris Chick joined via Teams Zoom Call.
- **Quorum Established**

- **Approval of Previous Meeting Minutes:** President Trey Scherer facilitated the approval of the previous meeting's minutes.
  - **Motion to** Approve Minutes**: Ray Walther moved to approve, and Clark Jones seconded the motion.**
  - **Vote on** Minutes Approval**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval of the previous meeting's minutes.**
- **Transition to Executive Session:** President Scherer announced the need to move into executive session due to time constraints.
  - **Motion to** Executive Session**: Ray Walther moved to go into Executive Session and was seconded by Clay Howell.**
  - **Vote to** Move to Executive Session**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval to move to Executive Session and specified that Dr. Lance Bauer and Amber See remain present.**
  - **Motion to** End Executive Session**: Derek Thompson moved to go into Executive Session and was seconded by Mike Moss.**
  - **Vote to** Move to End Executive Session**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval to move to End Executive Session.**

- **Financial Status and Treasurer's Report Approval:** Treasurer Ray Walther led the discussion on the organization's strong financial position, highlighting contributions from investments and fee increases.

- **Motion to** Accept 2025 Audit Report**: Ray Walther moved to accept, and Clark Jones seconded the motion.**
    - **Vote to** Accept 2025 Audit Report**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the acceptance of the 2025 Audit Report.**
    - **Impact of CPI and Fee Increases:** Ray Walther detailed that the Consumer Price Index (CPI) has risen 6.7% since the last fee change.
    - **Motion to** Approve the Treasurers Report**: Ray Walther moved to approve, and Bill Wilson seconded the motion.**
    - **Vote to** Accept Treasurers Report**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the acceptance of the Treasurers Report.**
- **Old Business**
    - No Old Business to report.
- **New Business**
    - Kelsy Crenshaw resigned as the Financial Manager of BBU and Kim Smith was hired to replace her.
- **Committee Reports**
- **Long-Range Planning:** The long-range planning committee, with input from Dr. Lance Bauer, reported on ongoing efforts to reorganize the 501(c)(5) entity structure, including the potential creation of subsidiaries for intellectual property and investments, with the goal of reducing liability and enabling co-investment opportunities.
    - **Discovery Phase and Legal Consultation:** The committee is in the discovery phase, working with staff and legal experts to explore reorganizing the longstanding 501(c)(5) structure, aiming to add subsidiaries for intellectual property and investments without replacing the main entity.
    - **Liability Protection and Asset Segregation:** The proposed structure would separate assets into distinct entities, such as an IP holding company and an investment company, to protect both the organization and its intellectual property from potential liabilities.
    - **Co-Investment Platform Development:** A subsidiary under the investment company would facilitate co-investment with private parties, allowing for joint ventures that promote Beefmasters cattle and support data sharing with the foundation.
    - **No Actions or Motions were presented by the Long-Range Committee**
- **Convention Planning and Site Selection:** The convention committee, led by John Evangelo, presented the board with South Padre Island's Courtyard Marriott as the site for the 2027 convention, with discussions on room rates, timing, and future site considerations.
    - **Site Selection Process:** The committee evaluated multiple locations and chose South Padre Island's Courtyard Marriott for its affordability and suitability, with room rates significantly lower than other options.

    - **Date and Rate Considerations:** The convention will be held on the last weekend of October 2027, with the committee noting the potential need to adjust dates in future years to avoid holiday rate increases.
    - **2028 Convention Venue Exploration:** Collect and evaluate additional venue suggestions for the 2028 convention, including consideration of new or lesser-known locations. (Convention Committee)
    - **Motion to** Approve 2027 Convention Site**: Jon Evangelo moved to approve, and Ruben Gutierrez seconded the motion.**
    - **Vote to** Accept the 2027 Convention Site**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the acceptance of the South Padre for the 2027 Convention.**
- **Advertising and Public Relations Strategy and Budget Increase:** Alyssa Lyssy and Hannah Nixon presented the Advertising and PR committee's achievements, including increased revenue from in-house marketing, the launch of new digital and print initiatives, and successfully requested a $100,000 increase in the marketing budget to support hiring a communications coordinator and expanding marketing efforts.
    - **In-House Marketing Success:** Since bringing marketing in-house and hiring Hannah Nixon, the organization has seen a revenue increase of over $50,000, improved consistency in branding, and better retention of digital audiences.
    - **Media Kit and Service Menu:** The committee rebranded the media kit as 'breeder advertising opportunities,' providing a clear menu of services for members, including e-blasts, website sponsorships, and bundled advertising packages.
    - **Digital and Print Initiatives:** The Pay Weight publication is being relaunched as a primarily digital, full-color product, with targeted print runs for trade shows and events, and new video ads are running on streaming platforms and social media.
    - **Budget Increase and Staffing:** The board approved a $100,000 increase in the marketing budget, with half allocated for hiring a communications coordinator to support Hannah Nixon and the remainder for expanding marketing activities, including content creation and outreach.
    - **Committee and Board Oversight:** The committee discussed the process for ad approval, with some members advocating for board review of major print ads, while others emphasized efficiency and reliance on staff expertise, ultimately agreeing to provide regular performance reports to the board.
    - **Motion to** Add a $100,000 increase in the marketing budget to support hiring a communications coordinator and expanding marketing efforts. **Ray Walther moved to approve, and Mike Moss seconded the motion.**
    - **Vote** to Accept the addition of $100,000 to the marketing budget**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the acceptance of the $100,000 budget increase to the marketing budget.**

