

Minutes
IBBA Board of Directors Meeting
Crowne Plaza Hotel, Houston, TX
3-5-2020

President Eddy Roberts called the meeting to order at 8:20 a.m. CST.

Secretary/Treasurer Mike Weathers called roll. The following members were present: Eddy Roberts, Mike Weathers, Shiloh Hall, Danny Farris, Allen Goode, Vern Suhn, Lee Alford and Greg Romans. The following members were present via conference call: Chris Heptinstall, Troy Floyd, Darrel Law.

Mr. Weathers declared the presence of a quorum.

IBBA Staff present: Darrell Wilkes

Guests present: Mary Douglass, Rob Singleton, Jeremy Jackson, Mark Cowan, Dr. Robert Vineyard.

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

The minutes of the February 12, 2020 meeting were reviewed. **A motion was made by Shiloh Hall, seconded by Allen Goode, to approve the minutes of the February 12, 2020 meeting. The motion passed by voice vote without dissent.**

D. Wilkes and M. Weathers presented Draft #2 of the 2019 audit, noting that the only difference between Draft #1, which the Board had previously approved, and Draft #2, was a minor adjustment on accounting for the IJBBA queen fund. The net result was an adjustment in Change of Net Assets from (\$96,098) to (\$91,393). **Mike Weathers moved, second by Danny Farris, to accept the 2019 Audit as presented in Draft #2. Motion passed without dissent.**

Secretary/Treasurer Mike Weathers presented the January 2020 financial statements, noting that nothing looks out of the ordinary on the income statement. Mr. Weathers questioned the intercompany receivable from GPS of \$56,412 noting that this was supposed to be cleaned up. D. Wilkes said it will be cleaned up in February. The delay was due to the GPS funds being in a money market account and not readily accessible via the GPS checking account without transferring the funds, which took some paperwork with Frost Bank.

Mr. Weathers expressed concern about the Accounts Receivable on the Balance Sheet, suggesting that this number needs to be smaller and needs to be current. D. Wilkes reported that approximately half of the Receivables are aged, including THR and Membership Receivables. Discussion ensued on the need to lock member accounts for non-payment.

Mike Weathers moved, second by Greg Romans, to send a letter in March to all seriously past due accounts advising that member accounts will be locked the end of April if payment is not received. Motion passed without dissent.

Mr. Weathers drew attention to the inflow and outflow of funds for DNA testing. Mr. Weathers expressed concern that timing of transactions can skew the financial results. **Mike Weather moved, second by Shiloh Hall, to require a detailed review of 2019 DNA income and expense at the next meeting. Motion passed without dissent.**

D. Wilkes presented a cash flow projection, noting a low point in cash position of \$108,000 at the end of April. Cash position is projected to improve slightly in May due to receipt of Brangus Summit registration fees and sponsorships. Summit expenses will occur in June, and NJBS and Futurity income will book in June, with NJBS expenses hitting in July and August after THR revenue begins to flow in. Mr. Weathers expressed concern that cash position (without use of invested reserves) could go negative in June.

President Roberts opened discussion on the Board Electoral District changes. Mr. Goode illustrated the new districts using visual aids provided, noting that the member numbers in the new Districts total 153 for the West; 643 for Texas and 509 for East. Mr. Goode presented the transition process that occurs in 2021 and 2022 before the new District structure is mature.

Danny Farris moved, second by Mike Weathers, to approve the re-districting and the transition plan as presented. Motion passed without dissent.

Shiloh Hall suggested that staff put together a very clear presentation and schedule webinars to explain the new structure and to give members every opportunity to express their views on the plan prior to presenting it in full measure to the membership at the 2020 Summit.

D. Wilkes presented the idea of forming a Global Brangus Genetic Evaluation Database, which would involve recruiting international Brangus organizations to merge their data with IBBA's and compute EPDs on a global basis. Many foreign organizations do not currently make use of genomics because they lack infrastructure to process DNA samples and incorporate the genomic data into their EPDs.

Wilkes reported that exploratory discussions have been conducted with both associations in Mexico, with the South Africa Brangus Association, and with several Ultrablack breeders in Australia who are looking for an alternative to their current evaluation. Wilkes and Goode are planning a trip to meet with both Mexico associations next weekend and will report on the meetings.

