



# Montana Board of Livestock Meeting Minutes

**(This Meeting was Open to the Public & By ZOOM)**

October 26, 2022

MT Department of Livestock Board Room #319  
301 N. Roberts, Helena, Montana

## Board Members Present

Gene Curry, Chairman (cattle producer)

Alan Redfield (cattle producer)

Ed Waldner (swine producer)

Greg Wichman (sheep producer)

Jake Feddes (cattle producer)

Nina Baucus (cattle producer)

**(Sue Brown was not present. Greg Wichman exited the meeting at 10:16 am and returned at 12:31 pm. Gene Curry exited the meeting at 3:33 pm. Ed Waldner exited the meeting at 4:13 pm)**

## Staff Present

Mike Honeycutt, EO

Brian Simonson, Deputy EO

Evan Waters, Centralized Services

Buddy Hanrahan, Centralized Services

Dale Haylett, Centralized Services

Tom Shultz, Centralized Services

Mike Spatz, Centralized Services

Darcy Alm, Milk & Egg Program

Donna Wilham, Adm. Assistant to EO

Dr. Marty Zaluski, State Veterinarian

Dr. Tahnee Szymanski, Animal Health

Dr. Greg Juda, Director, MVDL

Alicia Love, Meat & Poultry Inspection

Jay Bodner, Brands Enforcement

Ty Thomas, Brands Enforcement

## Public Present

Rachel Cone, MT Farm Bureau Federation

Rachel Prevost, Montana Farmers Union

Preston Wenz, Trout Creek School

Chris Bechtold, MT Bison Association

Krista Lee Evans, Montana Milk Producers Association

Dalin Tidwell, USDA Wildlife Services

Max Grebe, LPW Architecture

Logan O'Neil

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## MEETING CALLED TO ORDER

**(0:25) 8:01 AM**

Chairman Gene Curry called the meeting to order at 8:01 AM

## CALL TO ORDER AND INTRODUCTIONS

**(0:25) 8:01 AM**

Chairman Gene Curry called for BOL member introductions and comments. All BOL members were present in the meeting room, except for Sue Brown:

- Nina Baucus, Cattle Representative, said that they raised cattle and sheep north of Helena
  - Ms. Baucus reported that she was grateful for the wet snow received earlier in the week that was not running off, but soaking in
  - Most of their cattle up in the high country had been brought in, Ms. Baucus said, with the tail end of them pushing two feet of snow trying to get them up and out of their grazing area
- Ed Waldner, Swine Representative from Chester, reported that the rain and then foot of wet snow they received caused a lot of damage, but that the moisture received made up for it
  - Because it had been so dry, Mr. Waldner said they planted only about half of their winter wheat, but that it was up and looked good
  - Mr. Waldner reported that milk prices were good, pork prices were pretty stable, but feed was high, with hay averaging \$220
- Jake Feddes, Cattle Representative from Manhattan, reported good moisture in their area
  - Mr. Feddes said he had not been home much in the last month as they were shipping a lot of calves, which he said were all over the board in weight
  - Mr. Feddes said that their bulls were in the feed lot, heifers were on pasture, cows were on winter pasture and all the other calves were kicked out
  - Cattle prices were really good, but had taken a hit in the last month, Mr. Feddes reported, but added that a recent market report said that cattle prices looked pretty positive for the next several years
  - The market report said that cow slaughter in 2022 was up 13% over 2021, which was already up 9% from 2020
    - Mr. Feddes reported that for 10 of the last 11 weeks, more heifers than steers had been slaughtered across the county, which had never happened. Mr. Feddes said that would mean cattle numbers were going to be significantly short across the nation
  - Nina Baucus expressed her concern that cattle producers might get themselves into the same debacle the sheep industry did, accepting high prices from feeders one year but the next year having low prices on their lambs. Jake Feddes said the cattle industry experienced that in 2014 with spiked prices one year followed by segments of the industry losing money for the next two when prices plummeted
    - Ms. Baucus reported that they had just sold their lambs and had to accept 83 cents/pound below break-even
- Greg Wichman, Sheep Representative from north of Lewistown, reported that they raised sheep and cows
  - In shipping their sheep and calves this year, Mr. Wichman said they both were a little light, but, being short on hay, they had to sell them because they couldn't store them

- Because of a year of hail and drought, Mr. Wichman said that pretty much all of their hay had come in on wheels, costing about \$200 - \$220, which insurance only covered part of that
- The wool market was a little tough and the lamb market real tough, Mr. Wichman said, and producers were dispersing their flocks
- Alan Redfield, Cattle Representative, Paradise Valley, reported that the Paradise Valley had gotten good moisture
  - Mr. Redfield said they had shipped calves before the snowstorm hit, adding that the calves they shipped were light, probably because of the dry year it had been
- Gene Curry, Cattle Representative from Valier, reported that they had some wonderful moisture, the most moisture received at one time in quite a while
  - Mr. Curry reported that they were bringing cattle out of the hills and in bringing out the first four loads from west of Browning, they were 10 calves short. He said another sick calf had to be left off those loads, but when returning to pick him up, he was totally gone. It was going to make it a little bit difficult to make a lot of money on that pasture, Mr. Curry said, without any proof of how any of those cattle died
  - In just one day, Mr. Curry reported his hired help had spotted 8 bears in that area and now the wolves had moved in as well
  - Mr. Curry commented that with cattle prices moving up, guys had not been saving replacements, but, as soon as it would look profitable to not send heifers to the slaughter mix, the heifer numbers on ranches would go up again

## **BOARD ADMINISTRATIVE ITEMS**

**(14:09) 8:15 AM**

### **(14:09) 8:15 AM – BOARD APPROVAL OF BOARD MEETING MINUTES**

Gene Curry entertained a motion to approve the minutes of the Montana Board of Livestock September 7, 2022 Meeting:

- Nina Baucus said that she had not yet been able to contact Donna Wilham to report some grammatical changes in those minutes, but would report those to her so she could make those changes

## **MOTION/VOTE**

**(14:34) 8:16 AM**

**Nina Baucus moved to approve the minutes from the Montana Board of Livestock September 7, 2022 Meeting with grammatical changes made, per Nina Baucus. Alan Redfield seconded. The motion passed.**

Gene Curry called for a short Executive Session

**(15:43) 8:17 AM EXECUTIVE SESSION**

## **(15:50) 8:42 AM RECONVENE**

Gene Curry called the BOL Meeting back to order saying that there was no action to be taken from the Executive Session

## **OLD BUSINESS**

### **(16:01) 8:42 AM**

### **(16:05) 8:42 AM – UPDATE ON GOVERNOR’S OGSM STRATEGIC MANAGEMENT AND EXECUTIVE OFFICER STRATEGIC GOALS**

Mike Honeycutt reported that his latest Ops Review Meeting with the Governor had taken place the day before:

- Mr. Honeycutt said that the financial dashboard for the DOL showed that expenses were less than budget, but that this was a slack revenue time of year before Fall Run got going and per capita fees were collected
- Mr. Honeycutt was able to share with the Governor that the DOL staffing situation was much fuller than it had been throughout the summer
  - One District Investigator position was still open in Shelby, but all Market positions had been filled, especially with Fall Run coming
  - The EIAO position that the new Bureau Chief, Alicia Love held previously, had still not been filled on the Meat side. The Bozeman Meat Inspector position was filled, but, Mr. Honeycutt said that there were still some systemic challenges in the Northwest part of the state with hiring Meat Inspectors
  - After having a huge amount of cattle moving through the Markets last fall, Mr. Honeycutt said that cattle movement through the Markets seemed to be right in line with 2020 and 2021
    - Giving examples of cattle movement so far this year, Mr. Honeycutt reported that in September 2021, 84,000 cattle moved through the Montana markets, and that in September 2022, that number was 36,000
  - Although most items for the current 6-month horizon were in “Green,” there were still some “Yellow” items still in the works or on hold at the DOL
    - The DOL still wanted to recruit some people to look at CIS, as the DOL was on the hook to do that and get a communications plan out on that
    - There was still some cost escalation work to do during the Session for the VDL
    - The DOL was still trying to work with the 12 states that had import restrictions against Montana because of Brucellosis. Mike Honeycutt said that North Dakota dropped theirs this summer and Dr. Zaluski had some good conversations with Missouri regarding those restrictions, and it was hoped that they would be one of the next states to drop their restrictions against Montana

- Mike Honeycutt said that USAHA passed a resolution at their recent meeting saying that there should be no State restrictions against Montana, Idaho and Wyoming because they had proven through their surveillance programs, they could manage Brucellosis effectively
- IT was not going to launch the Brands piece until January. The DOL was working in the background on switching over from Fort Supply to the new system that would be used in Brands to do better, real-time compliance
- Per the Governor's request, Mr. Honeycutt said that the DOL was still tracking Montana livestock slaughter numbers at both State-inspected and custom-exempt facilities
  - The quarterly number just reported to the Governor was about the same as it was in 2019, 2020 and 2021, Mr. Honeycutt said, but the next three months tended to be the biggest quarter of the year for slaughter, with holidays during that time
  - Poultry slaughter continued to take the biggest slice of the pie, Mr. Honeycutt said, while cattle, swine, sheep and lamb slaughter tended to remain about the same
  - Mr. Honeycutt said that he expected to see some retraction in slaughter numbers because there weren't as many animals out there as there were, and that drought pressures had decreased as well
  - Jake Feddes commented that he felt the Governor made good investments in Montana meat processing the last two years, putting the money he had to good use and the numbers on the graph showed that
- Mr. Honeycutt said that he was able to report to the Governor that there were currently only seven vacancies in the DOL, compared to 20 during the summer
- The Governor also requested that the DOL use the same concept that was being used to report the monthly OGSM when they submitted to the Legislature, except that would be a two-year OGSM outlook
- Gene Curry reported that in their area, there had not been as much preg testing going on and he was hearing there were from 10% to 30% open. He said it had been brutal for grass and water with some places in their area running out of water and some with poor water quality. He said he expected that from Great Falls north and west to the Mountains there would be quite a few cows go to town
- Greg Wichman said that at the Ag Advisory Outlook, it was reported that Phillips, Fergus and Beaverhead counties had the highest number of cattle lost from last year to this year
- Mike Honeycutt pointed out that NASS report numbers, because they don't receive 100% return on surveys, showed only about a 10% cow herd reduction. But, utilizing the Montana per capita and market information, he felt that number should be closer to a 20% to 35% reduction

