



# Montana Board of Livestock Meeting Minutes

June 24, 2019

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

## Board Members Present

John Scully, Vice-Chair (cattle producer)  
Lila Taylor (cattle producer)  
Ed Waldner (swine producer)  
(John Lehfeltd was not present)

Nina Baucus (cattle producer)  
Brett DeBruycker (cattle producer)  
Sue Brown (dairy and poultry)

## Staff Present

Mike Honeycutt, EO  
Brian Simonson, Deputy EO  
Evan Waters, Centralized Services  
Dan Olson, Centralized Services  
Leslie Doely, Brands Administrator  
George Edwards, Livestock Loss Board

Donna Wilham, Adm. Asst. to EO  
Dr. Marty Zaluski, Animal Health  
Dr. Tahnee Szymanski, Animal Health  
Dr. Anna Forseth, Animal Health  
Dr. Gregory Juda, VDL  
Gary Hamel, Meat & Poultry Bureau

## Public Present

Rob Stutz, Legal Services Division  
Patricia Klanke, Drake Law Firm  
Charlotte Lauerma, MVMA

Kraig Glazier, USDA Wildlife Services  
Liv Stavick, MFBF  
Kiley Martinell, MT Beef Council

---

## MEETING CALLED TO ORDER

### 8:09 AM

- Vice-Chairman John Scully called the meeting to order at 8:09 AM
- All BOL members were present except for John Lehfeltd
- Vice-Chairman Scully announced that the BOL would be conducting Mr. Honeycutt's annual evaluation during the meeting, along with addressing salary adjustments for him

## **APPROVAL OF BOARD MINUTES**

**8:12 AM**

### **MOTION/VOTE**

**8:12 AM**

**Nina Baucus moved to approve the minutes, as corrected, for the BOL 5/14/19 BOL Meeting. Sue Brown seconded. The motion passed.**

## **APPROVAL OF BOARD ADMINISTRATIVE CONSENT AGENDA ITEMS**

**8:12 AM**

- At the request of Lila Taylor, Vice-Chair Scully pulled the Brands Enforcement Division Bureau Report regarding the June 2019 Estray Listing from the Consent Agenda

### **MOTION/VOTE**

**8:14 AM**

**Brett DeBruycker moved to approve the Consent Agenda items, including Bureau Reports for the Animal Health Bureau, Meat & Poultry Bureau, and the Milk Control Bureau and also the Out-of-State Travel Requests for the Animal Health Bureau, the Milk Control Bureau and the Veterinary Diagnostic Lab. Sue Brown seconded. The motion passed.**

## **ESTRAY LIST DISCUSSION**

**8:14 AM**

- Lila Taylor expressed concern that the public was not being communicated to effectively enough by the DOL regarding lost and found livestock and estrays
  - Ms. Taylor reported that at one time, bulletins regarding the lost, found and estray livestock were posted at auction barns and were sent to her home by mail
- Leslie Doely reported that a list of lost and found livestock are posted on the DOL website and distributed to staff
  - Ms. Doely reported that animals that are found are statutorily advertised for 10 days in the county paper where the animals were found and then sold if not claimed
- It was decided to consider for the next BOL meeting, a discussion regarding the idea of sending a lost livestock list to Brand Inspectors

## **OLD BUSINESS**

### **8:22 AM**

#### **8:22 am – CLOSE-OUT DISCUSSION ON THE 2019 LEGISLATIVE SESSION**

Due to his absence at the May BOL meeting, Mike Honeycutt reviewed the outcome of Fiscal Bills and Policy Legislation addressed during the 2019 Legislative Session that affect the DOL

#### **8:23 AM – HB2**

Everything is ready for expending Legislatively-approved funds, starting July 1<sup>st</sup>, from HB2, the main budget bill

#### **8:24 AM – HB3**

HB3 funds were received and the DOL has begun expending those, some of which helped alleviate non-exempt comp time

#### **8:24 AM – HB5**

The \$100,000 from HB5, the long-range planning bill, to be used for a new Lab design, will be discussed during a report later in the day

#### **8:24 AM – HB10**

HB10, the DOL IT Project, will be discussed during a report later in the day

### **8:25 AM – IMPLEMENTING PASSED POLICY LEGISLATION**

#### **8:25 AM – HB98 (Peace Officer Requirements)**

HB98 changes some things the DOL must do when hiring law enforcement officers, particularly adding more explicit instructions to the psychological evaluations the DOL already does

#### **8:25 AM – HB101 (Per Capita Fee Refund Deadline)**

Evan Waters has worked on the information needed to inform people that with the passage of HB101, the per capita refund deadline is now pushed to later in the spring

#### **8:25 AM – HB112 (Animal Import Requirements)**

The Animal Health Bureau is working on making sure that all changes, particularly semen and biologic import processes, put into place by the passage of HB112, line up properly (with 81-2-703 MCA)

#### **8:26 AM – HB291 (Wolf Mitigation Account)**

After the passage of HB291, the Governor's Office of Budget and Program Planning (OBPP) put \$5,000 of budget authority into the Wolf Mitigation Account, provided that the cash for that account, which comes from donations to Fish Wildlife & Parks (FWP), does come through

- The donations received through the FWP donation program will then be added to the DOL work plan with USDA Wildlife Services to be utilized specifically for wolf work
- The DOL has created a separate fund account to deal with the donated funds for Wolf Mitigation, so that it can be tracked independently

### **8:27 AM – HB327 (Cell-Cultured Meat)**

Currently, there has been no cell-cultured meat brought into the Montana marketplace. But, with the passage of HB327, if it does, any of it not properly labeled according to Montana Meat and Poultry statutes would be considered a misbranding violation

- Misbranding violations in Montana require the product be tagged, detained and taken out of commerce
- DOL Compliance Staff are the ones who would monitor the cell-cultured meat packages
- There is a possibility that Montana's new cell-cultured meat law could be challenged legally from sources that have already done so in other states who have passed similar legislation

### **8:31 AM – HB520 (LLB Funding)**

George Edwards is prepared to begin utilizing the additional funds granted through HB520 for his board's work, beginning January 1, 2020

### **8:31 AM – HB586 (State Labs)**

HB586, the State's Lab bill, will be discussed later in the day

- John Lewis, Director of the DOA, has requested the DOL submit the name of its appointment to the State Lab Committee; a group made up of members from all the various groups identified as part of the proposed new Lab
- Goal of the State Lab Committee is to have organizational meetings and complete a report for the Legislature by September 1, 2020
- Mr. Honeycutt requested that the BOL consider his thought of appointing Dr. Juda as the DOL's representative on the State Lab Committee

### **8:34 AM – HJ29 (Meat & Poultry Inspection Study)**

House Joint Resolution 29 assigned the Meat and Poultry Inspection Study to the Economic Affairs Committee

- The Meat and Poultry Inspection Bureau has been scheduled to give a presentation to the Economic Affairs Committee on September 11, 2019 and the DOL is also scheduled on that day to give a general agency overview
  - The Meat & Poultry Inspection Bureau's presentation will include current status of the Bureau, including their concerns, issues and problems
  - Mike Honeycutt said that he assumes there will also be presentations from processors and possibly from a representative of the Federal Government

### **8:36 AM – SB56 & SB57 (Meat & Poultry Inspection Updates)**

SB56 and SB57, both carried by Senator Ellis, updated the language for appeal processes, so that the appeal process listed in rule coincides with that process listed in statute

### **8:36 AM – SB67 (Aerial Hunting Fee Deposit)**

- SB67 was passed with a \$2,500 cap for administrative costs, for the DOL to administer the Aerial Hunting Program in Montana
- SB68, which would remove the Montana residency requirements for Montana aerial hunting, was tabled in committee in House Natural Resources