- **Seed Stock Marketing and Satellite Governance Improvements:** Dr. Lance Bauer reported on the seed stock marketing committee's recommendations, which the board approved, to create template bylaws and a 501(c)(5) application review process for satellites, aiming to improve liability protection and organizational consistency.
    - **Template Bylaws for Satellites:** The board approved the creation of template bylaws for all satellite organizations, to be developed with legal counsel and tailored to protect both the main organization and the satellites from liability.
    - **Motion to** Create a Template of By-laws for satellites. **Clark Jones moved to approve, and Ruben Gutierrez seconded the motion.**
    - **Vote to** Create a Template of By-laws for satellites**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval to create satellite by-laws template.**
    - **501(c)(5) Application Review:** A new process was established requiring satellites seeking 501(c)(5) status to undergo review by the finance and audit committee before IRS submission.
    - **Motion to** Create a 501(c)(5) Template for satellites**. Clark Jones moved to approve, and Clay Howell seconded the motion.**
    - **Vote to** Create a 501(c)(5) Template for satellites**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval to create a satellite 501(c) template.**
    - **Annual Reporting and Compliance:** The committee discussed the importance of satellites submitting annual tax returns and financial reports to ensure compliance and maintain good standing, with the office providing a checklist for required documents.
- **Commercial Marketing Grant Request:** The commercial marketing committee received board approval to request a $50,000 grant from B.E.E.F for producing educational videos showcasing Beefmasters genetics in commercial crossbreeding.
    - **Motion to** Approve $50,000 grant request**. Ray Walther moved to approve, and Ruben Gutierrez seconded the motion.**
    - **Vote to** Approve $50,000 grant request**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval of $50,000 grant request.**
- **Membership Recognition and System Upgrade:** The membership committee proposed new recognition awards for long-term members and provided an update on the rollout of a new member interface, with board access beginning September 1.
    - **No Actions or Motions were presented by the Membership Committee**
- **International Expansion:** The international committee is working with breeders in the Philippines, Austria, Australia, Colombia, and Nicaragua to register cattle and explore new markets, with ongoing collaboration with USDA.
    - **No Actions or Motions were presented by the International Committee.**

- **By-laws Committee Actions and Nominating Committee Clarification:** The By-Laws committee, chaired by Mackie Bounds, presented and received board approval for changes to terminology and third-party references, and was tasked with clarifying nominating committee procedures after confusion over proxy voting and nominating committee structure.
    - **By-law Amendments:** The board approved replacing references to 'certified public accounting firm' with 'third party' and changing 'branch' to 'regional organizations' in the bylaws to enhance clarity and liability protection.
    - **Satellite Review and Insurance Requirements:** The committee will develop language for regular satellite reviews and require additional insurance and indemnity agreements to further protect the organization.
    - **Motion to** Change Branch to Regional Organization in Section 7, Paragraph 2 and to change CPA to Third Party Entity in Section 1, Paragraph 12 of the By-Laws. **Mike Moss moved to approve, and Ray Walther seconded the motion.**
    - **Vote to** Accept language change in the presented Sections/Paragraphs of the By-Laws**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval of language change request.**
- **B.E.E.F Growth, Grant Requests, and Scholarship Management:** The foundation reported a corpus exceeding $1.5 million, discussed ongoing and new grant requests—including for marketing videos and staff positions—and received approval to manage the Brian Murphy Scholarship Fund, ensuring continued scholarship awards.
    - **Corpus and Pledge Growth:** The foundation's corpus has grown to over $1.5 million, with a goal to increase pledges to $2.5–3 million, and over $300,000 currently available for grants.
    - **Grant Requests and Review Process:** Recent grant requests include $50,000 for commercial marketing videos and $120,000 for a commercial/seed stock director position, both of which will be reviewed by the grant committee before board action.
    - **Partners for Progress Program:** The foundation encouraged satellites and breeders to participate in the Partners for Progress program, contributing $10 per head sold to the corpus, and discussed the possibility of linking grant eligibility to participation.
    - **Scholarship Fund Management:** The board approved transferring the Brian Murphy Scholarship Fund to the foundation's management, ensuring annual scholarship awards and consolidating financial oversight.
    - **Motion to** Transfer the Brian Murphy Scholarship to the B.E.E.F. Committee for management. **Ray Walther moved to approve, and Clark Jones seconded the motion.**
    - **Vote to** Accept Moving the Brian Murphy Scholarship to B.E.E.F.**: President Scherer conducted a voice vote, with all present voting 'aye' and no**