Allen Goode presented an update on the International Committee's work. Mr. Goode presented a summary of the FIBRA meeting in December and, in particular, the discussion of a Global Genetic Evaluation Database.

Shiloh Hall moved, second by Vern Suhn, to explore the strategy of a Global Genetic Evaluation Database. Motion passed without dissent.

Mr. Goode updated the Board on the recent Show Committee activities. The Committee accepted the Board's decision regarding the proposed "Foundation Show", which was covered in the last Board meeting. The Committee voted on its structure which includes the following key points: Committee members would serve three-year terms; those who wish to serve on the Show Committee must apply through the standard IBBA committee application process; the Committee will be comprised of 15 members; potentially controversial decisions will require a 2/3rds majority vote by the Committee before being passed to the Board.

Mr. Goode moved, second by Vern Suhn, to accept the suggestions of the Show Committee. The motion passed without dissent.

President Roberts called on Mark Cowan, Chairman of the Breed Improvement Committee. Mr. Cowan presented two items for consideration by the Board:

1. The Breed Improvement Committee (BIC)

Discussion: In the past, some animals with less than 50% Brangus breeding (balance Angus), have been recorded as Ultrablack (or Ultrared), which is in conflict with the by-laws and with specific actions of the Board of Directors which require that Ultrablacks be no less than 50% Brangus. IBBA has offered conflicting information on the registration status of such animals (such as an Angus-sired calf out of an Ultrablack cow).

A motion was made by the Breed Improvement Committee to record Ultras that are less than 50% Brangus, using a prefix of UBP, but to not publish EPDs on such cattle until their blood percentage equals or exceeds 50% Brangus. The BIC recommends that such cattle can be parents of a UB1 if they are mated to a Brangus and, consequently, equal or exceed 50% Brangus.

Chris Heptinstall moved to accept the recommendation from the Breed Improvement Committee to record animals with less than 50% Brangus (balance Angus) with a new prefix (such as UBP) but to not publish EPDs and, further, that such animals can be used as parents to produce UB1's if mated to a Brangus. The motion did not receive a second.

Greg Romans moved, second by Danny Farris, to table the previous motion.

2. The Breed Improvement Committee (BIC) recommends that the breed percentage statement on the registration certificates be removed. The reason is that the stated percentage is not always accurate. As an example, a Brangus resulting from a double top-cross on Ultras earns the R or RR prefix and is 87.5% Brangus or Red Brangus. Currently, because of earning the R or RR prefix, the computer is programmed to state the breed percentage as 100% Brangus which clearly is not accurate for this example. It would be confusing to publish a registration certificate that says "BRANGUS®" at the top of the page, and then states that the animal is 87.5% Brangus. The same confusion exists on an Ultra certificate where the computer is programmed to state that a UB1 is 50% Angus and 50% Brangus when, in fact, those percentages may not be exactly right depending on the pedigree of the Brangus parent.
3. The Breed Improvement Committee recommends implementation of the disposal codes that were previously developed by the BIC and approved by the Board but not programmed yet.

4. The Committee recommends that IBBA comply with a request from Dr. Raluca Mateescu to analyze all of IBBA's 50K-tested animals in an attempt to correlate percent indicus to performance measures in different environments.

Danny Farris moved, second by Allen Goode, that the Board amend and then accept the BIC recommendations as follows: 1) execute an agreement with Dr. Mateescu for the research noted in the BIC report, and 2) to record animals with less than 50% Brangus (balance Angus) using a UBP (or URP) prefix, and EPDs will be computed and published on such animals, registration papers will be produced, and the progeny of such animals can re-enter the herdbook as Ultras if their Brangus percentage equals or exceeds 50%. Motion passed without dissent.

D. Wilkes updated the Board on the status of the IBBF. Currently, the IBBF does not have a President. Other Board members are Allen Goode, Bill Davis, Steve Densmore and Brandon Belt. This is adequate governance to call a meeting, elect officers and proceed to operate as a charitable foundation (501-C3).

D. Wilkes updated the Board on the status of the registr software, noting that the highest current priority is to get the DNA data integrated into the database so that members can easily access the data and place their own DNA test orders on-line.

President Roberts asked for any further business. None was mentioned,

Shiloh Hall made a motion to adjourn, Mike Weathers seconded the motion. Motion passed without dissent.

The Board resumed in Executive Session.

These minutes were approved at a meeting of the Board of Directors on 4-15-20.