



MINUTES
BOARD OF LIVESTOCK MEETING
FEBRUARY 18-19, 2015
 Capitol Meeting Room 172
 Helena, MT

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| Thursday | February 18, 2016 | |
| Call to Order: | Chair John Lehfelddt at 10:00 AM | |
| Board Members Present: | | |
| | John Lehfelddt, 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) | |
| Staff Present: | | |
| | George Harris, Centralized Services Bill Layton, Diagnostic Laboratory Marty Zaluski, Animal Health Evan Waters, Centralized Services Leslie Doely, Brands Enforcement Mike Honeycutt, Executive Officer | |
| Public Present: | | |
| | John Steuber, USDA Wildlife Services Pat Murdo, Legislative Services Maggie Nutter, Rancher, Marias River Livestock Association Kari Anderson, Montana Stockgrowers Association Errol Rice, Montana Stockgrowers Association Gene Curry, Montana Stockgrowers Association Chelsie Cargill, Montana Farm Bureau Kim Ashmore, Sheep Mountain Creamery | |
| 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> | | |
| 10:05 AM | Approval of prior meeting minutes | |
| | <u>Motion/Vote:</u> Lila Taylor moved to approve the minutes as presented. John Scully seconded. The motion carried. | |
| | Approval of Chair's Interim Actions | |
| | The chair approved a travel request for 4 brand staff to attend Western States Brands Conference in Reno, NV March 8-10, 2016. Mike Honeycutt shared the cost factors with the board and that initial approval was needed to meet registration deadlines. Lila Taylor asked if funds were available in the Brands budget for the travel and Leslie | |

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| | <p>Doely verified they did have available funds. Nina Baucus asked if the board could move approval until after the financial report to have a better understanding of any impact. John Lehfeltdt agreed to put the matter aside until later in meeting.</p> |
| | <p>Old Business</p> |
| | <p>John Scully shared highlights of both the Long Range Planning (LRP) committee meeting & Economic Affairs Interim Committee (EAIC) meetings. The LRP was asked to look at their recommendations and prioritize them for action by the department. John Scully & Lila Taylor attended both meetings. The board members addressed several issues of concern with both groups.</p> <ol style="list-style-type: none"> 1. EO settlement or contract payout issues and why per capita fee was the source of funds used 2. Issues related to duplication or wasteful activity in our structure. 3. Milk Inspection funding issues – Shared statute 81-23-202 and issues between what is the role of Board of Milk Control and what is the role of DOL. Also addressed how revenue was falling short of needs and expressed a need to determine the prudent budget for the program 4. Bison related issues – It was shared that there is confusion as to who has authority when based on a number of conflicting codes regarding management of the species. John Scully suggested that we ask the Attorney General's office to clarify the conflicts within the three statutes related to Bison management in a legal opinion and moved that BOL request the Attorney General to review the statutes and provide a legal opinion on what the board's responsibilities and duties are related to Bison management. Lila Taylor seconded the motion and the motion carried unanimously. <p>Gene Curry provided a brief report of the LRP meeting from his role as chairman of the committee. He concurred that the group had prioritized their recommendations to help the DOL with implementation.</p> <p>Brett DeBruycker asked about a newspaper article by Lisa Schmidt that seemed to address discord between the LRP and DOL and put forward that press of this type isn't helpful to moving the department in a new direction. Gene Curry agreed that such an article is damaging to the effort and it is not representative of what is really happening with the LRP. Brett DeBruycker suggested a letter be written to the editor to address the misrepresentations. Chelsie Cargill, Montana Farm Bureau, shared that industry organizations are working on a joint letter to express confidence in the current direction of the department.</p> <p>Nina Baucus asked LRP chairman Gene Curry about a Dairy Representative for the board. Mr. Curry stated names have been submitted to Governor's Office. John Lehfeltdt said he will contact the Governor's Office as we need a Dairy Rep as soon as possible.</p> |

