



Budget & Audit Committee Meeting Minutes

Tuesday, May 12, 2020

11:00 AM – 12:00 PM MT

Teleconference 720-403-8195; ID 5341181#

DRAFT

Call to Order

Chair Rob Von Der Lieth called the meeting to order at 11:00 AM MT.

Members Present

Rob Von Der Lieth
Kathy Sautter
Kent Bamford
DJ Edwards
Jim Eschliman

Bill McLaren
C.W. Senn
Terry Quam
Norman Voyles

Guests/Staff Present

Kahl Sesker, USDA/AMS
Wayne Watkinson, Legal Counsel
Greg Hanes, CBB
Sara Arp, CBB

Jeff Sotosky, USDA/AMS
Jeff Lutz, CBB
Chad Smith, CBB
Cyndi Heimerich, CBB

Approve Agenda

Chair Rob Von Der Lieth asked for a motion to approve the agenda. C.W. Senn moved and Jim Eschliman seconded to approve agenda. Motion passed.

Approve Minutes

Chair Rob Von Der Lieth asked for a motion to approve the minutes of February 6, 2020. Kathy Sautter moved and C.W. Senn seconded to approve minutes of February 6, 2020. Motion passed.

Review CBB's Projected Revenues for FY2020

Chair Rob Von Der Lieth requested Jeff Lutz and Chad Smith to review assessment revenue for FY 2020 as of March 31, 2020. They reported that revenues were on track, however, there is only approximately \$88,000 cushion between projected and budgeted revenues. They reported that CBB will closely monitor collections and notify the Committee if revenue projections will not be met.

Determine CBB's Projected Revenues for FY2021

Jeff Lutz and Chad Smith presented the projected revenues for FY 2021. The projected revenue for domestic assessments were calculated using a model based on Cattle-Fax's projected cattle inventory as of January 1, 2021. Cattle-Fax is projecting a decrease of approximately 578,000 in total cattle inventory as compared to USDA's cattle inventory reported as of January 1, 2020. Based on the projected decrease in cattle inventory and applying a historical percentage of collections versus cattle inventory for years in which the herd is contracting, CBB is expecting to collect approximately \$35,500,000 of domestic assessments.

Beef Board Mission Statement

The Cattlemen's Beef Promotion & Research Board is dedicated to improving producer profitability, expanding consumer demand for beef, and strengthening beef's position in the marketplace.



Budget & Audit Committee Meeting Minutes

Tuesday, May 12, 2020

11:00 AM – 12:00 PM MT

Teleconference 720-403-8195; ID 5341181#

Import assessments are projected at \$6,500,000 based on historical collections while also taking a conservative approach due to uncertainties in the import and export markets. Interest income and other income are projected at \$238,000 and \$30,000, respectively. Total projected revenue for FY 2021 is expected to be \$42,268,000. As of March 31, 2020, CBB also has \$327,910 of funds available from prior year excess assessments and unspent funds released from completed authorization requests. After adding these funds to the total projected revenue, CBB has \$42,595,910 available for the FY 2021 budget.

Develop CBB's Budget for FY2021

Jeff Lutz presented CBB's requested budgets for Evaluation (\$254,000), Program Development (444,500), USDA Oversight (\$720,000) and Administration (\$2,113,400).

Mr. Lutz explained the recommended Evaluation budget was increased for FY 2021 as compared to FY 2020 to accommodate the evaluation function is being brought in-house with the hiring of Beka Wall to take over the function which was contracted out to Rockland Dutton (Courtney Kalous). In addition, we are planning to expand the evaluation function by working more closely with the contractors to provide more relevant information to the Evaluation and Operating Committees regarding the effectiveness of the programs.

The recommended FY 2021 Program Development Budget was kept consistent with FY 2020 except for removing the budget amount for the Long-Range Plan which took place in FY 2020.

The recommended USDA budget was decreased by \$80,000 as compared to FY 2020. This budget was decreased to more appropriately reflect the anticipated expenses related to the various budget components such as legal expenses.

Mr. Lutz also explained that the Administration budget was 5% of the projected revenue.

After subtracting the total expense budgets of \$3,531,900 from the total available for the budget of \$42,595,910, the funds available for the Operating Committee to spend for Authorization Requests are \$39,064,010.

Kathy Sautter moved and C.W. Senn seconded approval of the FY 2021 budget of \$42,595,910 to include \$39,064,010 available for Authorization Requests, \$254,000 for Evaluation, \$444,500 for Program Development, \$720,000 for USDA Oversight and \$2,113,400 for Administration. Motion passed.

Other Business

No further business was brought up for discussion.

Adjourn

Kent Bamford moved and Bill McLaren seconded to adjourn at 11:59 AM MT.

Beef Board Mission Statement

The Cattlemen's Beef Promotion & Research Board is dedicated to improving producer profitability, expanding consumer demand for beef, and strengthening beef's position in the marketplace.