

Minutes
IBBA Board of Directors Meeting
Conference Call
12-16-20

President Chris Heptinstall called the meeting to order at 7:07 pm

Secretary/Treasurer Mike Weathers called roll. The following members were present: Chris Heptinstall, Mike Weathers, Shiloh Hall, Mary Douglass, Allen Goode, Vern Suhn, Jeremy Jackson, Rob Singleton, Troy Floyd, Darrel Law and Greg Romans.

Mr. Weathers declared the presence of a quorum.

IBBA Staff present: Darrell Wilkes and Brian Sadovsky.

Mr. Heptinstall called for additions to the agenda. None were offered. **Troy Floyd made a motion to approve the agenda as presented. Greg Romans seconded. Motion passed without dissent.**

The minutes of the October 14, 2020 meeting were reviewed. **A motion was made by Mike Weathers, seconded by Allen Goode, to approve the minutes of the October 14, 2020 meeting. The motion passed by voice vote without dissent.**

Brian Sadovsky presented the November 2020 financial statements. The November financials include a year-end projection. Year to date net income stands at +\$30,211. The year end projected net income is currently estimated at +\$42,563. This includes counting the PPP loan as income in 2020 although it has not been officially forgiven yet.

November financials show DNA at a margin of 1.3% vs. the budgeted target of 11%. We now have a reserve account that is used to adjust for timing of DNA revenue and expense. The 11% margin has been consistent over time. Having the reserve paints a clearer picture of where we truly are with DNA on a monthly basis. Our reserve account for DNA stands at \$34,200 which simply means that if we could have invoiced for DNA before the end of November in the amount of \$34,200 our 11% margin would be realized.

Reserve accounts have also been set up for Show Committee and Awards. The Show Committee does a good job of raising funds to cover awards. On an annual basis, we anticipate Show Committee fundraising to equal the outlay for awards.

B. Sadovsky reviewed the Balance Sheet, noting that cash in the checking account is \$610K. This includes the amount from the PPP loan. It was noted that the PPP forgiveness application has been completed and sent to Frost Bank.

Aged receivables over 120-days stand at \$38,770.

Mr. Weathers questioned whether the earlier upgrade for the 2021 budget in the THR headcount from 38,000-hd to 39,500-hd may have been premature and, therefore, we should adjust the budget back down on THR headcount.

Mr. Weathers suggested that we need a firm policy on writing off past due THR accounts and de-activating cows. More specifically, a firm date needs to be set for these measures. Deactivating cows is the key to this. After the deactivation date, re-activation fees need to be routinely assessed.

Mr. Weathers questioned if cows are being de-activated when accounts are locked. D. Wilkes explained that the new data structure in regstr specifically notes whether THR has been paid on individual cows. Cows that are marked as "unpaid" in the database cannot be used as dams to register calves.

Discussion ensued on whether or not the current \$10 reactivation fee on cows that have been deactivated (plus the make-back THR fee) is sufficient incentive to encourage members to simply pay the THR fee for the legitimate herd rather than letting their herd become inactive and then paying reactivation fees and THR only on the dams of cherry-picked calves that the breeder elects to register.

President Heptinstall suggested that the Finance Committee be challenged to work with staff to set policy on when to deactivate cows on past due accounts and to set firm policy on charging reactivation fees on cows that are brought back in by the member. Mr. Weathers committed to getting the Finance Committee together to develop a recommendation for the Board.

Sadovsky reviewed the BPI financials, noting that net income YTD is +\$11K with some prospect of hitting the year end budget of +\$18K net income.

Mr. Weathers moved to accept the November financial statements as presented. Jeremy Jackson seconded the motion. Motion passed without dissent.

D. Wilkes presented the 2021 budget, noting that the number of mature THR cows will be reduced to 38,000 cows per the earlier discussion.

Jeremy Jackson moved to accept the 2021 budget as presented with the exception of the number of mature THR cows, which will be reduced to 38,000. Mike Weathers seconded the motion. The motion passed without dissent.

D. Wilkes presented parentage override cases. The first case scored -6 on the scorecard, which staff recommends be rejected. Eight animals with positive scores are recommended for approval. Two enrolled Brahman from Australia were also presented but had not been scored on the scorecard.

Troy Floyd moved, seconded by Greg Romans, to accept staff recommendations on the animals that were scored. Specifically, to reject the parentage override on the animal that scored below zero and

to grant parentage override on the animals that scored above zero. The motion passed without dissent.

