



Montana Board of Livestock Meeting Minutes

(This Meeting was Virtual)

November 4, 2020

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

Board Members Present

Brett DeBruycker, Chairman (cattle producer)

Wendy Palmer, Vice-Chairman (cattle producer)

Lila Taylor (cattle producer)

Sue Brown (dairy and poultry)

Ed Waldner (swine producer)

Nina Baucus (cattle producer)

Gilles Stockton (sheep producer)

Staff Present

Mike Honeycutt, EO

Brian Simonson, Deputy EO

Evan Waters, Centralized Services

Dan Olson, Centralized Services

George Edwards, Livestock Loss Board

Chad Lee, Milk Control Bureau

Ethan Wilfore, Brands Administrator

Tom Plant, Brands

Donna Wilham, Adm. Assistant to EO

Dr. Marty Zaluski, State Veterinarian

Dr. Tahnee Szymanski, Animal Health

Dr. Eric Liska, Animal Health

Dr. Gregory Juda, MT VDL Director

James Peterson, Meat & Poultry Insp.

Gary Hamel, Meat & Poultry Inspection

Public Present

Rachel Cone, Montana Farm Bureau Federation

Jim Brown, Montana Woolgrowers Association

Jenny Bloomquist, Montana Veterinary Medical Association

Lindsey Simon, Legal Services Division

Chaley Harney, Montana Beef Council

Jay Bodner, Montana Stockgrowers Association

MEETING CALLED TO ORDER

8:01 AM (0:10)

Chairman Brett DeBruycker called the meeting to order at 8:01 AM

BOARD OF LIVESTOCK, STAFF and PUBLIC ROLL CALL

8:02 AM (0:47)

Chairman Brett DeBruycker requested that Mike Honeycutt call for a roll call of all BOL members, staff and members of the public:

- (3:25) Mike Honeycutt reported that the full board was present. Lila Taylor and Nina Baucus were attending the meeting virtually, but, were present at the BOL Conference Room in Helena
- (2:21) Staff present on the call at the time were Brian Simonson, Evan Waters, Donna Wilham, Gary Hamel, James Peterson, Dr. Marty Zaluski, Dr. Greg Juda, Dr. Eric Liska and George Edwards
- (1:34) Public present on the call at the time were Jenny Bloomquist, Jim Brown and Rachel Cone

BOARD APPROVAL OF BOL MEETING MINUTES AND ADMINISTRATIVE CONSENT AGENDA ITEMS

(3:31) 8:05 AM

Chairman Brett DeBruycker asked if there was any discussion regarding the Consent Agenda Items:

- Lila Taylor requested that the Veterinary Diagnostic Lab (MVDL) report on the Consent Agenda be moved for discussion during the MVDL presentation

MOTION/VOTE

(4:03) 8:05 AM

Lila Taylor moved to approve the Board Administrative Consent Items, including Bureau Reports for the Livestock Loss Board, Milk & Egg Bureau and the minutes for the September 16, 2020 and September 24, 2020 BOL meetings. Sue Brown seconded. The motion passed.

(4:29) 8:06 AM NEW BUSINESS

(4:33) 8:06 AM - ANNOUNCEMENT OF 2020 GOVERNOR'S AWARDS AND WINNERS

Mike Honeycutt gave background information for the annual Governor's Award for Excellence and announced the DOL's 2020 Governor's Award Winners:

- The Governor's Award to Excellence is given annually to employees who have gone above and beyond the call of duty doing something that significantly improved operations
- Each DOL Division or Bureau was asked to make one or more nominations and from that group, one overall winner was selected
- Due to COVID restrictions, the historical recognition plaque, photo with the Governor and lunch held in their honor did not happen for recipients this year
- **(6:22) Brands Enforcement Division**
 - Ty Thomas was the nominee and was also selected as the DOL's overall winner of the 2020 Governor's Award
 - Mr. Thomas filled in as Brands Administrator during the Administrator's maternity leave and when she took another job, he continued filling in for

that position. He continues to help with the leadership transition now that the new Brands Administrator is in place

- Mr. Thomas has done a lot of work trying to modernize the law enforcement group for the DOL
- **(7:23) Meat & Poultry Inspection Bureau**
 - Laura Mulcahy, a SW Montana Meat Inspector, was selected as this year's nominee for the Governor's Award to Excellence in the Meat & Poultry Inspection Bureau
 - Ms. Mulcahy went above and beyond working with one establishment who was not as technologically advanced as some others, making sure all information was getting to them from the DOL so the issues could be corrected and that they were completely comfortable with what was needed to be done through that process
- **(8:29) Brands Enforcement Division**
 - Tom Plant, Market Supervisor at Miles City, was a second Brands Enforcement Division nominee for the Governor's Award to Excellence
 - Mr. Plant was a key aspect to moving technology issues forward, especially utilizing the Fort Supply system and the Archers at the Miles City Market. He has done a great job working with the producers and the market owner there
- **(9:21) Animal Health Bureau**
 - Brooke Ruffier, Supervisor of the Animal Health Import group, was nominated basically on the strength of the many improvements she put into effect, addressing how that group works and how they collect and document their information
- **(9:57) Information Technology Bureau**
 - A team of nominees was selected for the Centralized Services Division, the Information Technology Bureau team. That team included Dan Olson, Dale Haylett and Tom Shultz
 - The Information Technology team was nominated due to their quick work in transitioning employees to remote work during the COVID crisis, and continuing support for those employees at remote locations, along with continuing their day-to-day support work as well

(12:01) 8:13 AM - DISCUSSION OF BIENNIAL LEGISLATIVE FINANCIAL AUDIT

Mike Honeycutt highlighted the recommendations given by the Legislative Auditors in their most recent Legislative Financial Audit of the DOL:

- The Audit showed that the DOL still had a problem in how they recognize the per capita fee revenue
 - Although a correction had been made from the 2019 Audit to recognize per capita revenue when it came into the DOL and not defer recognition of that revenue on financials until a later date, in 2018, the Legislature changed the timing of when per capita fee was collected from Fall to Spring. This change in collection time meant that two collections were received, overstating revenue for that year. According to the Auditors, the DOL failed that year to move the per capita fee revenue on the beginning

- year of the books back to the previous year, but that will no longer be an issue moving forward, because all corrections have been made
- The Legislative Auditors cited the DOL on how money operates between various funds
 - Issues were found where revenue and expenses were coming from funds that should not have those coming from them, but, should be from a different kind of fund. To mitigate the problem, Accounting developed a fiscal year-end check list to achieve better control on those funds
 - Timeliness of depositing cash collected out in the field by staff was cited
 - Accounting policy says that once money is received for inspections, it should be deposited in the bank within seven days, and the Legislative Auditors found a high rate of that not happening. The Auditors said, however, that they did not see evidence of any illegal or illicit activity on behalf of the staff with the undeposited money
 - The Legislative Audit cited the DOL for giving too many people access to change the VADDS system, the software used for Lab Information Management at the MVDL
 - There was not a good control log for logging changes in the VADDS system
 - The Legislative Auditors cited the DOL on the VADDS system problems because with so many people having access to change the system, someone could possibly change prices in the system, and that could affect billing. The Auditors did assure the DOL though, that they did not believe that had happened
 - To mitigate the VADDS problem, access to the system was limited. The only people able to access the system to make changes now are the Lab Manager, the IT Manager and the vendor who is working with the DOL to make changes. A change control log was also put in place

