



Montana Board of Livestock Meeting Minutes

October 24, 2017

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

Board Members Present

John Lehfeldt, Chairman (sheep producer) Nina Baucus (cattle producer)
John Scully, Vice-chair (cattle producer) Sue Brown (dairy and poultry)
Lila Taylor (cattle producer)
Ed Waldner (swine producer) **was not present**
Brett DeBruycker (cattle producer) **Arrived at 8:19 am**

Staff Present

Mike Honeycutt, EO Donna Wilham, Adm. Asst. to EO
Gary Hamel, Meat & Poultry Bureau Dr. Marty Zaluski, Animal Health
George Edwards, Livestock Loss Board Dr. Tahnee Szymanski, Animal Health
Evan Waters, Centralized Services Dr. Eric Liska, Animal Health
Leslie Doely, Brands Enforcement Division Dr. Steve Smith, Diagnostic Laboratory
Dan Turcotte, Milk & Egg Bureau Dan Olson, Centralized Services

Public Present

Kraig Glazier, USDA Wildlife Services Brian Engle, Pioneer Meats
Les Graham, MALAM Rob Stutz, Legal Services Division
Eric Sommer, USDA-NASS-MT

MEETING CALLED TO ORDER

8:02 AM

Chairman John Lehfeldt called the meeting to order at 8:02 AM

APPROVAL OF BOL CONSENT AGENDA ITEMS

8:03 AM

Lila Taylor requested that all consent agenda items except for the minutes be moved into their perspective divisions for discussion

MOTION/VOTE

8:03 AM

Lila Taylor moved to move approval of all consent agenda items, except for the minutes, until they can be discussed in their perspective divisions later in the meeting. John Scully seconded. The motion passed

MOTION/VOTE

8:04 AM

Nina Baucus moved to approve minutes from the August 30, 2017 meeting and the September 26, 2017 meeting as amended. Sue Brown seconded. The motion passed

OLD BUSINESS

8:05 AM

8:05 AM - Meat and Poultry Inspection Process Improvement Committee Report

Lila Taylor commented that the second meeting of the Meat and Poultry Inspection Process Improvement Committee was a lesson in the value of science. She turned the floor over to John Scully to explain:

- The Role of Science in the Meat Inspection Process was the main meeting topic
 - Current issues were covered
 - State vs Federal role was discussed
 - Expectations of the Industry and State regarding the Meat Inspection rules
 - The need for cleaning up the appellate process in all areas of the DOL was explained to the Committee
- Dr. Jane Ann Boles, Associate Professor of Meat Science at MSU and head of the Meat Lab there, attended the meeting as an industry expert
 - Dr. Boles discussed her role as an industry expert not representing any entity and has been called upon over the years in a consultative basis
 - Dr. Boles shared her expertise regarding audits and gave some helpful information regarding the current audit
 - There was discussion on the steps to be taken to request a change in scientific methodology
- Plans are for one more meeting of the Committee to summarize all that was discussed and go forward with it
 - Meeting will hopefully take place before the end of the year and after discussions with other states regarding recall committees at the Federal level

Brian Engle provided the BOL with copies of letters and a report of instances where Dr. Jane Ann Boles assisted some Montana meat establishments in avoiding recall

8:21 AM - Legislative Audit Updates

Lab Performance Audit Update

Mike Honeycutt reported that he felt reasonably confident that the DOL had addressed all of the recommendations made in the Lab Performance Audit:

- Mr. Honeycutt said he had submitted an update and supporting documentation to the Legislative Audit Committee regarding the DOL's success in meeting their Lab Performance Audit recommendations
 - Part of the documentation showed how the DOL is pursuing having more substantial and a set amount of per capita fees
 - A cost analysis of the VDL was presented including documentation on how the DOL used the cost analysis
 - The completed USAHerds/VADDS interface will be something for them to view in person, as there was no documentation to show that was done
 - Although there is no concrete plan for replacing the VDL, there is a Legislative Study Committee that continues to work towards a solution for replacement of the VDL as recommended by the Lab Performance Audit
 - The final report still needs to be submitted to the Legislative Audit Committee who may be meeting sometime towards the end of the year
 -

Brucellosis Performance Audit Update

Mike Honeycutt reported and Dr. Liska confirmed that there was nothing new to report in terms of progress on fulfilling the recommendations of the Brucellosis Performance Audit since the last meeting a month ago

