



**BOARD OF LIVESTOCK  
CONFERENCE CALL MINUTES  
MONDAY, AUGUST 25, 2014  
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](http://www.liv.mt.gov).*

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Monday, August 25, 2014

3:00 p.m. Call to Order

Board Members Present:

Jan French, cattle  
John Scully, cattle  
Jeff Lewis, dairy  
John Lehfeltdt, sheep

Board Members Absent:

Brett DeBruycker, cattle  
Ed Waldner, pork  
Linda Nielsen, cattle

Staff Present:

Christian Mackay, Executive Officer  
George Harris, administrator Centralized Services  
Dr. Marty Zaluski, State Veterinarian, administrator Animal Health  
Dr. Eric Liska, Brucellosis specialist  
John Grainger, administrator Brands Enforcement  
Dr. Bill Layton, administrator Montana Veterinary Diagnostic Laboratory  
Ernie McCaffree, supervisor district investigators/animal health investigator  
Travis Elings, supervisor district investigators/animal health investigator  
Sherry Rust, executive assistant, minute taker  
Steve Merritt, public information officer

Public Present:

Halie Shipp, Northern Ag Network  
Greg Wichman, Montana Woolgrowers Assn  
Pat Murdo, Legislative Services  
Gene Curry, Montana Stockgrowers Assn  
Elaine Alstead  
Glenn Hockett, Gallatin Wildlife Assn.  
John Youngberg, Montana Farm Bureau Assn.  
Ann Miller, Montana Pork Producers Assn  
Errol Rice, Montana Stockgrowers Assn



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Review of decision document, Christian Mackay, George Harris

- Christian Mackay explained that the department now has the budget shortfall of \$400,249 and explained the causative issues:
  1. Per-capita fee expenses exceeding revenues by \$177,000
  2. Cash account deficit of approximately \$223,000
  
- George Harris explained the objective of the phone conference as to authorize fee adjustments suggested in the decision document by the department budget committee made up of board members, Mr. Harris, Mr. Mackay, and industry organization representatives. He said that he has two pressing deadlines:
  1. Submit a balanced budget to meet the Friday deadline, which cannot be accomplished without the suggested adjustments in revenue.
  2. Next is the authority to carry the 2014 per capita funds forward to 2015.
  
- Christian Mackay explained that declining general funding for the VDL and rising personnel costs combined with stagnant livestock activity (decline in inspections), and the DSA have contributed to the fund shortage. He also explained that the November pay plan will add to the overage.  
Christian reviewed the options as defined in the committee decision document as a package including:
  1. Defer vacant positions, with additional savings through elimination of positions
  2. Raise per capita fees to the maximum allowed by state statute
  3. Brand Enforcement fee increases:
    - brand inspections from 75 cents to \$1.00
    - mortgage fees from \$25 to \$50
    - dealer licenses from \$100 to \$200, and
    - market license from \$100 to \$300
  4. Veterinary Diagnostic Laboratory:
    - raise lab fees 5% across the board
    - general fund request of \$800,000 to cover expenses for tests pertaining to public health

He suggested the board accept the recommended cuts, or make more cuts and stated the brand inspection fee adjustments need to be made now.

Industry Comments:

- Errol Rice, Montana Stockgrowers, stated that in a conference call the board supported all fee increases and cuts except inspection fees
- Gene Curry, Montana Stockgrowers, the industry has taken a big hit
- John Youngberg, Montana Farm Bureau Federation, raising the per capita alone does not even cover the pay increase even with cuts. Supports increases in fees and cuts as recommended and begin looking at more and different lab fees. Must continue with oversight to avoid future shortfalls.
- Gregg, Wichman, Montana Woolgrowers, no position on lab, market, dealers but against per capita fee increase



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**Board Discussion**

- Christian Mackay stated staff recommends full package including expense reductions and full increases by division keeping positions vacant
- Break out change of pasture and just increase change of ownership
- Lab is not self-supporting, much of lab testing is for public health and per capita was not meant to fund the lab
- Can the lab raise fees without jeopardizing accreditation
- Dr. Layton replied yes, even thinking of 10% increase, lab fees have not been raised since 2007

Action Item:

1. Motions pertaining to FY 2015 Budget

John Scully moved to adopt the whole package as recommended. The motion failed for lack of a second.

Jeff Lewis moved to adopt the brand inspection increase today. Motion failed for lack of a second.

John Scully moved to adopt brand inspection, lab, per capita increases, and savings and reductions as recommended. Jeff Lewis seconded. The motion carried.

John Scully moved to submit a request for general fund in place of per capita funds for the lab. John Lehfeltd seconded. The motion carried.

George Harris stated the EPP request is for \$850,000 above the base \$250,000 general fund for the lab.

John Scully request a review of the proposed FTE reductions so the board can make priority decisions at the September Board meeting.

**Public Comment:**

- Gene Curry thanked the committee and John Scully for the second motion so industry committees can work for general fund monies for the lab.
- Gregg Wichman referred to poor planning by the department

3.50 p.m.

Adjournment