(23:49) 8:25 AM OLD BUSINESS

(23:53) 8:25 AM – UPDATE ON COVID-19 DEPARTMENT OF LIVESTOCK RESPONSE & CONTINUITY

Mike Honeycutt gave an update on the DOL’s response to the COVID-19:

- Mr. Honeycutt reported that the DOL is still operating with a skeleton crew in-house, with most Helena staff working remotely, as the Governor’s direction was to allow folks who can work remotely to do so
 - Some of the DOL management team and most Inspectors, who are considered essential employees, are still carrying on their usual day-to-day activities in the office or out in the field
 - Employees with school-age children have had to deal with the difficulties of having their children home at least part of the time, due to schools not meeting face-to-face with students every day of the week, but the DOL has been working with them, allowing work from home and flexible work schedules for those positions that will allow it

- Mr. Honeycutt reported that those employees working remotely are allowed a flexible work time schedule unless they are required to answer phones during the 8 am – 5pm time frame, such as the Import Office and Brands
- There had not yet been a positive COVID test for any DOL employee that had been reported to Mr. Honeycutt, but there were some employees who were caught up from the Health Department because of close COVID contact and had to quarantine for two weeks
- Mr. Honeycutt said that he had discussed with Ethan Wilfore the possibility of a market employee testing positive for COVID and how that could affect the entire market. He said that they are making sure contingencies are built in so the markets can continue to carry on business as usual
- About half of the Helena Brands employees are working remotely, so if there is an exposure among the employees working in the office and they are required to quarantine, the remote employees could come back into the office to maintain operations
- Mr. Honeycutt said that in the Animal Health Bureau, Dr. Zaluski is in the office most days, with Dr. Szymanski working remotely, a separation that would help if one would get exposed to COVID and have to quarantine, then the other would be available
- For field testing, on the Animal Health side, Mr. Honeycutt said the DOL has been very careful about not having all four veterinarians testing in the same place at the same time
- Although there have been no major complaints, but mostly frustrations by the public who have tried to call someone at the DOL office and couldn't get them right away, Mr. Honeycutt encouraged those calling in to leave a message on the phone if they can't get through to someone right away

(37:51) 8:39 AM – UPDATE ON PLANNING & ACTIVITY FOR POTENTIAL NEW MVDL BUILDING

(38:05) 8:40 AM – Update on Long-Range Building Plan (LRBP) Proposal

Brian Simonson reported that there had been no word from the Governor's Office, Architecture & Engineering (A&E) or Legislative Fiscal Bureau that the LRBP proposal from the Governor's Office had been transmitted or approved to be part of HB5 in the 2021 Legislative Session, and so the DOL is in a holding pattern until word is received on that

(39:01) 8:40 AM – Update on HB5 Spending Through 2020

Brian Simonson gave a spending update on the HB5 monies received during the 2019 Legislative Session:

- Mr. Simonson reported that in an update received on September 23, 2020, that 95% of the \$100,000 of the original HB5 monies had been billed out to the contractors for planning work they had done on the proposed new Lab
- The last deliverable to be received from the contractors won't come to the DOL until it is known what package is going before the Legislature, and, that will be

some kind of narrative package that would include pictures, pie charts and those kinds of things to describe the proposed new Lab

- The contractors assured the DOL that they would be at the disposal of the DOL if there are questions that arise from the Legislature regarding the project

(40:51) 8:42 AM – UPDATE ON EXECUTIVE PLANNING PROCESSES FOR 2021 LEGISLATURE

(41:32) 8:43 AM – Update on Legislative Bill Drafting

Mike Honeycutt updated the BOL on the Legislative bill process, reminding them that they had approved five Legislative concepts in the Spring that were then submitted to the Governor's Office:

- Three of the Legislative concepts submitted were from the Animal Health Bureau
 - Create a \$100,000 indemnity fund that would be tapped when producers are requested to put an animal down for confirmatory disease testing, such as Brucellosis. This indemnity fund would be utilized when the Federal government either doesn't offer an indemnity payment or there is a challenge from the producer regarding the payment received from the Feds
 - Create a statute that would no longer allow garbage feeding of swine in Montana
 - Make an adjustment in the current State statute excusing custom-exempt meat processing facilities in Montana from most regulations, and bring those regulations up to Federal standards
- The Livestock Loss Board (LLB) submitted two Legislative concepts for the 2021 Legislative Session
 - Adjust State statute to allow payments to tribal and non-tribal members for predatory losses on tribal lands, even if there is no agreement between that particular tribal government and the LLB
 - Create a State statute that would add a multiplier to certain predatory loss payments paid by LLB, if the LLB thought it was necessary

All five Legislative concepts had been moved forward with the Legislature and bill drafters have been assigned to the DOL from Legislative Services

- The DOL had been working with the bill drafters to assure the bill language is correct and will begin receiving pre-introduction letters on November 9, 2020
- It is the DOL's responsibility to find a Senator or a Representative to carry its legislation by December 15, 2020. That Senator or Representative will then sign the pre-introduction letter and turn it into Legislative Services
- Mr. Honeycutt requested help from the BOL or the public in finding Senators or Representatives that would be interested in carrying the DOL's legislation in the 2021 Session
- Lila Taylor mentioned the importance of educating incoming Senators and Representatives about the DOL

(57:05) 8:58 AM – Budget Requests and Expectations

Mike Honeycutt discussed the timeline regarding the budget process for the 2021 Legislative Session:

- Decision packages from the DOL have already been submitted
- The Governor is required by law to submit a budget to the Legislature by November 15, 2020 that will be used for all negotiations during the 2021 Legislative Session for deciding HB2 funding for the next biennium

Brian Simonson reported on the status of the of the financial numbers submitted to the Governor and OBPP, including the DOL budget and additions, EPP requests and the LRBP submission for consideration during the 2021 Legislative Session:

- Long Range Building Plan (LRBP)
 - The LRBP, which is a request to construct a new MVDL facility in Bozeman, is estimated to be a \$26 million project by completion. Anticipated completion of the facility is in FY2026
 - An additional \$400,000 annual cost for O&M repair and replacement costs for operation of the proposed new facility is also anticipated
 - A 50/50 split between per capita and general fund has been proposed to the Governor's office, similar to how Lab operations are currently funded, for the operation of the Lab
 - Mr. Simonson reminded the BOL that the Department of Agriculture has decided they would like to be part of the proposed new facility as well, which could drive the dollar figure estimates down because of cost-sharing the site development, mechanical and infrastructure spaces and bathrooms
 - Mike Honeycutt said that the Department of Agriculture is working on their own separate contract for their addition to the proposed new MVDL and that no HB5 monies allocated to the DOL were used. He added that the MVDL would not lose any space with the addition of the Department of Agriculture's Analytical Lab, that it is an addition to the facility, but they would share bathrooms and parking with the MVDL
 - Mr. Honeycutt said if the Legislature approves the construction of a new MVDL/Ag Analytical Lab facility, that the DOL would be in a position to approach the Board of Regents regarding their resolution saying that they would make Bozeman University System space available for it
- DOL Budget
 - Brian Simonson reported that the DOL budget, containing statewide present law adjustments, payroll increases from snapshot and new proposals, had been submitted to the Governor's Office
 - No official word had been received yet regarding the budget, but, Mr. Simonson reported that the DOL has been receiving calls from the Legislative Fiscal Division, asking questions about it
- In looking at IBARS, Mr. Simonson said he could see that, with the exception of the LLB only receiving \$11,000 of their \$22,000 Operational request, everything else was intact, at least so far, for new proposals from the DOL to the Governor's Office, which amounts to about an \$850,000 increase to the DOL budget for FY2023

- Budget increases in Personal Services included: \$430,000 Snapshot; \$38,000 in the Meat & Poultry Inspection Bureau for a half-time Label Specialist
- Budget increases in Operating Expenses included: \$125,000 DSA expansion, which is general fund; \$32,000 per year for four new vehicle leases in the Animal Health Bureau; other new proposals amounted to around \$50,000. Statewide present law adjustment went down because the Department of Administration came in with a lower charge for insurance and indirect charges to the DOL
- Budget increases in Equipment included: \$300,000 helicopter purchase, utilizing per capita fee; \$127,000 (\$70,000 for Milk) in Lab equipment, utilizing general fund
- In summary, Mr. Simonson reported that general fund requests amounted to about 40% of the budget increase at \$335,000; per capita was about a \$380,000 of the increase; Federal funds were about 15% of the budget increase at \$135,000
- In addressing the budget increases, Mr. Honeycutt reminded the BOL that personnel is the number one driver of costs in every State agency, and due to Legislative salary increases, a dollar per hour had been added to every salary of every State employee over the last biennium and that the DOL has 150 employees

9:22 AM – RECESS

9:38 AM – RECONVENE

ANIMAL HEALTH & FOOD SAFETY DIVISION REPORTS

(1:20:49) 9:38 AM

(1:21:23) 9:39 AM – MEAT & POULTRY INSPECTION BUREAU

(1:21:34) 9:39 AM – Administrative Rules – Recall Rule

James Peterson, Compliance Investigator for the Meat & Poultry Inspection Bureau, reported on the progress of the proposed new rule, MAR Notice #32-18-293, pertaining to Recalls, that had been approved by the BOL at a previous meeting for publication and then was submitted for public comment:

- Mr. Peterson explained that by adopting the proposed rule, the DOL would meet its commitment to formalize the recall process
- No public comments had been made regarding the proposed new rule
- Lila Taylor explained that this rule was written up when John Scully, Sue Brown and herself had met with industry in Bozeman to discuss recall problems and she was hoping this rule would solve those problems

MOTION/VOTE

(1:22:49) 9:40 AM

Lila Taylor moved to approve the adoption of MAR Notice # 32-18-293, a new rule pertaining to Recalls, as published. Nina Baucus seconded. The motion passed

(1:24:08) 9:42 AM – General Updates

Gary Hamel gave general updates for the Meat & Poultry Inspection Bureau:

- Mr. Hamel said that he had nominated four individuals, Nick Wormgoor, Marcy Lipke, Steve Fucci and James Peterson to take a four-week FSIS EIAO training course
- The course ran from September 30, 2020 – October 20, 2020, with three weeks of it in a virtual format and one week was on-the-job training. All four individuals passed the course and are now eligible to conduct For Cause Food Safety Assessments
- Mr. Hamel said that he would not be utilizing the four individuals on a regular basis to conduct Food Safety Assessments because they have other work that is assigned to them
- There was comment from some BOL members that any training that helps those individuals understand FSIS rules is a positive thing and is likely to be beneficial to the DOL going forward. Thanks were extended to the individuals for taking the training
- Mr. Hamel reported that two plants that had been State-inspected had gone to Federal inspections. One plant went to Federal inspection just for slaughter purposes, but, it continues to have a State inspector in the plant for processing purposes
- A plant in Forsyth sold, and according to Mr. Hamel, the new owners have come in and require State inspection services

(1:45:46) 10:03 AM – ANIMAL HEALTH BUREAU

It was decided to postpone the Proposed Rule Change for Swine segment until Ed Waldner could be brought up on the call, because he was the one that had requested the proposed rule change be readdressed

(1:46:33) 10:04 AM – Brucellosis Update

Dr. Eric Liska gave an update on the Brucellosis Program:

- Dr. Liska reported to the BOL that on October 21, 2019, the Brucellosis screening test that had been utilized for over 30 years was replaced by USDA with a Fluorescent Polarization Antibody (FPA) screening test
 - Within the first two months of FPA testing, 56 reactors or suspect animals were found in 34 of the nearly 370 DSA herds, causing a frustration for the DOL and a number of DSA producers
 - Starting in January of 2020, the DOL began using a new protocol from USDA which added an additional test to the FPA and stopped the use of a previous test that is now only used periodically.

- The new protocol allows the DOL to hold a quarantine on just individual animals or groups rather than the entire herd
- The new protocol also helps in better identifying animals that are truly positive or reactors, not having to not call a number of the animals that were previously considered suspects. Out of 50,000 animals tested from January 1, 2020 – October 20, 2020, 12 suspects or reactors were found in 10 herds
- Dr. Liska reported that currently there are two DSA herds under quarantine
- If you look at the number of animals tested in just Montana and Wyoming alone, Dr. Liska reported there have been far more animals tested utilizing the FPA than the USDA had tested prior to this, providing better knowledge on the test's sensitivity and specificity, which may, in the future, allow level changes on the tests where animals are considered reactors or suspects
- Dr. Liska said that the DOL sent a letter to USDA asking them to not only continue to evaluate the FPA test, but also to look at utilizing the FPA on different species besides cattle
- Regarding brucellosis test numbers, Dr. Liska explained that the number of tests reported on his handout only show the total number of tests conducted so far and he expects that between now and the end of the year to test the same number as in 2019, if not more animals
 - Dr. Liska said that required testing is still occurring, but when he sees there are those who are opting out for voluntary testing, that concerns him
 - He added that there have been some suspect animals found in the Gravellies and the southern area where the DSA had been expanded

