



Montana Board of Livestock Meeting Minutes

(This Meeting was Virtual for the Public)

September 16, 2020

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

Board Members Present

Brett DeBruycker, Chairman (cattle producer) Nina Baucus (cattle producer)
Lila Taylor (cattle producer) Wendy Palmer (cattle producer)
Sue Brown (dairy and poultry) Gilles Stockton (sheep producer)

(Ed Waldner was not present. Sue Brown attended the meeting virtually. Nina Baucus departed from the meeting at 4:00 pm)

Staff Present

Mike Honeycutt, EO Donna Wilham, Adm. Assistant to EO
Brian Simonson, Deputy EO Dr. Marty Zaluski, State Veterinarian
Evan Waters, Centralized Services Dr. Tahnee Szymanski, Animal Health
Dan Olson, Centralized Services Dr. Gregory Juda, MT VDL Director
George Edwards, Livestock Loss Board James Peterson, Meat & Poultry Insp.
Cally Goyins, Brands Enforcement Gary Hamel, Meat & Poultry Inspection
Ethan Wilfore, Brands Administrator Chad Lee, Milk Control Bureau

Public Present

Rachel Cone, Montana Farm Bureau Federation
Jim Brown, Montana Woolgrowers Association
Rob Stutz, Legal Services Division
Lindsey Simon, Legal Services Division
John Steuber, USDA-APHIS Wildlife Services
Travis Lowe, NAEBA
Jenny Bloomquist, Montana Veterinary Medical Association
Christina Pierce, Lost Creek Angus
Chaley Harney, Montana Beef Council
Christine Brown, Montana Historical Society
Raylee Honeycutt, Montana Stockgrowers Association

MEETING CALLED TO ORDER

8:04 AM (1:25)

Chairman Brett DeBruycker called the meeting to order at 8:04 AM

BOARD OF LIVESTOCK ROLL CALL

8:04 AM (1:29)

Chairman Brett DeBruycker called for a roll call of all BOL members and of any staff present in the conference room:

- Five BOL members were present in the conference room. Sue Brown was participating in the meeting virtually. Ed Waldner was not in attendance at the meeting
- Mike Honeycutt, Executive Officer, and Dan Olson, IT, were present in the conference room

VIRTUAL MEETING ATTENDEES ROLL CALL

8:05 AM (2:03)

Chairman Brett DeBruycker called for a roll call of all those attending the meeting virtually:

- Staff attending the BOL meeting virtually were Dr. Greg Juda, James Peterson, Chad Lee, Ethan Wilfore, Gary Hamel, George Edwards, Dr. Marty Zaluski, Dr. Tahnee Szymanski and Donna Wilham
- Public attending the BOL meeting virtually at the time were Chaley Harney and Rachel Cone

BOARD APPROVAL OF BOL MEETING MINUTES AND ADMINISTRATIVE CONSENT AGENDA ITEMS

8:07 AM (4:45)

Chairman Brett DeBruycker asked for any comments on the Consent Agenda Items:

- **(5:03)** George Edwards explained that all grant monies for the Livestock Loss program had been awarded on August 11, 2020
- **(6:08)** Dr. Marty Zaluski explained that the reason the Bulk Tank Unit (BTU) rating for milk cannot be completed at the Bozeman facility is because Coronavirus has prevented an out-of-State Rating Officer (SRO) from completing that rating and Rosemary Hickey, Montana's only SRO, is not allowed to rate her own area
- **(8:05)** Mike Honeycutt explained that milk volume did not go down the past two-three years when Montana dairies were lost because those cows were consolidated into larger dairies, but that the DOL had seen a bit of attrition because more dairies reached the size where their fees were capped
- **(9:27)** Mike Honeycutt said that the most recent Montana dairy to be lost left the state with their production and cows. The DOL is waiting to fill vacant positions in the Milk & Egg Bureau, watching the changes in milk volume and caps to see how those changes will affect that Bureau in the future

MOTION/VOTE

8:15 AM (12:44)

Lila Taylor moved to approve the Board Administrative Consent Items, including Bureau Reports for the Livestock Loss Board, Milk Control Bureau, Milk & Egg Bureau, and the minutes for the July 22, 2020 and September 8, 2020 BOL meetings. Nina Baucus seconded. The motion passed.

