

Braunvieh Association of America
Board of Directors Meeting
Via Conference Call
February 10, 2010 – 7:30pm CST
CORECTED MINUTES AS APPROVED 3/16/10

In attendance:

Board Members

Mark Fullenwider	Robert Williams
Art Brownlee	Russell Freeman
Ray Snider	Ron McBee
Roseanne Segarra	Joe Mask
Randy Breshears	Steve Whitmire
Bob Zinnikas	Tommy Clark

Others:

Kendall Schlake	Lance Warn
Ed Cahoj	Tim Kohlleppel
Bob Brink	

President Roseanne Segarra called the February 10, 2010 meeting of the Braunvieh Association of America Board of Directors to order via teleconference at 7:30pm (CST). Tommy Clark as secretary will tape the meeting for accuracy and convience. Clark sent out the minutes for the previous three Board Meetings and Russell Freeman moved to approve as issued, Seconded by Steve Whitmire. Ron McBee had one change, on January 14th minutes change the word from “couldn’t manage bull sales” to “shouldn’t manage bull sales”. Minutes approved with change.

Treasurers Report, Mark Fullenwider, 82 pages long due to check and deposit details added, and it appears in order. Membership fees have been billed and assessments will billed in March. Payroll activity is direct deposit and does not appear in the check and deposit details. Ray Snider moved to approve the Treasurer’s report as read, seconded by Russell Freeman, motion carries.

Roseanne Segarra moves to the main item of business, proposal from executive committee. Russell Freeman requests the whatever the outcome of this proposal that all board members stand behind the decision and present a united front and move forward for the benefit of the breed and association.

President Segarra, as chairman of the executive committee, will present the proposal but first stated that she wanted to give everyone a chance to speak and ask everyone to be respectful of each other.

President Segarra said that she had asked Mark Fullenwider, to provide the executive committee, based on our financials for a drop dead date when BAA could not continue to function and for input as to actions that the Board could take to turn around our financial situation.

The Finance committee met and while not all decisions were unanimous they agreed that we need to take action soon, and recommended that the board meeting be moved up a week, hence the meeting today. The executive committee has met and has tried to come up with some brainstorming ideas to increase revenue. One new fundraiser is the premium service option that we are now offering our members. An idea discussed in Denver, not implemented is a full service option for our members.

One area that we can address, is Office Costs, our office costs \$25,000/year. Ron Bolze and the Committee made lots of phone calls, spoke with other breeds and did a financial analysis on two options:

1. GPS
2. ASA-ABRI

The proposal is not finalized as there are many details to work out and time has been short.

The Executive Committee's recommendation is to;

1. In preparation we provided each vendor all the functions that the Lincoln office performs, both vendors would be able to handle all the items with the exclusion of Junior activities and some show management functions. We don't want these programs to fall by the wayside and they would have to be handled by a committee.
2. Close the Lincoln office and move our operations to GPS, which is owned by Red Angus and Brangus. This move would not change our registry system at all as we are already utilizing GPS and would allow us to have both our office and GPS under one roof.
 - A. GPS would have more than one person working for BAA and we feel that this would be a great move from an office "person" to an office "staff" at a considerable cost savings.
 - B. A positive for going with the GPS proposal is the relationship with Joe Massey, VP of Brangus for 6 years. When he came on board, Brangus was struggling financially, in 6 years time he has taken Brangus from dead in the water and completely turned their finances around.
 - C. A plus moving to GPS is that we would have Joe's expertise, his staff and his controller at our disposal at no additional cost. Joe and his staff feel, looking at our budget, that they have room to make additional savings on that budget.

The plan isn't complete at this point, no one is happy about losing a 14 year member of our team.

The Braunvieh Association is a business and when we crunch the numbers there really is no option but to make a change of this magnitude.

The finance committee offered two options:

1. Eliminate the Executive Vice President or;
 - A. If we eliminate the Executive position, we can save the money and hire someone back in a couple of years, but we will be starting over with a new staff and waste valuable time bringing someone up to speed on where we are, where we've been and where we want to go with the breed. By eliminating the VP we would see a reduction in our payroll expense but we would become an organization without a leader.
 - B. If our office person filled Ron's job, we don't know if they would be willing to do an executive job on an office salary, or if we had a volunteer, it may impact the professionalism of the organization and may convince members that they are not getting what they paid into the organization.
2. Close the Lincoln office.
 - A. By closing the Lincoln office with no other provision, we put an extreme load of work on Ron that keeps him from doing the job we hired him to do, in essence he would be one of the highest paid secretaries in Lincoln. If our office person filled Ron's job, we don't know if they are willing to do an executive job on an office salary, or if we had a volunteer, may impact the professionalism of the breed and may convince members that they are not getting what they paid into the organization.

