

	<p>Livestock Loss Board December 4, 2013 Conference Call Board Meeting Helena MT</p> <p>Meeting Minutes</p>
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Livestock Loss Board Members Present:

Elaine Allestad - Chairperson
Whitney Klasna
Larry Trexler
John Herman

Staff:

George Edwards – Executive Secretary

Guests:

Ansel Luxford

Call to Order and Administrative Items:

Chair Elaine Allestad called the meeting to order at 10:00 a.m.

Introductions:

- Each board member and board staff introduced themselves.
- Chair Elaine Allestad asked the audience members to introduce themselves and encouraged public comment.

Board Minutes:

Board members reviewed the September 6, 2013 minutes. **Motion:** Larry Trexler made a motion to approve the minutes. John Herman seconded the motion.

Discussion: None. **Vote:** All in favor none opposed. Motion carried.

Luxford Loss Claim:

Mr. Edwards stated the board book contained the same information presented to the board during their September 6th board meeting with the addition of letters from people who had purchased sheep from Mr. Luxford. A board motion from the September board meeting was to use values for ram lambs and ewe lambs from the Miles City Ram Sale and the Choteau Sheep Expo. Neither sale had sold registered Suffolk ewe lambs. Mr. Edwards had spoke to Mr. Luxford numerous times after the September board meeting and he was unhappy with

the board's motion. Mr. Edwards referred him to Elaine Allestad and she suggested he provide proof of sales prices via correspondence from purchasers of his sheep. Mr. Edwards also contacted registered Suffolk sheep producers in Montana to obtain average registered Suffolk sales values in the state. Elaine Allestad asked Mr. Edwards to remind the board what the law states on registered sheep values. Mr. Edwards read the law 2-15-3112, MCA to the board and said a copy of the law is also in the letter sent to Mr. Luxford. He pointed out that the law states "for registered sheep, the average price paid to the specific breeder for sheep of similar age and sex during the past year at public or private sales for that registered breed."

Mr. Luxford said he did not inflate the value of his sheep and referred to a letter from Dan Lucas who is the Granite County Extension Agent and had purchased sheep from Mr. Luxford. Mr. Luxford gave an example of sales by Sitz Angus, Harrison Mt. and asked the board if they would just pay them the average value of sales within the state. Mr. Luxford said he sells sheep nationally. Elaine Allestad said the board would honor receipts from sales within the past year if Mr. Luxford had provided them. George Edwards added that is what has been done with Sitz Angus for their losses and Sitz had provided receipts. Mr. Luxford stated he does not issue receipts and sees no difference between letters written from buyers as he does business by the shake of a hand. Elaine Allestad stated the state law requires us to ask for proof a value via a receipt or some other method such as IRS tax records. Without some form of valid receipts the board has to use sales from other public or private sales. She asked what Mr. Luxford had turned into the IRS for his prior sales.

Mr. Luxford said the problem with prior sales is that his sheep have come down with Cache Valley Fever. He has less than half of his normal lamb crop and gave the board letters from people he sold to this year. He said he doesn't understand what the board wants because the board has these letters. He stated he didn't realize the board needed receipts as he would have issued them to the buyers. He went on to say that is not how business is typically done in the business he is in. Larry Trexler said in the past the board has used receipts, if no receipts were available the board used private sales as stated in the law. He told Mr. Luxford he doesn't deny that he may get the prices he claims but added it needs to be what is reasonable in the state of Montana.

Mr. Luxford asked if the board was familiar with the Louisville Kentucky sheep sales. A sheep sired from his breeding stock were champions at the sale. He added he does not sell sheep in state because of the caliber of his sheep. Larry Trexler said going back to Sitz they have had bulls sell for \$145,000 but they have were willing to use their average sales values. The board is just trying to be fair to everyone. Mr. Luxford said he shot the wolf that killed his sheep and it appears the board and himself are on different sides of the fence. Mr. Trexler said the board is trying to do what is fair for all and the compensation is better than receiving nothing. Mr. Luxford asked is the purpose of the law to be better

than nothing, if I get peanuts for genetics and financially I will look at alternatives to get rid of wolves. Mr. Trexler responded by law we can only do what the law says. Elaine Allestad added that if Mr. Luxford had receipts or some form of tax records showing the sales there would be no question here. She asked Mr. Luxford if he was audited how would he show the value as income, do you have copies of a bill of sale. Mr. Luxford said no the new owner may have a cancelled check. Mrs. Allestad responded that even a cancelled check would have been good but that was never provided.