### **8:38 AM – SB133 (LLB Checking for Per Capita Fee)**

SB133, requiring that LLB check whether per capita has been paid before predation reimbursement can be given, becomes codified in October 2019. George Edwards will be discussing his efforts in making people aware of the new law during a report later in the day

### **8:39 AM – SB320 (Animal Seizure)**

SB320 requires that a District Investigator be present for the veterinary examination during an animal seizure situation

- John Scully suggested that the DOL look into liability protection because someone from the DOL could now be called upon in court as a witness regarding the seizure
- John Scully suggested that the DOL put a procedure together, outlining steps to be taken when a call for a DOL employee be present for a veterinary examination when a seizure situation occurs
  - Nina Baucus requested that a draft procedure be brought to the next BOL meeting. John Scully said that a copy of the bill be sent to each BOL member before the next BOL meeting
- Mike Honeycutt suggested meeting with Farm Bureau and MSGA representatives present at today's meeting to discuss with them the role they felt the DOL should take (document welfare or document ownership), at the veterinary examination, because their organizations supported the passage of SB320
- The passage of SB320 also gives the County prosecutor power to sell the animals under investigation unless the owner puts up a bond to keep the animals from being sold
  - Mr. Honeycutt expressed concern that if the animals under investigation are sold and then the owner is exonerated, that owner's natural inclination is to sue every agency that had something to do with the seizure

### **9:02 AM – Misbranding Discussion**

Per the discussion held earlier in the day regarding cell-cultured meat, Gary Hamel brought forward information he located regarding penalties for misbranding in the State of Montana:

- Misbranding penalties are listed under State of Montana statute 81-9-234
  - If an inspector finds a misbranding violation, the product is retained with a red tag and retention is indefinite
  - If a Compliance Investigator finds a misbranding in commerce, the product is retained with a red tag and they have up to 30 days for disposition of the product
- Notification in person followed by letters of warning that the product will be taken out of commerce is given, but 81-9-234 calls for penalties
  - If no other crime is involved, the person will be guilty of a misdemeanor and fined not more than \$1,000 and not imprisoned for more than one year
  - If there is an intent to defraud, the charge will be a felony and a fine of not more than \$10,000 charged and imprisonment of not more than three years

### **9:04 AM – UPDATE ON PLANNING AND ACTIVITY FOR POTENTIAL NEW MVDL BUILDING**

John Scully gave an update on the planning and activity for the proposed new Lab building

- A Lab Advisory Committee was established with John Scully as chair, that presented a proposed Lab building report to the 2019 Legislature. That Lab Committee then stopped their activity, awaiting to see whether or not the 2019 Legislature would grant funds to proceed forward
- HB5 funds for \$100,000 were approved, to be utilized for the proposed Lab building design planning
  - A&E will be the gatekeeper for the DOL spending the \$100,000 for architects and engineering
- HB586, a bill to move forward with the Lab, was approved by the 2019 Legislature
  - One of the requirements of the newly passed HB586 was the establishment of a Lab Advisory Committee by the Department of Administration (DOA). Mr. Scully said that the BOL needed to decide who would be the DOL appointee to that Committee
    - Mike Honeycutt requested that the VDL's new Lab Director be the DOL Lab Advisory Committee appointee
    - Mr. Scully suggested that the DOL head of finances, who has already worked with the Board of Regents and with the construction process of University structures, be part of the process for the proposed new Lab building
  - HB586 also states that the DOA is required to give a progress report from the Lab Advisory Committee on a quarterly basis to the Economic Affairs Committee and the Environmental Quality Council (EQC) and also another progress report by September 2020

- The head of State General Services Division, who is in charge for leasing property for the State of Montana, will be heading up the Lab Advisory Committee Meetings
  - General Services will kick off the Interim Committee meetings and serve in an advisory capacity regarding cost, design, etc.
- General Services is ready to coordinate for the DOL with LPW, the Great Falls Architectural firm who put together the original plan for the proposed new Lab building
- If the building for the new Lab is leased rather than be a new construction, the needs for the Lab would still remain the same, but the building would probably be on private property rather than on State property
- Montana State University's involvement in the Lab is still important, even if the new Lab is not on University property because some of the potential partners in that Lab are MSU Extension Labs

## **MOTION/VOTE**

**9:27 AM**

**Lila Taylor moved to approve Mike Honeycutt's recommendation to appoint Brian Simonson and Dr. Greg Juda to the DOA Committee regarding the design of the proposed Veterinary Diagnostic Lab. Sue Brown seconded. The motion passed.**

- It was decided to discuss at the next BOL meeting whether or not to continue with the proposed Lab Advisory Committee that John Scully chaired and to instead put together a standard communication process, a work plan, with industry, regarding the new Lab building

### **9:27 AM – Chronic Wasting Disease Discussion**

Vice-Chair Scully reported on an article sent to him by a pathologist/veterinarian/anesthesiologist friend of his regarding chronic wasting disease:

- The article is in regards to a study done at Colorado State University (CSU) showing that it is probable chronic wasting disease has and will spread to other species, including the human population
- Mr. Scully said researchers reported that when chronic wasting disease does spread to other species, it masks itself in its identifiable characteristics, changing its pathological character and that is probably why it has not been recognized

### **9:40 AM – ITEMS FOR FUTURE PLANNING CONVERSATIONS**

#### **9:40 AM – Needed Board Refresher Trainings**

- Mike Honeycutt said that until new BOL members are appointed, some of the Board Refresher Training courses can be put on the back burner because current BOL members have been trained in those already

- Montana Code of Fair Practices
- Montana Human Rights Act
- Executive Branch Budgeting and Finance
- Sexual Harassment
  - Sexual Harassment training is required annually for all State personnel; Managers, which include BOL directors, are required to attend face-face training, but it has not been designed yet
- The BOL decided to target a date in November 2019, in coordination with that month's BOL meeting, to set up refresher trainings for all BOL members

### **9:45 AM – MDOL/MBOL Long-Range Strategic Planning**

There was a discussion by the BOL regarding organizing a retreat with BOL members, key staff and industry, guided by a facilitator, to discuss strategic plans for future years of the DOL and BOL:

- Nina Baucus expressed her concerns with a lack of planning regarding projects and how that has cost the DOL extra money, and that is why she felt a long-range plan, looking ahead 5-10 years, would be beneficial to the DOL
  - Mike Honeycutt said that having a conversation about future planning is important, but that a 2-3 year future plan would be better, a 5-year plan at the most, because if it gets too far out, the plan never gets done
    - Mr. Honeycutt added that the Legislature meets every two years, and a new Governor comes on board every 4 or 8 years, both of which could dictate the DOL's long-term future
    - Mr. Honeycutt said he felt it would be beneficial to the DOL to have a planning conversation with industry before the 2021 session regarding a budget proposal and potentially growing the DOL, operationally and in infrastructure
  - John Scully and Sue Brown agreed with a 2-3 year future plan
  - Lila Taylor said she would like during the session to talk about where we are now in the DOL, address the division in the DOL, discuss the "done deals" and whether or not they are correct deals
  - Brett DeBruycker said he didn't think the BOL was on the same page for the time frame or direction the BOL wanted to head, and would like to get more direction from everyone before sitting down for the strategic planning discussion
- Nina Baucus and Brett DeBruycker will meet with Mike Honeycutt to put together an outline which would include time frame, subject matter and target dates for a strategic planning session and present that to the BOL at the next meeting

### **10:01 AM –RECESS**

### **10:12 AM – RECONVENE**

## **LEGAL COUNSEL UPDATE**

**10:12 AM**

### **10:12 AM – Legal Update from DOL Legal Counsel, Rob Stutz (May Require Executive Session)**

John Scully requested that with the presence of Patricia Klanke, Drake Law Firm, the BOL go directly into an Executive Session to discuss litigation strategies