**opposition, resulting in the approval of moving the Brian Murphy Scholarship to the B.E.E.F. Committee for management.**

- **Breed Improvement: Upgrade Program and Genetic Testing Policy:** Chairman Clark Jones and Lance presented and received board approval for a new policy requiring DNA and genetic defect testing for cattle entering the upgrade program, replacing physical inspections and aligning with the advancer program's standards.
  - **Genetic Testing Requirements:** All cattle entering the upgrade program must undergo DNA testing for breed-specific genetic defects, with the scope of testing determined by the animal's breed background.
  - **Replacement of Physical Inspections:** The new policy eliminates the need for physical inspections, which had become impractical, and ensures genetic integrity through laboratory testing.
  - **Alignment with Advancer Program:** The policy brings the upgrade program in line with the advancer program, ensuring consistent standards for genetic health across all entry pathways.
  - **Motion to** Approve new policy requiring DNA and genetic defect testing for cattle entering the upgrade program**. Mike Moss moved to approve, and Bill Wilson seconded the motion.**
  - **Vote to** Approve new policy requiring DNA and genetic defect testing for cattle entering the upgrade program**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval of new requirements for the upgrade program**
- **Nominating Committee Process Issues:** Confusion arose regarding proxy voting and committee membership, leading the board to refer the issue back to the by-laws committee for clarification and to reconvene the nominating committee with proper procedures.
  - **Motion to** Push the review of the By-Laws regarding proxies and term length**. Ruben Gutierrez moved to approve, and Leon Anderson seconded the motion.**
  - **Vote to** Push the review of the By-Laws regarding proxies and term length**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval of pushing the review of the By-Laws regarding proxies and term length**
- **Finance:** Treasurer Ray Walther led the discussion on the organization's strong financial position, highlighting contributions from investments and fee increases.
  - Consumer Price Index (CPI) has risen 6.7% since the last fee change, and the year-to-date yield is keeping pace, he also suggested a membership reinstatement adjustment fee of $200 annually.
  - **No Actions or Motions were presented by the Finance Committee.**
- **Other New Business:**

- **Whole Herd Reporting (WHR) and Registry System Overhaul:** Dr. Lance Bauer and the breed improvement committee presented a comprehensive proposal to transition to a two-tier registry system, with whole herd reporting (WHR) and the traditional registration method.
    - **Two-Tier Registry Proposal:** The proposal introduces a WHR 2 tier system. Tier 1 – WHR assesses $25 for active breeding females which includes a free registration for her calf that year. A free transfer is included on her calf up to 30 months of age. Tier 2 – Traditional registry method.
    - **Motion** to Approve Two-Tier WHR Registry Proposal**. Clark Jones moved to approve, and Jared Stricklin seconded the motion.**
    - **Vote to** Approve Two-Tier WHR Registry Proposal**: President Scherer conducted a show of hands vote, with Mike Moss, Clark Jones, Ray Walther, Derek Thompson, Clay Howell, Randy Mason, John Evangelo, Ruben Gutierrez, Lauren Lyssy, Charlie Bradbury, Rick Stonecipher, Leon Anderson, Jared Stricklin and Chris Chick present voting 'aye' and Bill Wilson and Judy Long, in opposition, resulting in the approval of Two-Tier WHR Registry.**
- **WHR three-year fee lock:** The board had extensive discussion to lock the WHR fee at $25, and a motion was made to proceed.
    - **Motion** to lock the $25 WHR fee for three years**. Mike Moss moved to approve, and Ray Walther seconded the motion.**
    - **Vote to** lock the $25 WHR fee for three years**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval of locking the $25 WHR fee for three years.**
- **EVP Report**
    - Dr. Lance Bauer is proud of and encouraged by the growth and outlook of Beefmaster Breeders United and the Beefmaster breed.
    - **Motion** to Adjourn**. Clay Howell moved to approve, and Ruben Gutierrez seconded the motion.**
    - **Vote to** Adjourn**: President Scherer conducted a voice vote, with all present voting 'aye' and no opposition, resulting in the approval of adjournment.**

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