- Gene Curry said in a conversation he had with the Governor the afternoon before, that the Governor felt that Mike Honeycutt was doing a good job and presenting himself well

## **EXECUTIVE OFFICER UPDATES AND DISCUSSIONS**

**(39:55) 9:06 AM**

### **(39:55) 9:06 AM – UPDATE – 2023 LEGISLATIVE PROCESS UPDATE (REVIEW BILL DRAFTS SUBMITTED TO OBPP FOR FINAL DISCUSSION AND DIRECTION)**

Mike Honeycutt reported on the bill drafts that had been submitted to OBPP, but had not yet been fully approved by them:

- Erin Sullivan, who worked for Legislative Services, had been assigned to the DOL as its bill drafter and she had already reached out to the DOL
- Before the bills could go to Ms. Sullivan to begin her bill drafting work, the DOL must still have a meeting with the Governor's Policy Staff to go through the bills and see if they had any suggestions, edits or feedback
- Mr. Honeycutt reminded the BOL that they had approved conceptual drafts of these bills in the Spring, and looking at these again would give them an idea of how they would look in MCA language and allow them to abort any of them if there was a concept that now they felt uncomfortable with

### **(43:00) 9:09 AM 81-9-217 - *Update Definitions to More Closely Align with Federal Amenable Species***

Mike Honeycutt reported on the proposed revisions to the amenable species statute:

- The issue with this statute, Mr. Honeycutt explained, was that Montana law covered more species for meat inspection than Federal law did
- After Mike Honeycutt and Dr. Marty Zaluski reviewed the list of amenable species listed in the statute, they revised it and decided to still not have it look exactly like the Federal list, leaving on it animals like bison, that they felt should still remain an amenable species under Montana law, even though they weren't listed under Federal, because they felt that was probably a product that the state would like to regulate the slaughter of
- Some animals, however, like rabbits, were removed from list, as the DOL probably didn't want to have to be in the business of regulating some species because people who do slaughter and sell them were oftentimes doing it on a limited basis, and if inspection was needed, the DOL could charge for it. Alternative livestock were also removed from the list, as they were defined under FWP code
- Mike Honeycutt explained that the only changes that could be dealt with in the statutes were the ones listed in red, at this point, because those were the ones submitted to OBPP

### **(51:36) 9:18 AM 81-2-201 to 81-2-210 - *Indemnity***

Mike Honeycutt discussed the proposed creation of an Indemnity Program in Montana statute:

- Although there was a statute that allowed the BOL to make a decision to condemn animals, Mr. Honeycutt reported that most indemnities were paid by the Federal Government. The indemnity program, in current law, was woefully inadequate, Mr. Honeycutt said, restricting the value to just \$100 for a registered animal and \$50 for a commercial animal, if that indemnity had to be paid out as a state
- The proposed State-level indemnity program would pay 100% of appraised value of the animal, if the animal was slaughtered under the direction of the DOL
- Both the list of eligible animals (cattle, domestic bison, sheep, goats, swine, alternative livestock and poultry) and the list of eligible diseases as classified by the USDA (Bovine Tuberculosis, Brucellosis and Chronic Wasting Disease) were listed in the proposed statute
- Mr. Honeycutt also said that a lot of the old language from the statute was taken out and that it also repealed payment for other personal property
- The State-level indemnity fund would be put into a STIP account, funded with \$10,000 and up to \$100,000 per year in set-aside funds from the DOL
- The appraised value for some certain classes of animals had been a bit of a challenge for USDA, according to Dr. Zaluski, and so, there was not necessarily a set process, at this point, of how the State would review or judge an appraised value. Mike Honeycutt said that process for appraisal might be better left to Administrative Rule, because that would alleviate some headaches
- Mike Honeycutt explained that the indemnity that USDA paid would be separate from what the State paid, if the proposed statute was passed

**(1:06:25) 9:33 AM 81-2-109 – General Administration**

Mike Honeycutt explained that the proposed changes in this statute would be to have some better language explaining the responsibility of the producer when the DOL was trying to test animals suspected of disease:

- Mr. Honeycutt said the DOL had run into the situation where a producer told the DOL to gather up their animals themselves if they were coming in to test them. And, the revised language set into place who was responsible for what and how expenses were paid in those types of situations

**(1:09:55) 9:36 AM 81-2-501 to 81-2-511 – Treatment of Garbage Fed to Swine**

Mike Honeycutt explained that with no one currently permitted to commercially feed garbage to swine, it was a good time to get rid of that permitting process:

- Mr. Honeycutt said that by striking the language for licensing for the activity, it just basically declared that it was unlawful to feed garbage to swine and that would be another way to help keep both African Swine Fever and FMD out of Montana
- Producers would still be able to feed garbage to their own pigs, but, the licensing of people to treat garbage and feed it as a commercial process would not be allowed in the state if the statute would pass
- Mr. Honeycutt explained that Economic Affairs requested that the definition of garbage be listed in the proposed statute. Regarding the penalties and fines listed in the statute, Mr. Honeycutt said that there may be some Legislators who

would be revising penalties on more than one DOL statute, so the ones listed could be different

**(1:14:45) 9:41 AM 81-9-218 to 81-9-236 – Regulate Custom-Exempt Facilities as Required by Federal Meat Inspection Act**

Mike Honeycutt explained that this statute had been called out twice in audits from FSIS, because even though USDA was fine with how the DOL was handling custom-exempts, they were concerned with the wording of the State law regarding handling of custom-exempts:

- The statute language, Mr. Honeycutt said, the way it read, is that a custom-exempt was exempt from everything, when really, the Federal definition for custom-exempt says they were exempt from daily inspection but not exempt from maintaining sanitary conditions or maintaining records
- Mr. Honeycutt said the proposed language change would effectively say what was currently being done by the DOL with custom-exempts – the requirement for record-keeping, the requirement for sanitary conditions, and the ability of the DOL to go in twice a year and inspect the facility

**(1:16:42) 9:43 AM 81-9-226 to 81-9-236 – Repeal Chief Meat Inspector Language**

Mike Honeycutt explained that the language in this statute was dated and needed to be changed because the person in charge of Meat Inspection for the DOL was now also over the Milk & Egg Program as well:

- It was pointed out by the BOL that there may need to be some other language changes regarding the title of Meat Inspectors, which Mike Honeycutt said could probably be pointed out to the bill drafters when they worked on the final bill

**(1:18:54) 9:45 AM 81-8-213 to 81-8-264 – Revise and Modernize Language for Livestock Markets and Satellite Video**

Mike Honeycutt explained that the changes proposed in these statutes would modernize the language regarding satellite video auctions:

- Mr. Honeycutt reported that Jay Bodner and Ty Thomas had reviewed the language, trying to harmonize it for Packers & Stockyards at the Federal level with the Brands language at the State level. The Packers & Stockyards language was updated in 2016, but the DOL's statute language regarding these auctions had not been updated since the 1990s
- Mr. Honeycutt said, to better represent what was currently going on in the industry, the new definition for a livestock video auction would be, a person who conducts the business of buying or selling livestock on a commission or fee basis through the use of online video or other electronic means
- Mr. Honeycutt did explain that based on the number of out-of-state licenses, there might be a lot of people that were licensed livestock dealers from Montana because they know that by law and in the internet world, they're supposed to be taking animals on consignment in the state of Montana
- Jake Feddes commented that there was so much commerce going on that didn't follow under a typical cattle trading system and he didn't want to set those



companies up to be breaking the law in Montana when they didn't realize they were breaking the law

- Jay Bodner said that the DOL wanted to protect Montana producers and make sure that if they're engaged in online auctions, if something went wrong, they would at least have an opportunity to potentially recover their money
- Mike Honeycutt said that by those dealers having to license with the State of Montana, it automatically put the State as a trustee on their bonds, giving the DOL the ability to get into that if needed. In fact, he added that there must be some producers who were asking the question whether or not a person was a licensed dealer in the state of Montana and did not want to consign with them if they weren't
- Embryos were not covered as livestock yet, Mike Honeycutt said, even though there were health requirements on the transfer of them as "biologics", which was the definition those usually fell under
- Jay Bodner explained that even though there was no online list of bonded dealers, the Brands Enforcement Division had updated records of anyone registered as a Livestock Dealer in Montana. Mike Honeycutt added that it would be a very good idea to have a list of all current licenses posted online for the public to be able to check
- Some of the language being struck in the statute was the requirement, when a market changed hands, to list all other livestock markets within 200 miles, as the DOL already knew what those markets were. Also struck was language requiring listing of anticipated revenue derived from inspection, as Mr. Honeycutt said, a condition of acquiring a livestock market license shouldn't be the amount of money it would make for the DOL

**(1:38:06) 10:04 AM 81-4-203 and 81-4-301 – Open Range**

Mike Honeycutt reported that Jay Bodner and Ty Thomas took the lead on proposed updates to these statutes:

- Mr. Honeycutt said that basically, the statute would define open range as all lands in the state of Montana not incorporated as a city, town or a herd district
- The herd district definition Mr. Honeycutt said, had added language saying that it was a specified area designated by the Board of County Commissioners where cattle and horses were grazed and shall be enclosed by a lawful fence and not allowed to run at large within the interior of that proposed district
- Gene Curry reported that in Sheridan County a lot of the CRP property was being used for rangeland, and there were herd districts that were enclosed ranches. The definition of open range was fence out, meaning that those in herd districts there must fence out open range cattle
- Mike Honeycutt said, the new language in the proposed changes to these statutes would hopefully simplify definitions and be clear that there had to be a clear line between the open range and the herd district – inside the herd district it's fenced in, but, on the exterior of the herd district, it's fenced out