8:16 AM (13:20) - DISCUSSION REGARDING BOL MEETING MINUTES

Brett DeBruycker expressed his appreciation of Donna Wilham's work on the agenda, adding tabs and page numbers, which he said was very helpful to him

NEW BUSINESS

8:16 AM (13:37)

8:16 AM (13:37) - DISCUSSION OF BOARD OF LIVESTOCK VACANT BOARD COMMITTEE POSITIONS

Brett DeBruycker led the discussion on appointing members to BOL Committees and the new BOL Vice Chair position:

- **BOL Finance Committee (14:20)**
 - Brett DeBruycker suggested that due to John Scully no longer being on the BOL and Ed Waldner missing meetings, that no more than three BOL members be assigned to a BOL Committee rather than four
 - Lila Taylor, Nina Baucus and Ed Waldner remained on the Finance Committee
- **BOL Personnel Committee (15:27)**
 - Although there was a question as to whether or not the Personnel Committee was still needed, it was decided by the BOL to retain it
 - Lila Taylor, Brett DeBruycker and Sue Brown were assigned to the Personnel Committee
- **Montana Livestock Crimestoppers Committee (16:52)**
 - It was reported that Ethan Wilfore was going to get the Montana Livestock Crimestoppers Committee back on line, a Committee requiring the membership of at least one BOL member and one law enforcement official, both of whom need to be appointed by the BOL
 - Mike Honeycutt said that there is a need to revisit paying out rewards and the amounts for information reported to Crimestoppers, but, he believes the need to pay rewards would be small because that information must actually lead to a prosecution. The fund source for those rewards would be from Brands and over the last couple years, according to Mr. Honeycutt, there is enough money to make that happen
 - Nina Baucus volunteered to serve as the BOL Committee person for the Montana Livestock Crimestoppers.

- Brett DeBruycker requested that Nina Baucus work with Ethan Wilfore to track down the names of people to fill two other positions on the Crimestoppers Committee and bring them back to the BOL at the next meeting
- **Lab Building Project Committee (23:06)**
 - It was decided to appoint members to the Lab Building Project Committee, which had been inactive, but with the upcoming Legislative Session, the BOL felt it was important to keep the Committee active
 - Lila Taylor and Sue Brown, already part of the Lab Building Project Committee, remained as members and Wendy Palmer was the third BOL member added to serve on that Committee
- **Brands Policy Committee (26:11)**
 - Mike Honeycutt explained that the Brands Policy Committee, was initially established as just an issue committee with Nina Baucus and Wendy Palmer volunteering to work on some Brands policy. Mr. Honeycutt said the Brands policy conversation needs more time to reach a conclusion and feels that the Committee should become established beyond just an issue committee to one dealing with future questions even beyond issues
 - It was decided that the Brands Policy Committee would assist the Brands Disputes Committee
 - Nina Baucus and Wendy Palmer remained as members of the Brands Policy Committee with Brett DeBruycker volunteering to fill the third position
- **RFID Animal ID Issue Committee (31:15)**
 - Lila Taylor, Gilles Stockton and Wendy Palmer had already volunteered to be members of the RFID Animal ID Issue Committee at a previous BOL meeting, and chose to remain as members even as that committee was now considered an official one of the BOL
- **Strategic Planning Committee (32:43)**
 - Nina Baucus and Brett DeBruycker were current members of the Strategic Planning Committee, established within the past year, but never able to meet due to the Coronavirus outbreak
 - Brett DeBruycker stepped down from his position on the Strategic Planning Committee and Sue Brown and Gilles Stockton volunteered to be on that Committee, serving with Nina Baucus

8:40 AM (36:42) DISCUSSION OF BOARD OF LIVESTOCK VACANT VICE CHAIR POSITION

Brett DeBruycker opened the floor up for discussion regarding the vacant Vice Chair position:

- Sue Brown said that with health issues in her family she did not feel she would be able to fill the Vice-Chair position but said she would like to have someone in that position who would be there for a bit and with Wendy Palmer having expressed some interest in it, she nominated her

- Nina Baucus expressed that she felt that with the upcoming Legislative Session, and the push for a new Lab that Lila Taylor, whose experiences as a Legislator and a member of the Board of Regents, would be a good choice for Vice-Chair
- Lila Taylor told the BOL that she had committed herself to be a presence at the Legislature, because she thinks it is important to get the new Lab. Ms. Taylor added that she had learned a lot of things through her time on the BOL, something somebody who has just come onto the BOL does not have for background. She called the question, to end the debate and bring forth an immediate vote
- Brett DeBruycker called for a roll call vote

MOTION/VOTE

8:41 AM (37:34)

Sue Brown moved the BOL appoint Wendy Palmer to fill the vacant Vice-Chair seat on the Montana Board of Livestock. Lila Taylor seconded. Sue Brown, Wendy Palmer and Gilles Stockton voted Yes. Lila Taylor and Nina Baucus voted No. The motion passed.