(2:00:50) 10:18 AM – Proposed Rule Change ARM 32.3.219 Special Requirements for Swine

Brett DeBruycker told the BOL that the proposed rule change regarding swine had already been seen by them at previous meetings, but that Ed Waldner requested that it be brought back before the BOL for consideration:

- Dr. Tahnee Szymanski explained that the proposed rule change would affect import requirements for swine into Montana, changing the number of days prior to shipment that an animal has to be inspected before entering the state from 10 days to 30 days
 - She added that the change would bring Montana into consistency with the Federal standard and with surrounding states
 - The import change, according to Dr. Szymanski, would apply to all classes of pigs that enter the state of Montana that require a health certificate
- Ed Waldner reported that he had met with the Montana Pork Producers, an organization representing about 80% of the pork production in Montana, and that they had no objection to making the change in the rule
- Dr. Marty Zaluski commented on his reasoning for changing the import requirements for swine from 10 to 30 days
 - Uniformity with other states' rules
 - Risks versus regulatory burden

- Dr. Zaluski explained that the risk is not significant or reduced or increased, but, the regulatory burden is eased by the changing of the rule
 - Dr. Zaluski said, if the BOL feels the risk justifies a 10-day import requirement for swine, why not make it that way for cattle, poultry and other species as well, unless there is a strong argument that says otherwise
- Dr. Zaluski said that if you want the least likely threat of risk, do not move anything ever
- Dr. Zaluski explained that when Veterinarians write a health certificate, they are not declaring that the animals are disease-free, but, are basically saying there are no signs or symptoms of illness. If symptoms do develop prior to movement after the health certificate is written, he added that it is up to the owners to not move those animals and ask for a veterinary exam for those animals
- Dr. Zaluski said that when you issue a health certificate for a group of animals, there is documentation of those animals' move subsequent to the inspection date
- Brett DeBruycker reminded the BOL that Ann Miller, Executive Director of the Montana Pork Producers, had spoken to the BOL during the summer in favor of the rule change

MOTION/VOTE

(2:06:00) 10:23 AM

Ed Waldner moved to publish changes to ARM 32-3-219, Special Requirements for Swine, changing the number of days prior to shipment that an animal has to be inspected before entering Montana from 10 days to 30 days. Sue Brown seconded. Gilles Stockton voted no. The motion passed.

(2:26:46) 10:43 AM – VETERINARY DIAGNOSTIC LABORATORY

(2:26:27) 10:44 AM – Operations Update (from Consent Agenda)

Dr. Greg Juda provided an Operations Update that had been moved from the Consent Agenda:

- Four Laboratory Technicians had passed proficiency testing for CWD ELISA screening tests that the MVDL is currently performing for FWP
- 600 samples were received for CWD testing on Monday, and Dr. Juda reported that those tests were completed on Monday and Tuesday
- Dr. Juda explained that the MVDL still needs to outline the mechanism by which overflow CWD test numbers are going to Colorado State University, who have agreed to help with excess capacity
- Dr. Juda reported that the Immunohistochemical (IHC) assay, the confirmatory testing on captive cervids, is still being conducted at USDA APHIS National Veterinary Services Laboratories (NVSL) in Ames, Iowa, because the MVDL is still qualifying the Immunostainer, a piece of equipment purchased with NAHLN funds that would perform that confirmatory testing at the MVDL

- Last year, there were approximately 126-130 CWD confirmatory tests performed on behalf of FWP. Confirmatory tests are equivalent to the number of positive animals tested
- Dr. Juda reported that in the Marsh Lab Prep Room, MSU Facilities tore up the old tile, did an asbestos abatement, installed new tile and painted the walls
- On September 14, 2020, a joint grant application between MVDL, South Dakota State University and the University of Illinois Veterinary Diagnostic Labs for Farm Bill funding through USDA was submitted that will specifically target improvements to VADDS. The improvements include doing some customizations to help improve the electronic test requisitions, allowing that to occur from the field, results messaging, help with data catcher and data extraction
 - Funding requested for the MVDL portion of the grant was \$94,500 and awards should be announced during the first part of December, with the grant period starting on January 1, 2021, if the funding is received

(2:37:18) 10:55 AM – Amended Rules Request

Dr. Greg Juda requested that the fee schedule for the MVDL (ARM 32.2.403) be amended, adding a \$2 test tube box fee for those boxes that are sent to veterinarians to submit their blood and serum samples to the MVDL:

- Dr. Juda reported that the MVDL had been reusing blood test tube boxes sent from veterinarians to the MVDL with blood samples, and due to possible contamination, that practice had been stopped. Now, the MVDL was shipping new boxes to veterinarians, but are not being compensated
- The MVDL purchased custom-made test tube boxes from a Gallatin Valley manufacturer at a cost of \$1.71/box and Dr. Juda was requesting that \$2/box be added to the fee schedule to recoup the cost of the box and administrative costs as well

MOTION/VOTE

(2:41:32) 10:59 AM

Wendy Palmer moved to amend the MVDL fee schedule (ARM 32.2.403) to add a \$2 per box fee charge to clients for sending serum sample boxes to them, to accommodate for additional box costs, administrative fees and for shipping, handling and inventory control. Ed Waldner seconded. The motion passed.

(2:42:38) 11:00 AM – Walk-In Necropsy Cooler Repair

Dr. Greg Juda reported that there had been a failure in the walk-in cooler, located in the necropsy section of the MVDL:

- MSU Facility Refrigeration Services was called in to repair the unit and they thought the root of the problem was pin holes in the evaporator coil. After adding Stop Leak to the unit, Dr. Juda reported the cooler is holding temperature, but, he does not know for how long

- A complete retrofit of the unit, which would convert it over to a new type of coolant that would bring it up to code, replacing the evaporator coil and the condenser on the roof would cost around \$16,000, as quoted by MSU
- Mike Honeycutt requested that the BOL give a pre-approval to the cost of a retrofit, a conditional approval, that if the unit fails, the MVDL can move forward without having to call the BOL back together for an emergency meeting
- Mr. Honeycutt reminded the BOL that the MVDL is built on University property and believes that the MVDL has to work through MSU for those types of services. He added that the MVDL also pays the University recharge fees for facility services and should get some value out of those payments

MOTION/VOTE

(2:47:55) 11:05 AM

Lila Taylor moved to allow a complete retrofit of the Walk-In Cooler in the Necropsy section of the MVDL, including the replacement of the evaporator coil and replacement of the large condenser on the roof, if repair is unsuccessful, during the current fiscal year. Wendy Palmer seconded. The motion passed.

