



MINUTES
BOARD OF LIVESTOCK MEETING
MARCH 21, 2016
 Capitol Meeting Room
 Helena, MT

<i>Monday</i>	<i>March 21, 2016</i>
Call to Order:	Chair John Lehfeldt at 8:08 AM
Board Members Present:	
	John Lehfeldt, Chair (sheep producer) Brett DeBruycker (cattle producer) Ed Waldner (swine producer) John Scully, Vice-Chair (cattle producer) Nina Baucus (cattle producer) Lila Taylor (cattle producer) Sue Brown (dairy)
Staff Present:	
	Mike Honeycutt, EO Donna Wilham, Adm. Asst. to EO Dan Turcotte, Milk & Egg Bureau Gary Hamel, Meat Inspection George Harris, Centralized Services Bill Layton, Diagnostic Laboratory Marty Zaluski, Animal Health Tahnee Szymanski, Animal Health George Edwards, Livestock Loss Board Evan Waters, Centralized Services George Edwards, Livestock Loss Board Leslie Doely, Adm. For Brands Enforcement Chad Lee, Milk Control Bureau
Public Present:	
	John Steuber, USDA Wildlife Services Pat Murdo, Legislative Services Jeanne Rankin, rancher/Montana Veterinary Medical Association Jay Bodner, Montana Stockgrowers Association Gene Curry, Montana Stockgrowers Association Chelcie Cargill, Montana Farm Bureau Federation Rhonda Edwards Lark Gilmen, Poor Orphan Becky Weed, 13 Mile Farm
Audio Meetings: <i>These minutes are in outline form only. They provide a list of participants and a record of official action taken by the board. A brief summarization of each action taken is provided for clarification. The link to the audio recording of the meeting is available on the Department of Livestock website, liv.mt.gov listed under Agency Information, then click on Board of Livestock</i>	
8:10 AM	Approval of February 18-19, 2016 meeting minutes
	Motion/Vote: Nina Baucus moved to approve February 18-19, 2016

		minutes as presented. Lila Taylor seconded. The motion carried
8:11 AM	Interim Actions:	Mike Honeycutt discussed need to expend Federal grant dollars that were set to expire before the end of the month. Since the cost of one of the items was over \$15,000, it has to be approved by the Chair and he approved it on 3/11/16. Dr. Zaluski discussed the costs and the need for a vet box for use in field.
8:15 AM	Motion/Vote:	John Scully moved to approve purchase of the vet box for Dr. Zaluski. Brett DeBruycker seconded. The motion passed.
8:22 AM	Old Business:	Information: Milk Inspection Assessment issues were discussed by Mike Honeycutt. He shared that an analysis of staff workload has been done for the sanitarians including their work with Class A and Class B Plants. Mike shared that staff are still trying to isolate all Milk Lab related costs as previous estimates that have been presented did not account for all costs. Mike requested the Board move forward with the real cost of the Milk Lab sanitarium program costs by interim or next meeting. A decision on the rule process is due by the end of June. The chair appointed a committee of John Scully, Ed Waldner and Sue Brown to discuss how to move forward on solutions for the rule in 2017 and provide input into milk program needs for EPP.
8:37 AM	Division Reports	<p>Executive: General Updates: -Mike Honeycutt introduced his new Adm. Asst. Donna Wilham. -Mike discussed lab employee classification and wage appeal issues and is awaiting determination from the Department of Administration on what happens next. It is expected their decision on the appeals will create increased personal services costs for the lab. - Mike shared that he had represented the department at the legislative finance committee meeting to update them on where we were in regard to our Milk and Egg IT project.</p> <p>Organization Charts: -Mike Honeycutt shared some department reorganization ideas for the Department of Livestock. If the Board wanted to pursue them a decision would need to be made prior to April 1 to submit them to the Budget office. George Harris explained how financial adjustments would be made if reorganization changes</p>