**(1:49:17) 10:16 AM Greg Wichman exited the BOL meeting)**

**(1:49:37) 10:16 AM 81-3-203 – Duties of State Stock Inspectors and Deputy Stock Inspectors**

Mike Honeycutt reported that the proposed language changes here would do away with old language requiring copies in triplicate and allow the inspections to be done electronically to satisfy the documentation requirement

**(1:50:54) 10:17 AM RECESS**

**(1:51:15) 10:30 AM RECONVENE**

## **EXECUTIVE OFFICER UPDATES TO BOARD AND DISCUSSIONS**

**(Continued)**

**(1:51:23) 10:30 AM**

**(1:51:23) 10:30 AM UPDATE – 2023 LEGISLATIVE PROCESS UPDATE (Review Bill Drafts Submitted to OBPP for Final Discussion and Direction)**

**(1:51:26) 10:30 AM 81-6-302 and 81-6-313 – Definitions and Livestock Crimestoppers Commission**

Mike Honeycutt explained that the proposed Legislative change to these statutes would be to, basically, repeal the Livestock Crimestoppers Commission:

- Mr. Honeycutt said that the changes would move the duties of the Livestock Crimestoppers Commission to the BOL, as there was really nothing that the Commission would do that the BOL couldn't do, a change that would get rid of the Commission, but not get rid of what it does in stopping livestock crime and give people a place to report anonymously issues that were happening and provide rewards
- Doing away with the Livestock Crimestoppers Commission would save the DOL from the legal obligation of having to appoint the Commission and hold meetings. Mr. Honeycutt said he had been able to be part of the meetings and said that no one really talked about deterring crime or getting reports of crimes

**(1:53:55) 10:33 AM 81-7-505 – Aerial Hunting of Predatory Animals**

Mike Honeycutt reported that the changes to this statute had been tried in the 2019 Legislative Session, and it died in Committee:

- Mr. Honeycutt said that in the current law, to be an out-of-state-licensed aerial hunting pilot, you could only hunt border counties, but the proposed new language would do away with that residency requirement
- Also requested for repeal would be the language requiring that landowners who were aerial hunting coyotes over their own property with their own plane, provide a report to the DOL
- Mr. Honeycutt reported that the only time FWP seemed interested in the aerial hunting program since he had been at the DOL, was when one aerial hunter from Idaho who was not licensed with Montana, mistakenly shot a wolf a year ago in

the Big Hole. He said that since he had been with the DOL, FWP had not requested those aerial hunting reports

**(1:57:39) 10:37 AM 81-23-102 – Policy**

Mike Honeycutt reported that this statute was a Milk Control one that had already been approved by the Board of Milk Control and was just added to the BOL packet for their information

**(1:58:04) 10:37 AM 81-7-101 to 81-7-104 – Predatory Animal Control**

Mike Honeycutt reported that during Red Tape Review there were a lot of issues with the statute, dealing with outdated, strong language:

- In many places in the statute, Mr. Honeycutt said, language was taken out that said, “destruction” of wildlife and replaced it with the word “control” of wildlife
- Also removed in the proposed changes to the statute were spelling out in law the methods of removal including, hunting, trapping and poisoning, which confined, by law, the DOL to only be able to use those activities
- Regarding allocation of money for the purpose of protecting livestock against depredation, language was changed from “shall” allocate to “may” allocate

**(2:00:09) 10:39 AM 81-7-401 – Killing of Dogs, Harassing, Destroying or Injuring Stock – Notice to Owner - Penalty**

Mike Honeycutt explained that a proposed language change in this statute would add guard dogs for livestock to herding dogs for livestock, assuring that if someone shoots one of those types of dogs that was loose, it would be covered by State law that didn’t allow that activity

**(2:01:04) 10:40 AM 81-7-106, 15-24-925, 17-7-502 – Predatory Animal State Special Revenue Account**

Mike Honeycutt said that the proposed changes in this statute would update the statutory appropriation for Wildlife Services, which was set to sunset in July 2023:

- Alan Redfield explained that every tax in Montana statute got re-evaluated on a six-year term
- Mike Honeycutt said that the DOL, according to this statute, must set aside at least \$350,000 each year for Wildlife Services, but there was no ceiling figure on that amount

**(2:05:59) 10:45 AM UPCOMING STAKEHOLDER ORGANIZATION MEETINGS**

Mike Honeycutt said that he wanted this topic on the agenda so that the BOL was aware of where the DOL would be engaging with organizations:

- *The Bighorn Stockgrowers Association* – Requested that Mike Honeycutt and Jay Bodner attend their meeting on November 9, 2022 to talk about Brands Policy
- *Montana Farm Bureau* – The DOL would have a table at their convention on November 14-15, 2022, with DOL, Brands and Animal Health staff rotating out the manning of the table. Mike Honeycutt said he might pop over to Missoula

when MFBF was doing their policy portion of the meeting to hear what policy they'd be talking about that might affect the DOL

- *Montana Woolgrowers Association* – The DOL usually gave an update at this convention, which this year, would be on Friday, December 2, 2022
- *Montana Cattlemen's Association* – Mike Honeycutt, Dr. Marty Zaluski and possibly Jay Bodner were committed to attend the Montana Cattlemen's Day in Great Falls. Dr. Zaluski would be the featured speaker, as they were interested in some Animal Health subjects. Mike Honeycutt would provide a DOL update
- *Montana Stockgrowers Association* – Mike Honeycutt, Dr. Marty Zaluski and Jay Bodner were scheduled to attend their convention on December 9, 2022. All three were on the MSGA agenda to speak at the Beef Marketing and Promotion Committee portion of their annual convention, being held in Billings
- Mike Honeycutt said that there could be more local meetings the DOL would be invited to at the last minute during November and December, and he reminded BOL members that they should always come and attend, if they could, to be there with staff
- As of right now, Mr. Honeycutt said that they had not received an invitation from the Montana Farmers Union, but would accommodate that if one came
- Gene Curry commented that although it looked a little bit like the BOL was fairly confined to the Western portion of Montana at the moment, that if any BOL member had an opportunity, to reassure producers east of Lewistown that the BOL still represented the entire state and to feel free to contact anyone on the BOL with issues they might have
- Comment was made about the hard work Dr. Zaluski had done in getting North Dakota to accept Montana cattle. Mike Honeycutt reminded the BOL that decision was made when he was in attendance at an MSGA mid-year meeting in Sidney
- The BOL discussed again the importance of educating the public via the DOL website, and how that website was a valuable asset to the producers

### **(2:13:19) 10:52 AM BIENNIAL LEGISLATIVE FINANCIAL AUDIT**

Mike Honeycutt updated the BOL on the current status of the biennial Legislative financial audit:

- Mr. Honeycutt said he was not sure if the results of that audit had been put out to the public yet, but, that some DOL staff and Gene Curry had attended the exit meeting. The final draft of the audit had been sent and the DOL had written and transmitted their response
- It was a pretty good audit this time around, Mr. Honeycutt said, and that when the BOL was able to see the audit results, they would understand why the DOL was pretty happy with where the DOL was sitting with the audit right now
- Gene Curry reported that a few of the audit findings were reoccurring, but the DOL was able to answer, to the satisfaction of the auditors, why it looked out of place to them. But, the final draft was pretty clean, he said, and added that he was happy to have been able to be in the exit meeting and listen to their comments

**(2:14:59) 10:54 AM STATEWIDE RECOMMENDATIONS ON EMPLOYEE TELEWORK OPTIONS AND IMPLEMENTATION**

Mike Honeycutt handed the floor over to Mike Spatz, DOL HR Officer to explain to the BOL regarding the statewide telework project, recruitment, and quarterly performance check-ins:

- Mike Spatz reported that there was a statewide assessment being conducted to determine eligibility for State workers to telework, and that it had been determined that currently, there were 38 positions in the DOL that were eligible for telework and 95 that were ineligible. Both were determined basically, because of the nature of the work
  - Some were ineligible because they were already remote working and had no remote office. Their office was their truck. Mike Honeycutt explained that these were called field employees, those who were in the field 100% of the time, such as District Investigators, Meat Inspectors and Milk Inspectors. He added that VDL Lab staff were also ineligible because their work was in a Laboratory and that Market staff's work needed to be done at the market
- Mr. Spatz said that nobody in State government would get to telework five days a week, unless it was predetermined or approved. Most DOL employee eligibility was between one to three days of telework per week
  - Mike Honeycutt explained that there was a recommendation made for all those classified as Compliance Specialists, which there were in every agency in the State
- Managers had, or would be, receiving materials on how to have conversations with their staff on their eligibility for telework, Mr. Spatz reported. Mike Honeycutt said that out of the 38 positions deemed eligible for telework in the DOL, only one had filled out a telework agreement so far
- Mr. Spatz explained that this telework agreement was different than when employees worked from home due to COVID in 2020-2021
  - The employees teleworking this time around would be allowed to take a laptop home, but the DOL would not provide monitors or any other equipment for doing their work and would not pay for internet access
  - Telework would have to be performed in an effective manner
  - Mr. Spatz said that a telework option could be denied if it was found that a piece of the job the employee does would not be secure at home and that the employee applying for telework had to attest that their work outside of the office was secure and safe
  - Mike Honeycutt said that when filling out the telework agreement, the employee had to certify that they were not trying to also perform dependent care while working
  - Telework employees were also required to specify in their telework agreement the location they were working from and the hours they would be working. Mr. Spatz said that the telework agreement spelled out that the telework location should be within a reasonable location distance from the standard office

- For teleworkers, if the work location was specified as Helena, but the employee lived in Dillon, the DOL would not pay for meals or a hotel room and would not pay for mileage for that person to drive from Dillon to work in Helena, even if it was a mandatory meeting
- Worker's Compensation claims were still available if the employee was injured while they were working at home, although those determinations, Mr. Spatz said, would be left up to State Fund
- Although the telework option was required to be offered, it was the employee's option as to whether or not they participated in it
- Mike Spatz said that there were some tools, including trainings, for Management to help manage telework employees
- Mike Honeycutt explained that in the telework environment, the employee should treat it as if they were in the office. If they were not available for a while, to let their Supervisor know. If their child was sick, turn the phone off and use a sick day. If a vacation day was taken, it should have been approved before taking it off