MOTION/VOTE

8:41 AM (37:42)

Nina Baucus moved the BOL appoint Lila Taylor to fill the vacant Vice-Chair seat on the Montana Board of Livestock. Lila Taylor seconded. Lila Taylor and Nina Baucus voted Yes. Sue Brown, Wendy Palmer and Gilles Stockton voted No. The motion failed.

8:49 AM (46:22) – UPDATE AND DISCUSSION ON MONTANA HISTORICAL SOCIETY CENTENNIAL FARM AND RANCH PROGRAM

Brett DeBruycker reported that his friend, Bruce Nelson, had expressed the need for more attention being brought to the Centennial Farm & Ranch Program and so that is why Christine Brown of the Montana Historical Society was on today's agenda to explain it:

- The 2009 Legislature passed the Centennial Farm and Ranch Bill and the Montana Historical Society was charged with administering the program
- So far, 36 Montana farms and ranches have been listed, with the big requirement being proof of ownership of that farm or ranch by the family for 100 years or more
- Application cost is \$100 with inductees receiving a framed certificate, signed by the current Governor and a metal outdoor roadside sign recognizing the centennial property
- Brett DeBruycker requested that Mike Honeycutt email Christine Brown with contact information for each member of the BOL and also contacts at ranch organizations who would be a help in spreading the word about the program

OLD BUSINESS

9:02 AM (59:15)

9:02 AM (59:28) – 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 in the same phase of business continuity as they were at the summer BOL meeting, with most of the staff working remotely. A few staff have come back to the office because of necessity and with new staff, while they are learning the job, they have been in the office
 - Brands staff continues to work sales at the markets and conduct inspections
 - Some dairy inspections that had been put off because of COVID, now need to be done
 - Custom-exempt and Meat Depot inspections have been limited due to COVID and the DOL is trying to put those off until later in the year, but, may have to go do some of those so they get on the books
 - (1:03:40) Mike Honeycutt said that he had not received any complaints from those calling into the DOL regarding lack of response to phone calls from staff, even though people have complained to BOL members. He said it is very common for him to receive phone calls with no voice message left and so he does not know how to respond
 - Mr. Honeycutt reminded the BOL that a previous report showed that the Animal Health Import Office receives 30,000 – 40,000 phone calls a year and sometimes 1,000 – 2,000 per day, divided between the three people who man those phones
 - Mike Honeycutt explained how to access DOL staff phone numbers on the Department website
 - Mr. Honeycutt requested that the BOL members alert him, giving names and numbers of people calling them with complaints, especially if the problem is something the DOL should be dealing with

9:25 AM (1:22:56) – UPDATE ON PLANNING & ACTIVITY FOR POTENTIAL NEW MVDL BUILDING

9:25 AM (1:23:06) – Update on Long-Range Building Plan (LRBP) Proposal

Mike Honeycutt gave an update on the Long-Range Building Plan Proposal process since the last BOL meeting:

- The Architecture & Engineering Division (A&E) of the Department of Administration had been working with the DOL regarding putting together a HB5 infrastructure proposal for the LRBP for the Lab and that was being presented today by A&E to the Governor's Office. If that proposal is approved by the Governor's Office, the proposal, with the funding mechanism will be part of HB5 in the 2021 Legislative Session

- (1:24:40) Mr. Honeycutt said that his understanding is, in talking with Ben Thomas, Director of the Montana Department of Agriculture, that the Department of Agriculture is joining the DOL on HB5 and that there is now an architectural design that puts the MVDL and the Ag Analytical Lab together, in a cohesive way. The Department of Agriculture is working on financing of their portion of the proposal and they are going to pay for what their cost is going to be
- (1:26:04) Brian Simonson reported that \$85,000 of the \$100,000 allocated to the DOL in 2019 for the MVDL had been expended. He said that what is remaining for the architectural firm to deliver are the final cost numbers associated with adding the Department of Agriculture infrastructure and those numbers will be used to update LRBP process numbers. 3-D massing model renderings of the exterior views of the building had been received and the architectural firm is still working on design narratives
 - Mike Honeycutt said, now that the Ag Analytical Lab has committed to be part of a combined Lab complex with the MVDL, the Board of Regents and MSU would now consider using University property for that complex, but it is not certain if it would be the current empty lot next to the Marsh Lab
 - (1:35:40) Nina Baucus raised concern about the location of the MVDL incinerator not being marked on the renderings. Currently, the primary external user of the MVDL incinerator is FWP, with the location of FWP Regional Headquarters being across the street
- If the BOL is put on the Environmental Quality Council October meeting agenda, Mr. Honeycutt said that prepared materials regarding the proposed new Lab will be given to those Legislative members