		<p>were made. The board discussed the ideas and no action was taken.</p> <p>Bison Management: -BOL will be asking the Attorney General for a legal opinion regarding the legal obligations of DOL in regard to Bison. -Dr. Zaluski and Mike Honeycutt have attended meetings regarding YNP's recent environmental assessment on managing Bison. The Governor's office has been supportive of the Department's position not to move Bison from Stephen's Creek capture facility to Fort Peck for quarantine based on one negative test for brucellosis.</p> <p>Upcoming Calendar: -Mike Honeycutt said the next big thing on the April calendar is executive planning process with instructions coming on April 20th. Board Guidance was requested on how to go forward with House Bill 2 and EPP. Legislative proposals are due April 15th.</p>
9:41 AM		<p>Animal Health: Travel Requests: -Dr. Martin Zaluski requested travel permission for Dr. Emily Kaleczyc to attend the National Alliance of State Animal and Agricultural Emergency Programs (NASAAEO) summit on Emergency Preparedness in College Station, TX in May 2016.</p>
9:46 AM	Motion/Vote:	<p>Ed Waldner moved to approve travel permission for Dr. Emily Kaleczyc's NASAAEO meeting. Brett DeBruycker seconded. The motion passed.</p>
		<p>Administrative Rule Proposals: -Dr. Martin Zaluski requested Administrative Rule changes to isolation of rabid or suspected rabid animals (#32.3.1203) and animal contacts (#32.3.1205). Tabled due to lack of information. -Dr. Martin Zaluski also requested the term "accredited" veterinarians be replaced with "licensed" veterinarians. This action also tabled due to lack of information.</p> <p>Request to Fill Open Position: -Dr. Martin Zaluski requested to fill an entry-level assistant position in the import office that became open</p>

		due to a retirement.
9:58 AM	Motion/Vote:	Brett DeBruycker moved that the phone position for Dr. Zaluski's department be filled. John Scully seconded. The motion passed.
		-Dr. Martin Zaluski submitted a travel request for four Animal Health staff (Zaluski, Szymanski, Liska and Kaleczyc) to attend the Western States Livestock Health Association annual meeting May 25-27, 2016 in Bend, Oregon.
10:00 AM	Motion/Vote:	Ed Waldner moved to pass the travel request for four staff to attend the Western States Livestock Health Association annual meeting on May 25-27, 2016 in Bend, Oregon. John Lehfeldt seconded. The motion passed.
10:19 AM	Recess	Recessed for Break
10:35 AM	Reconvene	<p>Meat & Poultry Inspection:</p> <p>-Gary Hamel gave program updates.</p> <p>-Gary Hamel's and Dan Turcotte's nominations were confirmed with the Food Safety Advisory Committee to serve on that state committee.</p> <p>-Gary Hamel participated in Track 1 of the Government Food and Ag Summit.</p> <p>-Gary discussed the market need for a large poultry processing facility, possibly a mobile unit, to deal with lack of processing capacity for those with small flocks or 4-H birds.</p> <p>-Gary Hamel trained with USDA to conduct destination examinations of poultry products destined for school lunch programs. Both Gary Hamel and Dan Turcotte felt final destination inspections, previously done by the Milk and Egg program, would be more appropriate if done by the Meat Inspection program with no funding changes.</p> <p>- Gary provided an overview of the \$107,000 expense increase in his program this year. There is budget to pay the expenses and the major reasons for the difference are 1. State-mandated pay increases and vacation time 2. State-mandated Group insurance cost changes 3. Agency and direct cost increases</p>
10:55 AM		<p>Centralized Services:</p> <p>-George Harris gave financial updates on the Department programs.</p> <p>February Monthly Financials:</p> <p>-George Harris discussed revenue comparisons of</p>

		<p>2016 to 2015. There is a concern if per capita collection based on head count will reach the targeted goals the board set. John Scully requested that by next board meeting a targeted per capita projection be brought to the Board that is relative to cash fund ending balance as a function of total revenues or expenses.</p> <p>-Mike Honeycutt said that dollars are there to meet expenses for the rest of the fiscal year as the collection is above what we have authority to spend, but what is in jeopardy is the ability to quickly build cash flow and fund balances in the future.</p> <p>State Special Revenue Projections:</p> <p>-George Harris reported that from March to June in Centralized Services Division there is a \$97,000 problem in personal services, but it is mitigated by \$66,000 to the good in operations, only short \$31,928.</p> <p>-In the Diagnostic Laboratory there is a \$59,000 problem until the end of the fiscal year. A just-hired janitorial position was not included in the numbers.</p> <p>-Mike Honeycutt says that too much is being charged to the State Veterinarian's office instead of the appropriate departments within Animal Health. George Harris says there is some work to be done in the Animal Health Division.</p> <p>-George Harris said that the Milk and Egg Division has \$161,000 in personal services already, but revenue isn't there to add 2 more positions.</p> <p>-George Harris said that the Brands Enforcement Division is showing a positive \$161,000 in personal services, \$16,000 positive in operations projected, with current budget projections until end of fiscal year of \$178,000 to the good.</p> <p>-George Harris said that the Meat and Poultry Inspection Division shows \$141,000 in personal services, \$28,000 positive in operations. Budget projection is \$169,000 to the good, Federal and General Fund (50/50 split). Gary Hamel has not hired the Compliance Officer that was approved in February.</p>
12:11 PM		<p>Livestock Loss Board: George Edwards gave program updates.</p> <p>-George Edwards requested out-of-state travel for BOL members and himself to Bonner's Ferry, ID to attend the Interagency Grizzly Bear Committee summer meeting. Per diem (travel costs) will be reported at next</p>