(2:54:06) 11:11 AM – CWD Sample Drop-Off Procedure, Protocol & Turnaround

Dr. Greg Juda explained the procedure taken when random hunters show up at the MVDL with deer carcasses to be tested for CWD:

- Right up front, Dr. Juda said that it is the MVDL's current expectation that all CWD testing occurs through FWP and so those random hunters that may come to the MVDL with their deer carcasses to be tested for CWD, are going to be redirected to FWP
- The FWP Lab is located across the street from the MVDL and they will perform a field necropsy there first on the carcass and then the sample is submitted to the MVDL
- Dr. Juda explained that because many people do not know how to remove lymph nodes from the animal, if the MVDL were to remove them for the hunter, it would require a pathologist to do that work, and the MVDL is not set up to charge the hunter for that procedure
- FWP is the keeper of the CWD data and are in charge of the State of Montana's approach to managing that disease
- Dr. Juda said that in speaking with Emily AlMBERG, a Wildlife Research Specialist at FWP, the protocol he just explained to the BOL was her preference as well so that everybody is on the same page in dealing with CWD testing moving forward
- Dr. Juda explained that the biggest source of drag on turnaround time for hunters receiving CWD test results back is the confirmatory test
 - If the MVDL did get a suspect-positive ELISA, they would rerun the test and then it would have to be sent to MVSL in Ames, Iowa or to Colorado State University (CSU) to get Immunohistochemical (IHC) testing, which Dr. Juda said could take 10 days

- Dr. Juda said that the Virology section of the MVDL is working on improving its reporting metrics in reporting negative results back to FWP

LEGAL COUNSEL UPDATE

(3:01:00) 11:19 AM

(3:01:00) 11:19 AM

Legal Update from BOL Legal Counsel, Lindsey Simon

Because Lindsey Simon had not yet joined the call, Mike Honeycutt gave a brief Legal Counsel Update:

- Mr. Honeycutt said that Lindsey Simon, who had been the Hearings Officer for the DOL through a couple processes, had been assigned by Agency Legal Services as the DOL's lead Legal Counsel, with the departure of Rob Stutz, who had taken a new role as legal counsel in the Auditor's office. Kyle Chenoweth would be serving in a backup legal counsel role for the DOL
- Currently, there is no active litigation in the DOL
- There is a potential claim regarding the MVDL and their handling of a particular rabies sample that caused someone to have to go through rabies treatment. Risk Management and Tort Defense will be handling that
 - Mr. Honeycutt explained that when a person decides to make a claim against the State, the State must be told about the possibility of them getting sued, and then, there is a 120-day waiting period until that claim can actually be made

CENTRALIZED SERVICES DIVISION

(3:05:44) 11:23 AM

(3:05:44) 11:23 AM – MILK CONTROL BUREAU

(3:05:50) 11:23 AM – Board of Milk Control Meeting Report

Chad Lee reported that the Board of Milk Control had met the previous week.

Discussions included:

- **(3:05:50)** Resolution of the Dean Foods Bankruptcy
 - Mr. Lee reported that the Milk Control Bureau accessed outside legal counsel for standing in a bankruptcy court in Texas for debts owed to the DOL by Dean Foods
 - After consulting with Scott Mitchell, the Chair of the Board of Milk Control, Mike Honeycutt and Brian Simonson, the Milk Control Bureau opted to settle for 80% of the debt owed to the DOL and that settlement payment was received on August 31, 2020. Mike Honeycutt reported that one member of the Milk Control Board thought the DOL should have stayed in the bankruptcy proceeding to try and get the full 100% of what was owed
 - Mr. Honeycutt said that he and Brian Simonson, being part of the decision-making process, felt that receiving 80% was a good amount to

receive rather than spending more legal fees trying to eek out the additional 20%

- Mr. Honeycutt reported that even with just 80% of the funds received, the DOL was able to pay producers all that they were owed, and those payments were made first. That amount, according to Chad Lee, was around \$28,000. The Milk and Egg Bureau and the Milk Control Bureau received around 30% of what was owed to them, around \$5,000 for the Milk Control Bureau and \$2,000 for the Milk & Egg Bureau
- (3:09:11) Milk Control Assessment Rate for Fiscal Year 2022
 - It was proposed to reduce the Milk Control Assessment Rate by 4.5% in 2022, a proposal that needs yet to be submitted to the Secretary of State's office by the November 10, 2022 deadline
 - Mr. Honeycutt commended the work of Chad Lee and Mark Curtis and their good job in being very efficient at how they do business, especially in being able to propose to their board a reduction in those milk control assessments going forward
- (3:09:52) A discussion regarding Dairy Farmers of America and Darigold hoping to be able to offer producers the ability to fully contract for the price of their milk
 - Mr. Lee said the reason those companies would like to offer that ability is to help farmers manage volatility, especially if the limits on the Federal insurance is limited and reserved for those dairies that missed out on an opportunity for them to manage that risk
 - Legal analysis from Rob Stutz was that the move would violate the Minimum Payments Statute
 - Mr. Stutz's information had been provided to Dairy Farmers of America and Darigold and Mr. Lee said they would likely pursue legislation to exempt it to allow forward contracting. The Board of Milk Control itself has taken no position on the issue
- (3:11:20) A discussion on an inquiry from a producer regarding the sale of bulk milk from the Great Falls Plant to cheese processors in Utah and Idaho
 - Mr. Lee said that the situation is going to take more fact finding and that from both plants, at least at this point, there are related party transactions happening. And so, there is the concern whether the situation is transpiring in a legal manner under Montana law
- (3:12:03) The Milk Control Board appointed its producer committee
 - Producer committee appointments for the Milk Control Board are done every two years and the Milk Control Board took action to re-appoint the producer members
 - Mr. Lee said that some applications had been received for the one vacancy on the Board, which is for a spot for a producer that delivers milk to Darigold. Application deadline for that vacancy is November 9, 2020
- (3:12:46) The Performance Audit for the Milk Control Bureau and Board
 - The audit is currently underway with field work for that audit finishing sometime in February 2021 and report writing finishing sometime in April 2021

- Once a draft of the report is provided to the Milk Control Bureau and Board, comments can be given, but Mr. Lee said that probably won't happen soon enough to affect any legislation in the 2021 Legislative Session

(3:13:28) 11:31 AM – Bureau Updates

Chad Lee reported on the Milk Control Bureau's annual Market Administration and Industry Report that had been posted to the Milk Control Bureau's web page:

- Mr. Lee said that the item of greatest interest in that report is the chart showing the decline of Montana milk that had been utilized for the Montana market for the highest priced market
 - The trend of milk decreasing in volume and market share is a trend that has been going on since 2015
- Mr. Lee reported that there are currently 25 dairies that are part of the Montana pool and two other cow dairies that are producer-distributors
 - Sue Brown said that since she had been on the BOL, half of the Montana dairies had been lost, bringing the total to 45. She added that because of the pool, Montana dairy producers are in way better shape than most of the rest of the country and she commended Chad and his committee on trying to help producers at this difficult time
- Although Mr. Lee said he doesn't not have a real handle on the number of dairy cows in the state, just based on licensing reports, he said the number is lower, caused in part because the productivity of cows is increasing. He did add, however, that in the last two years, there had been a decline in milk production