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| 11:20 AM | | Division Reports Mike Honeycutt gave a report on the activities of the Executive Office. In first 18 days he has been getting acquainted with staff and wants to meet field staff at some point. Biggest area of time spent has been with the Milk/Egg Bureau and Central Services because of necessity on budget and rule making situations. Press calls have been very high related to the milk inspection fees. He has as met with several entities such as Office of Indian Affairs, LRP and EAIC. The Administrative Assistant position has closed and has 43 applicants to sort through. |
| 11:50 AM | Recess | |
| 12:45 PM | Reconvene | Brands Enforcement General Updates given by Leslie Doely. She is working on improved communication and support systems, has been working on structural work flow and filling open positions. She also has been updating brand forms as forms were outdated and did not reflect ARMs. John Lehfeltd mentioned Legislative deadline of April 1 st and reminded her of the need to address re-record grace period. A motion was made by John Scully to fix an old pay issue in Brands by paying Marty Clark for the time he spent as Interim Brands Administrator from Sept 21 until Oct 2 because a payroll issue did not begin his appropriate pay until Oct 2. Lila Taylor seconded the motion. The motion carried unanimously. Lila Taylor asked that the Fort Supply contract come back to the Board before being renewed again. |
| 12:55 | | Diagnostic Laboratory General Updates provided by Dr. Layton He updated the board on refractory issues in the incinerator. He could not find anyone in Montana qualified to inspect the issue. He found a company in California and they will come to do an inspection. Cost of inspection will be \$1,200. Dr. Layton shared that they have been working through mail issues with the Post Office which has caused delayed test results. This has cost extra funds and return postage expense. Found that Bio-Hazard label needs to be on inside (2 nd) package not on the outside |

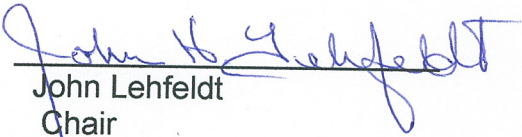
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| | | <p>of first package, but still having problems with US Postal approval. May have to contract with UPS in the future.</p> <p>The lab has recently resolved billing issues and problems with late fees. Invoices didn't have a due date or say when 30 days were up before incurring late charges.</p> <p>Dr. Layton requested out-of-state travel for Milk Lab Supervisor, Julie Armstrong to Nashville, TN March 1-4, 2016 and SW/Pacific Regional Milk Seminar – Denver, CO May 2-5. Feds will pay for all travel expenses once we present vouchers. Brett DeBruycker moved to approve the request and John Scully seconded the motion. The motion carried unanimously.</p> |
| 1:40 PM | | <p>Centralized Services</p> <p>George Harris shared the following which can be found in the handouts on the website:</p> <ul style="list-style-type: none"> - January Monthly Financials - State Special Revenue Report and projections - Milk Inspection Assessment Figures - Milk and Egg Bureau Standard Budget based on current needs <p>Discussion followed going over pages of the report answering specific budgetary items.</p> |
| | | <p>Following the financial report John Lehfeldt brought back to the floor the interim action concerning travel approved for Brands staff. The issue was Out of State travel request for 4 Brand staff to Reno, NV on March 8-10, 2016 for a professional conference. John Scully made the motion to approve and Ed Waldner seconded the motion. The motion carried unanimously.</p> |
| 3:00 PM | Recess | |
| 3:15 PM | Reconvene | <p>Board of Milk Control Board</p> <p>General Updates were given by Chad Lee:</p> <ul style="list-style-type: none"> - The Milk Control Board is working on their budget. The due date for the budget to be to the Governor's Office is May 30, 2016. Milk Board will meet Friday March 25, 2016. - Chad shared a handout explaining Statute 81-23-202 MCA with details of who has responsibility for what in regard to various fees |

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| | | and actions. Chad also shared a history of various milk assessments and how the law has developed over time. |
| 3:45 PM | | Wildlife/Predator Control - John Steuber, USDA An audit was recently done on wildlife services. It was a yearlong audit and was requested by animal rights groups. The audit was generally good and reflected only 2% error in their work. John shared that a summit was upcoming on feral swine. It is a growing concern and some feral swine are already in Idaho and Alberta has a large problem with feral swine. |
| | | Public Comment on non-agenda items - None |
| | | Producer Organization Comments Maggie Nutter- A year ago a stack of letters and emails asking for change in leadership was submitted to the BOL. BOL had authority to remove the EO and that leadership change happened. Maggie shared that good things are happening and praised the Board. She asked that they continue listening to the industry and to work with them collaboratively. |
| 4:00 PM | Adjourned | Meet again 8:30 AM tomorrow Friday the 19 th . |
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| Friday | February 19, 2016 | Board of Livestock Meeting Day Two |
| 8:30 AM | | John Lehfeltdt called meeting to order |
| | Board Members Present | |
| | | John Lehfeltdt, 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) |
| | Staff Present | |
| | | George Harris, Centralized Services Marty Zaluski, Animal Health Leslie Doely, Brands Enforcement Gary Hamel, Meat & Poultry Inspection Evaleen Starkel, Animal Health Tahnee Szymanski, Animal Health Mike Honeycutt, Executive Officer |