		meeting.
12:15 PM	Motion/Vote:	Lila Taylor moved to pass the out-of-state travel request for BOL members and George Edwards to attend the Interagency Grizzly Bear Committee summer meeting in Bonner's Ferry, ID. Brett DeBruycker seconded. The motion passed.
12:17 PM	Recess	Recessed for Lunch
12:45 PM	Reconvene for Executive Session	
1:29 PM	Reconvene	Livestock Loss Board (addendum): -George Edwards announced that Federal funds have been allocated for Livestock Loss prevention projects for wolf only and persons can submit an application for those funds on the LLB's website.
1:30 PM		Wildlife Services/Predator Control: USDA Wildlife Services' John Steuber gave program updates. -John Steuber reports that the previously-deployed helicopter pilot has returned. A new pilot from Browning is now flying as well but leaving during summer to fight fires. -For a second year, wolf predation is down from a high in 2011. No grizzly bear damage as of yet. Depredation reports from 2014 were 44 and 88 in 2015. -European starling toxicant will not be available for dairies and feedlots this year due to a manufacturing change. -USDA is helping smaller NW Montana producers with chronic wolf depredation by placing natural deterrents, short term (3 months) on their small calving pastures (40 acres) to prevent wolf depredation. Three ranches have cooperated so far; hope to get more. No action taken.
1:38 PM		Veterinary Diagnostic Lab: Dr. Bill Layton gave program updates. -Dr. Bill Layton said the review on a 20-year-old incinerator was received with only minor faults. NW Energy then checked a gas valve and Dr. Layton felt a safe, easy remedy would be a crescent wrench to turn off gas in case of an earthquake during a burn. -Dr. Bill Layton said he received an email from the NAHLN categorizing the lab as level 2 and it will

		<p>receive \$138,000. Dr. Layton plans to use the majority of the money to increase NAHLN capacity by replacing older equipment in the PCR room.</p> <p>-Dr. Bill Layton said that Tess Moore has defeated the Postal Service. A USPS email stated that Lab complaints were valid and justified and they will set up a procedure to put in place training for employees to be sure that Lab materials are being received.</p> <p>-Dr. Bill Layton said that placement of biohazard stickers only need to be on the secondary container, per USPS.</p> <p>-Board discussed benefits to Lab of hiring a half-time Administrative Assistant.</p> <p>No action taken</p>
1:52 PM		<p>Brands Enforcement: Leslie Doely gave program updates.</p> <p>Administrative Rule Changes: -Leslie Doely put in a request to establish a rule with a fee for the lifetime bull inspections in the ARM, similar to the equine inspection rule already in place. She also put in a request to increase the equine field inspection fee from \$6 to \$10. Board requested that requests be tabled until the next board meeting.</p> <p>Proposed MCA Changes: -Leslie Doely put in a request to change MCA statute #81-8-271 to remove \$50 initial dealer license fee and have it read to refer to ARM for fees instead.</p>
2:04 PM	Motion/Vote:	<p>Brett DeBruycker moved to change MCA statute #81-8-271 to remove \$50 initial license fee verbiage and have it read to refer to ARM for fees instead. Ed Waldner seconded. The motion passed.</p>
		<p>-Leslie Doely put in a request to clarify MCA statute #81-8-264 regarding satellite video auctions requiring that livestock dealer and market have to be domiciled in the state. Board requested that request be tabled until the livestock market is contacted regarding the statute.</p>
		<p>Request to Fill Open Positions: -Leslie Doely put in a request to hire a short-term Market Inspector in the Billings market.</p>
2:12 PM	Motion/Vote:	<p>John Scully moved to fill a short-term Market Inspector position in the Billings market. Brett DeBruycker seconded. John Scully withdrew his motion. More discussion took place for clarification.</p>
2:32 PM	Motion/Vote:	<p>Nina Baucus moved to fill a short-term Market</p>