### **10:13 AM –EXECUTIVE SESSION**

### **10:55 AM – RECONVENE**

John Scully announced that during Executive Session, Counsel identified for the BOL a settlement value of \$35,000 to settle all issues regarding S&T Project Meats and requested from her to lay out the process that would take place if the settlement is approved:

- Ms. Klanke said she would notify S&T Project Meats' Counsel of the settlement approval and ask them to confirm that the recall be closed out
- A release of the claim will be requested, which Ms. Klanke said she had already drafted for their signatures
- After the release of claim is signed, she will file a motion in District Court to have the lawsuit dismissed
- Ms. Klanke will work with Mike Honeycutt to draft a letter indicating that the recall had been closed and a check will be issued for settlement

## **MOTION/VOTE**

**11:00 AM**

Sue Brown moved to approve the \$35K settlement to S&T Project Meats. Lila Taylor seconded. The motion passed

## **OLD BUSINESS CONTINUED**

**11:02 AM**

### **11:02 AM – REQUEST TO CHANGE PERFORMANCE EVALUATION DEADLINES IN BOARD PROCEDURES & GUIDELINES FROM FISCAL YEAR TO CALENDAR YEAR (requested action by State HR)**

Mike Honeycutt reported that the State Human Resources Division has made a request to the DOL to shift their online TALENT employee review cycle from a fiscal year to a calendar year schedule:

- Unlike most all other State agencies who work on a calendar year schedule, the DOL, being the pilot agency for TALENT, began on a fiscal year schedule and remains on a fiscal year schedule
- Current BOL Policies and Procedures have the employee review cycle listed on a fiscal year schedule, and that can only be changed by BOL action
- The State Human Resources Division said that the DOL would receive better service from their office if the schedule for reviews is set on a calendar year schedule
- Concern was raised by some of the BOL that if the review schedule was changed to a calendar year, it would be tough for those reviews to be completed because of the end-of-year holidays or if there was a Legislative year starting in January or if Fall Run became extended for some reason
- It was suggested that rather than setting the deadline date to have evaluations finished by December, to set it at January 20<sup>th</sup>, a date that would give the markets a little more time to get them done

## **MOTION/VOTE**

**11:08 AM**

**Brett DeBruycker moved to change the annual performance evaluation deadlines in the Board Procedures & Guidelines from a Fiscal Year to a Calendar Year schedule, with the deadline for completed evaluations due by January 20<sup>th</sup>. Sue Brown seconded. The motion passed.**

## **NEW BUSINESS**

**11:16 AM**

### **11:16 AM – EMPLOYEE RECOGNITION**

#### **11:16 AM –2019 Governor’s Award Process**

Mike Honeycutt reported that the Governor’s Award nomination is due by August 1, 2019, so the DOL was currently soliciting nomination forms from all areas of the DOL:

- The DOL will tentatively have a recognition ceremony in August for their nominees and invite the BOL members
- One of the nominees will go forward to be the Governor’s Award nominee

### **11:17 AM – DISCUSSION OF PRODUCER FEEDBACK RECEIVED DURING PER CAPITA COLLECTION PERIOD**

Mike Honeycutt shared some of the comments the DOL had received during the per capita collection period:

- Some folks challenged the DOL on the per capita fee charged for certain species of animals and whether or not there was any science in where the fees had been derived from

- When asked if there should be any sort of maximum fee charged for brand inspection fees, Mr. Honeycutt said he mentions whether there should be a minimum brand inspection fee charged
- More than a few producers who are moving animals across the state then back again are not pleased that they are paying inspection fees twice, but Mr. Honeycutt's counter argument is when a lame cow ends up going to the processor and the inspector has to drive two hours to inspect the animal, they are losing money on the proposition

### **11:21 AM – 2019-2020 ECONOMIC AFFAIRS INTERIM COMMITTEE SCHEDULE**

John Scully announced that the Economic Affairs Interim Committee calendar had scheduled the BOL to appear before them on September 11, 2019

### **11:21 AM – UPDATE – FY19 YEAR-END EVALUATIONS**

Mike Honeycutt announced that although not 100% complete, the DOL year-end employee evaluations are all in progress:

- The DOL is ahead of last year at this time with evaluations
- The evaluation online system has fewer glitches and people are more familiar with it than last year, the first time the DOL utilized the online evaluation system
- The evaluation process is completed when employees have done their self-evaluation and received their manager's evaluation followed by the employee and manager meeting face-to face to discuss the evaluations
- Even after the face-to-face meeting is completed, the employee still has the ability to rebut their manager' evaluation and put in final comments

## **CENTRALIZED SERVICES DIVISION**

### **11:24 AM**

### **11:24 AM – LIVESTOCK LOSS BOARD**

#### **11:24 AM – Report on Livestock Loss Claims**

George Edwards reported that current livestock predation claims are ahead of last year at this time:

- 2019 current livestock predation claims paid are 83 head; paid claims at this time in 2018 were 38 head
- Of those claims, 18 have paid per capita and 16 have not, but 5 of those non-payers were tribal members who do not have to pay per capita
- Primary non-payer claims were on 15 goats, 13 sheep, 6 cattle and 2 llamas

#### **11:26 AM – How to Promote Awareness of New Per Capita Payment Requirements**

George Edwards requested help with promoting producer awareness of per capita:

- SB133, requiring that a livestock loss predation claim can only be paid if the recipient has paid per capita fees, goes into effect on October 1, 2019

- Mr. Honeycutt said that he did not feel a newspaper block ad would be an effective marketing tool for per capita awareness, but instead to utilize free media, including Montana Ag Network, Northern Ag Network, Tri-State News, Western Ag Reporter or organizational newsletters, which he feels would be seen by more producers
  - Mr. Honeycutt's assessment is that most people get their media and news online these days
  - If paid media is utilized to promote awareness of per capita, Mr. Honeycutt suggested that it be a radio Public Service Announcement (PSA) rather than a newspaper ad, for better effectiveness
  - Mr. Honeycutt reminded the BOL that when the DOL has cooperated with the Department of Agriculture on press releases, there has been a good track record of getting information published across the state
  - Brett DeBruycker suggested putting the per capita payment requirement on the front of the LLB website
  - Sue Brown said she felt there needs to be some kind of public awareness. Some small producers aren't aware of what the DOL is or what per capita is
- John Scully said that by statute the burden is on the LLB to get the word out regarding the per capita payment requirement, and asked Mr. Edwards to bring the BOL information from the LLB stating their plan and what kind of help they want from the DOL
- George Edwards said that Seth Wilson, the new LLB chair, will be back in Montana in the middle of July, so their board will probably not meet to discuss the new statute until at least August and can then let the BOL know after that what their plan is
- Mike Honeycutt said that promotion of per capita should not only be done because of the change in statute, but also because the DOL has areas it needs to improve regarding per capita, particularly with specific species
- Mr. Edwards presented a claim form that he put together, based on a DOR revenue form, for use by tribal members when they suffer predation livestock losses
- There are two tribes in Montana who have a current MOA with the DOL regarding predation losses on reservation land, the CSKT and the Blackfeet

### **11:56 AM – General Discussion**

- Reimbursement and payment for out-of-state travel for the DOL's attached boards was discussed:
  - Brian Simonson said that the goal for the next six months for the attached boards' Bureau Chiefs was to construct policies and guidelines similar to the BOL's
  - To be in compliance with State policy, the attached boards must have out-of-state travel approved by the BOL. Those attached boards must have approval of the expenditure from their own boards as well

- Mr. Honeycutt said that if that out-of-state travel does not meet the standards in the Montana Operations Manual (MOM), then the DOL would get an audit finding for not having exercised the proper oversight control
- The BOL discussed the possibility that the LLB/Milk Control Building will be removed as part of the expansion of the new Montana Historical Society museum, and the grounds made into a parking lot
  - Mr. Honeycutt said that the Department of Administration has the obligation to find space for the displaced bureaus

