



**BOARD OF LIVESTOCK
CONFERENCE CALL MINUTES
DECEMBER 9, 2014**

301 N. Roberts, Helena, MT 59601

*Agenda times may vary as much as one hour-earlier or later.
Items may be added or deleted up to 48 hours prior to the meeting.*

Look for changes at www.liv.mt.gov.

10:00 AM

Call to Order

Board Members Present:

Jan French, Chair, cattle producer
John Lehfeldt, sheep producer
Brett DeBruycker, cattle producer

Jeffery Lewis, dairy producer
John Scully, cattle producer
Ed Waldner, swine producer

Board Members Absent:

Linda Nielsen, cattle producer

Staff Present:

Christian Mackay, Executive Officer
George Edwards, Livestock Loss Board
Dr Marty Zaluski, Animal Health
Marty Clark, Brands Enforcement
Dr Bill Layton, Veterinary Diagnostic Lab

Sherry Rust, executive assistant
George Harris, Centralized Services
Steve Merritt, Public Information
Gary Hamel, Meat Inspection

Public Present:

Butch & Doreen Gillespie, MRLA
Chelcie Cremer, MT Farm Bureau
Chaley Harney, Mt Beef Council
Chuck Johnson, Lee Newspapers
Ike Wurz, Milk Producers Board

Jim Brown, MT Woolgrowers Assn
Gene Curry, MT Stockgrowers Assn
Maggie Nutter, Marias River Livestock Assn
Ruben A Wurz, Quota Committee
Elias P. Wipf, Milk Producers Assn

Board Communications:

- Jan French, Hobson
 - some moisture, warming up
- Jeff Lewis, Corvallis
 - foggy, damp
- John Lehfeldt, Lavina
 - sheep are out, weather has warmed up
- John Scully, Ennis
 - another case in the valley
- Ed Waldner
 - weather broke, warmed up
 - hope it stays warm



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Brett DeBruycker, cattle producer

- cattle market has dropped ten dollars in the last ten days

Action Item: All Department Financial and Budget Issues

- Christian Mackay opened the meeting with a review of division administrator meetings with George Harris and him
- George Harris provided the board with a booklet containing division budget status and proceeded to review by division with revenue projections through June 30, 2014
 - Diagnostic Lab
 - fees have increased by \$28,184 from November 2014 to November 2015
 - projected lab fees from December to June is 5 percent above 2014 actual revenue
 - overall the projected increase in lab funds is \$50,016 more than collected in year
 - The July to November comparison from FY 2014 to 2015 shows an expenditure reduction of \$7,694 which includes 3 pay periods in September and October 2014.
 - December 2014 to June 2015 reduction needed is projected at \$66,678 less the \$7,694 reduction already applied.
 - Brands Enforcement
 - George reviewed the projected revenue from the four sources of brand revenue (rerecord usable funds, new brands & transfers useable funds, security interest filing fee, local inspections)
 - new brands and transfers are up \$10,510 in FY 2015 over FY 2014
 - while security interest filing fees, local inspections, and market inspections are down
 - overall brand revenues are down by \$35,310 this November compared to last November
 - as of the end of November FT 2015, total expenditures are \$76,067 higher than end of November last year
 - additionally board requested reductions of \$106,435 still need to be met
 - the combined reduction needed is \$182,502 or \$26,072 per month
 - Centralized Services
 - CSD was required to reduce by \$77,057
 - through November the division reduced \$18,597 or \$3,719 per month
 - for the remaining months of FY2015 the required reduction should be \$4,632



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- Animal Health
 - Board required reduction was \$7,584
 - FY 2015 expenses are \$4,967 above November 2014
 - overall monthly reduction of \$1,497 through June 2015 will meet the board required reduction
- Division Administrators Options
 - Diagnostic Lab, Bill Layton
 - staff furloughed three days beginning the day after Thanksgiving
 - other two designated days are the day after Christmas and January 2nd
 - one position is being left open (\$44,000)
 - another position opened up (\$17,000)
 - additional fee revenue from charge for Milk Lab area within the lab

Board members expressed concern for possible extra costs from the latest brucellosis positive cattle case. Layton and Christian to review costs but should be covered.

