

## Minutes

### IBBA Board of Directors Meeting via Conference Call

8-14-19

President Eddy Roberts called the meeting to order at 7:05 p.m., CDT.

Secretary/Treasurer Mike Weathers called roll. The following members were present:

Eddy Roberts, Mike Weathers, Bill Davis, Troy Floyd, Shiloh Hall, Danny Farris, Allen Goode, Doyle Miller, Lee Alford, Darrel Law, Greg Romans.

Mr. Weathers declared the presence of a quorum.

IBBA Staff present: Darrell Wilkes, Justine Voss

President Roberts called for additions to the agenda. None were offered.

The minutes of the June 12, 2019 meeting were reviewed. A motion was made by Lee Alford, seconded by Greg Romans, to approve the minutes of the June 12, 2019 meeting. The motion passed by voice vote without dissent.

Secretary/Treasurer Mike Weathers reported on the results of the Finance Committee meeting, which was held by conference call on July 23, 2019. Mr. Weathers reported that, based on the actual results through June, coupled with projections through the end of the year, the association should expect an operating deficit of approximately \$150,000 to \$200,000 for calendar year 2019 vs the budget of break-even. This is a consolidated estimate, taking into account Brangus Publications, Inc. and Genetic Performance Solutions, LLC which are wholly owned subsidiaries. Mr. Weathers reported that expenses are running in line with projections, with the exception of additional costs in GPS which are higher than budgeted because of added costs of working on regstr. Through June, IBBA has a large revenue deficit due to the non-billing for THR.

Mr. Weathers opined that the THR projections are very conservative and that IBBA has a good chance of beating the projections and, thus, ending the year with a deficit between \$100,000 and \$125,000 depending on THR collections.

Mr. Weathers expressed concern about the accounting for BPI, and suggested we need to produce basic business metrics for each of the two magazines. There is a need to improve collections process. It does not make sense that IBBA can freeze a person's account if they owe IBBA \$50 but somebody can owe \$3,000 for advertising in BPI and IBBA doesn't lock their account. Mr. Weathers reported that he intends to meet with staff to review a list of things to be done better with BPI.

Mr. Farris suggested that IBBA should lock accounts of those who are behind in their payments to BPI just as if they were behind with IBBA.

Discussion ensued on the status of IBBA's reserve. D. Wilkes stated that the invested reserve of approximately \$672,000, which is invested in money market accounts and CDs, has not been touched. Operating cash remaining in the operating checking account is sufficient to last another 2 months, at which time THR revenues should allow for a build up of reserves again. Mr. Weather stated his belief that there is a specific number, which he believes is about \$600,000, which is considered the minimum level of reserve that IBBA can have without violating a Board policy that was adopted sometime in the not-too-distant past. D. Wilkes reported that he has reviewed historical Board minutes and has not found the specific motion, but will continue looking for it.

Bill Davis moved, Allen Goode seconded, to approve the report of the Finance Committee. Motion carried without dissention.

D. Wilkes presented a summary of parentage over-ride cases which were scored on the Parentage Over-ride Scorecard. Fifteen (15) cases were summarized, all of which exceeded the minimum score of zero which is the lowest score possible for a case to receive staff recommendation for approval.

In response to a question from Mr. Farris, D. Wilkes reported that no cases were brought to staff in this round that failed to achieve the minimum acceptable score.

Mr. Weathers moved, Mr. Goode seconded, to approve the staff recommendations on the parentage over-ride cases. Motion passed without dissention.

Discussion ensued on the draft of the IBBA Long Term Plan. D. Wilkes commented that the most recent meeting of the Long Term Planning committee at the Pennridge ranch was extremely productive. He commented on the exceptional hospitality of the Deleeuw family, which provided meeting rooms and sleeping rooms for the entire committee. Wilkes stated that every member of the committee was actively involved in the discussions and that Chairman Tracy Holbert did an outstanding job of keeping things moving and stimulating open and candid discussion.

Mr. Davis commented that the draft of the plan is just the start. The committee is looking for help in the form of new ideas either on major issues or on implementation. Mr. Goode echoed the sentiments, stating that the plan has good ideas, but surely does not contain every good idea that could help the Brangus breed.