#### **(2:37:11) 11:15 AM STAFF OPENINGS AND RECRUITMENT**

Mike Spatz gave the BOL an overview of DOL staff openings and recruitment:

- According to Mr. Spatz, there were five positions in the DOL that were actively being recruited for the month of October and three offer letters about to go out to fill some positions
- Although five new people were hired during October, Mr. Spatz said there were five newly-vacated positions that same month
- Mr. Spatz said that a lot of emails and suggestions regarding employees and programs come to him, but, he thanked them for their interest, and directed them to the State Careers website, because all applications to the DOL have to go through it
- Mike Honeycutt explained that in certain Meat & Poultry Inspection positions, the DOL had cast a larger net to try and find someone to take those jobs, offering that the employee could live within 80 miles of the job location rather than 30 miles
- To make job postings stand out and hopefully, attract more people, Mr. Spatz said that the DOL logo was added to those postings, along with some different language that made the posting a little more competitive on the Indeed site
- To repurpose an FTE traditionally from what it had been, Mike Honeycutt said it was brought before the BOL, because there could be some financial implications or other things that occur with the changes

#### **(2:44:38) 11:24 AM STATEWIDE PROCESS FOR QUARTERLY PERFORMANCE CHECKS WITH STAFF**

Mike Spatz reported on the statewide initiative regarding performance check-ins and year-end evaluations:

- Mr. Spatz explained that the initiative request was that all State of Montana employees have quarterly check-ins with Managers, which were done in the SABHRS Talent System

- The DOL, as of September 30, 2022, who hadn't had an opportunity to participate in the performance checks, was up to a 77% completion rate, with the 4<sup>th</sup> quarter final check-in for the year starting on November 1, 2022. Mike Honeycutt said that the DOL would always have a problem getting to 100% partly because of the number of field-based employees
- Mike Honeycutt explained that this was an implementation from the Governor's Office for them, the Department of Administration and State HR to try and track data and make sure managers were having conversations with employees
- Mr. Honeycutt said that he didn't think a day went by where he didn't talk to his direct reports about issues and things going on in the DOL, adding that these performance checks with staff document those meetings and keeps managers and employees accountable to each other

**(2:50:55) 11:30 AM RECOGNITION OF 2023 DOL GOVERNOR'S AWARD FOR EXCELLENCE WINNER – CALLY GOYINS**

Mike Honeycutt said that he wanted to recognize Cally Goyins for her receiving the Governor's annual Award for Excellence:

- Ms. Goyins was not present at the moment, but Mr. Honeycutt said that she could possibly come up during lunch time so the BOL could congratulate her personally
- Mr. Honeycutt explained that the award was given annually by the Governor's Office for each Department in the State. Each Manager of the DOL put forward their nominees and it was left to him to make the final decision on who should receive the award for the DOL. He said he had three to choose from
  - The Centralized Services IT team was nominated for all they'd been doing with GlideFast and all the work they had been doing with Brands and vendors
  - Dr. Szymanski was the nominee for Animal Health because of the work she did in leading the TB Investigation
  - Cally Goyins was nominated by Brands for leading the DOL through a successful rerecord. And so, Mr. Honeycutt said, with rerecord happening only once every 10 years, it was Ms. Goyins who he chose to be recognized for this year's award
- Ms. Goyins, as the winner, was invited to attend a luncheon hosted by the Governor with all agency winners and then had her picture taken with the Governor

**PREDATOR CONTROL**

**(2:53:58) 11:33 AM**

Gene Curry requested that Dalin Tidwell, USDA State Director, introduce himself

**(2:54:14) 11:33 AM UPDATE ON ACTIVITIES OF USDA WILDLIFE SERVICES (Presented by Dalin Tidwell, Montana State Director)**

Dalin Tidwell, who was attending the meeting by ZOOM, introduced himself and expressed his appreciation of being able to be in his Billings office, as they were working on filling a FOIA request for all wolf IRs for the past 10 years, including all supporting documentation

### **(2:54:45) 11:34 AM General Updates**

Dalin Tidwell updated the BOL on USDA Wildlife Services activities in the state:

- Mr. Tidwell reported the latest damage numbers across Montana for Federal fiscal year 2022 (October 1 – September 30)
  - Mountain Lion Investigation Reports (IRs) – 45 total; including 2 calves, 47 lambs, 39 sheep, 26 total goats, including 4 kids, 2 geese, 8 chickens
  - Black Bear Investigation Reports (IRs) – 26 total; including 1 alpaca, 26 chickens, 24 beehives, 2 calves, 6 goats, 10 lambs, 25 sheep
  - Wolf Investigation Reports (IRs) – 87 total; including 65 calves, 2 cattle, 4 guard dogs, 3 lambs, 40 sheep
    - Mr. Tidwell reported that wolf IRs were down from the standard 90-100 usually reported
  - Grizzly Bear Investigation Reports (IRs) – 137 total; including 97 calves, 20 cattle, 66 lambs, 38 sheep, 3 mini-donkeys, 14 beehives
    - Mr. Tidwell reported that grizzly investigations were pretty normal, but down from a high of 180+ at one time
    - Looking back to Grizzly Bear IRs in 2017, there were 98, in 2018, there were 138, in 2019 there were 157, in 2020 there were 148 and in 2021, there were 181
    - The beehive numbers Mr. Tidwell reported were in response to a bear north of Lewistown that hit a bunch of beehives
- Mr. Tidwell said that he did not have full quantifiable numbers for all the coyote damage, but that they still maintain the higher overall injurious species damage for livestock across Montana
- On the “new” DOL helicopter, Mr. Tidwell reported that the fuel governor, which determined the rotor rpms, was drooping in power, and so the shaft inside that governor needed to be repaired at a cost of around \$3,000 and that should be done this week. Other than that, Mr. Tidwell said that the overall function of the helicopter was up to par and he was pleased with everything it had to offer
- Gene Curry voiced his concern about the number of bears “having a bad day”
  - Nina Baucus shared the story about an incredibly aggressive grizzly in a field at Bynum that was chasing and biting a vehicle. Gene Curry said that bear was taken out by Wildlife Services who also took out two others in their area, one that was taking a lot of livestock and then the one that confronted a hunter and was injured
  - Gene Curry said that they fence their silage at their place and that every beehive in the area either has a working electric fence, or the hives just don’t last because of bears
- Mike Honeycutt said there was a question that came in the chat, asking whether or not you could shoot wolves that were in the act of attacking livestock



- Nina Baucus said if you were the livestock's owner or an employee of the ranch, you could shoot it. But, if you were just someone driving down the road and see a wolf attacking livestock, you cannot touch it, unless you have a hunting license
- Mr. Honeycutt said that if you do take a wolf that's predating, you could not keep the wolf, FWP will take it
- Dalin Tidwell said, that to defend a personal pet being killed by a wolf, unless the wolf was threatening yourself as well, he couldn't speak to that, but didn't believe you could shoot a wolf that was caught killing your personal pet. He thought though, that it was a different perspective with guarding and herding dogs, which were livestock protection dogs, because they were considered livestock

**(3:10:24) 11:49 PM LIVESTOCK LOSS BOARD (LLB) PREDATION CLAIMS REPORT AND GENERAL UPDATES**

Mike Honeycutt gave the updated Predation Claims Report, covering January through October 11, 2022, submitted by George Edwards:

- Mr. Honeycutt said that Mr. Edwards reported that livestock claims were coming in at a rate seen in prior years and that nothing unusual was happening
  - If the livestock loss claims continued to follow past years' trends, over half the claims received would happen in November and December, as those had been big depredation months
- There was also reporting out on two large sheep claims, Mr. Honeycutt said, and Mr. Edwards was using values for payout based on the Ram & Ewe sale in Miles City. Mr. Honeycutt reminded the BOL that there was a lag time between Wildlife Services numbers and numbers from payout claims with LLB
- Gene Curry said that for public knowledge, the LLB payments received by producers for predations helped, but, didn't make them whole for the loss and didn't account for the stress on the rest of the herd. He added that being short 10 calves in the timber and brush this year in grizzly country, there was no reason for an investigation, because between the wolves, coyotes and bears, there wasn't anything left to investigate, because the kill wasn't caught immediately
- Nina Baucus added that another thing that couldn't be measured was the loss in pregnancy in the remaining herd due to a difficult predation taking place
- Mr. Honeycutt said that George Edwards' claims document was based on a calendar year, not a fiscal year meaning their claim money isn't half spent after only four months (July through October), this document covered January through October

**(3:15:45) 11:55 AM LUNCH**

**(3:15:57) 12:31 PM RECONVENE**

**(Greg Wichman returned to the meeting at 12:31 PM)**

## **EXECUTIVE OFFICER UPDATES TO BOARD AND DISCUSSIONS**

**(Continued)**

**(3:16:05) 12:31 AM**

### **(3:16:05) 12:31 AM RECOGNITION OF 2023 DOL GOVERNOR'S AWARD FOR EXCELLENCE WINNER – CALLY GOYINS**

Jay Bodner introduced Cally Goyins, Brand Recorder, who had just been awarded the Governor's Award of Excellence:

- Mr. Bodner said that she had received a nice plaque and he thanked Ms. Goyins for all her work in making sure that brand rerecord went smoothly, adding that she did a phenomenal job
- The BOL congratulated and thanked Ms. Goyins
- Cally Goyins said that the DOL was just 88 brands away from issuing a thousand new brands this year. She added that the Yellowstone program brand had been issued
- By the time next rerecord comes around, Ms. Goyins said she would have 30 years with the DOL. She said that the biggest thing to do before the next rerecord comes around would be to be sure to have updated addresses for producers, so they receive notices
  - Jay Bodner said that the DOL was trying to make it easy for folks to change their address if needed by putting a form online to do that

## **BRANDS ENFORCEMENT DIVISION**

**(3:23:18) 12:38 PM**

### **(3:23:23) 12:39 PM REQUEST TO HIRE**

#### **(3:23:23) 12:39 PM – Brands Liens Compliance Technician**

Jay Bodner reported that he had a request to hire a Brands Liens Compliance Technician, as the employee who was in that position moved into the Market Compliance Specialist position:

- The Brands Liens Compliance Technician, according to Mr. Bodner, was responsible for verifying the documentation of field staff, their remittance, their compliance, fees, collections, all the field staff activities. That technician would also serve as the backup for the lien filing position

## **MOTION/VOTE**

**(3:25:18) 12:40 PM**

**Alan Redfield moved to approve the hiring of a Brands Liens Compliance Technician in the Brands Enforcement Division. Jake Feddes seconded. The motion passed.**

**(3:25:34) 12:40 PM TRAVEL REQUEST FOR FY23**

**(3:25:36) 12:40 PM – National Cattlemen’s Beef Association Meeting**

Jay Bodner requested that the BOL approve travel for Ty Thomas to attend the National Cattlemen’s Beef Association meeting in New Orleans on February 1-3, 2023:

- Mr. Bodner explained that Ty Thomas was on the Executive Committee for the International Livestock Identification Association (ILIA), and with Montana hosting that in 2024, the DOL was looking for topics of discussion, sponsorships and speakers. He said that was one of the main duties for this travel request
- Although the cost of attending the meeting was around \$2,000, including registration and travel, Mr. Bodner said that ILIA would reimburse those fees

**MOTION/VOTE**

**(3:27:11) 12:42 PM**

**Greg Wichman moved to approve out-of-state travel for Ty Thomas to attend the National Cattlemen’s Beef Association Meeting in New Orleans, Louisiana, February 1-3, 2023. Ed Waldner seconded. The motion passed.**

**(3:27:30) 12:43 PM BRANDS ENFORCEMENT UPDATE**

Jay Bodner turned the floor over to Gene Curry to update the BOL on the Brands Advisory Committee:

- Gene Curry reported that he would be Chair of the Brands Advisory Committee and that Greg Wichman and Jake Feddes agreed to represent the BOL on that Committee
  - Mr. Curry also reported that Senator Butch Gillespie would represent the Montana Senate on the Committee and State Representative Brandon Ler would represent the House on the Committee
  - Representatives of ag organizations that agreed to be on the Committee would be Derek Arntzen from Hilger, representing the Montana Farm Bureau; Dusty Hahn from Townsend would be representing the Montana Stockgrowers Association and Casey Buffington from Ledger would represent the Montana Farmers Union
- So far, Mr. Curry reported, there had been nothing come before the Brands Advisory Committee to address
- Jake Feddes said that when asked by some of the Committee representatives about how often the Committee would meet, he answered that it wasn’t really known at this point. Gene Curry said, unless there was an appeal to deal with, he was not sure what else the Committee would discuss, unless there was some proposed legislation during the Legislative Session that would arise
- Gene Curry reminded the BOL, that no matter what the Brands Advisory Committee would decide, the BOL would still have the final say on the issue

Jay Bodner covered more general updates in the Brands Enforcement Division:

- Mr. Bodner addressed the current staffing issues in the Brands Enforcement Division

- The District 16 Investigator position that also was the Market Supervisor for Bear Paw Auction Market in Chinook, was filled by Justin Simenson. District 16 covered Blaine, Hill and Phillips Counties
  - While the District 16 vacancy was still in place, Mr. Bodner said that outside Investigators came in to help at the markets and other duties, as needed
- Mike Honeycutt explained that law enforcement radios across State Government had been a long-standing issue with the Legislature for some time now. He said that two years ago, Brands was able to utilize some excess authority to replace about half of the Investigator's radios and that a decision package had been put forward to purchase the last 10 radios, and he was hoping that would end up in the Governor's budget, and if passed, the DOL would be able to purchase after July 1<sup>st</sup>
  - Mr. Honeycutt said that the radios, if approved, would be paid for with per capita fee reserves
  - The old radio system cannot communicate statewide, Mr. Honeycutt said, and probably the biggest concern was employee safety
- Jay Bodner said that the Brands Division put together monthly reports about what each District Investigator had done, including cattle inspections, investigations, violations, etc., which were tracked and documented. He added that the Investigators do a tremendous job
  - Mike Honeycutt said that the television show Yellowstone made the public aware of Investigators, even though what a person might call the DOL to do may not be something the DOL could do
- Jay Bodner said that the District 5 Investigator position in the Shelby area, covering Glacier, Liberty, Pondera and Toole Counties was still vacant because the candidate selected to fill it opted out of it
  - Gene Curry said that especially in Glacier County, he was sure there were a lot of cattle that left the area that didn't have proper inspection because of not being able to get Inspectors, so, in frustration, they just loaded their cattle up and went wherever and took their chances. He added that the 10 missing calves he blamed on grizzly bears and wolves he suspected that maybe part of them could have been loaded on a truck because a Brand Inspector was not available to check when cattle were being shipped in the neighborhood
- Jay Bodner said that on the website, there was a list of District Investigators and local Brand Inspectors, along with their phone numbers, and so, if your normal Local Inspector wasn't available, the list might provide a name of someone else who was available
- Mr. Bodner invited the BOL to visit with the Brands staff when they were in town and get to know the people who worked there. Mike Honeycutt suggested visiting in the Brand Recording area to get educated on what Cally Goyins had to go through when issuing a brand

## **ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS**

**(3:50:22) 1:05 PM**

**(3:50:50) 1:06 PM – ANIMAL HEALTH BUREAU**

Dr. Tahnee Szymanski, Animal Health Bureau, introduced herself

**(3:50:58) 1:06 PM – Request to Hire Brucellosis Compliance Position**

Dr. Tahnee Szymanski requested the BOL approve the hire of a Brucellosis Compliance position, which was currently vacant because the person in that position previously, took another job in the DOL:

- Dr. Szymanski explained that the Brucellosis Compliance position was funded through general fund and was responsible for completing the reimbursements that were done for folks that completed Brucellosis testing in the DSA. They also looked at compliance, compiling text and movement data to assure that anything moving out of the DSA was in compliance with regulations

## **MOTION/VOTE**

**(3:51:42) 1:07 PM**

**Ed Waldner moved to approve filling the Brucellosis Compliance position in the Animal Health Bureau. Alan Redfield seconded. The motion passed.**

Dr. Szymanski explained that there were two different reimbursements paid for Brucellosis testing in the DSA, one to the Veterinarian and one to the producers:

- The DOL paid the Veterinary bill at the VDL so Veterinarians would no longer have to deal with it. Veterinarian reimbursement rates varied, depending on the number of animals going through the chute. 1-10 animals were \$10.50/head and it went down from there as the number of animals increased. Reimbursement to Veterinarians at the market doing that testing was less, Dr. Szymanski said, because the facilities were there, and the animals were there to be sold
  - Dr. Szymanski said that it was thought that at the markets, that would be the easiest group to run through and test, but, recent feedback from a couple markets suggested that with the larger staff Veterinarians had to bring in to accomplish that testing, they felt that number should be adjusted
  - The total number of Brucellosis tests run at the markets each year, Dr. Szymanski reported, were a relatively small number at 10,000
- Reimbursement to producers who did Brucellosis testing in the DSA was \$2.00/head for each animal going through the chute
- Dr. Szymanski reported that general fund money paid the Veterinarian and producer reimbursements and the USDA cooperative agreement funds pay the VDL for their testing fees
- The BOL discussed the pros and cons of raising the reimbursement fee paid to Veterinarians at the markets. Mike Honeycutt interjected that he did not feel they were prepared to discuss that at the moment because fund sources would have

to be looked at, especially since there was no budget request made for that in the next biennium

- Jake Feddes asked if the Veterinarians decided they didn't want to work the markets anymore, would the State Veterinarians do that job
- Mike Honeycutt said that he thought it was required under livestock market law that a Veterinarian be supplied at the markets and so, if that scenario would play out, the DOL would have to figure out someone else to pick up that contract because CVIs and Health also had to be done
- Dr. Szymanski added to Mike Honeycutt's comments, saying that if an individual checking animals in at the market could show they had a recent test, then, the market did not have to test them

#### **(4:02:17) 1:17 PM – Out-of-State Travel Request – USDA NPIP-LBMC Working Group Meeting**

Dr. Tahnee Szymanski requested the BOL approve the travel of one of the DOL's newly-hired veterinarians, Dr. Merry Michalski, to attend the Live Bird Marketing System Working Group Meeting:

- Dr. Szymanski reported that the DOL had hired two new veterinarians to fill vacant positions, one was Dr. Merry Michalski, who was fielding a sick bird call, and Dr. Bradley DeGroot, who was doing Brucellosis testing that day
- The Live Bird Marketing meeting was one of two annual meetings through NPIP, Dr. Szymanski said, and the agenda for this upcoming meeting contained a lot of content related to emergency response and to the High Path outbreak and some of the lessons learned. So, she felt attendance would help Dr. Michalski come up to speed on disease management
- The travel would be paid for out of the cooperative agreement funds

#### **MOTION/VOTE**

**(4:03:03) 1:19 PM**

**Alan Redfield moved to approve out-of-state travel for Dr. Merry Michalski to attend the USDA NPIP LBMC Working Group Meeting in Arizona on February 21-24, 2023. Jake Feddes seconded. The motion passed.**

#### **(4:03:56) 1:19 PM – Out-of-State Travel Request – Mass Mortality Training/Workshop**

Dr. Tahnee Szymanski requested BOL approval for her to travel to New Mexico in November to do a presentation at a Mass Mortality Disposal Plan workshop:

- Dr. Szymanski reported that the State of New Mexico was working on a mass mortality disposal plan and the workshop would include a tabletop exercise simulating a large-scale disease outbreak and how to do disposals. She added that they were referred to Montana as a state that had experience with large numbers of mortalities and disposal
- This program that New Mexico was doing, Dr. Szymanski said, had received funding through the Farm Bill, and so, her travel would be paid for with those funds

- Dr. Szymanski said her presentation would cover some of the methods that Montana had used to do disposal