This is why the committee feels that contracting out the office functions is the best decision, it is a compromise, yes, we will be making some tough changes, but we will not be losing a lot of services, we will not have to lose our office staff or vice president, but we will save a considerable amount of money and will gain efficiency.

In summary, the proposal is to close the Lincoln office, effective immediately and begin to move the processes of moving our office management services to the GPS offices in San Antonio. A vote tonight would allow us to make the changes immediately so we can start saving money and getting the BAA turned around financially.

It is The Presidents understanding that every two weeks the association is losing \$5,000, so time is of the essence.

Russell Freeman moves to pass the proposal as presented, Steve Whitmire, seconded and discussion asked for.

Ron McBee asks: How is \$2k month savings going to make up for the \$10k month we are losing now.

Roseann Segarra – BAA is up 1% on income, unexpectedly. We don't think the 2k month will solve all problems but it buys us more time and we can see where we stand with assessments. If we do nothing at all the drop dead time frame is September/October.

Tommy Clark says we are not taking into account new ways to augment income as well as exploring other areas to save.

Ron McBee Asks how much money do we need from September to April – 8 or 9 months – we're betting saving 25k year will get us through another year – I see no other plan that shows us what our executive is going to do for us in the next 6 months to increase revenue to go along with this proposal.

Joe Mask asks looking at the comparison numbers shouldn't we try to reduce BAA expenses before closing office?

Art Brownlee - We should get Joe Massey on phone, we've put in 100's of hours into proposal and we still have some questions we can't answer.

Ron McBee states that we are already getting services and some line items on proposal such as GPS or generating barn sheets for ultrasound data. There are some things that are not on proposal such as transfer Quick Books, National Braunvieh Bull Test, Genetic Challenge, Braunvieh World, Braunvieh verified, data management.

Multiple efforts to get Joe Massey on phone but unable to reach him.

Ron Bolze joined the call and stated that he has spoken with Massey and GPS will provide all services listed on the Office Managers Job Description, excluding Junior Show and Senior Show Committee activities

Ron Bolze stated that we did not talk about the job description point by point, Joe Massey stated that he would cover every item on the list.

Ron McBee doesn't think we can rely on the \$25k savings and said that he had gone over every line item with Joe Massey on the telephone at 3pm today. Joe Massey said many items on the list were not included in the \$2k/monthly fee.

Ron Bolze off line.

Russ - Motion on Table – Vote?

Roseann Segarra is ready to take the vote on the Executive proposal and Russ motions an amendment.

Russ – Amendment - Made the Motion contingent upon finalizing contract with GPS – before closing office

Steve Whitmire – Seconded

Motion: The proposal is to close the Lincoln office, effective immediately and begin to move the processes of moving our office management services to the GPS offices in San Antonio. Closing is contingent on approval of the GPS contract

Ray Snider: Motion - Board approval to approve the contract – if we don't approve contract – don't move office. Motion failed for lack of second.

Robert Williams Moved to Amend the second amendment to Contract is to be board Approved.

Seconded by Ray Snider

Voting on Amendment: Contingent upon **board approval contract before closing office** TO ORIGINAL MOTION

STEVE W – YES	BOB Z – YES	RAY – YES
RUSS – YES	ART – YES	ROBERT – YES
RANDY – NO	RON McBEE – YES	MARK – YES
JOE M – YES	TC – YES	

MOTION CARRIED 10/1

MAIN MOTION

Motion: The proposal is to close the Lincoln office, effective immediately and begin to move our office management services to the GPS offices in San Antonio contingent upon board approved contract.

VOTE

STEVE W– YES	BOB – NO	RAY-NO
RUSS-YES	ART-YES	RON-NO
RANDY-NO	ROBERT-YES	MARK-NO
JOE-NO	TOMMY – YES	

MOTION FAILS 6/5

Ron McBee - Because of financial predicament loosing between \$7-8k/month, would like to make a motion to eliminate the salary of Executive Vice President position, remove car, computer, credit card, camera and all BAA related expense accounts from his possession effective immediately.

Randy Breshears - Seconded

Russell Freeman Adds: Motion is not to remove Executive VP – it is to remove salary. Need to understand further ramifications of Ron Bolze’s contract. We’re 15 months into contract.

Russell Freeman Moved to Adjourn: Pending long hours of this conversation – Move to Adjourn – Tommy Clark Seconded.

Roll Call

STEVE – YES	BOB – NO	RAY – YES	RUSS – YES
ART – YES	RON – NO	RANDY – NO	ROBERT – YES
MARK – NO	JOE – NO	TOMMY – YES	
MOTION CARRIED	MEETING – ADJOURNED	6YES/5NO	