 - Brands Enforcement, John Grainger
 - discussed possible options with the area supervisors
 - looking at 8 furlough days (whole division) at about \$7,000 per day
 - leaving it discretionary as to when taken
 - have one open position, took another position within MDOL so no payouts
 - also looking at eliminating positions but that still costs the department money
 - reviewed the disparity in workload, i.e.: one iron brand inspection takes less time than a truckload of mixed brands from the cattle buyer
- Board Comments
 - John Scully stated the board made the reduction recommendations in August and they have not been made
 - must look at some kind of restructuring simultaneously with the furlough to meet the year end budget
 - how do we meet the reductions without cutting services
 - John Lehfeltdt noted that we also have animal disease/health issues to deal with and livestock loss/theft

Dr Zaluski indicated Animal Health will be adjusting some fees already in place (garbage feeder license has been \$5 for as long as anyone can remember) and implementing fees for services not charged for before. These should cover the required reduction.

As to increased brucellosis testing costs the Governor's budget people knew we would need supplemental funding. They had money in the general fund and the Governor signed it so we have that funding should we need it.

Gene Curry, MSGA, commented the 40,000 deficit in market inspections. Factored in the fee increase but did not factor in the decrease in market sales. Per capita should be used to



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help fund brands enforcement since every producer benefits regardless of if they send cattle through the market or not.

12:25 PM Recessed for Executive Session

Personal right to privacy exceeds public right to know.

1:30 PM Reconvened

- Board Conclusions
 - have not totaled up- per division yet
 - incumbent to looking across the board
 - management team must bring in options as a whole (department) looking at the least encumbered choice - take the least harmful position
 - have division heads go through and decide - then Christian bring them to the board
 - the board will sent up process for Christian to apply
 - meet in conference call as soon as recommendations are made

Christian reiterated to prioritize by division to see the best spot to eliminate or cut

- he will meet with administrators (Layton on conference call) and inform the board by the first of next week

Sheila Martin, Human Resources, suggested advertising for up to 15 day leave of absence at no pay for anyone wanting time off during the holiday, subject to supervisor approval

John Lehfeltd moved to authorize advertising the 15 day leave without pay option. Brett DeBruycker seconded. After discussion vote was taken with Jeff Lewis, Brett DeBruycker, and John Scully voting no. The motion failed.

Sheila Martin noted that if jobs are rified the department must give a minimum of 15 days' notice for up to 25 personnel.

The board set up time and date for the conference call for final budget decisions:

Thursday December 18, 2014 4:00 pm

The board appointed John Lehfeltd, Brett DeBruycker and Jeff Lewis to look at a transfer fee similar to cattle inspections for other livestock (sheep, pigs, etc). Feasibility, how, who, etc.

Public Comment

10 minutes

Mark Meyer, representing Montana Milk Producer Association, regarding the 12 day milk rule lawsuit

- the compromise agreement was to be until the original decision was made
- now we have the Montana Supreme Court Decision so the administrative issue is complete



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- the rule is no the books and must be enforced
- Jock Anderson, representative for Meadow Gold Dairy, ditto
Ike Wurz, Montana Milk Producer Board, president,
- spent a lot of money fighting Coremark, how come the law is not being enforced
- Elias P. Wipf, MMPB, secretary
- urges the department to have the 12 day rule enforced
- Jim Brown, Montana Woolgrowers Association
- is there any way to stream live meetings
- Answer is not within the MDOL building, will look into Skype and other media
- Gene Curry, MSGA
- on the right track
 - the people on the line should be the ones to bring options to the board

2:18 PM

Adjournment

Jan French, Chair