## **MOTION/VOTE**

**(4:05:01) 1:20 PM**

**Ed Waldner moved to approve out-of-state travel for Dr. Tahnee Szymanski to attend a Mass Mortality Training/Workshop in Las Cruces, New Mexico on November 10, 2022. Alan Redfield seconded. The motion passed.**

## **(4:05:38) 1:20 PM – Out-of-State Travel Request – African Swine Fever (ASF) Review in EU**

Dr. Tahnee Szymanski requested BOL approval for Dr. Marty Zaluski to attend a Pork Export Review in Poland, Germany and Belgium:

- Dr. Szymanski reported that the National Pork Board had requested Dr. Zaluski attend this Review, being held in countries that had feral swine populations and had dealt with African Swine Fever while still being able to maintain some of their export markets
- There was a concern in the United States, Dr. Szymanski said, that with ASF being so close to our border, being in the Dominican Republic and Haiti, that there could be an incursion into our nation, and if that happened, our trading partners had indicated there would be repercussions to swine export
- Dr. Zaluski said that the expenses were paid for, other than his salary

## **MOTION/VOTE**

**(4:08:05) 1:23 PM**

**Ed Waldner moved to approve out-of-state travel for Dr. Marty Zaluski to attend an African Swine Fever Review in the EU on November 14-23, 2023. Greg Wichman seconded. The motion passed.**

## **(4:08:31) 1:24 PM – Out-of-State Travel Written Report (USAHA)**

Dr. Tahnee Szymanski reported on the recent travel of herself, Dr. Marty Zaluski and Dr. Bradley DeGroot to the October USAHA Annual Meeting in Minneapolis:

- Dr. Szymanski said that a lot of the discussion at USAHA this year focused on High Path Avian Influenza (HPAI)
  - The 2022 HPAI outbreak was substantially different than the one in 2015, Dr. Szymanski said, with one of the biggest problems in dealing with 2022's being because of the tremendous number of backyard operations which took a very similar resource drain as the large commercial operations did and USDA was getting relatively tapped out on staff and funding
  - Despite the presence of the disease, the United States had still been continuing to move poultry and poultry products internationally, but, Dr. Szymanski said it was thought the virus would continue to be active in the Fall and Winter, unlike in 2015

- Approval of a live animal test for CWD might be coming, Dr. Szymanski reported, and there were conversations about rewriting the program standards for CWD now that it had become so much more widespread
- Dr. Zaluski said that USAHA passed a resolution, drafted by Dr. DeGroot, with help from himself and Dr. Szymanski, targeted at State Animal Health officials, basically requesting the deferral of testing regulations or import requirements to the Federal standard
  - Dr. Zaluski said that he made the argument to other states that if they created burdens on export of Montana cattle, it undermined his position and their positions as well to have a strong regulatory framework
  - There were fairly strong commitments from three of the 10 or 12 states that currently had testing requirements on Montana cattle and they would be looking at removing those in the next few months or so, Dr. Zaluski said, and they would be following up with the others
- Dr. Zaluski said between the three veterinarians that attended the USAHA Annual Meeting this year, there was a lot of good information gleaned

#### **(4:13:38) 1:29 PM – Bovine Tuberculosis (TB) Update**

Dr. Tahnee Szymanski gave an update on the Blaine County Tuberculosis investigation:

- 12 herds, ranked as low-risk, low-priority last Fall, were still needing to complete testing this Fall, Dr. Szymanski reported. They were given an extended period of time to come back around after the initial test and come back and do a 12-month assurance test
  - As of Monday, October 31, 2022, Dr. Szymanski reported that three of those herds were done and the DOL had made contact with the remaining herd owners to see when their animals would be brought home so they could be tested
- For this investigation, Dr. Szymanski said that 6,250 animals had been tested, with 100 of them being caudal-fold suspects, four of them gamma-positive. Those animals had been purchased, euthanized and cultured with zero infected animals found out of that investigation. Dr. Szymanski estimated there were about 3,200 animals left to test this Fall
- Wildlife surveillance continued around the two premises where the affected herd ran, with the Department of Agriculture and FWP still doing some small mammal trapping, in particular on the leased property, because they were not able to get as many animals off those locations as they had hoped to last Fall. With hunting season underway and CWD check stations in that area, those agencies were also trying to get multiple lymph nodes off those animals for TB screening
- Dr. Szymanski reported having conversations with USDA last Fall and most recently with people at the USAHA meeting, regarding whether contact herd testing for TB still needed to be done, because over the last 10 years it had so rarely been found. She said, however, in this Blaine County case, she was making sure to be complete, especially with the wildlife surveillance outstanding

#### **(4:18:39) 1:34 PM – Feral Swine Update**

Dr. Tahnee Szymanski gave an update on a feral swine carcass report from July, 2022:



- Dr. Szymanski said the carcass was found west of Lake Koochanusa and it had been picked up with samples submitted to USDA for genetic testing
- The testing was still pending, and Dr. Szymanski reported that the genetic lab had sent an email apologizing and saying they were not sure why the delay in getting test results had been so extended
  - Mike Honeycutt said that a potential reason for the slower than normal genetic testing was that the same lab was doing genotyping. He said that NVSL had been trying to keep up with the High-Path Avian Influenza strains and doing that genetic work
- After doing public outreach in Eureka and Libby, Dr. Szymanski said there was some news coverage of the find and she said she received a call from a resident in the area that regularly walked the road where the carcass was found who told her that they had seen it on the landscape at the end of February or beginning of March when it had been freshly dumped and it appeared then to be a domestic species of pig
- According to Dr. Szymanski, the closest known population of feral swine adjacent to Montana would probably be in northeastern Montana, where the border was shared with Saskatchewan. Where the border was shared with Alberta the swine resided about 60 miles from the Montana border. Mike Honeycutt added that there was a population in the Central Valley of British Columbia as well, but, that was a good ways up and away from the border

**(4:24:50) 1:40 PM – MEAT, MILK & EGG INSPECTION BUREAU**

Alicia Love, Meat, Milk & Egg Inspection Bureau Chief, introduced herself

**(4:25:03) 1:40 PM – Hours of Operation Communication to Meat and Poultry Plants**

Alicia Love gave an update on the communication to meat and poultry plants and their hours of operation:

- Ms. Love reported that the BOL had been supportive earlier in the year of the DOL sending out a letter to all facilities that had a Grant of Inspection, reminding them of the regulations surrounding their hours of operation
  - With the departure of Mr. Hamel as Bureau Chief and that position not yet filled, it was decided to delay sending out the letter
  - Ms. Love said the letter was drafted and was a repeat of what the regulation states and included a couple of clarifying statements
- Since that time, a Bureau Chief was in place and additional issues had cropped up regarding establishments not doing activities requiring inspection services when an Inspector had spent the time and resources traveling to the facility to do inspection
- Ms. Love said that in discussions with the Regional Supervisors, the consensus was to write a standard violation, an NR, when those situations happened. Should the NR have to be written consistently, it would trend enough to the point of enforcement action where withdrawal of inspection could happen, but, it would be a long road to get to that point

- Gene Curry said if an establishment signed a form saying when they want an Inspector there and that Inspector shows up, but the establishment was not there or not ready for inspection, he said he didn't know that a second chance was needed. He felt that at least the expenses incurred for the needless trip should not have to be paid for by the producers of the state of Montana, because it wasn't fair to them
- Dr. Zaluski thought there was a Federal standard that provided a framework for the DOL to take regulatory action for folks that don't respect a commitment they made to the DOL. He said, that maybe the second time it could be a suspension, because suspension was the financial penalty for not complying with the hours of operations they indicated
- Gene Curry requested that the BOL be given a copy of the draft letter to review and that it be discussed at the next BOL meeting

**(4:37:53) 1:53 PM – Request to Hire Three Positions**

Alicia Love reported that there were still three vacant Meat Inspector positions and she was requesting approval from the BOL to fill them:

- Ms. Love explained that someone had been hired to fill the Billings inspection position, but that individual spent a week training and decided there was more windshield time than he wanted and resigned
- An employee had been hired back in July to fill the Missoula/Kalispell relief position, but, when she was offered a job at a ranching operation that paid substantially better than the DOL and involved less travel, she resigned as well
- Ms. Love said that Lauren Mulcahy, the Butte/Deer Lodge/Anaconda Inspector, had been with the DOL since 2015 and took a Federal position that paid more and had better health insurance. Her last day was October 14, 2022
- Mike Honeycutt said that even with the execution of higher pay for Meat Inspectors for the State of Montana, pay was still an issue. He added that should it pass the Legislature, there was a plan for some substantial changes across all State government for pay

**MOTION/VOTE**

**(4:40:38) 1:56 PM Nina Baucus moved to give Alicia Love permission to put out applications for the hire of a Relief Meat Inspector in the Missoula/Kalispell area, a Meat Inspector in the Billings area and a Meat Inspector in the Butte area. Alan Redfield seconded. The motion passed.**

**(4:42:42) 1:58 PM – Report From National Association of State Meat and Food Inspection Directors (NASMFID) Conference**

Alicia Love reported on her attendance at this year's NASMFID Conference:

- Ms. Love said that one of the more significant discussions at the conference was the changes to Appendix A&B by FSIS, those regulations surrounding cooking and cooling of a product. Those using older USDA guidance cannot do that after December 14, 2022

- Ms. Love said that resources explaining the changes were shared with DOL Inspectors to help them better understand the changes for plants
- Montana had an onsite audit coming in 2023 Ms. Love said, and she was able to attend a presentation put on by FSIS to discuss those 2023 audits
- Also discussed at the conference were changes to the USDA's IT Help Desk that many states utilize. Ms. Love said that the Help Desk had been a challenge to deal with since the change and a number of states were contemplating not using Federal computers anymore. Ms. Love added that the only computer the DOL Inspectors had were the Federal machines and so they were completely dependent on that IT Help Desk whose fee was substantial
- Ms. Love said that in discussion with other State counterparts, she found that even though some of their Meat Inspection programs were larger, percentagewise, some were seeing the same amount of turnover that Montana was seeing

