



# Executive Committee Meeting Minutes

Tuesday, July 26, 2022

5:00 PM – 6:00 PM PT

Nugget Casino Resort, Reno NV

Sierra 5

**DRAFT**

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## **Call to Order**

Chair Jimmy Taylor called the meeting to order at 5:00 PM on Tuesday, July 26, 2022, and thanked everyone for attending. Mr. Taylor asked Sami Ichrist to do roll call of the committee members.

## **Members Present**

Jimmy Taylor, Chair  
Andy Bishop  
Rich Brown  
Seth Denbow  
Trish Downton  
Dave Hamilton

Steve Hobbs  
Bill Lipscomb  
Bill Slovek  
Steve Springer  
Norman Voyles, Jr.

## **Staff**

Davis Gidney, CBB  
Greg, Hanes, CBB  
Sami Ichrist, CBB

Jeff Lutz, CBB  
Sarah Metzler, CBB  
Tom Novota, CBB  
Chad Smith, CBB  
Beka Wall, CBB

## **Guests**

Wayne Watkinson, Legal Counsel  
Lacey Heddlesten, USDA/AMS  
Kinley Hartman, USDA/AMS  
Monte Bordner, CBB  
Patti Brumbach, WASBC  
Heather Buckmaster, OKBC  
John Ferry, CBB  
Jason Frost, CBB  
Gwen Geis, CBB  
Dan Halstrom, USMEF

Jason Hitch, CBB  
Larry Kendig, CBB  
Dan Kniffen, CBB  
Evan Lesser, CBB  
Bill McLaren, CBB  
Hugh Sanburg, CBB Immediate Past Chair  
Mark Sustaie, CBB  
VeaBea Thomas, CBB  
Michael White, CBB  
Claudia Wright, CBB

## **Quorum**

Chair Jimmy Taylor declared a quorum was present to conduct business and asked CEO, Greg Hanes to welcome guests and staff.

## **Agenda**

Chair Jimmy Taylor asked for a motion to approve the agenda as emailed. Bill Lipscomb moved, and Rich Brown seconded to approve the agenda as emailed. Motion passed.



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## **Approve Minutes of the June 16, 2022, Meeting**

Chair Jimmy Taylor asked if any changes needed to be made to the minutes of the June 16, 2022, meeting. The following changes were made:

- Hugh Sanburg's title was changed from Ex-Officio to Immediate Past Chair
- Andy Bishop's attendance was changed from Absent to Present

Bill Slovek moved, and Steve Springer seconded to approve the minutes with these changes. Motion passed.

## **CEO Report**

CEO Greg Hanes reported the following:

- CBB staff update
- AMS Management Review – Greg asked Jennifer Porter, AMS Deputy Administrator, to report via conference call on AMS's Management Review of CBB. Ms. Porter reported that the report had gone extremely well and was one of the better reviews they have done. She praised CBB staff for being so prepared, open, and cooperative. Lacey Heddlesten was present and also reported on the areas that were reviewed by Bob Pluebell, AMS Compliance, Safety & Security Division and herself, for the period of August 1, 2019, to March 31, 2022. She reported that the results of the review were extremely positive and there were no formal findings.
- Strategic Plan – Greg gave an overview of the strategic plan that would be presented to the Board the next day and that action would be taken to approve the plan.
- Visionary Award – Greg reported that Billy Powell was the recipient of the second annual award.

## **Legal Update**

Legal Counsel, Wayne Watkinson reported the following:

- The Supreme Court denied the petition and the Montana case was closed
- The Washington DC (Administrative Procedures Act) case is ongoing

## **FY 2023 CBB Detail Administration Budget**

Jeff Lutz, CFO presented the FY 2023 Detail Administration Budget to the committee. Jeff reported that the Detail Administration Budget of \$2,094,850 was developed by performing a detail review of historical expenses and projecting needs for fiscal year 2023 to arrive at a budget for each functional category within the Administration Budget. Steve Hobbs moved, and Dave Hamilton seconded to approve the FY 2023 Detail Administration Budget. Motion passed.

## **Financial Report – FY 2022 June Financials**

- Andy Bishop, CBB Secretary-Treasurer, presented the Beef Board's financial statements for the period ending June 2022. Andy reported that the Board's total assessment revenues for the first nine months of FY 2022 were approximately \$33.7 million. Andy also reported on the changes in certain CBB balance sheet items, program expenses, USDA, Supporting Services and Litigation and Administration expenses compared to the same time last year.