Discussion ensued on the roll-out of the draft so that members could begin digesting it and offering edits and critique. There was agreement that the written draft should be distributed at the planned regional conferences, and that the written draft should be posted on the IBBA website and possibly included in an e-blast to members to draw more attention to it. It should be made clear that this draft is not carved in stone, and that the final plan will not be completed without significant member involvement.

Mr. Weathers moved and Mr. Davis seconded to release the plan to the membership making it clear in the release that this is only a draft and that the Board has not approved or rejected the specific content

of the draft, but is only approving release of the draft to the membership to solicit comments and input. The motion passed without dissention.

D. Wilkes reviewed the schedule for the regional meetings. The planned meeting in Biloxi, MS for October 11-12 must be changed or postponed because of a lack of available meeting space and hotel rooms on the dates planned for the meeting. One option is to move the date back one week and hold it near Columbus, MS ahead of the Town Creek sale on Oct 19<sup>th</sup>. Discussion ensued, resulting in consensus to have staff contact Milton Sunbeck to see if Town Creek would object to a conference in their back yard immediately ahead of their sale on the 19<sup>th</sup>.

D. Wilkes asked for commitments from Board members regarding attendance at the meetings, resulting the following:

August 16-17, Grantville, GA. Messrs. Roberts, Davis, Law, Miller and Heptinstall will attend.

September 13-14, Branson, MO. Messrs. Suhn, Hall and Davis will attend.

September 27-28, Lubbock, TX. Messrs. Weathers, Floyd, Farris, Alford and Goode will attend.

October 24-25, College Station, TX. Messrs. Weathers, Alford and Farris will attend.

Mr. Weathers stated that the Texas Brangus Breeders Association would e-blast the information to its members. Mr. Davis stated that GeneTrust would also do an e-blast to its contact list.

D. Wilkes mentioned that Neogen had been tentatively invited to participate in the conferences, which would entail a presentation by them but would also include a contribution to help defray the cost of the evening dinners. Wilkes asked if there was any objection to securing this sponsorship. None were voiced. Neogen will be invited to participate.

D. Wilkes proceeded to give the EVP report, beginning with the status of THR. Staff intends to send THR invoices following the close of business on Friday, August 23. Numerous members have completed and sent back their paper copy of the Preliminary Herd Inventory. Staff has updated the herd records on a daily basis in response to the mail-in forms. What is unknown is how many members have completed their disposal coding and other updates to their Preliminary Herd Inventories on line. The system that would normally track such activity, known as the Work Order Process, is not functional in registr and, therefore, it is impossible to know how much of the inventory update work has truly been completed.

D. Wilkes stated that there are essentially two options on THR invoicing. The first is to send invoices with an updated list and allow members one more opportunity to update their records and, very likely, change the bottom line of their invoice. The second is to invoice members as they complete their THR updates. The second option is not really an option since there is no way of knowing which members have completed their work on line. Wilkes stated that IBBA needs to be reasonably lenient during this awkward time where the system is not working at full potential thereby making it difficult for members to complete the work accurately and on time.

Wilkes stated that there was significant variation in the accuracy of the Preliminary Herd Inventories. Some were 99% correct; some were missing 20-30% of the cows and some members reported receiving a list including cows that were disposed several years ago. Staff anticipates that this will be a very

manual and grueling process of getting all THR work completed, and it will likely stretch into January before it is done. Regstr is not yet integrated with QuickBooks OnLine, which means that invoicing for THR will be a manual process.

Mr. Weathers asked how many animals were on the Preliminary Herd Inventory lists. Wilkes reported that, including calves and other animals which are not assessment age, there were slightly over 90,000 animals on the list. THR enrollment on less than 50% of this number is expected.

Wilkes continued with an update on regstr. Andrew Sicotti replaced Emilio Silvas as Product Manager, with Dan Ross serving as the junior software developer. Weekly meetings involving all staff are held to set programming priorities and review progress on regstr. A key priority currently is to automate the DNA information management process. It is currently a highly manual process which places extreme pressure on staff, particularly Macee Prause. Much of the DNA information did not successfully migrate from Portal to regstr, which makes it even more difficult to deal with. Macee has to go back and forth on an individual animal basis between regstr and Portal to fulfill information requests from members. Dan Ross is currently spending full time on the DNA project.