### **11:58 AM – PREDATOR CONTROL**

Kraig Glazier reported on current updates for USDA-APHIS Wildlife Services. State Director John Steuber was not able to be present:

- Two new Wildlife Specialists have been hired in the state – one in Glacier County, that includes the Blackfeet Reservation and one in Lila Taylor’s area
- The Glacier County position is paid for with new funding from USDA
- A new engine has been put into the USDA-owned plane
- The Western District had a training session in Helena
  - A crew member trainer from the training facility in Cedar City, UT attended to observe Kraig Glazier’s training, as he is a crew member trainer as well
  - A producer who trains with the Navy Seals attended the training to do some pistol work with attendees
  - Training also included cold weather survival with helicopter crashes, shotgun and rifle exercises, and bear spray training
- Mr. Glazier reported that over the weekend, some riders checking cattle in the Gravellies had to shoot a grizzly bear who had come off an elk calf
- Wolf kills were confirmed from two different producers in the Big Hole this weekend
- FWP money has been expended for wolf flying, so producers are having to pay for any that needs to be done
  - Western Stockgrowers had to pay \$3,000 for one controlled action, but Wildlife Services were able to remove seven wolves with that one flight

### **12:05 PM –LUNCH**

### **12:37 PM – RECONVENE**

## **CENTRALIZED SERVICES DIVISION CONTINUED**

### **12:37 PM**

### **12:37 PM – MIKE HONEYCUTT ANNUAL REVIEW**

John Scully directed the BOL that they would follow what was done in the past regarding Mike Honeycutt’s annual review with a rating system that was either, “exceeds”, “meets”, “needs improvement” or “doesn’t meet” or with a numerical rating:

- An overall summary of Mr. Honeycutt's review from the BOL included comments about "Mike is a very good manager that appears to have the trust and respect of those who work with and for him," and an "Excellent job in all areas."
- Mike Honeycutt thanked the BOL for their feedback and asked for the BOL's understanding. What they see in their 20 or 25 days of exposure with DOL staff, may not be reflective of what's happening over 250 days in a year of activity and action. He also added that for every complaint that they receive, there are probably 25 that were solved the BOL never knew about, because they were solved before they ever got here

The BOL discussed Mike Honeycutt's salary situation:

- John Scully requested that the BOL consider increasing Mike Honeycutt's salary by the 50 cents/hour rate for the biennium that the 2019 Legislature granted to all State employees
  - This 50-cent/hour increase authority would be covered under the snapshot
  - Brian Simonson pointed out that Mike Honeycutt's last pay raise was in April 2018 and so he missed a February 2019 State employee raise
- Mr. Scully also pointed out that Mr. Honeycutt's salary is nearly \$4/hour less (8%) than like Directors and requested the BOL consider increasing his salary by a portion of that this calendar year, commencing in 2020
  - Funds are available for this increase in salary under HB3 authorization

## **MOTION/VOTE**

**1:09 PM**

**Lila Taylor moved to increase Mike Honeycutt's salary, based upon this year's Legislative approval, by 50 cents per hour, commencing January, 2020. Sue Brown seconded. The motion carried.**

John Scully said he and Brett DeBruycker had discussed that increasing Mike Honeycutt's salary the full 8% at once, to match like Directors, would put Mr. Honeycutt in an uncomfortable position. He added that whatever salary increase is decided upon, 50 cents/hour should be added to that figure to make up for the State employee raise that he missed in February 2019:

## **MOTION/VOTE**

**1:15 PM**

**Brett DeBruycker moved to increase Mike Honeycutt's salary by \$1 per hour, a 2% increase, effective January 1, 2020, plus give him a 50-cent an hour raise immediately, retroactive to February 2019. Lila Taylor seconded. The motion passed.**

## 1:18 PM – FISCAL BUREAU

### 1:18 PM – June 2019-FY19 EOY Expenditure Projections

Brian Simonson discussed the Projected Expense to Budget Comparison Report for May 31, 2019:

- Total budgeted funds for the DOL show a positive \$412,321, an end-of-year projection, which is a \$140,000 better fiscal position than for the April end-of-month report
  - The positive increase is primarily due to the \$142,000 in Federal funds authorized last month in the Meat & Poultry Inspection Bureau
  - The projected budgeted funds for General Fund show a positive \$15,555, a \$60,000 turnaround from last month's report, directly related to the Meat & Poultry Inspection Bureau Federal funds
- The Shielded Egg Grading Fees figure is not actual cash, but authority
- Per Capita Fee shows a negative \$18,384, due to the limited authority given, but, the money is there and State Special Authority will make that whole
- The Federal Umbrella program funds are being spent down and are now listed at \$950
- The budgeted VDL fees show nearly \$68,000 to the good, but the amount of actual revenue brought in is short \$178,673 of the budget projection, a deficit that will be made up with a combination of things, including per capita fee
  - In explaining the shortage of \$178,673 in VDL revenue, Mr. Simonson explained that there has been less business, but less variable expenses, and he feels that the figures were probably overbudgeted because figures in another part of the report show that numbers are not much different than what was done last year
  - Mr. Simonson explained that the shortage may also highlight a need to increase fees
  - VDL Lab Director, Dr. Gregory Juda, added that the VDL lost a major client in mid-January, that represented about 4% of the VDL's revenue. The client shifted their business to a test lab in Europe with which they were affiliated
- In the Centralized Services Division, there is an \$80,000 loss under Personal Services projected, coming from salary that wasn't in the biennial fiscal plan, which runs down to a Total Budgeted Funds projection of a negative \$57,000, which will be fixed with snapshot in 2020
- The Livestock Loss Board is projected to have a negative \$13.5 thousand in Total Budgeted Funds at the end of the year, but that is expected to be covered with the LLB license plate fund revenue
- The Milk Control Board is \$15,000 in the black in Total Budgeted Funds
  - There is a \$10,000 excess in the Milk Control Bureau's Other Per Diem on the Personal Services side
- There are no issues in the Animal Health Division, where Animal Health, the Designated Surveillance Area (DSA) and the Federal Umbrella are closing out well

- The VDL budget is solid, with the exception of the revenue shortage (\$178,673) discussed earlier
- There is discussion now about understanding how the DOL is losing Milk Inspection fee revenue, which is going to be around \$100,000 short of the revenue needed for the end-of-year
  - Loss of dairies in the state have somewhat to do with the loss of revenue and the fact that other dairies that are bringing on quantity are capped out. The workload stays the same for the DOL but there's no revenue increase
  - To mitigate the loss, as opposed to changing the fee structure, the caps may need to change as the dairies continue to grow in size
- The Egg inspection fees in the Shielded Egg Grading Program are more than solvent, but USDA is requiring that Montana nearly double the amount they charge the processor starting October 1, 2019, which Montana will phase in over a two-year period of time. There is a national effort for all participants in the USDA program to charge the USDA rate
- The General Fund in the Meat & Poultry Bureau Inspection program is showing around \$66,000 short, but that will be adjusted by the end of the fiscal year
  - There is both funding and authority for two FTEs in the Meat & Poultry Inspection Bureau that have remained vacant since the 2017 Legislative Session when the FTEs were granted, but not the money
- The \$39,000 shortage in Brands Enforcement Division Personal Services equates to a payout that was just made

#### **1:47 PM – May 31, 2019 Budget Status Report**

Brian Simonson explained that the budget comparison reports in this section are backups to the projection reports just discussed, and show, in another column, adjustments that went through the 2019 Legislature, including the HB3 adjustments:

- For the DOL, 81% of the budget has been expended, compared to 83%, as was reported last year at the same time