9:42 AM (1:39:23) – Update on Process – Lewistown Livestock Transfer of Ownership

Ethan Wilfore updated the BOL regarding the proposed transfer of ownership of the Lewistown Livestock Auction Market:

- Notices had been sent regarding the hearing of the proposed transfer of ownership of the Lewistown Livestock Auction Market. The Hearing had been set for Friday, September 18, 2020 at 1 pm at the Market in Lewistown
 - The Hearings Officer for the hearing will be Lindsey Simon of State Agency Legal Services
 - Mr. Wilfore said that there are no issues at this point and that all required documents for the hearing had been received
- Mike Honeycutt informed the BOL that the reason there appeared to be a lack of financial documentation the BOL members received from Mr. Wilfore, is because that information is to actually remain confidential until after the hearing
- Mr. Honeycutt said that the job of the BOL is to be sure the potential buyers have the financial security to run the market and meet their obligations as a market, but the law does require that information be held until it has been through the public hearing process and then make a decision based on all the evidence and facts

9:55 AM (1:52:31) –RECESS

10:10 AM (1:52:34) – RECONVENE

OLD BUSINESS (Continued)

10:10 AM (1:52:46)

10:10 AM (1:52:46) - DISCUSSION OF RECOMMENDATIONS FROM COMMITTEE – FEDERAL USDA RFID TAGGING RULES

Brett DeBruycker requested a discussion on the draft comments for USDA RFID tagging rules that Lila Taylor, Gilles Stockton and Wendy Palmer had discussed with Mike Honeycutt, who put those comments into a draft document:

- Lila Taylor said that one statement in the draft comments talks about getting away from metal tags, and even though Dr. Zaluski is not in favor of it, she would like to state in the comments that the tattoo still be retained
- Wendy Palmer had changes she requested to be made to the comments Mr. Honeycutt had drafted
 - Ms. Palmer requested that in the statement saying, “we recognize that quickly and efficiently tracing instances of foreign animal disease to their source is critical to our nation’s livestock industry,” add the statement “and to national security,” to that sentence
 - Ms. Palmer requested that a statement in the document saying, “while supportive of the need for better animal disease traceability,” it be changed to “a more up-to-date technology for better animal disease traceability”
 - Wendy Palmer requested that a statement saying, “currently, USDA-APHIS has found and provided financial support,” change that to “have set a precedent” because there is a historical precedence of metal tags being given and they need to continue with that all the way. Brett DeBruycker added that by setting a precedent providing those clips in the past, USDA needs to continue providing all of that for producers
 - It was discussed to add another point to the draft listing the all-encompassing system needed to keep things standardized with RFID tags, including readers, wands, hardware, software, and that should be paid for by society rather than by producers bearing all the bill
- Gilles Stockton raised his concerns regarding the statement that says, “we recognize that quickly and efficiently tracing instances of foreign animal disease,” because he said this has nothing to do with international commerce and also requested that the word “better” in #1 be changed to “improvements in industry”
- Sue Brown requested that “maintaining the ability to move products” be changed to “improving the ability to move products”
- With the comments due to USDA by October 5, 2020, Mike Honeycutt said he would rewrite the draft comments, including BOL suggestions, and have that ready for an approval vote by the BOL around September 26, 2020

BRANDS ENFORCEMENT DIVISION

10:30 AM (2:12:45)

10:30 AM (2:13:01) - STAFFING UPDATE

10:30 AM (2:13:01) – Update on Vacant/Filled Positions/Request to Hire for District 9 (Dillon) Investigator and District 4 (Columbus) Investigator

Ethan Wilfore gave a staffing update for the Brands Enforcement Division:

- The Ramsey Market is fully staffed after the hire of a Supervisor that started on August 31, 2020 and an Inspector that started on September 14, 2020
- Former District Investigator out of Dillon, Dan Bugni, was hired as the new Western Area Supervisor
- There was an offer given out to a candidate for the BLS Inspector and that person accepted the offer
- District 4 Investigator out of Columbus, Monty Simenson, will be retiring at the end of September. Ethan Wilfore is requesting BOL approval to fill Mr. Simenson's position and also the vacant position in Dillon left by Dan Bugni

MOTION/VOTE

10:33 AM (2:15:25)

Nina Baucus moved to approve the hire of a District 9 (Dillon) District Investigator and District 4 (Columbus) District Investigator. Wendy Palmer seconded. The motion passed.