Allen Goode moved, seconded by Vern Suhn, to table the decision on the Australian Brahman until they are subjected to the scorecard. Motion was approved without dissent.

D. Wilkes provided information from the Survey Monkey regarding member's intentions to attend the event in OKC. Wilkes reported that staff has developed a plan to "zoom" all meetings so that members can join the meetings remotely.

Jeremy Jackson moved to go forward with the OKC meeting. Second by Troy Floyd. Discussion ensued. Shiloh Hall commented on recent rules and regulations in Oklahoma and opined that unless there is major change in the covid situation, it is unlikely that the state of Oklahoma will be locked down. Motion passed without dissent.

Mr. Goode provided a report from the Show Committee. Mr. Goode commented that the Cattlemen's Congress in OKC will be a major industry event. Over 9,300 hd of cattle are entered in the various shows. There are 2,600 exhibitors and 26 sales during the three weeks of the event.

For the Brangus show at Cattlemen's Congress, there are 162-hd entered in the open show, 75-hd in the junior show and 6 entries in the pen show.

Mr. Goode reported that the International Show in Waco is moving forward. The IBBA Show Committee is keen to participate and have tentatively scheduled show dates of March 26-27, 2021.

Greg Romans moved, seconded by Mary Douglass, to designate the International Show in Waco in March as the IBBA National Show. Motion passed without dissent.

Mr. Goode provided an update on the International Committee, noting that the primary activity is to bring the Mexico data into the database at Neogen.

Mr. Goode reported that \$20,000 has been allocated to IBBA's foreign marketing activity from USLGE. International events are being planned, including the beef event in Australia in May and the World Brangus Congress scheduled in October in Argentina.

Mr. Jackson reported on the progress of the ad hoc committee to update the IBBA policy book, indicating that the policies are being clarified and will be completed in the spring.

D. Wilkes reported on the work of the Officer Nominating Committee, which included Brandon Belt, Mike Vorel and Eddy Roberts. The Officer Nominating Committee will be nominating Allen Goode for President, Vern Suhn as First Vice President, Jeremy Jackson as Second Vice President and Mike Weathers as Secretary-Treasurer. The new Board of Directors, which will be seated on January 12, will vote on the officer nomination.

D. Wilkes then discussed the current status of the programming of registr. He discussed near term priorities, broken into Tier 1 and Tier 2 priorities. The current priority is to rebuild the enrollment process which currently is inefficient, ineffective and results in duplicate pedigrees. Until this is done, the genetic condition statuses cannot be accurately propagated.

Backlog DNA files are being rapidly loaded into the database with the help of several college students working remotely. This will result in the parentage verification status being visible in registr.

Another near-term priority is to update and upgrade the transfer and ownership records, including a convenient way to list breeding data on transferred animals. Finally, another top priority is to complete the registration module.

Discussion ensued on the priority-setting process for registr programming.

Jeremy Jackson moved that we establish a Registr Ad Hoc Advisory Committee and ask Brad Wright to chair it. Second my Mike Weathers. Motion passed without objection.

Under New Business, President Heptinstall inquired about Christmas bonuses for staff. D. Wilkes reported that the year end projection included an amount for bonuses to staff.

Jeremy Jackson moved, Mike Weathers seconded, to approve the stated amount for staff bonuses.

Mr. Goode inquired how the awards nominations process was proceeding. Mr. Hall reported that nominations have come in. Discussion ensued as to whether the upcoming awards are being presented for 2019 or 2020 or both. Normally, the 2019 awards would have been presented at the Brangus Summit, which was cancelled due to COVID issues in 2020. Following discussion, consensus emerged that awards would be presented for 2020 and, unfortunately, 2019 will be a blank year.

Mary Douglass moved, second by Allen Goode, to present the awards for 2020 at the OKC meeting and to forego awards for 2019. Motion passed without dissent.

Mr. Suhn asked for an overview of the DNA data management process. Wilkes explained that the files we receive from Neogen and Zoetis contain the raw marker data, and not the final parent validation result. Members wonder why it takes so much time to get results back and may be assuming that the reports from the lab already have the parent verification results. They do not. IBBA staff performs the parent validation on each animal, one at a time. Prior to completing the programming of the DNA module in registr, this was a very complex and inefficient process involving use of both registr and Portal. Currently, this is a straightforward process, though still time-consuming, but can be done with the help of part time college students, which is being done.

Jeremy Jackson moved, Mike Weathers seconded, to move to executive session. Motion passed without objection.