#### **1:49 PM – May 31, 2019 State Special Revenue Report**

Brian Simonson reported on the status of State Special Revenue funds:

- In the Brands Enforcement Division, the negative \$121,000 difference from 2018's numbers represent a \$30,000 drop-off from last month
  - Mr. Simonson said that there was about a \$25,000 drop-off from last month in security interest filing fees and livestock dealer licenses, which he equates to timing more so than a predictor in the market
  - Evan Waters explained that it is also the end of the five-year period and so with the beginning of a new 5-year period, the revenues will be lower
  - \$4,248,664 in per capita revenue has been collected so far, a \$1.8 million increase in revenue over last month and a \$284 increase over last year at this same time
  - \$4,961,000 has been reported for per capita as of today, but that is short \$700,000 which has not yet been collected

- Mike Honeycutt pointed out that the amount of dollars collected and the number of head reported has increased, but the number of persons reporting has gone down

### **1:57 PM – Predator Control Aerial Hunting Allocations**

Brian Simonson said this is the time of year the DOL requests authorization from the BOL to make allocations from the per capita fee collections of three counties who do not have cattle petitions, and so, are not covered by Wildlife Services funding for predator control purposes:

- Carter, Richland and Powder River Counties each receive 8.38% of the per capita funds collected from their county, with a portion taken out to cover helicopter insurance and the rest is turned over to Wildlife Services for predator control purposes
- The \$416,000 total paid in per capita by those counties is a \$75,000 increase from last year's contribution

## **MOTION/VOTE**

### **1:59 PM**

**Brett DeBruycker moved to approve allocation of 2020 predator control funds for three counties, Carter, Powder River and Richland (\$416,010), pay the helicopter insurance (\$21,702) and transfer the remaining funds (\$367,683) to Wildlife Services. Sue Brown seconded. The motion passed.**

- Evan Waters said that it was still in the plan to find out from each of the three non-participating counties how they were spending the allocated per capita funds

Brian Simonson reported that he was not able to go back 20 years, as requested by Brett DeBruycker, for numbers of each species of animals reported each year for per capita, because the Department of Revenue (DOR) can only go back 10 years in their database

- Since 2009, there has been a 30% decline in horses reported, a 7% increase in cattle reported, a 58% increase in bison reported and a 138% increase in chickens reported

### **2:05 PM – Out-of-State Cattle Discussion**

Lila Taylor questioned whether the many yearlings she saw on the back roads while driving to Helena, which she assumes come from out of state, pay per capita:

- Mike Honeycutt said that if the cattle are not in Montana on February 1<sup>st</sup>, and are not there on the next February 1<sup>st</sup>, then reporting is not required

### **2:07 PM – Information Technology's Livestock Unified Application (HB10) Update**

Dan Olson, per the request of the BOL during their last meeting, provided a simplified picture of the current status of the IT Department, the benefits of moving forward and a plan for moving forward with the HB10 funds:

- The Meat and Poultry Inspection Bureau is currently utilizing a very outdated database and that is one IT is looking at replacing
- The Milk & Egg Bureau, the sanitarians in the field and the Milk Lab in Bozeman are on separate systems and have no way to communicate back and forth
  - Dan Turcotte's Helena group of employees are working on an extremely old database. They produce the certifications and inspection reports, and on the current system, must do manual entry of data from the Milk Lab and from outside sources, such as Meadow Gold.
- The Brands Enforcement Division application is divided into three components: the Brands application includes all brands data; Fort Supply includes market and sales information; brand inspections include remote information and it is all done by paper right now
- IT would like to roll the Brands application into a different database, possibly one of the current systems, because it is from a third-party vendor whose rate for support is \$165/hour
- Although there is some talking and porting functionality from the VDL to systems within the DOL, most cannot talk to each other, so IT is looking at possibly doing some enhancements to the Laboratory Information Management System (LIMS) so the DOL system can talk to everything
- Currently, there is nothing that talks between the Animal Health program, which is USAHerds and the Brands program, which is Fort Supply and their suite of products, Central Office and Fast Brands
- USAHerds recently switched to a new vendor called Acclaim and about 30 states utilize USAHerds and other products that come from Acclaim
- Around 90% of the USAHerds annual license fees are paid for with Federal cooperative agreement funding under Animal Disease Traceability (ADT)
- A big vision of IT is to have mobile devices from the field that would connect into an Animal Health module or main system in Helena, but, how to support 500 users and pay for so many licenses are items on the IT's burner
- SITSD has scheduled a meeting with Dan Olson and is kicking off meetings with all state agencies who acquired HB10 money in the 2019 Legislative Session
  - Mr. Olson said that Tim Bottenfield, Chief Information Officer (CIO) for the State of Montana, will be holding regular meetings regarding the status of the project management of the HB10 funds
  - Mike Honeycutt added that the State IT plan comes under the governance of the Legislative Finance Committee, and so, when they meet every quarter, they will get an update on the spending of HB10 funds
- John Scully requested that a methodology be put together for communicating with the industry, especially regarding the new Lab building

**2:41 PM – RECESS**

**2:52 PM – RECONVENE**

## **ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS**

**2:52 PM**

### **2:52 PM – ANIMAL HEALTH BUREAU**

#### **2:52 PM – Proposed Changes to Administrative Rules – Alternative Livestock**

Dr. Tahnee Szymanski reported that the BOL had elected at the last BOL meeting to pass a single section of proposed changes to Administrative Rules regarding Alternative Livestock, and she would be presenting the remainder of the proposed rule changes for the BOL's consideration:

- Along with making some tweaks in ARM language as far as some ongoing problems in the industry, Dr. Szymanski requested to make DOL Administrative Rules regarding the herd certification program for CWD consistent with the newly-published USDA program standards for their herd certification program for CWD, which covered two main areas
  - How should the DOL manage certified herds
  - How should the DOL respond to a positive CWD finding

## **MOTION/VOTE**

**2:58 PM**

**Sue Brown moved to approve the posting of the proposed ARM changes to Alternative Livestock rules, as presented by Dr. Tahnee Szymanski. Brett DeBruycker seconded. The motion passed.**

#### **3:00 PM – Proposed Changes to Administrative Rules – Import Requirements for Goats**

After a request from a Montana veterinarian who is also a goat producer, that the DOL no longer require brucellosis testing for meat goats entering Montana, Dr. Tahnee Szymanski presented a proposed change to the Administrative rule 32.3.214, that lists the request for the BOL's consideration:

- The incidence of brucellosis in meat goats in the US is low, but the possibility of human transference of brucellosis in dairy goats is a reason to make the rule change effective for meat goats only
- Goats are susceptible to Brucellosis abortus and Brucellosis melitensis, both zoonotic diseases
- Goats can potentially transmit Brucellosis abortus to cattle and so there is language in the proposed changes regarding animals that originate from a DSA
- The BOL decided to address the proposed changes in the ARM Import Requirements for Goats during the next BOL meeting

#### **3:04 PM – Proposed Changes to Administrative Rules – Sheep & Goat Identification**

Dr. Tahnee Szymanski reported that the USDA recently updated their Scrapie program standards to bring the ID standards applied to goats equal with those of sheep. The

proposed changes to ARM 32.3.1303 would make the language consistent with the new USDA Scrapie program standards:

- Once goats reach 18 months of age they have to be identified and the exemption for low-risk commercial goats has been removed

## **MOTION/VOTE**

**3:05 PM**

**Brett DeBruycker moved to approve the proposed changes to ARM 32.3.1303 pertaining to Sheep and Goat Identification, as presented by Dr. Tahnee Szymanski. Sue Brown seconded. The motion passed.**

### **3:06 PM – Timeline for Phase-Out of NUES Tags**

Dr. Tahnee Szymanski explained the USDA timeline for phasing out the metal National Uniform Ear tagging System (NUES) tags, the silver and orange metal tags applied to cattle for regulatory purposes, that was announced in April of 2019:

- USDA announced that free tags will continue to be available to producers until December 31, 2019
- Starting January 1, 2020, veterinarians will be able to purchase metal tags for continued application to animals until December 31, 2020
- Starting January 1, 2021, neither producers nor veterinarians will be able to purchase or apply the silver metal tags or brucellosis tags
- Beginning January 1, 2023, every animal required to be officially identified to move across state lines will be required to have an RFID tag in their ear
- Regarding Brucellosis vaccination, by USDA standards, the rule would still say official ID and a tattoo
- Dr. Szymanski said that Under Secretary Ibach felt very strongly that the US needed to transition to an electronic system of identifying animals and a consensus point made at a USDA listening session held in Billings was that before we could go to identifying feeders, it was going to have to make progress with animal disease traceability, and that being done with electronic tags
- Brett DeBruycker voiced his concern about the increased workload to the producer with replacing metal tags with electronic tags
- Dr. Zaluski explained that his reasoning behind a statement he made about getting rid of the tattoo in the ear is that it represents a proof of vaccine and is serving just a marketing purpose. He added that the initial reason why tattooing is in place is no longer current
  - Concern was raised by Lila Taylor regarding cattle losing RFID tags showing proof of vaccination compared to a tattoo showing proof of vaccination
- Dr. Zaluski said that whether or not a heifer is spayed can often be determined because of a scar, or at the market, a veterinarian can sleeve that animal to confirm they have no ovaries at a cost of \$3-\$5, paid by the producer
- Dr. Szymanski delivered a message from the Animal Health Bureau requesting feedback from the BOL regarding the USDA timeline and added that a

veterinarian requested that Montana start moving towards RFID tags immediately, turning over cow herds in advance of the 2023 deadline

- Mike Honeycutt said because the change deals with interstate commerce, which is not the domain of the State, the DOL will not be able to stave off national requirements, but people listening to this meeting and their organizations need to express their concerns and have those concerns voiced at the national level

### **3:34 PM – Report: Bovine TB Epi Update**

Dr. Tahnee Szymanski reported that currently, the DOL is working on three TB epidemiological investigations:

- The June 2018 South Dakota steer found resulted in 17 potential source herds in Montana
  - 12 herds have completed all of their required testing and there are two big herds left to test; a total of 2800 head tested and 2400 left to go
  - There is one animal that has a culture pending and the DOL is about 2 weeks from pulling that culture with no growths
  - One of the herds will be tested in August
  - One herd is just finishing up testing of the bulls
  - There are a couple of CFT suspects to be addressed and then that cow herd will be tested this fall
- The December 2018 South Dakota steer found resulted in one Montana herd associated with the trace
  - The herd is bulls and heifers. The bulls have been tested and the cows will be tested in July
- The March 2019 Nebraska cow found resulted in a Treasure County, Montana herd being placed under quarantine and going through two rounds of tests
  - That herd has been released from quarantine and will have to complete assurance tests in 6-12 months
  - The question now is, was the cow exposed when she spent 110 days on feed in a South Dakota feedlot pen? In that pen, four animals were purchased from BLS, including the positive cow, and 118 were purchased from a South Dakota market

### **3:38 PM – Report: USDA Brucellosis Diagnosis and Surveillance Training**

Dr. Marty Zaluski reported on the April 2-4, 2019 USDA Brucellosis epidemiologist training held in Bozeman and attended by DOL personnel:

- This particular Brucellosis epidemiological training was the first that had been held in six or seven years because the USDA has stopped them for a time
- The Brucellosis program was launched in 1934 when national infection rates were around 11.5%. The partnership between states and the Federal Government started in 1954
- The primary Brucellosis researcher in the country, Dr. Steve Olson from Iowa, spoke about the differences in field strain and vaccine strain Brucellosis
  - The RB51 vaccine does not create an immune reaction that confuses the testing

- Meat from a Brucella abortus infected animal is generally considered safe to eat because other than during a period of time called bacteremia, the bacteria is located in lymph nodes and other tissues not usually consumed
- Meat from some other Brucella strains, such as Brucella suis and Brucella melitensis, have a longer bacteremia and pose a significantly bigger danger for slaughterhouse workers and consumers
- Brucella suis, according to a report about five years ago, was found in about 20% of feral swine
- Dr. Olson mentioned that if you are going to Bangs vaccinate, do not vaccinate with other vaccines for several weeks afterward because the immune system has only so much power to respond to one vaccine and doesn't have a lot of reserve to respond to the other
- The amount of administrative burden on Dr. Olson to comply with select agent rules takes away from his ability to do research
- Dr. Clark, a national leader in Brucella testing who lives in Bozeman, did a study that showed a much more limited set of Brucella testing is more effective at finding positives and requested that all labs in the nation standardize the testing
- Dr. Jack Ryan did some work with oral exposure of Brucella vaccine for elk and found that it was highly effective to hit the immune system. Colorado is going to continue some of that study

### **3:52 PM – Outbreak Preparedness Update**

Dr. Anna Forseth reported on the emergency Preparedness work she has done since starting it in October 2018:

- Dr. Forseth said that the RMR exercise completed in May 2018 identified where the State is deficient in its preparedness for an animal disease outbreak, and her ultimate goal is to update the State's Emergency Preparedness Plan
- A summarized list of priorities Dr. Forseth plans to work on, based on deficiencies identified in the RMR exercise are:
  - Identifying or establishing a department-specific incident command structure
  - Establish a depopulation plan
  - Establish a carcass management or disposal plan
  - Identify what the VDL's testing capabilities and limitations are
  - Establish various communication documents including press releases, emergency declarations, messaging to producers, veterinarians, etc.
  - Implement the HL-7 software, which would allow communication with the VDL in real-time much quicker
- Various training opportunities include training in the EMRS reporting system, educating producers and veterinarians on clinical signs seen when a foreign animal disease is present, educating a Public Information Officer on what to expect and what kind of DOL response is needed
- Establishing a secure food supply plan
  - The Secure Food Supply Plan is a nationally-initiated program focusing on the producer's biosecurity, recordkeeping abilities and whether they have

- a premise ID number – Producers with those items in place are considered low-risk
  - Goal of the plan is to establish a business continuity for producers
  - There are multiple plans, including pork, beef, dairy, poultry (broiler, turkey and egg), and a sheep program is in the works
  - Because of the threat of African Swine Fever, the pork supply plan has been pushed to the top of the list and two additional meetings will be held with producers by the end of July to talk about plan requirements and benefits and encourage them to participate
- The DOL plans to purchase penetrative captive bolt guns within the next few months at the cost of \$1,500 each (cooperative agreement dollars) for the purpose of euthanizing a wide range of animals, if needed

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

**4:06 PM**

- Charlotte Lauerman, from the Montana Veterinarian Medical Association, announced that she was speaking for Executive Director Stuart Doggett
- Kiley Martinell, Vice President of the Montana Beef Council, announced that she came to the BOL meeting to introduce herself and to answer questions
  - Ms. Martinell said she grew up on a Choteau, MT ranch, did embryology work for TransOva Genetics and still does that type of work with another veterinarian
  - She reported that regarding the lawsuit with R-Calf/USDA, August 28, 2019 is when the summary judgements and process are supposed to be heard and then, potentially, a decision will be made
  - Currently, all beef check-off dollars go to the Cattlemen's Beef Board (CBB) at the national level with none left at the state level unless producers paying the check-off dollars sign a consent form each year requesting differently
  - According to Ms. Martinell, over a million dollars is being held in that national account. Before the lawsuit in 2016, Montana Beef Council spent \$581,000 on promotional education, and this year, that number is down to \$192,000
  - She requested help from the DOL to inform the 12,000 producers statewide regarding the consent form. So far this year, they've gotten back around 3,000 forms
  - John Scully told Ms. Martinell to talk to Mike Honeycutt about contacting Brands Administrator Leslie Doely regarding adding the Montana Beef Council to the agenda at a Brand Inspector district meeting to explain the consent form as an education or information piece, not a promotion