8:26 AM - Personnel Committee Update

Deputy Executive Officer Position Description

Brett DeBruycker reported that a rewrite of the position description (PD) for the Deputy EO position had not yet been completed:

- John Scully volunteered to help with the rewrite of the PD which the BOL requested be made more in line with a Chief Financial Officer (CFO) position rather than a Deputy Executive Officer position
- Mike Honeycutt said there are some tasks he wants to complete before the rewrite is done
 - Research CFO-type PDs in other agencies to assure that the rewrite aligns with them
 - Contact Legislative Finance to see if there is room for the DOL to deviate from the exact position title in the decision package passed by the Legislature
- A hard deadline to have the position filled to avoid the risk of losing the FTE would need to be set before the Snapshot
- Mike Honeycutt pointed out some things for the BOL to consider regarding whether to label the new position a Deputy EO or a CFO

- No help or hurt if the new position is not hired since the appropriation for it is restricted
- If the position chosen by the BOL is a Deputy EO, the BOL would be hamstrung to name that person as an interim replacement for the Executive EO should that person leave
- The new position would be a classified employee, not an at-will position like the Executive Officer position

8:34 AM – Request to Change Salary Upgrade Start Date for Executive Officer

Due to an error in calculations, John Scully reported that he and Brett DeBruycker had discussed changing the salary upgrade start date for Mike Honeycutt's Executive Officer position that had been voted on at the September 26, 2017 BOL meeting:

- Request was for the BOL to change the start date of Mike Honeycutt's salary upgrade from February 2018 retroactive to July 1, 2017 and address the other half of the salary increase again when other State employees receive their salary increase in January or February of 2018

MOTION/VOTE

8:36 AM

John Scully moved that the first half of Mike Honeycutt's salary increase be made effective retroactive to July 1, 2017 and then the second half of the increase be taken up in January or February of 2018 when other State employees receive their salary increase. Lila Taylor seconded. The motion passed

8:37 AM – Brand Conflict Policy Research Update

Lila Taylor reported that she had put together a notebook of information she and Nina Baucus had found regarding their research on Brand Conflicts. She requested that it be discussed more in detail during the Brands Enforcement Division segment of the meeting

8:42 AM – Update on DOL Involvement in HB661-Combined Lab Complex Study Committee

Mike Honeycutt reported that he had attended a meeting of the Legislative Study Committee for the Combined Lab Complex on September 29, 2017:

- The Committee discussed the possibility that the DOL be able to utilize Pittman-Robertson funding for the VDL
- Pat Murdo presented research to the Committee she had done earlier for the Economic Affairs Committee, discussing history of the VDL back to the 50s and establishing how and why the VDL ended up in Bozeman and in a relationship with MSU
- There was an overview of the Lab Performance Audit

- The Montana Department of Agriculture made a request that some of their labs be considered for the new Lab Complex
- Conversation in the meeting discussed more considerations for the new Lab Complex
 - Space needs for each participating lab will need to be revisited
 - ✓ Informing Complex Lab participants of cost/square foot might encourage them take a conservative footprint to hasten payback of their portion
 - The level of bio-security needed at the VDL was discussed, along with what the impact will be
 - Funding options for the Lab Complex, including bonding, were discussed
 - ✓ Some of the funding appropriated for the study could possibly be used to begin some rough architectural or engineering plans
 - ✓ An independent company with understanding of laboratory needs in design may be a better choice than having the Board of Regents go through their own architectural process
 - ✓ Mortgage payment for the VDL, as possibly the most expensive/square foot Lab, could be large
 - Permitting, particularly for the incinerator, could be difficult, especially in the City of Bozeman, so discussion was to build on the same site and retain the current incinerator
 - Hook up to the city sewer system is important
- A concern for the VDL that should be discussed by DOL staff is retention of clients during the construction phase of the Lab

MOTION/VOTE

9:15 AM

John Scully moved to resend the DOL letter of commitment to the Economic Affairs Committee Legislative staff that says the DOL wishes to continue a partnership with others interested in being a part of the Combined Lab Complex. Lila Taylor seconded. The motion passed.