Another very high priority currently is to develop information retrieval queries that allow members to pull information from regstr into a spreadsheet so that they can utilize the information needed for sale catalogs.

D. Wilkes reported that Lori Edwards has been hired as Member Service and Marketing Coordinator. She will be cross-trained in all major areas, but her immediate assignment will be to help with the regional conferences and stay current with member input on the Long Term Plan. Ms. Edwards has a lifetime of experience with cattle, much of it with Brangus. She is moving from Georgia and will start work August 16.

D. Wilkes reported that he is interviewing candidates for the position of Media and Communications Director. Once this position is filled, staffing will be back to par with previous staffing levels. IBBA is employing two part-time staff persons to catch up with registration certificate printing/mailing as well as transfers.

Mr. Roberts inquired as to whether any follow-up had happened with the Hereford Association regarding the super baldy joint promotion idea. D. Wilkes reported that no discussion between IBBA and the American Hereford Association (AHA) had occurred.

Doyle Miller moved, with second by Shiloh Hall, that IBBA contact AHA to begin discussions of a joint promotion program for super baldy or Brangus baldy females. Motion passed without dissent.

D. Wilkes presented background information concerning the service agreements with the Braunvieh and Longhorn associations. Under the agreements, Genetic Performance Solutions, LC, a Texas Limited Liability Company owned by IBBA (GPS), handles registration and data warehousing services using the Portal system. Technically, the agreement with Texas Longhorn Association of America (TLAA) has expired, having passed the 5-year renewal date. It appears that the Braunvieh agreement also is not

current. The cost to maintain the server that houses the Portal system is nearly \$2,800 per month. It is an old system that the supplier will no longer support. If service is required, it will be extremely expensive and probably very slow. The only thing the server is used for is the Portal system. If we did not have third parties utilizing Portal, we could simply move the software and database to another server with a simple configuration because the only users would be IBBA staff, and even that should be temporary. The income from Longhorn and Braunvieh total about \$4,400 per month to GPS. GPS is temporarily retaining Emilio Silvas to service the Braunvieh and Longhorn accounts because he is the only person with the Portal experience necessary to do it. In conclusion, these accounts are a distraction with an extremely narrow margin that could disappear instantly and turn negative in the event of a server problem. Therefore, it is the recommendation of the EVP that the process for terminating these agreements proceed immediately with a goal of completing termination within 90 days.

Following discussion, a motion was made by Bill Davis and seconded by Mike Weathers to proceed with the 90-day notice with intent to terminate the agreements. Motion passed by voice vote without dissent.

D. Wilkes asked for discussion about an annual meeting. A few options were discussed including; 1) hold meeting in conjunction with the NCBA convention, which also coincides with the San Antonio Stock Show and Rodeo, 2) meet during the Houston Livestock Show and Rodeo, or 3) schedule a stand-alone conference involving IBBA only.

Discussion favored a stand-alone event where committees could begin working out details for executing the Long Term Plan. Several venues were discussed, including Fort Worth, TX and Destin, FL. Wilkes committed that staff would investigate options and report back, noting that a decision should be made no later than the next Board meeting in October.

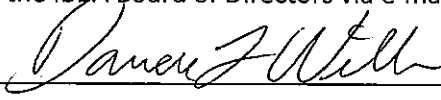
Mr. Weathers questioned whether IBBA is posting the minutes of Board meetings. D. Wilkes answered that the minutes were not being posted, stating that there is no intent to keep them hidden, but that posting them had simply not occurred to him given everything else going on at IBBA.

Mr. Farris moved, seconded by Mike Weathers, that the minutes be expeditiously drafted, sent to the Board for approval via e-mail, and posted for the membership within 10 days of the meeting. The motion passed without dissent.

Doyle Miller made a motion to adjourn, second by Greg Romans. Motion passed without dissent.

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I, Darrell L. Wilkes, Executive Vice President, do hereby certify that these Minutes have been approved by the IBBA Board of Directors via e-mails and phone conversations.

 8/29/19