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| | Public Present | <p>Krista Lee Evans, Montana Milk Producers Tom Linfield, USDA APHIS Kim Ashmore, Sheep Mountain Creamery</p> |
| | | <p>Division Reports Continued Animal Health Dr Tahnee Szymanski proposed 5 rule changes for Animal Health.</p> <p>ARM 32.2.401- Animal Health is seeking to change rule to allow for collection of a fee to cover shipping and handling charges for supplies mailed to veterinarians. Motion was made by Brett DeBruycker to approve rule change, Ed Waldner seconded the motion and the motion carried unanimously.</p> <p>ARM 32.3.2006- Animal Health is seeking to change the current rule by changing the required age of backtagging animals from two years of age to eighteen months of age to be consistent with federal animal disease traceability standards. Lila Taylor made the motion to approve the change and Brett DeBruycker seconded the motion. The motion carried unanimously.</p> <p>ARM 32.3.221- Animal Health is seeking clarification that brucellosis test requirements only apply to sexually intact animals. Motion was made by Brett DeBruycker to approve the change, Ed Waldner seconded the motion and the floor was open to discussion. Lila Taylor asked if this change posed any significant risk or would open doors to more importation of animals that could be a threat, particularly for Brucellosis. Dr. Zaluski answered that animals that are not sexually intact, that are already disease free, cannot spread the disease. Motion carried with a vote of 5-1 with Lila Taylor in dissent.</p> <p>ARM 32.4.402- Animal Health is proposing to strike outdated language; and allow recognition of North American Elk Breeder Association certification as proof of an animal being free from red deer hybridization. Brett DeBruycker made motion to approve the change and Nina Baucus seconded the motion. Motion carried unanimously.</p> <p>ARM 32.4.601- Animal Health is proposing to strike duplicate permit language and update the import</p> |

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| | | <p>requirements to reflect the proposed changes in 32.4.402. Motion made by Brett DeBruycker to approve the changes and Ed Waldner seconded the motion. The motion carried unanimously.</p> <p>Animal Health requested out-of-state travel approval for two individuals (Evaleen Starkel and Sara Sylte) to travel to the USAHerds User Group Annual Meeting.</p> <p>The conference is scheduled for April 26-28 in Denver, Colorado. The total costs are estimated to be \$2508. Travel for both individuals will be covered out of the Animal Disease Traceability Cooperative Agreement. Lila Taylor moved to approve the travel request and Brett DeBruycker seconded the motion. Motion carried unanimously.</p> |
| 9:05 AM | | <p>Milk and Egg Bureau</p> <p>Dan Turcotte informed the Board of a producer that has had second citation in the Milk Inspection program for an antibiotic positive test and that action is being taken accordingly.</p> <p>Dan shared that a State Officer from the inspection program is required to attend the Denver FDA conference with Dr. Layton but expense is being covered by FDA.</p> <p>The discussion turned to the milk assessment rule. Dan shared information about how they came to a projected figure of \$373,000 in revenue that would be generated from the rule for this year. John Scully shared concern about what would happen if the Board took no action on the rule this year, specifically would the rule expire and leave us no mechanism to collect fees. Dan Turcotte and Mike Honeycutt shared that they understood that if no action is taken the current rule remains in force and we would collect fees on the producers at the current rate. Brett DeBruycker shared that the Dairy Industry needs to make a plan to present so this program will work. Krista Lee Evans, representative of dairy producers, was called forward and shared the industry is willing to help put forward a solution but needs DOL to provide an analysis of the costs of the program to justify a plan. She and others are trying to educate the industry but they need details on how the costs are derived to be able to explain</p> |

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| 9:55 AM | | Meat & Poultry Inspection Gary Hamel provided general updates on the meat and Poultry program and the work they have completed in the past month. Gary shared that he intended to request to fill an open Compliance Officer Position but that after reviewing his budget with other department leaders he did not feel comfortable filling the position at this time. He gave the Board the option that if they approved to fill the vacancy he would still wait until budget numbers were more firm on where he would be at year end. Nina Baucus asked why the program has spent \$106,000 more this year than last year. Gary gave examples such as salary and benefit increases and the fact that business in meat processing is booming and more facilities want to come under inspection as reasons that expenses are higher. Gary will do an analysis by next meeting. The Board decided to take no action on approval for filling the vacancy until budget numbers could support such action. |
| 10:10 PM | Recess | |
| 10:50 AM | Reconvene | Set date for next Board Meeting The Board agreed the next meeting will be Monday March 21, 2016 starting at 8:00AM. This will be a one day meeting. |
| 10:50 AM | | The Board went in to Executive Session |
| 12:15 PM | Reconvene | The Board returned from Executive Session and adjourned meeting as no attendees for Public or Producer Comments were in attendance and no further business needed to be transacted. |
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John Lehfeldt
Chair