NEW BUSINESS

9:16 AM

9:16 AM – Livestock Statistics Report from USDA-NASS Montana State Statistician Eric Sommer

USDA-NASS State Statistician, Eric Sommer reported on some recent changes in statistics being gathered for agriculture in the State of Montana:

- NASS has been collecting statistics for the Department of Agriculture since the 1940s
- The Montana Department of Agriculture, due to USDA budget cuts, has chosen to end funding for collecting county estimate data for certain livestock, including sheep, milk cow and hogs after this year

- Statewide estimates will continue to be collected, but countywide estimates will not be collected without an MOU between USDA-NASS and the DOL and the costs associated with that
- Cost to continue collecting that county livestock data and printing it in the annual NASS publication would be \$2600/year. To add county chicken statistics would be an additional \$800/year
- Mr. Sommer told the BOL he is open to their suggestions to better their data collection program for producers and is willing to sit down and discuss those
- NASS data collection numbers on some livestock does not necessarily coordinate with DOL per capita numbers because of the time of year they are collected, because some numbers are based on a county model and because the age requirement for DOL per capita reporting is not the same for NASS reporting

MOTION/VOTE

10:03 AM

Nina Baucus moved that the DOL be a cooperater with NASS in continuing to have Montana county livestock statistics collected for a cost of \$2600/year. Brett DeBruycker seconded. The motion passed.

RECESS

10:15 AM

RECONVENE

10:29 AM

CENTRALIZED SERVICES DIVISION REPORTS

10:29 AM

10:29 AM – Livestock Loss Board

George Edwards reported that ironically, predation numbers that have been reported are lower than a year ago for the same time period:

- Reported cattle losses at this time last year were 113, compared to 100 this year.
- Reported sheep losses at this time last year were 76 and 15 this year
- Predation payouts at this time last year were \$139,582 and \$122,000 this year with Madison County listed as the highest paid dollar-wise for claims
- A high-dollar claim is expected out of Pondera County that will jump numbers drastically

Mr. Edwards reported that at their last LLB meeting, \$149,00 in loss prevention grants were awarded

- The top three grant awards were given to The Blackfoot Challenge, Centennial Valley and the Big Hole Watershed

10:33 AM – Predator Control

Kraig Glazier updated the BOL on USDA-APHIS Wildlife Services (WS) activities since the last BOL meeting:

- Predations dealt with by WS in the past month were three grizzlies, 175 coyotes and 8 wolves
- Livestock predation money losses during the past month totaled \$51,336 for 97 head, 35 of which were cattle
- Brett DeBruycker complimented the WS crew that helped deal with some recent cattle predation losses on his family ranch

10:43 AM – Legal Counsel Update

DOL Legal Counsel, Rob Stutz updated the BOL on litigation and claims against the DOL currently being dealt with by his office:

- Mr. Stutz reported that there are two lawsuits still outstanding
 - The Montana City Meats lawsuit is moving to hearing and getting close to trial
 - Coremark filed a second amended complaint against the DOL and has expanded the number of defendants to include Mike Honeycutt, Dr. Marty Zaluski and Sue Brown
 - ✓ Kyle Chenowith is the lead counsel for the DOL on the Coremark litigation
 - ✓ Coremark claims are for declaratory and conjunctive relief
- So far, no litigation has been filed in the Park Street Pasties claim filed after suspension of their inspection services
- The administrative appeal process is moving forward and Park Street Pasties has filed the next level of appeal, which is Mike Honeycutt
- Mr. Stutz discussed edits he made to the FSIS Federal Guidelines section on *Small Producers, Small Operators*, to tailor them from a Federal program to a state program that could be used in the State of Montana
 - Brian Engel expressed that there is already a good proven process in place and saw no reason to make changes to those current FSIS Guidelines
 - Mr. Stutz explained that the edits he made to the FSIS Guidelines did not change any adoption of the program by statute or rules but instead made the document more specific to the DOL
- John Scully listed his reasons to not immediately adopt the FSIS Guidelines as presented by Rob Stutz
 - There had been no discussion by the BOL about whether or not time frames should be added when appeals are decided
 - There are still questions on whether or not to add a 30-day window of time for when appeals of initial inspection decisions must be made
 - The recall vs detention vs normal process appeal still needs to be fleshed out

- More discussion is needed about striking level 5 in the appeal process so that it just reads level 6

EXECUTIVE SESSION

11:10 AM

RECONVENE

12:36 PM

LUNCH

12:36 PM

RECONVENE

1:05 PM

CENTRALIZED SERVICES DIVISION REPORTS CONTINUED

10:05 PM

1:05 PM – Milk Control Bureau

Chad Lee provided an update on the Milk Control Study:

- Three proposals from contractors to carry out the study were received by the October 6, 2017 deadline
 - The Evaluation Committee (Board of Milk Control, Chad Lee and Christy Clark of the MT Dept. of Ag Marketing Bureau) will evaluate the proposals and come to a consensus score at a meeting on November 8, 2017
 - Board of Milk Control will then vote on whether or not to move ahead and carry out the study, followed by a public comment from the industry
 - Chosen contractor will meet in December or January with the Board of Milk Control, the Milk Control Bureau, industry members and Montana dairy industry people to collect information and viewpoints

Chad Lee reported on the FY17 Market and Industry Report

- Class One milk (fluid milk) consumption from Montana remains steady at 21 million gallons/year
 - Percentage of Class One milk originating from Montana bottling plants and Montana producers is down slightly from FY15 & FY16 at 84.5%
 - Class one milk production was the lowest since 2011
 - More milk from Darigold was shipped out of state from Darigold in FY17 than the year before
- Class Two fluid products (cream) consumption of Montana origin is just over 8%
 - Much of the cream sold in Montana is ultra-pasteurized and at this time, Montana plants aren't equipped to do that process
- 30% of the ice cream consumed in Montana is of Montana-origin
- Future reports will vary somewhat because of rule changes that went into effect in August 2017

- With large national production numbers, dairy cow prices have dropped and some dairy farms may be exiting the business

FISCAL BUREAU

1:31 PM

Standard Budgets

Evan Waters reported on the process used to establish the DOL's standard budgets:

- Standard Budgets for each division and bureau in the DOL were calculated by taking the average of FY16 and FY17 actual expenditures
- The Governor's 10% across-the-board revenue reduction had not yet been taken out of the presented budget numbers
- As Operations figures prove, they'll hold, and right now the excess budget is \$250,000 above. There will be a point where a switch needs to be made with Operations dollars to close the gap
 - Although keeping vacant FTEs unfilled for a time will run an excess with salary budgets, filling them by March or April before the June snapshot shows that the intent is probably just a natural vacancy and the FTE should be spared
- Centralized Services Division
 - In Personal Services, Operations and Transfers for CSD, Transfers spent were \$95,000 and the Budget Office gave \$87,000
 - \$95,000 was spent due to a 2% fee paid to the Department of Revenue (DOR) to collect per capita fees
 - There are 12 FTEs in CSD for FY18-FY19
- There are no big surprises to report in standard budget numbers for the Livestock Loss Board or the Milk Control Bureau
- In the Main Lab the \$19,967 listed in Equipment are leases, not purchases
 - \$15,000 was appropriated for equipment purchases
 - Only \$14,000 was needed for leases
 - A wage appeal element was added to the VDL Personal Services budget after the budget had been submitted to OBPP, but requests to adjust for that were denied
- In the 2018-2019 budgeting process, Animal Health-DSA budget amounts were entered incorrectly, showing \$3507 in Operations and \$833,347 in Personal Services. Numbers normally are around \$675,000 in Operations and \$160,000 in Personal Services. A BCD will be submitted to correct that error
- In the Brands Enforcement Division, the 2016 80% market adjustment, a \$300,000 increase, did not get included in the snapshot
- In the Meat Inspection program there are two open FTEs and an average of the FY16 and FY17 budgets of \$1.2 million in Personal Services that needs to be reviewed again to be sure the budget is correct
 - A collective bargaining element was added to the Meat and Poultry Inspection program after the budget was submitted to OBPPP but requests to adjust for that were denied

Expenditure Projections

Evan Waters reported that overall, projections show that the DOL is \$150,000 over budget:

- Projections show the DOL will be \$100,000 short overall in personal services and \$175,000 short in the benefits
- Mr. Waters said that the fund deficits are not an issue because the Budget Office does not have a problem with moving the standard budget from salaries to benefits

Mike Honeycutt said that the DOL is working on strategies to get ahead of budget shortfalls

- Four to five long-term employees left the DOL last year, contributing to the shortfall and there are more to come this fiscal year
- The DOL is also monitoring the possible 10% budget reduction in general fund expenditures requested across the board by the Governor
- There is a vacant position in Animal Health Division that earned \$40,000-\$50,000 per year, that will be a gain to the DOL if it is not filled for the rest of the year