## **ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS CONTINUED**

**4:20 PM**

### **4:20 PM – VETERINARY DIAGNOSTIC LAB**

#### **4:20 PM – Passed 2018 Salmonella Enteritidis NPIP/NVSL Proficiency Testing**

Dr. Gregory Juda reported that the VDL passed their 2018 proficiency for Salmonella Enteritidis testing, which is important to maintain the National Poultry Improvement Plan (NPIP) and the National Veterinary Services Laboratories (NVSL) proficiency

#### **4:20 PM – African Swine Fever (ASF) Proficiency Testing (Week of 6/10)**

Dr. Gregory Juda reported that the VDL is currently going through the process of passing proficiencies for African Swine Fever

#### **4:21 PM – AAVLD Audit Response (Due July 1)**

Dr. Gregory Juda reported that the VDL has been working to close out corrected actions to the American Association of Veterinary Laboratory Diagnosticians (AAVLD) audit response that is due July 1, 2019:

- The audit, that had been conducted in March 2017, left the VDL with around 30 corrective actions or non-conformances to address
- Dr. Juda complimented Quality Manager Tess Moore on the job she had done in getting the VDL prepared for the audit

#### **4:22 PM – Equipment Purchases Associated with 2020 NAHLN Grant**

Dr. Gregory Juda explained how the VDL planned to spend the \$137,000 National Animal Health Laboratory Network (NAHLN) annual grant funds for Fiscal 2020 that had already been approved by NAHLN:

- \$101,000 of the funds are intended to be used for equipment required to do ELISA screening tests for CWD; the immuno-histo chemical stainer, used for confirmatory tests for CWD, has already been purchased
- \$61,000 would be used for an NSP Purification System and a Precess 48, equipment used to perform a portion of CWD testing that is currently being referred to the CSU Lab
- A new microtome could also be dedicated to the CWD testing for the immuno-histo chemical sectioning that would help alleviate the potential for cross contamination
- A microscope for the pathology associated with the immuno-histo chemical assay could also be purchased, but must be used for NAHLN-sponsored tests

## **MOTION/VOTE**

**4:25 PM**

**Nina Baucus moved to give approval for the FY2020 NAHLN Grant Equipment purchases, as presented by Dr. Gregory Juda. Lila Taylor seconded. The motion passed.**

#### **4:25 PM – Revisions to MVDL Testing Fee Schedule**

Dr. Gregory Juda explained that the revisions to the VDL testing fee schedule, that had been presented in Fall 2018, would help develop a capital fund to address facilities needs at the VDL:

- A detailed market comparison with neighboring State Labs (Wyoming, North Dakota, South Dakota, Colorado, Washington, Michigan and Texas) was performed, but not provided today as part of the handouts given to the BOL
- Fee changes are based on the market analysis of those competitive labs, and some test fees have been raised, but not to the point it would price the VDL out of business
- To simplify the fee structure, making it more user-friendly, round numbers were used in the fee changes and will be used for any new tests that are brought in-house
- Mike Honeycutt reminded the BOL that the fee changes are set within administrative rule and will need to go out for public comment and potentially a hearing if the BOL decides to move forward with the changes
- Mr. Scully said the reason fee changes had not been moved forward in the Fall 2018 was because the BOL did not have the information relative to how fee structure relates to cost.
  - Mike Honeycutt said that a breakdown had been done for FY18 and was presented to the Finance Committee, but it was never brought to the full Board. He added that the Lab test costs are broken down to the section level, not test level, and show what portion of a section can be attributed to public health, to per capita or whether it is a livestock-industry-oriented test or a public-health-industry-oriented test
- Currently, the VDL is about a \$2 million operation that brings in about \$1.1 million. Dr. Zaluski said, the intent of the fee increase is to recoup more of the costs of running the lab tests, and every month the VDL goes without the updated fees, they lose out on \$25,000 of fee income
- John Scully said the audit said that a cost analysis needed to be done every two years and that Representative Holmlund last week notified a group at a meeting that the DOL hadn't finished its cost analysis.
- Dr. Juda and Brian Simonson were asked to have some preliminary cost analysis numbers put together by the October 2019 meeting with a final cost analysis completed for the January 2020 BOL meeting

#### **MOTION/VOTE**

##### **5:05 PM**

**Brett DeBruycker moved to put out for publication, proposed changes to ARM 32.2.403, Diagnostic Lab Fees, as presented by Dr. Gregory Juda and that a preliminary cost analysis of Lab testing fees be presented to the BOL during the October 2019 BOL meeting, with possibly another preliminary cost analysis before year's end, followed by a final cost analysis being presented to the BOL during the January 2020 BOL meeting. Nina Baucus seconded. The motion passed.**

### **5:05 PM – Incinerator Report**

Dr. Gregory Juda reported that problems had developed regarding the VDL's incinerator since the approval during the 5/14/19 BOL meeting to pay for its repair with a \$30,000 ceiling put in place:

- The Therm-Tec incinerator manufacturer refused to give the VDL a quote for the repair of the refractory because they were afraid the top would collapse when the walls and floor were removed for the repair
- A referral was made to a company that specializes in brick refractories, who had worked on Therm-Tecs. They gave a preliminary proposal for the repair of the refractory of \$48,750, and an additional cost for the demo of the existing refractory and unit. Then, a local steel or welding contractor would need to make the steel repairs for a cost of about \$5,000. Total cost would be about \$55,000 for repairs to keep the incinerator operational
- A couple years ago, there was a repair done to the incinerator floor at a cost of around \$30,000. This current repair would repair that again.
- Dr. Juda said that a replacement unit for this incinerator would be \$176,000, plus \$7,500 for start-up, transport and installation fees. There are also charges for removing the old incinerator and modifying the area for the new one. Total cost would be around \$300,000 for a replacement incinerator

### **MOTION/VOTE**

#### **5:09 PM**

**Sue Brown moved to pay the additional money to repair the incinerator at the VDL. Brett DeBruycker seconded. The motion passed.**

- John Scully reported that there was a direction given from Representative Woods and the committee he sat on, that the DOL make sure there is a plan in place when the VDL starts doing CWD testing, so that the material left behind is dealt with in a manner that will not contaminate the water systems and other areas with prions
- Dr. Smith confirmed to Dr. Zaluski that CWD materials will be incinerated, an effective way of disposing of CWD materials. Mike Honeycutt added that there also is a plan to dispose of hazardous solid waste as well

### **5:14 PM – Preliminary Review of Test Turnaround Times**

Dr. Gregory Juda reported that data had been compiled from January through May 2019, on the average test turn-around times for each section of the VDL:

- Dr. Juda said that the average test times in the Virology section decreased because of the phase out, starting in mid-January, of the large client who had that section conduct 6-day tests
  - Also, in Virology, it appears that the VDL is not meeting average test times, and that is because, for economy's sake, certain assays are grouped together and run only once a week to save materials

- Average test times for Microbiology compared to Clinical Pathology are based on the nature of the assays, some cultures growing in 4 days and some in 21 days
- Dr. Juda's plan is, over the next few months, to revisit the current published User Guide turn times and better align the client's expectation with what the VDL can actually deliver.
- Revisions have been made to sample submission forms that will evolve into an online portal for clients where they can enter their data and it goes directly into the VDL database
- To promote the Lab and hopefully increase test volume, Dr. Juda said they are increasing communication with clients, building an awareness and delivering on what the VDL says they are going to deliver, in a professional way, and offering additional tests, such as CWD, which he believes will up the volume of tests run