		Inspector position in the Billings Market. Ed Waldner seconded. Motion passed.
		-Leslie Doely put in a request to hire a Market Supervisor position in the Glasgow area. This request was not on the agenda as the current person in that position so recently put in a two-week notice.
2:35 PM	Motion/Vote:	Brett DeBruycker moved to fill a Market Supervisor position in the Glasgow area. John Scully seconded. Motion passed.
		-Leslie Doely put in a request to hire an Assistant Administrator in the Central District. -Job description for position discussed, especially need for IT understanding. John Lehfeltd suggested that job description be tweaked accordingly. Lila Taylor requested that the board be given time to review job description. Mike Honeycutt reminded the Board that this position would also become the Assistant Brands Administrator if something happened to Leslie. John Lehfeltd requested a follow-up conference call on Friday, March 25 th and the Board could vote on Leslie's hire request then.
		-Leslie Doely reported that the Fort Supply Contract, with renewal due on April 1, 2016, needs to be changed from its existing procurement contract form to a maintenance and support contract form in order to be renewed. -After board discussion, Mike Honeycutt said his biggest concern is intellectual property and who owns it, but also had concerns about enhancements, value and costs of the system. He would like to see more things defined and suggested staying with Fort Supply for another year but look at other systems and viable options during that year. -Board agreed to move ahead with another one-year contract and discuss situation with Fort Supply. No action taken.
3:15 PM	Recess	Recessed for Break
3:28 PM	Reconvene	Milk Control Board: Chad Lee gave program updates. -Chad Lee announced the addition of a new Board member, Brian Beerman of Fairfield, and said that with Board reappointments of Chairman Scott Mitchell and Jerry Wiseman, the Board is full. -Chad Lee said that the Milk Control Board would be meeting at the Capitol on Friday, March 25 th and explained items that would be up for discussion.

		No action taken.
3:33 PM		<p>Milk and Egg Bureau: Dan Turcotte gave program updates.</p> <p>-Dan Turcotte told the Board during his school commodity report that Gary Hamel backed up Darcy Alm to check loads for USDA.</p> <p>-Dan Turcotte said they would be short staffed in April due to Rosemary Hickey and him attending meetings out of state.</p> <p>-Dan Turcotte said that construction on Great Falls plant to fit new grading machine has begun. A USDA-certified plant employee will assist with the State grader, possibly requiring only one State grader position needed there.</p> <p>-Mike Honeycutt and Dan Turcotte reported to the Board about his and Dan Turcotte's contact from DPHHS regarding the dividing lines of BOL oversight of wholesale manufacturing locations of dairy products and DPHHS oversight of retail locations of dairy products. Change of jurisdiction of certain food and dairy products may require help from attorneys and a different fee structure.</p> <p>No action taken.</p>
3:50 PM	Centralized Services Follow-up Report	<p>-George Harris reported to the Board the legal fees figures requested by them that morning and also reported to them another request for the difference between the costs of hiring a .5-time Lab position vs. contracting that position out with a firm in Bozeman.</p> <p>-John Lehfeltdt requested that Mike Honeycutt make phone calls and also visit with Dr. Layton about a firm he would recommend that would do a part-time contractual agreement for an administrative position in the Lab.</p> <p>-Sue Brown told the Board that MSU's Engineering Department can do financial and cost analyses reports for free by grad students, and it was requested by John Lehfeltdt that Mike Honeycutt check into that MSU program. No action taken.</p>
4:10 PM		<p>Public Comment on Non-Agenda Items: -John Lehfeltdt reported that there were no non-agenda items from the public to report.</p>
4:11 PM		<p>Producer Organization Comments: -Gene Curry, President of the Montana Stockgrowers Association (MSGA) and Chairman of the Long-Range Planning Board, thanked Mike Honeycutt, Nina Baucus and Leslie Doely for attending their last MSGA</p>

		<p>meeting. He also read a letter of support from MSGA to John Lehfeltdt regarding BOL's position on bison in the GYA. He also gave a heads up to the Board of possible upcoming legislation regarding bison reclassification and fencing issues, and he requested BOL support if that occurs.</p> <p>-Chelsea Cargill, Montana Farm Bureau Federation, welcomed Sue Brown to BOL and also thanked Mike Honeycutt and his staff for working with the Governor's office on bison issues, quarantine and ESA issues in the GYA. She offered MFBB help, where appropriate, with upcoming legislative issues, especially with bison dialogue.</p>
4:30 PM		<p>Set Day and Time of Next Meeting: -Next BOL meeting was scheduled for Wednesday, April 20, 2016</p>
4:40 PM	Adjourn	-John Lehfeltdt adjourned the meeting

Brandon Sully 4/20/16
UL

John Lehfeltdt
 Chair