Evan Waters gave individual projections for each bureau and division:

- CSD is projected to be deficit with personal services, but positive in operations, so projections work out to be almost even
- LLB is projected to be nearly \$10,000 over budget
- Milk Control Bureau is almost right on budget by just over \$2,000
- VDL is projected to be \$100,000 over budget - the Enterprise Fund in combination with the lab price increases will provide the DOL a little more leeway with the lab than in the past
- There is a \$30,000 deficit in the Milk Lab because the utilities and recharges are now being shared and expensed to the Milk Lab rather than all being charged to the VDL
- Mr. Waters said timing of expenses may have affected the projections in the Animal Health Division
 - The State Veterinarian Import Office is projected to have a deficit of \$16,000, with Personal Services \$53,000 over budget and Operations over by nearly \$70,000
 - The DSA is projected to run about \$8500 over budget
 - The federal umbrella programs are projected to be \$150,000 excess in personal services, \$153,000 deficit in operations and \$1,700 deficit in total budgeted funds
 - Milk and Egg Bureau will run over budget, even without filling a couple vacancies, unless there are major changes in Great Falls with the new egg plant's system
- The Brands Enforcement Division Personal Services expenditures are projected to be in excess of budgeted appropriations by \$250,000 because the 80% of market salary increases were not included in the 2018-2019 budget
- The Meat & Poultry Inspection Program is projected to run at nearly a \$26,000 deficit in total budget funding with 22.50 budgeted FTEs

Budget Status Report

Evan Waters gave Budget Status Reports comparing last year's numbers and this year's YTD expenses for the period July 1-September 30 of 2016 and 2017:

Same period, from July 1st through September 30 for 2016 and 2017.

- Many of the numbers in the Budget Status report were already discussed in the Projections portion of Mr. Waters' presentation
- Mr. Waters explained that not every expense, repair or replacement of equipment in the VDL is listed in the budget figures because some are not budgeted with HB2 expenses
 - Lab fees are up around \$4,000 over last year, due in part to the lab fee increases and accession fees
 - Both accession fees and enterprise funds will help mitigate the general fund reduction at the Lab if the Governor takes away 10% of them in budget cuts (\$85,000)
- The DOL has a track record for the past couple years of spending less than 95% of the money they have been given authority for in Personal Services
 - This year the DOL will be running a lot closer to the line because the vacancy savings the DOL was achieving are already gone
- Mr. Waters said on the final page of his Budget Status Report on the State Special Revenue Comparison for FY18 page, the last column of figures need to be deleted because they are last year's numbers
- In the Brands Enforcement Division
 - There are negative revenue numbers in the interest filing fees from last year because they had been adjusted down to get the liability account correct, making a negative revenue. The \$70,000 in YTD Brands Revenue is actually about a \$45,000 increase over last year because of that adjustment
 - Market inspection fees and per capita fees collected are higher probably due to early exit of cattle due to drought and more people applying for FSA drought relief
- Milk inspection fees are \$50,000 below last year, but that may be because the May 2016 assessment money didn't come until July and was added into the 2017 revenue

ANIMAL HEALTH AND FOOD SAFETY DIVISION REPORTS

2:13 PM

2:13 PM – Milk and Egg Bureau

Dan Turcotte gave an update on the latest happenings in the dairy markets:

- Dairy producer numbers have stayed fairly steady even though there are rumors of some fairly large dairy operations on the market that may liquidate out either because of aging dairymen or because moving on to other enterprises
- There have been no positives in the tetracycline testing of milk in the state
- HR778, the Dairy Pride Act, has been introduced in Congress, a bill that amends the Federal Food, Drug, and Cosmetic Act to prohibit the sale of any food that

uses the market name of a dairy product, is not the milk of a hooved animal, is not derived from such milk, and does not contain such milk as a primary ingredient

Dan Turcotte reported that Roy Hall has been conducting United Egg Producers (UEP) Audits for the Animal Welfare Program:

- The voluntary audit program numbers have gone down from 13 last year to 9 this year
- Average cost for an audit is \$500-\$600, money that goes into the shell egg program and enables the producer to add a symbol on their egg carton showing that their business has been through the audit process

Dan Turcotte reported on egg production in the state:

- The new Wilcox egg plant in Great Falls is going through growth and adjustment, learning the new machines and hiring staff
- Mr. Turcotte reported that currently there are about 700,000 – 750,000 laying hens from 40 egg producers in the state
- In 2018, two more producers are expected to come on board, raising that total flock figure in the state to nearly 900,000 birds
-