**(4:48:37) 2:04 PM – FY24 Travel Request – July 2023**

Alicia Love requested BOL approval on her travel to the National Environmental Health Association Conference in New Orleans in the Summer of 2023:

- The Conference was scheduled for July 29-August 3, 2022 and was less aimed at meat and poultry, but was more of a general environmental conference
- Ms. Love said she had been asked to conduct a workshop on Conflict De-escalation at the conference in exchange for help with some of the cost
- The conference also would give Ms. Love the opportunity to again network with other states and would allow her to get her continuing education units to stay a Sanitarian in the state of Montana

**MOTION/VOTE**

**(4:50:03) 2:05 PM**

**Ed Waldner moved to approve out-of-state travel for Alicia Love to attend the National Environmental Health Association Conference in New Orleans, Louisiana on July 28 August 4, 2022. Greg Wichman seconded. The motion passed.**

**(4:50:50) 2:06 PM – FY23 Travel Request – December 2022**

Alicia Love requested BOL approval for Rosemary Hickey to receive additional training being offered at the Association of Food and Drug Officials (AFDO) Conference in December of this year:

- Ms. Love told the BOL that Montana's FDA counterpart had stated that the training Ms. Hickey would receive was critical for her to do
- Grant money had been applied for, Ms. Love said, and if that was not received by the DOL, the travel would be covered by Milk & Egg Program funds

**MOTION/VOTE**

**(4:51:38) 2:07 PM**

**Alan Redfield moved to approve out-of-state travel for Rosemary Hickey to attend FDA Special Problems in Milk Protection Training in Alameda, California on December 5-9, 2022. Jake Feddes seconded. The motion passed.**

**(4:51:51) 2:07 PM – Rule Change Proposal to ARM 32.8.202 – Time from Processing that Fluid Milk May be Sold for Public Consumption**

Mike Honeycutt explained the reason this rule change proposal was put on the agenda:

- Mr. Honeycutt said that Preston Wenz, Superintendent of Trout Creek School, contacted him regarding a problem with getting someone to deliver milk to their school. Because of the situation, the School had to pick up milk themselves in Thompson Falls for the students
- Mr. Honeycutt said he contacted Dave Lewis at Darigold who told him that Darigold in Bozeman did not do school-size milk cartons out of their Bozeman facility, but did out of their Spokane facility
  - Krista Lee Evans said that Meadow Gold was the only plant in Montana who could package the small cartons of milk
  - Preston Wenz said that the half-pint size was critical for the schools, because if the milk was delivered in pints, the cost would go way up and was more than kids would drink
- Mr. Honeycutt explained that the reason for bringing up the rule change proposal was to possibly have an exemption request on it for those supplying milk for the public, not a distributor, not a jobber or a chain store or processor, but an actual facility that was offering milk for sale to the public and one that could demonstrate a local issue that could be verified of why they could not supply or get access to milk that complied with the DOL's current dating rules. The BOL could be given the power to hear the concerns and make a decision of whether or not to grant the exemption
- Ed Waldner said that he did not think the industry was in favor of making a rule change. He said that the milk purchased at Super One was Darigold Milk, but that the milk came out of Washington. Mr. Waldner said he wanted Krista Lee Evans to report before any motion was made
- Preston Wenz said that Meadow Gold would only go as far as Thompson Falls to deliver the half-pint milk cartons for the students. He added that it was a Federal requirement for the school to provide milk for their students and that for over a year, school personnel had been using their personal vehicles to pick up the milk in Thompson Falls and bring it over to Trout Creek
  - Mr. Wenz said there was a safety concern for the staff making that journey to pick up the milk, especially on wintery roads and a concern for the milk quality during hotter days when staff would run AC in their cars to keep the milk cold enough until they were able to get it to the school
- Mr. Wenz said they needed someone to deliver the Milk to Trout Creek Schools, Thompson Falls Schools, and Noxon Schools, who also had to pick up their milk at Harvest Foods in Thompson Falls. At this point, he said, even though he would love for it to be Montana milk, he didn't care what cow it came from. He said that the schools weren't the only ones who weren't getting milk delivered from Meadow Gold, but the Senior Citizen Centers, the local stores and restaurants in all three towns had to figure out how to get their milk and milk products somehow

- Sysco Foods deliveries, Mr. Wenz said, for Trout Creek, would come out of Spokane, which he said brought up the issue of crossing state lines again
- Alan Redfield said that the date on the milk cartons was usually the sell-by date, not the expiration date and that schools were exempt
- Krista Lee Evans, representing the Montana Milk Producers Association, explained Montana's 12-day rule, which required that a sell-by date be put on milk cartons and when there were three days left on the carton there was still a lot of time to keep it in the refrigerator so that kids would still have good, fresh milk
- Ms. Evans said that the challenge on Highway 200 was more of a Jobber issue, because the post-COVID challenge was that it had been hard to get and keep employees. She said the Jobber that had been delivering the milk there said it was not financially feasible for them to go that additional distance, but, Ms. Evans thought they were close to confirmation that the Jobber would deliver the milk from Thompson Falls to the other schools in the area
  - Other possibilities, if the Jobber deliveries fell through, Ms. Evans said, were to potentially bring in dual-dated cartons out of Spokane for the school, or to use ultra-pasteurized milk that didn't require the same type of refrigeration
- Gene Curry said that it now looked like there could be a solution in place for the school milk situation, but, he would like to be proactive before the Legislature came into session and see a rule change worked on to protect the industry because there would be some Legislators that would take action during Session
  - As producers, Ms. Evans said, they didn't feel there needed to be a new rule, because Legislators were going to take action whether a rule was in place or not, as they had every Session. She said that they would be willing to sit down and have conversations to figure out how to best address the challenges as they came up. She didn't want to rely on the BOL to handle all of this, because the industry needed to take care of their business and take care of their customers
- Jake Feddes said the situation seemed more like a private-sector industry issue that came down to economics and he didn't think it was necessarily the BOL's position to tell somebody they had to deliver milk when they were losing money. He questioned, with it being a Federal law that schools have milk for the kids, why wasn't the school receiving more money to pay the extra to have milk delivered; adding that it sounded like something the Department of Agriculture would handle
  - Greg Wichman agreed with Jake Feddes that the situation was an industry issue and that the 12-day rule should be left alone
  - Alicia said that in reading the proposed rule change, she was concerned that it would open the door for argument that if the rule change were good enough for school kids, why not for everyone else in Montana
- Gene Curry requested that the rule change issue be tabled until the next meeting so that the wording could be reviewed, but added that the BOL had no solution available to them regarding the Trout Creek School situation

- Mike Honeycutt said that Mr. Wenz had been working on the situation for a year, but it had come to his attention in September, and after reaching out to the industry, he still didn't have a solution. He said that he hoped that for the industry, by the next BOL meeting, it wouldn't be four more weeks when those solutions happened

**(5:38:38) 2:54 PM RECESS**

**(5:38:56) 3:05 PM RECONVENE**

**(5:38:56) 3:05 PM CENTRALIZED SERVICES DIVISION REPORTS**

Because Gene Curry had to leave the BOL meeting early, a possible action item in the Fiscal Bureau was moved up in the agenda

**(5:39:43) 3:07 PM – FISCAL BUREAU**

**(5:39:43) 3:07 PM – Follow-Up on Bison Per Capita Fee Requested Information**

Gene Curry requested that Brian Simonson introduce himself and report on the Bison Per Capita Fee information requested at the last BOL meeting:

- Brian Simonson reported that in the last 12-month period, there were 160 bison permits issued, and that he had not put a price to them, because they paid for themselves
- The IT annual cost for application support for bison from the VDL, the Animal Health Bureau and from Brands was around \$1,750. But, Mr. Simonson said that bison made up about .7% of the number of cattle in the state, so he expected that number to be small
- At the VDL, in FY22, it was reported that they ran 4,799 tests, for a lab fee cost of \$38,581, with approximately \$15,000 of that equating to per capita fee cost, \$16,000 in direct costs and the other costs covering administrative oversight
- The per capita fee rate collected by the DOL for bison was currently \$6.38, and in FY22, the DOL collected \$83,559 in per capita fees from bison, and in his calculations, Mr. Simonson said he could not come up with \$83,559 worth of cost for bison to the DOL
- Mike Honeycutt said that the administrative oversight costs were an area where it was hard to itemize costs for how much time was spent on domestic bison issues in the DOL, and, that would plus-up the cost, but it would still probably not go over the \$83,559
- Brian Simonson reported that 87.5% of the per capita fees collected in the DOL were from cattle. Gene Curry asked if almost 90% of the expenses generated in the DOL were related to cattle? Nina Baucus said that the bird flu stuff generated quite a bit of expense
- Mike Honeycutt said, to keep apples to apples, the work being done regarding bird flu was being paid by Federal dollars, not per capita fee. 50% of Brands work was covered with per capita dollars and at least 90% of their work was

cattle-oriented. A lot of the tests being done at the VDL were for cattle, but the funding source was varied. Per capita funding didn't figure into Meat Inspection operation, as Federal and general funds were utilized there. The Milk Industry utilized funds from fees and assessments. Mr. Honeycutt said that he, Brian Simonson and Dr. Zaluski were primarily per capita fee employees

- Mr. Simonson said that a bison was worth twice as much as a cow, but with considering other costs attributable to bison, the per capita fee range to charge, he felt, would be somewhere between \$4.96 to \$6.38
  - Mr. Bechtold said he wanted to be on record that he was all for being cheaper than that, but that he appreciated the BOL taking the time to think about the bison per capita issue
- Gene Curry raised a concern that if you lower the per capita fee for bison, you might be opening the lid to other requests for decreases in other species
- Mike Honeycutt was not certain of how the per capita fee for bison had been established, but said that if the BOL decided to make changes in it, those changes would need to be made in time to inform the Department of Revenue of the new per capita rate in the next week
  - Mr. Honeycutt said that the DOL could try to look through the annals and see if there was any information that could be found regarding bison per capita fee history
- Mr. Honeycutt said, in answer to Mr. Bechtold's question regarding the number of bison tests that had been done at the VDL, that the majority of bison testing being done at the VDL was for commercial bison, particularly in the DSA and perhaps some other testing that Yellowstone did on their captured bison
- No action was taken on the bison per capita fee issue, meaning that the current fee would be in effect for the next year