Mr. Luxford asked if it is generally known that sheep producers need a receipt. Mr. Edwards responded that he has explained the process during annual livestock association meetings including Montana Woolgrowers since the being of board operations. Producers were told if they have receipts the board would use them for sales averages of registered animal sales and all claims up until this one the owners provided receipts.

Elaine Allestad said if the buyers would have sent a copy of a cancelled check we would have had proof of the value. A letter by itself is not good evidence where as a receipt or cancelled check would have been. Larry Trexler added or even a copy of a bill of sale showing the payment. Mrs. Allestad said it is a matter of verification. Mr. Luxford said that is what the letters were for and he is not happy. He said he does not like to be in the position to defend his word. Mr. Luxford gave an example of a domestic dog that killed sheep in his barn. An insurance adjuster called the past three presidents of the Suffolk sheep association and the insurance check was issued for \$25,000 for five lambs. Mrs. Allestad asked Mr. Edwards if proof from three to four years ago count. He said the law states within the past year. Mr. Luxford said the last two years were not relevant as he has sold privately because of the Cache Valley Disease instead of national sales.

Mr. Luxford said he keeps a journal on his sheep. Mr. Trexler said we could look at that for records. Mr. Luxford said he would rather send sales results from national sales. Mrs. Allestad said your records are what the law says or the alternative is to use sales of like animals. Mr. Edwards asked everyone to look at the letter sent to Mr. Luxford and to read the second line from the law. Mr. Trexler asked Mr. Luxford is it would allow the board to look at the journal. Mr. Luxford said it is in shorthand and not much value as it just shows vaccinations and sales. Mr. Edwards asked Mr. Luxford if he uses the journal to prepare his taxes. He added that the board is also subject to audits and the auditor would look at what the board used to determine values for payment justifications. Mr. Trexler asked for a copy of the journal again. Mr. Luxford said ok but it has no legal standing. Mr. Trexler said if that is what you use for taxes it would be similar to an invoice. Mr. Luxford said he would send a copy to Mr. Edwards.

Elaine Allestad asked Mr. Luxford is he could show he had been selling sheep out of state. Mr. Luxford said he has sold sheep in Missouri and Nevada but not

in 2013. Mrs. Allestad requested that Mr. Luxford get contact information to George Edwards so he could follow up on the Nevada sales. Mrs. Allestad asked if a board member would want to make a motion to accept this method because of Mr. Luxford's past history of selling out of state. John Herman said it would be workable as long as the sales were within the past year. Larry Trexler added that would give Mr. Luxford a fair average as long as he could prove he sold there in the past. Mr. Luxford asked the board if they would still want his journal notes. Mr. Trexler said that would help. Mr. Luxford said he would mail contact information to Mr. Edwards.

Motion: Larry Trexler made a motion to make sure we get verification that Mr. Luxford sold sheep in Nevada in the past and to use 2013 sales average.allow for the use of the Nevada sales average. John Hermon seconded the motion.

Discussion: Elaine Allestad added that if Mr. Luxford does not provide proof of his prior years Nevada sales the board will use averages from Montana registered Suffolk values. **Vote:** All in favor none opposed. Motion carried.

Finalize Date for Grant Review:

Mr. Edwards said the board tentatively set a January 24th date for review of loss prevention grants and asked the board if this date still works for everyone. All board members said the January 24th date will work for their next meeting.

New Business:

- **FWP Proposed Administrative Rules Amendments**

Board members reviewed FWP's proposed changes to administrative rules related to wolves. Larry Trexler did not like some of the proposed changes and would like to keep some of the original language. George Edwards asked if a sample response to the rules on the Wildlife Services section as the only personnel for verifications is what the board wants to remain the same. Both Larry Trexler and Whitney Klasna said yes. Mr. Trexler said the letter should point out that Wildlife Services is a neutral third party. Elaine Allestad directed Mr. Edwards to look at the adopted Wolf Management Plan as there is already a section on this and to add it to the board's response to the rules proposal. Mr. Trexler stated FWP doesn't need to amend the current rule as it isn't broken.

Motion: Larry Trexler made a motion to send a response from the board to FWP regarding the administrative rules changes. Whitney Klasna seconded the motion. **Discussion:** George Edwards asked if the board wanted anything written on the quota section of the rules proposal. Mr. Trexler said yes and Mrs. Allestad said there is a problem in this section regarding criminal penalties for a rancher protecting their private property. **Vote:** All in favor none opposed. Motion carried.

Public Comment

- No public remained present so no comments were stated.

Motion: Whitney Klasna made a motion to adjourn. Larry Trexler seconded the motion. **Adjourned**

DATED this 24 day of January, 2014

Elaine K. Allestad

Elaine Allestad, Chairman
Montana Livestock Loss Board