2:24 PM – Meat and Poultry Bureau

Gary Hamel reported on topics covered during his recent attendance at the National Association of State Meat & Food Inspection Directors (NASMFID) meeting

- State Lab Review Updates
 - Quality assurance
 - New and updated FSIS lab methods and administering those lab methods
 - Achieving an at-least-equal-to status
 - ✓ USDA Meat & Poultry Inspection (MPI) states are required to test for the same pathogens as FSIS does. Montana is an MPI state
 - ✓ MPI states must have their own lab or alternatives – in-house, cooperate with other states, utilize a private contractor, or a combination of those
- Federal-State Audit Branch presentation on the Self Assessment Process and the Onsite Audit Process
 - FSIS' FY2018 directive and focus in conducting onsite audits will be FSIS Directive 5100.4, which is the EIAO public risk evaluation, or Public Health Risk Evaluation (PHRE) methodology
 - A new FSIS audit methodology ranks establishments according to risk. Auditors then select establishments according to risk, developing a written audit plan around that risk
 - Statistically, it is determined that approximately 20% of establishments reviewed will have audit issues
- FSIS provided a copy of a letter sent to state programs, outlining the impact of state sovereignty on at at-least-equal-to status
 - If a bill is passed in Montana removing state control for meat and poultry products and placing them under local control, Montana would be in jeopardy of losing its at-least-equal-to process

- The letter suggests that if these sovereignty bills are passed, FSIS will begin the designation process, the process of notifying the Governor of removing the State program unless corrective action is taken immediately
- Civil Rights Compliance segment covered areas considered in civil rights reviews
 - Civil Rights Assurances assure that Federally-assisted programs are conducted with Title 4 Civil Rights Act of 1964
 - Public Notification assures that when notifying the public, applicants and potentially eligible persons are free from discrimination
 - Complaints of Discrimination must be tracked and assessed for State MPA programs on a basis of race, color, national origin, age, sex and disability .
 - Civil Rights Training for State employees under civil rights laws
 - Disability Compliance assures people with disabilities have access to State programs to carry out their businesses
 - Limited English Proficiency requires MPI programs provide free language access services to potentially eligible applicants and program participants who are limited-English-proficient
 - Compliance with the Age Discrimination Act of 1975

Mr. Hamel discussed Directive 7111.1 revision 2 -Verification Procedures for Lethality and Stabilization that came into effect at the end of August 2017 and were detailed at the NASMFID meeting:

- This directive replaces the 1989 and 1999 directives on lethality and stabilization and clarifies that Inspection Program Personnel (IPP) are not to issue a Non-Compliance Record (NR) solely because the establishment uses the FSIS 1999 versions of Appendix A for cooking and Appendix B for cooling
 - Establishments that choose to not use Appendix A or B as their support of their process must specify the log reduction that it achieves
 - As long as an establishment utilizes Appendix A or B or both for their products, they don't have to specify log reductions
 - An establishment can utilize the old versions of the 1999 versions of Appendix A and B and still be compliant, but there is some additional scientific support information in the new guidelines that establishments will be expected to follow.
- IPP are given instructions on how to conduct a hazard analysis verification task surrounding Appendix A and surrounding Appendix B and how to handle any deviations that might occur during that analysis
- The directive directs supervisors that provide information to IPP who have questions about deviation scientific support and other topics
- For Appendix A, FSIS re-emphasized the humidity recommendations that apply to all cooked products and poultry unless the establishment can support that humidity does not need to be addressed
- The time-temperature tables previously found in Appendix A have not changed
- In Appendix B FSIS specified four alternatives for cooling products rather than the three listed previously

John Scully wanted to make the public aware that there will be discussion on the appeals guidelines the BOL was given, as it is structured and any other issues that are brought up by the industry at the next steering committee meeting

2:52 PM – Veterinary Diagnostic Lab

General Updates

- Dr. Steve Smith said that his attendance at the AAVLD conference the previous week provided him with information on management, the lab building process and on pathology
- Dr. Smith gave personnel updates at the Lab
 - Four or five candidates have applied for the Serology position that is hopefully filled soon
- Mike Honeycutt said that the VDL Director position has been posted but has not been hired
 - Vacancy savings may be considered when deciding the best time to hire
 - AAVLD certification of the Lab requires the Lab Director fulfill certain minimum qualifications, including management skills, a specialty, board certification and a pathology certification, a consideration to be addressed when hiring that position

RECESS

3:01 PM

RECONVENE

3:10 PM

MOTION/VOTE

3:10 PM

Nina Baucus moved that the Board of Livestock give Mike Honeycutt the permission to begin the hiring process for a Lab Director. Sue Brown seconded. The motion passed.