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- Jeff Lutz, CFO also reported that CBB has taken advantage US Treasuries and CBB is receiving higher interest rates on its sweep account which will increase interest income going forward. Jeff noted that all investments qualify under the AMS Investment Guidelines.

## **Officer & CEO Travel Update**

Chair Jimmy Taylor reported the following:

- USMEF spring meeting in San Antonio; exports are doing well.

CEO Greg Hanes reported the following:

- The AMS Department of Agriculture meeting in DC – Mr. Hanes, along with other Checkoff programs, received some clarification on the USDA Board diversity policy. He was also able to discuss the nomination process timing with the department. Nothing was resolved, but this was a good first step.
- The USAEDC Export Development Seminar
- Andy Bishop will attend the NIAA Beef Producer Engagement with the CDC
- The LMA trip to Indiana with Norm Voyles, Jimmy Taylor, Sarah Metzler, and Greg. The group toured a veal farm in route to the LMA meeting. The LMA trip was successful in that the team was able to hear producer concerns and clear up some misconceptions about the Checkoff. They were also able to view several veal farms and learn about veal production.
- The Beef Promotion Operating Committee Meeting is scheduled for September 7-8 in Denver.
- He and Norman Voyles will attend the USMEF buyer's event on September 10-17 in Japan.

## **Proposed Updates to FY 2023 checkoff Committee Coordination and Administrative Service Agreements**

Jeff Lutz, CFO reported on the the proposed FY 2023 Checkoff Committee Coordination and Administrative Service Agreements. Seth Denbow moved, and Steve Springer seconded to approve the FY 2023 Agreements. There was discussion on the Checkoff Committee Administrative Service Agreement regarding adding additional State Ex-Officios. Steve Hobbs moved, and Trish Dowton seconded to approve the agreements. Motion passed.

## **Cattlemen's Beef Board Policies & Procedures Manual**

CFO Jeff Lutz gave an overview of the updated CBB Board Policies and Procedures Manual stating that the updates were comprehensive for CBB Members to help them understand their roles and responsibilities. Mr. Lutz also reported that a Board Handbook would be forthcoming. Rich Brown moved, and Seth Denbow seconded to approve the updated CBB Board Policies and Procedures Manual. There was discussion to add language to obtain pre-approval if the mileage reimbursement exceeded \$750. Steve Hobbs moved to amend the main motion and Norman Voyles seconded to approve adding this language to the CBB Board Policies and Procedures Manual. The motion to amend passed. The committee then voted on the amended main motion. Motion passed.

## **Branded Partnerships**

Chair Jimmy Taylor asked if there was any discussion regarding the Branded Partnership requests that were distributed via email and approved by committee members on July 11, 2022. There was none.



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## **Status of QSBC Audit Reports & Marketing Plans**

Tom Novota reported the following:

- All QSBC marketing plans due 2/15/22 and 5/15/22 were received and reviewed and were found to be in compliance with the Act and Order.
- All QSBC annual reports due 4/30/22 were received and reviewed and were found to be in compliance with the Act and Order.
- One council's FY 2021 Audited Financial statements will be discussed in the Executive Session.

## **Feedback from Executive Committee Calls to CBB Members/Mentees**

Each Executive Committee members gave updates on their calls to their CBB Mentees.

## **Other Business**

Chad Smith gave a reapportionment update as follows:

- The determination of the number of Board seats available in each region is based on a 3-year cattle inventory. He reported that Wisconsin had less than 1% margin of error to maintain a 4<sup>th</sup> Board seat and the CBB staff recommends to the Board that they be allowed to maintain their 4<sup>th</sup> seat. Steve Hobbs moved, and Bill Slovek seconded to accept the staff's recommendation to allow WI to keep their 4<sup>th</sup> Board seat. Motion passes.

CEO Greg Hanes and CFO Jeff Lutz gave the following update on the FY 2022 budget:

- The current drought-induced herd liquidation is expected to create extreme high and lows in Checkoff collections over the next several years. CBB is developing a strategy to avoid these wide fluctuations in the program budget over that time period which may entail holding some funds in reserve to distribute when collections are down.

## **Next Executive Committee Meeting**

Norman Voyles, Jr. moved, and Dave Hamilton seconded to go into Executive Session at 7:06 PM PT.

## **Executive Session**

Steve Hobbs moved, and Steve Springer seconded to come out of Executive Session at 7:30 PM PT.

## **Adjourn**

Dave Hamilton moved, and Norman Voyles seconded to adjourn the meeting at 7:30 PM PT.