Ed Waldner answered questions regarding the potential cheese factory in Great Falls:

- Mr. Waldner said that the City of Great Falls had approved the cheese factory and that the land for the factory had been purchased by a Mr. Friesen
- To build the cheese plant, Mr. Waldner said it would cost around \$40 million and at this point, no investor had come forward to invest the money to build it

(3:22:45) 11:40 AM – PREDATOR CONTROL

(3:22:45) 11:40 AM – Update on Activities of USDA Wildlife Services

Mike Honeycutt announced that John Steuber was at the Billings airport and training and would not be giving his regular report this month:

- Mr. Steuber did, however, want the BOL to be aware that USDA-APHIS Wildlife Services is currently operating under a continuing resolution because no budget had been passed as of yet

(3:24:26) 11:42 AM –LUNCH

(3:24:29) 12:16 PM – RECONVENE

BRANDS ENFORCEMENT DIVISION

(3:24:47) 12:18 PM

(3:25:08) 12:18 PM – STATE PRINT AND MAIL QUOTE APPROVAL

Ethan Wilfore reported on the quote from State Print and Mail for the rerecord packages to be sent out the week of December 14, 2020 to producers:

- The rerecord packet will include a brand information sheet, a direction sheet and a return envelope. He said that the quotes shown on the his handouts are for 50,000 packets, but, he thinks there will be closer to 55,000 needed, and so he added more to make up for the extras
 - Per Capita information will be included on the information sheet
- Price calculated for 55,000 packets, plus the tracking bar code, printed on the envelope, is around \$11,153. There will be no postage added to the return envelope, so the brand owners will have to add that on themselves
 - Mr. Wilfore said he would check on the cost of mailing each packet per certified mail
- Mr. Wilfore explained that the way the brands are aligned in the system, by certificate number, those who have 10 brands will get 10 packets, those who have a cow and horse brand on the same certificate, will receive a packet for each species
- State Print and Mail will do a mail merge to check the addresses of where the packets will be sent to assure they are still valid. If found not to be valid, Mr. Wilfore said they will attempt to contact the brand owner by phone to find out their correct address
- Mike Honeycutt said that the expenses for rerecord will come out of rerecord monies, which is expected to be somewhere in the neighborhood of \$10 million - \$11 million. Once those expenses are taken out, the rest of the rerecord money is amortized over the next 10 years

MOTION/VOTE

(3:34:03) 12:27 PM Nina Baucus moved to move forward with utilizing State Print and & Mail for printing and mailing Rerecord packets in December 2020, as presented by Ethan Wilfore. Wendy Palmer seconded. The motion passed.

(3:41:34) 12:35 PM – NORTHERN AG NETWORK ADVERTISING PLAN APPROVAL

Ethan Wilfore explained the Northern Ag Network marketing plan related to rerecord promotion:

- Mr. Wilfore said that radio advertising on the Northern Ag Network, especially with their significant reach, seemed like the most cost-effective way of promoting and reminding producers about rerecord
 - Cost for the radio ads on Northern Ag Network's stations would be 15 ads/month for 8 months for \$17,400 and 20 ads/month for 8 months for \$23,200, which works out to approximately \$135/ad

- Sue Brown commented that the prices quoted seemed like a lot of money and she questioned why some of the ads would not be Public Service Announcements (PSAs) that would help the State of Montana. Her thought was that the DOL should send out a couple of postcards to producers, along with running PSAs, rather than paid advertisements
 - Wendy Palmer said that the report shows that 70% of producers listen to ag networks, but with 30% still not reached, she would like to see the Northern Ag Network ag frequency cut down somewhat and utilize another means to reach the other 30% of producers
- Mike Honeycutt said that the DOL wants to make sure that the rerecord message get in front of people, although it is expensive, to avoid the legal fallout that came within the first six months after the last rerecord
 - Mr. Honeycutt said that roughly 92% of the budget for the next decade comes from the rerecord process and encouraged the BOL to not be scared of the advertising figures before them
- Mike Honeycutt said that print ads will also be utilized as a way to get the rerecord message in front of people because they are required by law. Ethan Wilfore agreed with Mr. Honeycutt and said that those print ads, by law, must run at some point between January and June of the rerecord year
- Concern was raised about locking into a contract now with Northern Ag Network. It was hoped that after the packet was sent out, the DOL would have a better idea of how many packets were returned and how many went ahead and did their rerecord
- Ethan Wilfore said that the Northern Ag Network proposal does not lock the DOL into a contract, but, would essentially reserve slots for ads. The DOL would only get billed for ads after they had run
- Brett DeBruycker requested that Ethan Wilfore get a quote from the Montana Ag Network with Russell Nemetz and also from some newspaper outlets and bring those figures to the next BOL meeting
- Mr. DeBruycker said that he did not think that spending between a half of one percent and one percent of the total rerecord revenue was a bad idea, but a good idea to try and make sure people are aware of rerecord

(4:00:58) 12:54 PM – RERECORD UPDATE

Ethan Wilfore explained the handout before the BOL, showing the major projects for rerecord:

- The Axiom enhancements approved by the BOL, were 70% complete, with a large number of updates done, and they now just need to be implemented
- A verbal offer had been made to a candidate for the 18-month temporary rerecord position. If accepted, that candidate would start November 9, 2020
- With the BOL's approval of rerecord mail packets, the DOL needs to get a roster, which includes brand info and images and addresses, to State Print and Mail by the middle of November
- The advertising for rerecord was not as time sensitive as some other rerecord projects, according to Ethan Wilfore, and none of that has to be executed until the beginning of the year

- The online rerecord ability is mostly built, with only the payment information left to finish. Mr. Wilfore explained that the online rerecord rate in 2011 was 65% and he expects it to be higher this coming year
 - (4:04:43) Dan Olson gave a live demonstration of online rerecording
 - Ethan Wilfore explained that the critical piece to online rerecord is the Brand ID
 - Mr. Wilfore explained that although name and address will be required information on the online rerecord form, email will be marked as optional on all brand applications
 - Mr. Wilfore said that a per capita question will be built in asking, do you own livestock in Montana. He said the question will help answer if the brand being rerecorded is being used and it could also be used to find information regarding per capita
- With the exception of training the new temporary rerecord employee, office and workflow prep is about complete, with all forms updated
- Mr. Wilfore said that when packets are returned with bad addresses, the Brands office could make a list of those returns and submit them to the markets and to Brand Inspectors to see if they can help track folks down

(4:16:57) 1:10 PM – MARKET AUDIT UPDATE

Ethan Wilfore reported on the status of market audits being done in the DOL:

- Partnering with John Uecker from Packers and Stockyards, Ethan Wilfore reported that Abby Williams had done four market audits and was working on her fifth audit today
- Abby Williams had been focusing on custodial audits in the markets and so far, there had been no major issues that she had found
- Mr. Wilfore said the goal is to audit every market in the state annually
- During the winter, Mr. Wilfore said that Ms. Williams would be focusing on dealer audits to avoid having to travel across the state during winter months
- Mr. Wilfore commented that Abby Williams had been doing a good job and added that the folks at Packers and Stockyards had been extremely helpful in guiding her through the audit process and helping train her

(4:19:17) 1:12 PM – INSPECTION AUDIT UPDATE

Ethan Wilfore reported that the Brands Enforcement Division was playing catch up on doing inspection audits for the DOL:

- The first round of audits for the year 2014-2018 had been completed
 - Mr. Wilfore said it took the Compliance Techs quite a while to check the inspections of the 610 inspectors that were being audited
 - Now that the audit information is gathered, Mr. Wilfore said that in mid-January, the information will go to the appropriate parties with the District Investigator to issue their own audits and also to the Market Supervisors to go through those audits as well.
 - Those audits are then set to be returned to Helena sometime during the Summer of 2021, which will help to remedy that information in Fort Supply

- The next round of audits can then begin and will be for 2019-2020, which will go through the same process as 2014-2018, and once that audit is completed, the DOL will be able to conduct inspection audits on an annual basis, starting in 2021
- Mr. Honeycutt pointed out that with the inspection audits being so far behind, some of the mistakes found might be from inspectors who are no longer inspectors, and so, that could be difficult to change
 - He suggested looking at errors being made, particularly common ones that exist statewide from many inspectors, and utilize them as points of emphasis to train Local Inspectors. His hope was that this would be a good way for the DOL to get back into the habit of meeting and communicating with Local Inspectors a couple times a year
- Ethan Wilfore said that with the help of Abby Williams, Ty Thomas and Kim Dallas, there had been a lot work done and everyone was motivated to get those audits caught up

(4:24:27) 1:18 PM – CRIMESTOPPERS COMMISSION UPDATE

Ethan Wilfore reported on progress being made in getting the CrimeStoppers Commission restarted:

- Ty Thomas reached out to the Montana Sheriffs & Peace Officers Association to see if they had any volunteers to serve on the CrimeStoppers Commission as a Law Enforcement representative
 - Captain Scott Van Dyken, out of Cascade County, was the only volunteer
 - Captain Van Dyken is currently the Operations Captain and has been the Coroner and a Detective. He has experience as a board member of the DUI Task Force, and serves on the board of the Montana Sheriffs and Peace Officers Association
 - Captain Van Dyken grew up outside of Belgrade, towards Churchill, in a farm and ranch community, currently owns livestock and has been around livestock all his life
- Ethan Wilfore recommended appointing Captain Scott Van Dyken as the Law Enforcement representative for the CrimeStoppers Commission

MOTION/VOTE

(4:26:14) 1:19 PM Lila Taylor moved to appoint Captain Scott Van Dyken to be the Law Enforcement representative on the CrimeStoppers Commission. Nina Baucus seconded. The motion passed.

Ethan Wilfore and Nina Baucus set up a tentative meeting for the next week to discuss filling the rest of the CrimeStoppers Commission vacant slots

LEGAL COUNSEL UPDATE (Continued)

(4:29:20) 1:23 PM

(4:29:20) 1:23 PM

Legal Update from BOL Legal Counsel, Lindsey Simon

Lindsey Simon, new Legal Counsel for the DOL, introduced herself to the BOL members:

- Ms. Simon said that she had been with Agency Legal Services for a little over a year and had done some Hearings Examiner work for the BOL already
- Ms. Simon said that she had been living in Montana for four years, but was originally from Idaho

(4:31:10) 1:25 PM –RECESS

(4:31:19) 1:42 PM – RECONVENE

**(4:31:37) 1:43 PM – CENTRALIZED SERVICES DIVISION REPORTS
(Continued)**

(4:31:41) 1:43 PM – FISCAL BUREAU

(4:31:41) 1:43 PM – Request to Hire Open Accountant Position

Brian Simonson reported that the Grants Accountant position had become vacant during the last couple weeks and he and Evan Waters were requesting approval to fill that vacancy:

- Mr. Waters explained the responsibilities of the Grants Accountant
 - Responsible for the reporting of all the Federal programs, applying for money, receiving that money and making reports regarding the money
 - Backs up Mr. Waters' position, helping with approving deposits, payments and paying bills
 - Aids other staff, including Accounting Technicians, if they have accounting issues, such as coding expenses and revenues
- Mr. Waters said that the Grants Accountant returned to work in her previous Department but in a different Bureau, where she would be in a budgeting-only position, something that she really likes to do
- Mr. Waters said that the vacant position would be advertised at the same rate it was before and even though they would be hoping the applicant had a Bachelor's degree, they would request that the applicant have an Associate's Degree with five years of experience in governmental accounting or a business education with an accounting emphasis background
- Mr. Honeycutt said that one thing that he requests when a position is advertised is to see what kind of applicant pool is first received and then, make adjustments to the position if that pool does not seem suitable. Usually, the adjustment is in the salary, he said
-

MOTION/VOTE

(4:37:40) 1:49 PM Lila Taylor moved to give the DOL permission to fill the vacant Grants Accountant position in the Centralized Services Division. Ed Waldner seconded. The motion passed.

(4:38:05) 1:50 PM – September 30, 2020 State Special Revenue Comparison Report

Brian Simonson reported on the September 30th State Special Revenue Comparison Report:

- Mr. Simonson said to note that wording had been revised in the report, changing “Local Inspections” to “Field Inspections” and that they were modestly down from this same time last year about \$6,000
 - Market Inspection fees increased by \$77,000, just for the month of September
 - Mike Honeycutt explained that over the last couple of months, there were a larger amount of cattle going through market sales, the same trend that happened last year, but he is not certain if it is an indication of any trend with cattle inventory and added that he doesn’t know if he would extrapolate those numbers without more information
 - Brett DeBruycker said he is not surprised to see field inspections down and market inspections up and feels that is normal during lower-priced cattle times. He added that he does not believe that cattle numbers in the state are dropping, but that expansion has likely stopped
 - As far as video auction sales go, Mike Honeycutt explained that if a DOL staff person does the inspection, it shows up on the revenue sheet, but, if a Local Inspector does the inspection, the DOL never knows those numbers unless they choose to share, because they keep all the money for those inspections
- Per Capita Fees are looking very strong, a trend that has continued for a couple months, according to Mr. Simonson, gaining another 65,000 late per capita fee payers and outpacing last year’s numbers by \$136,000
- The Indirect Cost Recovery number may look significant at \$42,000, but it’s just a timing issue, Mr. Simonson explained, and the DOL is actually ahead of where they were at this time last year within an extra month of indirect cost recoveries
- Although the Milk Inspection Inspector’s Assessment shows a \$33,000 shortage, Evan Waters’ note says that one payment is missing. It had been received, but arrived late for September. Even if that check had been added in, the numbers would still be short
 - Ed Waldner reported that Darigold used to produce 13 million pounds of milk per month and are now down to 10 million pounds per month. Meadow God plants would produce 10 million pounds per month and are down to 8.5 – 9 million pounds per month
 - Mike Honeycutt said that there has been a downward trend in milk inspection revenues for some time. They are based on volume. He explained that even though volume may stay the same, there is a

maximum volume amount that can be charged each month to each dairy, and when they go to the maximum or beyond, it disappears into that maximum per month charge for inspection fees