3:11 PM – Request to Hire an Accounts Payable Position in CSD

Mike Honeycutt requested action on filling an Accounts Payable Position in CSD, a position vacated by Michele Satre who moved to take an open position in the Brands Enforcement Division:

MOTION/VOTE

3:15 PM

Lila Taylor moved that the Board of Livestock give permission to hire an Accounts Payable Technician in the CSD. Sue Brown seconded. The motion passed.

MOTION/VOTE

3:15 PM

John Scully moved that the BOL authorize Mike Honeycutt to contact legal counsel to draft an appeal rule that would be grounded in the chain of command for the Department for the BOL's consideration at the next BOL meeting. Nina Baucus seconded. The motion passed.

3:16 PM – Animal Health Bureau

Brucellosis – Update on Affected Herds

Dr. Zaluski gave updates on the brucellosis affected bison herds the DOL has been monitoring:

- The herd in the DSA quarantined for brucellosis in Fall 2016 was released from quarantine a couple weeks ago after a negative blood test
- Two bison herds remain under quarantine, one a long-standing herd and the other one found this fall
 - In the quarantined herd found this fall, three animals tested positive – an 18-month-old female that cultured positive and two young animals that tested in the suspect range that cultured negative
 - Two of the three adjacent or across-fence cattle herds have been tested so far

Tuberculosis (TB) – Update on Status of Montana Trace Out Herd

Dr. Zaluski reported on recent monitoring of TB in cattle by the DOL:

- The DOL continues to track and trace cattle related to the South Dakota TB-positive herd
- A number of herds in Montana that received cattle from the South Dakota herd have been tested
- A recent trace-out was to a herd on the Hi-Line, which has tested negative
- One animal from the SD index herd is in the process of being indemnified and sent to slaughter to be checked by pathologists as an extra margin of safety

Request for Out-of-State Travel

Dr. Zaluski made requests for known out-of-state travel, in the Animal Health and Food Safety Division, taking place before the end of FY18:

- Dr. Eric Liska to attend the Wyoming Governor's Brucellosis Coordination Team Meeting in Wyoming this coming Spring
 - Wyoming, Idaho and Montana do presentations on their brucellosis programs. Wyoming just underwent a USDA brucellosis program audit that hopefully will be covered

- Dr. Zaluski or Dr. Szymanski to attend a Salmonella workshop in late November 2017 in Denver, CO
 - USDA and swine industry representatives will be present to develop a symmetry for a matrix of when on-farm sampling would be warranted due to a public health event
- Dr. Zaluski to attend meeting for USAHA Government Relations Committee (GRC)
 - Dr. Zaluski is a member of the USAHA Executive Committee
 - The GRC meets with a variety of federal agencies to press them on addressing priorities for animal health

MOTION/VOTE

3:33 PM

Lila Taylor moved to approve travel requests in the Animal Health Division to the Wyoming Governor’s Brucellosis Coordination Team meeting, Salmonella Workshop and the Committee on Government Relations meeting as presented by Dr. Marty Zaluski. Sue Brown seconded. The motion passed

BRANDS ENFORCEMENT DIVISION REPORTS

3:34 PM

Brands Policy and Procedures

Leslie Doely discussed the two packets of paperwork she handed out that listed possible changes the BOL might like to make in the official brands policies and procedures approved at the May 2013 BOL meeting and also from the September 2011 meeting:

- Lila Taylor said that the paperwork Ms. Doely handed out does not show that BOL action was taken to do away with characters or format of brands, specifically open As, which is the very thing that Bill Almy argued about when requesting to retrieve a family brand
 - Nina Baucus said that in her review of past minutes, from the 90s forward, there is no place where the BOL took action on characters or format of brands
 - Bill Almy has requested a hearing on his challenge to the Brands Enforcement Division
- Paperwork shows that in 2010-2011 the BOL took action to allow processing of paperwork of walk-in brand applicants ahead of mail-in brand applicants
 - This policy is counter to the audit recommendation that was done in 2010-2011
 - Ms. Doely said she was hoping the BOL would give her a consensus for policy in the future as to whether or not the DOL wants to guarantee same-day service for customers, an issue that would have to be decided before rerecord begins and hundreds of applications come into the office with people vying for the same brand

MOTION/VOTE

3:53 PM

Lila Taylor moved the DOL time/date stamp the brand applications by first in time and date regardless of mail or walk in. There was no second. The motion died.

