



MINUTES BOARD OF LIVESTOCK MEETING

February 25, 2015

Livestock Conference Room 319

301 N Roberts, Helena, MT

Board Members Present:

John Lehfeldt, chair, sheep producer
Brett DeBruycker, cattle producer
Jeffery Lewis, dairy producer

Jan French, cattle producer
Ed Waldner, swine producer
John Scully, cattle producer

Staff Present:

Christian Mackay, Executive Officer
Dan Turcotte, Milk & Egg Bureau
John Grainger, Brands Enforcement
Dr Bill Layton, Veterinary Diagnostic Lab
Dr Eric Liska, Animal Health
Martha Howey, Brands Enforcement

Sherry Rust, board assistant
George Harris, Centralized Services
Dr Marty Zaluski, Animal Health
Dr Tahnee Szymanski, Animal Health
Gary Hamel, Meat Inspection
Cally Goyins, Brands Enforcement

Public Present:

Maggie Nutter, Marias River Livestock
Butch Gillespie, MRLA
Mark Huelskamp, Core-Mark
Jock Anderson, Meadow Gold
Errol Rice, Montana Stockgrowers
Ben VanKanagan, Core-Mark Attorney (phoned in)
Gene Curry

Doreen Gillespie, MRLA
Nina C. Baucus, producer
Ben Reed, DOL attorney
Jim Brown, Montana Woolgrowers
Ike Wurz, MDPB, Cascade Colony

10:05 AM

Call to Order

Roll Call:

- Jan French, beautiful calving weather, bad roads today
- Brett DeBruycker, calving is good, in the market things have turned sour
- Ed Waldner, had a winter storm, icy roads all the way to Great Falls, hog prices are down
- John Scully, our main issue is no moisture
- John Lehfeldt, things are good
- Jeff Lewis, milk prices are a falling rock, still above average moisture

Administrative Review of 12-day rule as requested by Core-Mark

- Ben Reed, attorney for MDOL referred to the letter sent to the Board by Bill VanKanagan invoking the process and protections afforded by ARM 32.2.102 regarding the MDOL's 12-24-2014 letter to Core-Mark
 - his opinion is that 32.2.102 does not completely relate to the issue at hand in that the decision was made by the Board of Livestock, not an individual employee of the department
- Board members comments:

- the original exemption was granted for Inland Dairy for a small area in Western Montana, not to Core-Mark, many years ago and there is nothing in the minutes showing that the board voted on this issue, therefore the exemption may not have been valid
- for over 6 years the board has worked with Core-Mark to follow the rule as stated
- the 12 day rule was installed in the 1980s in the best interest of the consumer and to assure the availability of fresh milk
- Core-Mark representatives claim:
 - will cause company hardship to keep two inventories, one for Montana milk dates and another for other states' milk
 - may not be able to continue supplying to Montana distributors because of increased costs

John Lehfeldt, chair, will implement the investigation following clarification of complaint from Core-Mark, results to follow.

Request to fill vacancy

- John Grainger said Brands Enforcement has experienced a number of resignations since implementation of the furlough policy:
 - one horse compliance tech in the Helena office
 - District Investigator, Pete Olsen, March 1
 - Great Falls market person and 1 other brand inspector resigning
- Mr. Grainger proposed the following:
 - fill the Great Falls position (only one person there now)
 - move the part time cattle tech into the full time horse position (only .5 increase)
 - eliminate the leaving district investigator's district by merging that area into the three adjoining districts
 - leave the other market position open to June

Brett DeBruycker moved to leave the district investigator position open and move district borders as presented. Jan French seconded. The motion carried unanimously.

The request to move the part time position to a full time horse person was not included in the motion and therefore was denied.

11:30 AM Recess

12:05 PM Reconvene

Executive Officer Evaluation

- Following discussion the board declined to complete the process at this meeting. John Scully moved to direct the leadership and Christian Mackay complete evaluation on all department personnel prior to the May board meeting or May 31, whichever is earlier. Brett DeBruycker seconded. The motion carried unanimously.

John Scully moved that Christian Mackay evaluate direct reports and submit preliminary evaluation to the board for input prior to discussing with employees to be completed by June 15, 2015.

John Scully moved to put on the May agenda a review of the Board Policy and Guidelines. Jeff seconded. The motion passed unanimously.

John Scully moved that the board send a letter in the chair's signature to all employees regarding the situation and acknowledge hitherto hardships and sacrifice by employees. Brett DeBruycker seconded. The motion carried unanimously.

Public Comment:

- Maggie Nutter: disappointed that the board failed to take up the evaluation of the executive officer as she understood that was what the meeting was scheduled for.
- Gene Curry, legislator, also disappointed. Has been up to the Legislature pushing for support of the budget and getting pushback for lack of leadership. He could be a lot more effective if he could bring the evaluation and a direction outlined by the board.

Completed Evaluation forms on Mr. Mackay will be submitted to John Lehfeldt, chair, by the end of February with process completion at the March board meeting.

Budget Status Review

- George Harris review the budget status through January 2015 by division
 - Centralized Services:
 - reduction required by the board \$77,058
 - reduction to date \$40,757
 - remaining reduction required-\$7,260/per month through fiscal year end
 - Diagnostic Lab
 - reduction required by the board \$66,678
 - reduction to date \$43,217
 - remaining reduction required - \$4,692 per month through fiscal year end
 - Brand Enforcement
 - reduction required by the board \$106,435
 - over previous year expenses \$69,656
 - total remaining reduction needed - \$35,218 per month
 - not going to meet that goal even with six fulltime or less than half time & one half time positions vacant including 2 terminations

John Scully moved to have a plan submitted at the March board meeting to address the shortfall in Brands. Brett DeBruycker seconded. The motion passed unanimously

- Animal Health
 - reduction required by the board \$7,584
 - remaining reduction needed - \$1,488 per month February through June
- Per Capita cash balance projection to fiscal year end 2015.
 - FYE14 per capita cash balance was \$646,069
 - Objective is to have at least the same amount of per capita cash at FYE 2015
 - Based on comparative experience to date, the projected per capita cash balance will be \$295,824 at FYE15
- The department needs approximately \$295,000 per year (20%) to bring the cash balance up to one million over time to cover operating expenses in lean times.

The board discussed a budget information plan and requested Christian Mackay meet with administrators to develop an information sheet for legislators and the finance committee.

The board discussed representatives to attend the legislative finance committee meetings.

Public Comment

Taylor Brown, Senator - is not on the finance committee, but looking for information to bring to legislators. The message he is taking at this time is department is not quite there yet, but working on it. Will it be enough? They are bringing up a three to five year plan.

Butch Gillespie, producer, hard to have half a brands department

2:55 PM

Adjournment

John Lehfeldt, Chair