- The MVDL had a strong month of \$100,000 worth of business, making the Lab \$70,500 over where they were last year and \$40,000 up from August

(4:50:25) 2:02 PM – October 2020 Through June 2021 Expenditure Projections

Brian Simonson reviewed the latest Projected Expenses Comparison Report for the DOL:

- Mr. Simonson said that the \$111,000 loss in General fund is mainly doable. He explained that \$80,000 of that negative is projected from Personal Services in the Meat & Poultry Inspection Bureau and is a concern that is being tracked
 - Mr. Simonson said it is too early in the year to know whether Meat & Poultry Inspection Bureau general fund is going to be that negative because operations are anticipated to come in that are more positive than was showing at the present time, there is some carryforward and the DOL is anticipating some Federal support as well
- The excess authority that was projected for the DOL this month was \$430,707, an increase of \$151,000 from the previous month
- Evan Waters reworked most of the numbers for wages and salaries, based on retirements, rolling vacancies and other changes in the DOL, which made about a \$155,000 change in Personal Services, \$100,000 of which is in the Milk & Egg Bureau, due to the big vacancies that are there. \$30,000 was in the Brands Enforcement Division
- There was \$219,000 in anticipated excess authority in Personal Services for the DOL
 - The Milk Control Bureau had a one-year vacancy that is being projected for approximately \$72,000. The Milk & Egg Bureau vacancies combined for another \$230,000. Then, the \$80,000 negative in the Meat and Poultry Inspection Bureau added into those gets you to the \$219,000 number in Personal Services
- The Livestock Loss Board (LLB) challenge has been that when a 2% vacancy savings was forced upon that program, with just one FTE, it became an issue that needed to be overcome a little bit every year on its Operations side to make the LLB budget whole
 - Mike Honeycutt explained that the LLB had requested in EPP an additional \$22,000 in its Operational budget to correct the problem, but the Governor's Office only increased his next biennium budget by \$11,000, if that survives the Legislative Session
- Mr. Simonson explained that there were several significant positive numbers in Contracts, attributable to Central Services and the Milk & Egg Bureau, who probably have a little too much budget authority in contracts for those
- The Rent and Other Expenses listed of \$38,000 and \$22,000 respectively have been continuing to close a little bit each month and Mr. Simonson expects them to continue to close to the end of the year

- In the MVDL, the Laboratory Fees listed there, other than General Fund, are the only other negative projection
- Mr. Simonson said that there have been supplies and equipment and repairs and maintenance in anticipation of the CWD and Brucella testing that have loaded up that fee number to a negative \$62,000. He reminded the BOL that the revenue increase on the previous page will beat that negative fee number
 - Mike Honeycutt explained that the reality is that the MVDL could collect \$2 million in revenue at the MVDL with lab fee increases and the addition of CWD testing, but, until \$1.2 million is spent in HB2 authority, none of that money can be brought in to show it
- Mike Honeycutt explained, to answer a question from Nina Baucus, that some Budget column numbers change, rather than stay static for the year because there has been a shifting or movement of funds, not for Legislative tracking, but for internal tracking and management of funds. Authority, according to Mr. Honeycutt, can be moved from one class to another, but can't be more than 25% of the total

(5:18:23) 2:30 PM – September 30, 2020 Budget Status Report

Brian Simonson explained that these budget comparison reports show us where the DOL was compared to last year at this time:

- According to the report, both Personnel and Operations are exceeding what they were last year, a lot having to do with fuller employment and payroll increases
- The Supplies \$40,000 change from the previous year was in the MVDL, Meat & Poultry Inspection Bureau and in the Brands Enforcement Division
- The \$57,000 change from last year in Repair and Maintenance was because of work that was done early in the year at the MVDL
- There were a lot of equipment purchases done by this time last year, so that \$128,000 number is skewing the numbers compared to last year

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

(5:22:03) 2:33 PM

Brett DeBruycker requested public comment be brought forward, but no one came forward for comments

SET DATE FOR THE NEXT BOARD MEETING

(5:22:34) 2:34 PM

Brett DeBruycker delayed setting the date for the next BOL meeting because of a request to comment from Gilles Stockton

BOL DISCUSSION REGARDING VETERINARY HEALTH INSPECTIONS

(5:22:43) 2:34 PM

After hearing Dr. Zaluski's comments earlier regarding veterinary health inspections before movement of livestock, Gilles Stockton questioned the need to have a veterinarian do those inspections because he said that Dr. Zaluski mentioned that they are just looking for signs of disease. Mr. Stockton said, you don't have to have a degree in veterinary medicine to see that an animal is sick:

- Brett DeBruycker said that in his opinion in dealing with health certificates, they are nothing more or nothing less than for tracking. But, because of USDA and other entities, it is set up for a veterinarian to do those
 - In the case of shipping bulls to other states, although some of their regulations can get quite expensive to fulfill, Mr. DeBruycker said he does like the 3rd party verification of the veterinarian and the health certificate that the bulls were tested, especially in the case of virgin bulls
- Mike Honeycutt commented that his hope would be that a veterinarian would be able to spot things a lay person could not. He added that having that health certificate signed off by a veterinarian gives some enforcement that you wouldn't have with a lay person making the health determination and it keeps people honest
- When Gilles Stockton asked the value of the health certificate, Mr. Honeycutt responded by saying that the certificate also certifies a testing has taken place and that testing was conducted by the veterinarian who signs the health certificate
- Mr. Honeycutt said he thought there would be a lot of resistance by the industry and from our trading partners if a veterinarian were not the one to sign the health certificate
- Mr. Stockton said he is just hoping that there is never an epidemic in pigs or cattle or anything else because our state's health requirements have been too lax

SET DATE FOR THE NEXT BOARD MEETING/REQUEST FOR ADJOURNMENT

(5:37:44) 2:49 PM

Brett DeBruycker requested that a date be set for the next BOL meeting:

- The next BOL meeting was set for Wednesday, December 16, 2020
- Mr. DeBruycker said that quite possibly, the next BOL meeting would be a virtual one, but it would depend on the COVID rate at that time

MEETING ADJOURNED

(5:39:53) 2:51 PM


Brett DeBruycker, Chairman