MOTION/VOTE

3:56 PM

Brett DeBruycker moved that walk in brand applications take precedence over mailed-in brand applications.. Sue Brown seconded. Brett DeBruycker voted aye. The remaining BOL members voted nay. The motion failed.

- Leslie Doely said that currently, if a brand application arrives in the office incomplete, the entire packet is returned to the applicant immediately, even though that is not part of written DOL policy
 - Ms. Doely said she will, at BOL request, add language to the policy saying that the entire application will be returned if not complete
- An official form has been created for brands transfers that will be submitted in conjunction with the brand certificate
- Proof of Register with another state will not be struck from DOL official policies and procedures even though it is currently not being done
- In brand transfers, to keep fees commensurate with costs, an error in paperwork by the applicant is considered a change from the original application and the applicant will be charged an additional fee because it is now a new application
- Ms. Doely requested adding language stating that in the case of a legal name change (marriage, divorce, etc.), an affidavit be used requiring a notarized signature and a fee will be charged for a duplicate brand certificate
- Ms. Doely's request that the BOL consider charging only the transfer fee without the additional fee for rerecord during the rerecord period cannot be put into policy because administrative rule says brand owners, while requesting transfer or rerecord of a brand shall be charged a separate transfer fee
- Language addressing expired brands not being reissued could be made more explanatory for the general public
- Clarification in scatter brand definition was requested to not include that they have to be identical
- Ms. Doely said that on the handouts, seasonal and out-of-state brands are not included and will be brought back for consideration of the BOL once agency policies on those are put together and feedback is received from field staff and feedlot owners
- There is no statute or rule on the size of brands, only recommendations

- For new brand applications, the Requirements for Brand Recording form will include acceptable brand formats and brand ownership types that Ms. Doely hopes to add to policy
- If a grace period is established for clerical errors in brand applications, according to DOL legal counsel, that becomes your new deadline because the grace period must be given to all
 - There was discussion as to possibly establishing a 90-day grace period after rerecord for unclaimed brands and if a person requests their old brand during that grace period, charge a fee, perhaps market value of that brand, to get their brand back
- Mike Honeycutt reported that communication regarding rerecord will probably come in the form of several mailings to producers over a period of time, starting in 2019
- Mike Honeycutt cautioned that if ornamental brands bring in brand conflicts it could compromise traceability measures Number 4A, that language needs to be more explanatory because people have a hard time with the idea that once a brand is dropped it cannot be reissued by the DOL

John Scully proposed that the DOL consider looking at a new off-the-shelf animal ID system introduced to him by Race King that would replace the Fort Supply System, which expires on March 31, 2018

- The ID system is much less costly than Fort Supply
- The system works with a cell phone
- Mr. Scully will ask Race King if he can pitch the new ID system at a BOL meeting before the contract expiration of Fort Supply
- Leslie Doely will be gone to POST training from January-April and so a time will have to be set up for her to view the new ID system presentation, whether at a BOL meeting or by video

Request to Hire

Leslie Doely said there were two vacancies in the Brands Enforcement Division:

- A vacancy in the Billings market has only one applicant who was a previous candidate who could start working on December 11, 2017
 - Mike Honeycutt said that according to State policy a department can go back to the previous applicant pool for candidates within six months
- Darcy Anderson, Cattle Inspection Clerk, will be retiring after 30 years in December

MOTION/VOTE

5:03 PM

Sue Brown moved to hire the District Investigator position in Billings and the Cattle Inspection Clerk position in the Brands Enforcement Division. Brett DeBruycker seconded. The motion passed.

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

5:03 PM

No public was present to comment

SET DATE FOR NEXT BOARD MEETING

5:04 PM

Next BOL meeting was scheduled for Wednesday, December 6, 2017 in the DOL
Conference Room

MEETING ADJOURNED

5:15 PM


John Lehfeldt, Chairman