## **BRANDS ENFORCEMENT DIVISION REPORTS**

**5:21 PM**

### **5:21 PM – District Boundary Adjustment**

Leslie Doely discussed the current and proposed changes in district boundaries and areas covered by District Investigators:

- A retirement in the Three Forks district has allowed the Brands Enforcement Division to address a change in district boundaries that had been made in 2013 splitting Broadwater County to fill a vacant district without having staff move their place of residence
  - After that 2013 boundary change, the Helena office was left with some inconveniences because of a split county, and so, Ms. Doely proposed to change the district boundary back to how it was before 2013
  - There are two other split counties in the state, but that is because of geographic barriers, not because of a hiring
  - The proposed change would move Ted Wall, currently in the Helena District, back into the Three Forks District, which he served from 2003-2013
  - With Ted Wall back in the Three Forks district ,he would be within 30 miles of the livestock market in Three Forks
- If the boundary change were made and Mr. Wall moved into the Three Forks district, potentially, that could mean other people would want to do a lateral transfer as well to the Helena district and then that would open up a vacancy in that district, etc. Mr. Honeycutt's question is, does the BOL want to allow lateral transfers or bring each vacancy up to the BOL to hire individually?
- Mike Honeycutt said that by his interpretation of statute, a district boundary change cannot happen without BOL approval

## **MOTION/VOTE**

**5:32 PM**

**Nina Baucus moved to accept Leslie Doely's proposal to change the boundary in the Three Forks District to include all of Broadwater County, returning it to how it was prior to 2013. Brett DeBruycker seconded. Lila Taylor voted no. The motion passed.**

### **5:32 PM – Request to Allow Lateral Transfers and Fill Vacant District Investigator Positions**

Leslie Doely requested to fill two current vacant District Investigator positions, if the BOL chooses to not allow lateral transfers:

- Mike Honeycutt said, according to the BOL Policies & Guidelines, the BOL is required to give the DOL permission to start the hiring process for District Investigators
- Currently in the DOL, there are 14 District Investigators, three managers and two employees in Bison Management who are POST-certified and serving in a law enforcement role
- Mr. Honeycutt reported that a few years ago changes were made at POST where the DOL is no longer able to send market personnel to become POST-certified
- There was discussion as to whether the applications for vacancies should be open and hire the best person, or if, from an employee morale standpoint, it would be better to allow lateral transfers if an employee has been in good standing with the DOL and wants to move to a part of the state where there is an opening

## **MOTION/VOTE**

**5:37 PM**

**Sue Brown moved to allow lateral transfers and fill vacant District Investigator Positions as presented by Leslie Doely. Brett DeBruycker seconded. John Scully, Lila Taylor and Nina Baucus voted no. The motion failed.**

Leslie Doely requested to fill two current vacant District Investigator positions in Helena and Chinook:

- Because the boundary line was changed through a previous motion, Ms. Doely said that the Three Forks District Investigator position that was vacant, by default goes to Ted Wall and now his Helena District Investigator position is vacant
- John Scully said it seemed to him that the motion moved the boundary, but not the person into the district, and he requested that the BOL ask Ted Wall if he wanted to be in the Three Forks district rather than in the Helena district
- Ted Wall told the BOL he had been with the DOL 27 years, with 10 of them being in the Three Forks district and that he would take it back. He said because of the DSA complication, it is a tougher district, and he would not feel comfortable hiring someone who did not have experience in the DOL

## **MOTION/VOTE**

**5:50 PM**

**Sue Brown moved to hire the two vacant District Investigator positions in the Brands Enforcement Division, one in Helena and one in Chinook. Brett DeBruycker seconded. The motion passed.**

## **6:00 PM – Request to Hire a Temp**

Leslie Doely requested to fill a Legislatively-approved position for a 30-hour/week part-time, temporary position, one-time-only, in the Brands Enforcement Division:

- The primary purpose of the position is to do data entry and scanning of cattle inspections in the Helena office
- The requested position could start in the first year of the biennium and then a second person can be hired starting in 2021

## **MOTION/VOTE**

**6:01 PM**

**Brett DeBruycker moved to hire a Legislatively-Approved Temp in the Helena Brands office for the first year of the biennium and a second one in the second year of the biennium, as presented by Leslie Doely. Sue Brown seconded. The motion passed.**

## **6:02 PM – Rerecord Discussion**

Brett DeBruycker requested information from Leslie Doely on the current status of the rerecord planning:

- Leslie Doely said Brands is in the process of reviewing some administrative rule changes to see whether or not a rerecord fee needs to be established or changed
- She said rerecord timelines are being developed regarding when notifications should go out and how to get information updated as quickly as possible
- Ms. Doely is working with legal counsel to identify groups of individuals with brand record issues, how to address those issues and what kinds of things the DOL can do through the rerecord process
- Brand rerecord begins January 1, 2021 and ends December 31, 2021

## **6:03 PM – Radios Discussion**

Ty Thomas, Assistant Brands Administrator, approached the BOL with what he called an officer safety issue:

- Mr. Thomas' concern was with the law enforcement radios used by District Investigators that he said are hand-me-down Highway Patrol radios from 2006 and that they are starting to become debunked

- The radios Mr. Thomas is requesting for the staff are a Motorola APX, at a cost between \$5,700-\$6,000 each, for a total cost to replace all 20 radios of \$120,000
  - Mr. Thomas said that replacement of radios could be spread out, as some of the radios still work, but some don't have the digital capabilities to communicate with other law enforcement agencies
- No military surplus radios had been considered as replacements, but Mr. Thomas said he would look into them
- John Scully requested information on the safety issue mentioned by Mr. Thomas, how heightened is it and what is the safety issue
  - Mr. Thomas said that cell phones are not a realistic means of communication in rural areas because of a lack of coverage and so, the radios are those rural field officers means of communication. He said at least five radios cannot communicate with digital interface radios
- Mr. Scully said that in spending authority, the documents show there is a cushion this year that would allow the DOL to authorize a \$49,999 expenditure for safety, for those radios
- Mr. Thomas is hoping to set up a yearly replacement plan for the remaining radios

## **MOTION/VOTE**

**6:16 PM**

**Nina Baucus moved to authorize \$49K to address the emergency radio issue in the Brands Enforcement Division as presented by Ty Thomas. Lila Taylor seconded. The motion passed.**

## **6:18 PM – Brands Administrator Discussion**

Mike Honeycutt announced that Leslie Doely has announced to her staff her intent to vacate the Division Administrator position in the near future:

- Ms. Doely plans to make the transition on July 1, 2019, at which time she will work on a part-time basis while the DOL prepares for her replacement
- After an updated position description is written and approved by the BOL, it will then go through the Department of Administration's classification process. The DOL is hoping to be ready for the hiring process within three months

## **MOTION/VOTE**

**6:22 PM**

**Brett DeBruycker moved to transition Leslie Doely, Brands Administrator, to half-time hours with full benefits, effective July 1, 2019. She will report back to the BOL in 90 days regarding progress of her replacement. Sue Brown seconded. The motion passed.**

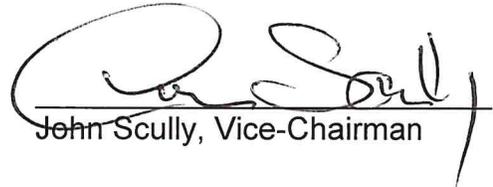
## SET DATE FOR NEXT BOARD MEETING

**6:22 PM**

Because of conflicting schedules, no meeting date was set for an August BOL meeting, as of yet. John Scully requested that each BOL member propose two dates in August and communicate those to Mike Honeycutt. A meeting date will be decided upon then

## MEETING ADJOURNED

**6:26 PM**



John Scully, Vice-Chairman