(Gene Curry exited the meeting at 3:33 PM – 6:06:26)

## **ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS (Continued)**

(6:06:30) **3:33 PM**

### **(6:06:35) 3:33 PM – VETERINARY DIAGNOSTIC LABORATORY**

Alan Redfield, Acting Chair, requested that Dr. Greg Juda, Director of the Montana VDL in Bozeman introduce himself

### **(6:07:10) 3:34 PM – Request to Hire Replacement FTE - Recent Resignation**

Dr. Greg Juda requested that the BOL approve the hire of a Laboratory Technician in the Clinical Pathology Laboratory section:

- Dr. Juda explained that the Lab Technician resigned in September and he was requesting to backfill that position with a full-time employee since that section, which historically had two Laboratory Technicians, was down to one
- The Technician would do testing that included blood cell counts and chemistry panels

## **MOTION/VOTE**

**(6:07:51) 3:35 PM**

**Nina Baucus moved to approve the hire of a Clinical Pathology Laboratory Technician in the MVDL. Jake Feddes seconded. The motion passed.**

### **(6:09:08) 3:36 PM – Operational Update**

Dr. Greg Juda updated the BOL on other staffing at the VDL:

- Dr. Juda reported that the Molecular Diagnostics position had been filled successfully by Nathan Antonioli, who started the previous week
  - Nathan Antonioli was a recent graduate of Carroll College who had direct experience with realtime PCR
- There was an offer sent out the day before, Dr. Juda reported, for one of the front office staff positions. For the other front office staff position, another candidate was coming to interview for it on Friday

### **(6:10:03) 3:37 PM – New VDL Building Update**

Dr. Greg Juda turned the floor over to Max Grebe, LPW Architecture, to update the BOL on the status of the new VDL:

- Mr. Grebe reported that they had met extensively in design meetings, with all three of the user groups for all three labs associated with the new building and had gathered nearly all the information needed at this point and they were combining it together
- LPW Architecture was scheduled to have another set of design meetings in early November, where they would finalize the fine details, including specific pieces of equipment within the Lab sections, knee space, drawers needed, etc.
- Mr. Grebe said that the original design schedule was anticipated to be completed by the end of the year and put the project out for bid at the beginning of 2023. But, because of construction inflation costs, A&E wanted to be sure all the funding was in place for the project before it was released for construction, and so, additional funding would be asked for in the upcoming Legislative session to fill the gap between the current estimate for the project and what was previously awarded. The design schedule had slipped into April with release of the project for bid in Spring of 2023 and June of 2023 for construction to begin
  - Construction activities, Mr. Grebe said, would take approximately 20 months, with a 2.5-3-month commissioning phase after that, with occupancy taking place in mid-April to June of 2025
- Construction costs had escalated to around \$10 million more than the original \$42 million fee to fund all three facilities and were now at about \$52 million
  - Not only had an escalation in cost occurred, Mr. Grebe said, but there were material and supply delays taking place, with some electrical equipment lead times of 47 to 52 weeks and chillers and boilers that used to take 4-6 weeks of lead time now taking 14-42 weeks
- Mr. Grebe explained that although a majority of the funding was in place, all three partners in the new Lab Complex, the VDL, the Ag Analytical Lab and the MSU Wool Lab were lacking funding to be completed



- Greg Wichman said that his understanding was that there was enough money to build a shell, but perhaps not all the interior could be completed right away, as the whole shell would have to be built as one
- Brian Simonson said that his understanding was that the \$10 million shortage was going to be requested of the Legislature through A&E, through HB5, which was a cash bill. Alan Redfield said that because this Lab Complex project was almost shovel-ready it would be a big deal to the Legislature
- Greg Wichman said that once the final plans were in place, contributors may want to donate funding for specific rooms and be able to name the room
- Mr. Grebe showed the BOL the overall site plans that were more detailed than previous ones shown to the BOL, with some minor design changes, showing the different rooms for each of the three Lab facilities
  - Mr. Honeycutt said that the BSL-3 space for the VDL would be used for infectious agents, a bio-security issue, and that type of space would not be needed by the Wool Lab, even if they were dealing with the Department of Defense work. That type of work would require external security and additional secure access to that part of the building

## **CENTRALIZED SERVICES DIVISION REPORTS (Continued)**

**(6:31:09) 3:58 PM**

### **(6:31:37) 3:58 PM – FISCAL BUREAU**

Brian Simonson, Central Services Division Administrator, said, welcome to the new fiscal year '23

### **(6:31:43) 3:58 PM – September 30, 2022 State Special Revenue Report**

Brian Simonson reported to the BOL the September 30, 2022 State Special Revenue numbers:

- Mr. Simonson explained that the New Brands and Transfers and the Rerecord Brands would be really topsy-turvy this year, because they were looking at the end of a 10-year session versus the start of a new 10-year session
  - The \$34,760 for New Brands and Transfers was down \$380,000 from last year, but don't be alarmed, Mr. Simonson said, because the DOL would receive on 1/10 of a year's worth of revenue out of any new brand that would come in at this point
  - For Rerecord, the fees were increased 75% from 10 years ago, and so, that \$831,000 in the budget was an increase of \$367,000 over last year
- In Market Inspection Fees, the amount was \$105,000 less, in comparison to the previous year, which was a decrease of 56%. Mr. Simonson said to remember though, that the previous year was a 44% increase over the year before that
- Investment earnings were not doing really well right now, Mr. Simonson said, largely due to a factor of putting all of the new rerecord fees into a STIPS, meaning that investment earnings would be high in the early parts of the 10-year cycle

- Mr. Simonson said that the \$92,000 listed for Per Capita Fee was probably late filers, a number that would change by next May to \$5 million more
- Mr. Simonson said that for Milk Inspection, the budgeted revenue was \$325,000 and last year \$310,000 was brought in for revenue. He said that projected expenses were more because of the extra Inspector that was brought on board. With the \$125,000 reserves sitting in Milk, though, Mr. Simonson said there were a few years to solve that problem
  - Mike Honeycutt said that the DOL would probably wait until after the Legislative Session, but that probably next summer the DOL would be bringing the milk industry in for a conference on upping the fees
- VDL fees were down \$24,620. But, Mr. Simonson said that there were only two months of revenue so far realized there and that it could be a timing issue
- Under Budgeted Revenue, the usual number for the past four years had been nearly \$1.2 million, but with actual expected revenue in there, Mr. Simonson said that for FY23, that revenue was listed at \$1.5 million
- Mr. Honeycutt reminded the BOL that all of the transactional revenue that was dependent on the number of animals out there, such as per capita, brand inspection fees and lab fees, not to be surprised if they were negative this year, which was why the DOL had reserves

**(6:40:03) 4:07 PM – October 2022 Through June 2023 Expenditure Projections**

Brian Simonson explained that the numbers were a little shaky the first time out of the gate because the projected expenses were based on last year's expenses and didn't have a lot to do with what was expected in the future:

- Mr. Simonson said that retirement was not built in there, but, there were a lot of negatives built in there like pay raises, etc.
- He said that the \$130,000 in Personal Services listed did not have the 5% vacancy savings considered, so, that number should actually be \$500,000 in the hole
- Besides the \$300,000 in the VDL, Evan Waters had moved \$210,000 in FY21 carryforward into this budget right away, which helped minimize some of the negatives going through the year
- Mr. Simonson said that another two months' worth of benefit holiday was projected, which was about a \$250,000 benefit to what was in this budget
- Milk Control and Egg was pushing through another \$250,000 of positive Personal Services expenses into the budget, helping factor a number of \$130,000 to the good
- Brian Simonson explained that as of right now, the Meat operation was doing much better, but still suffering from last year's lack of personnel, meaning there was a lot of travel expense and, there was going to be a lot of travel expense in the beginning of this fiscal year as well because people were still being trained and not fully on the ground as of yet
- Mike Honeycutt said that in the VDL, DSA testing should be down, meaning that DSA reimbursements should also be down and so he would expect the VDL would perform better on expenditures there than maybe they would have in past

years. That is a general fund item and there are 9-10 months left to manage it to figure things out

- In Brands, Mr. Honeycutt said there were huge amounts of overtime during the year, but if things return to normal the first three months of the year, things would be catching up

(Ed Waldner exited the meeting at 4:13 PM – 6:46:10)

- Mr. Simonson said that Milk & Egg was coming in at contract at a positive \$61,000, while the big negative for Other Expenses had to do with indirects, travel expenses, in the Meat area
- Of the \$342,000 in transfers, which Mr. Simonson said, was normal, \$110,000 of that was per capita fee expense and the rest was elk collaring. Mr. Simonson said that the negative \$77,000 in general fund dollars was all Meat operations, and he was optimistic that would tighten up
- Mr. Simonson said that they were projecting a \$61,000 negative in the VDL. This was the time of year, he explained, where the VDL purchases the supplies needed to do the CWD and Brucellosis tests and so at the beginning of the year, the VDL numbers were upside down, but, as those testing seasons are completed, their numbers would start looking good

## **COMMENTS FROM THE PUBLIC ON NON-AGENDA ITEMS/COMMENTS FROM PRODUCER ORGANIZATIONS**

(6:48:36) 4:15 PM

Mike Honeycutt announced that both Rachel Cone of Montana Farm Bureau and Rachel Prevost of Montana Farmers Union were still on the ZOOM:

- Rachel Prevost reported that there was going to be a grand opening for the Montana Premium Processing Co-op in November and that she would be happy to send Mike and the BOL Chair the information when the details were nailed down
- Rachel Cone said that they looked forward to having folks from the DOL at their upcoming conference


## **SET DATE FOR THE NEXT BOARD MEETING**

(6:50:15) 4:17 PM

Alan Redfield asked if December 14, 2022 would work for everybody for the next BOL meeting, and with no negatives received, that was the date set

## **MEETING ADJOURNED**

(6:50:24) 4:17 PM

  
Gene Curry, Chairman