10:34 AM (2:16:23) – Proposal/Approval on Plan for Staffing Missoula Market

Ethan Wilfore laid out his plan for staffing the Missoula Market after having discussions with Ty Thomas:

- Current Supervisor of the Missoula Market, Jody Hood, is retiring on October 9, 2020, and with that retirement, Mr. Wilfore is hoping to convert the Missoula Market, District 10, into a Market District, similar to the Dillon and Chinook Market Districts
- In Market Districts, the District Investigator assigned to that District also supervises the markets, a staffing plan that typically works on markets with lower numbers
- Although Missoula has the higher horse numbers that go through the market, there has been a downward trend in terms of cattle numbers for the past three years
- There is a part-time worker in the Missoula market already and also, if extra help is needed, there are some District Investigators from other nearby markets who could flex over to Missoula

MOTION/VOTE

10:39 AM (2:21:25)

Lila Taylor moved to approve the plan presented by Ethan Wilfore to change the Missoula Market into a Market District, with the area District Investigator handling the Market, rather than another full-time employee. Nina Baucus seconded. The motion passed.

10:42 AM (2:25:08) RERECORD UPDATE

10:42 AM (2:25:19) – General Updates

Ethan Wilfore gave some general updates to keep the BOL in the loop regarding Rerecord planning and implementation:

- A banner and a link have been added to the Brands portion of the DOL website containing some frequently asked questions and general information
- A URL has been created with Montana Interactive for online Rerecord. The link on that URL has not yet been activated
- Biweekly meetings and status updates are being held with Montana Interactive, with a QC check set for October 1, 2020 to be sure everything is good to go for online Rerecord
- Rerecord packets are scheduled to be sent out the week of December 14, 2020
- A drop box has been ordered that will be placed in the lobby, specific to Rerecord, for folks to drop off their Rerecord packet in person

10:48 AM (2:30:08) – Update with Legal Opinion on Email Addresses and/or Mobile Phone Numbers Being Required on Brand Request and Rerecord Forms

Ethan Wilfore reported on the legal opinion he had received from Rob Stutz regarding the requirement of email addresses and/or mobile phone numbers being required on a brand request or Rerecord form:

- Set by MCA 81-3-103, the DOL cannot require anything for a brand application outside of the name, residence or post office address. Other requests for information must be delineated as being optional
- Brett DeBruycker suggested the DOL should proceed with changing the law to add cell phones and emails because when that law was originally put into place, there were none of those things even thought of
- Mike Honeycutt said that the DOL is prohibited from providing distribution lists to the public and so there is some security to the information provided on forms. He added that when the horse inspection list was shared with the Department of Revenue (DOR), the names and addresses to send a bill to were provided to the DOR, but not any phone number or email address
- There is follow-up, according to Mike Honeycutt, for those people who have not rerecorded their brand by a certain time, but there is no grace period, only a

waiting period. During that time, if the brand was missed being rerecorded during 2021, it will have to be registered as a new brand

10:59 AM (2:41:56) BRANDS POLICY UPDATE

10:59 AM (2:41:56) – Review Draft of Proposed Changes to Policy

Brett DeBruycker chose to delay the Changes to Policy segment until later in the meeting

11:04 AM (2:46:22) – Review Draft of Proposed Changes to Policy

Mike Honeycutt said that the Brands Policy Committee, formalized that morning, will continue meeting to get stakeholder input from the producer community, but the changes in Brands Policy worked on by Nina Baucus and Wendy Palmer, were just administrative and clarification changes:

- Mr. Honeycutt said he thought there was agreement that changes in characters or format would not be implemented until after January 1, 2021. Brett DeBruycker suggested those changes not be made until past January 2022
- Ethan Wilfore said he had gotten a legal opinion from Rob Stutz on the employee section of the Brands Policy
 - The way the language is written, Mr. Wilfore said, if a DOL employee owned a ranch and it was an LLC or some sort of corporation or partnership, they would not be able to register brands as an employee or on behalf of a spouse or child
 - Mr. Wilfore said that it was suggested by Mr. Stutz to change the section where it says employees attempting to circumvent these rules “are” subject to disciplinary action to “may” be subject to disciplinary action
- Mike Honeycutt said there had been at least one instance that he is aware of, where someone was suspected of gaming the brand system, and that is fraud
- Questions arose about one Brands Policy statement that said employees shall not profit in any way from the sale of a brand and the difference between trading and profiting from selling brands and simply selling a family brand while being an employee of the DOL
- Gilles Stockton questioned the verbiage regarding registering a brand by phone, email or FaceBook and felt it should be changed so that those registering for a brand are filling out the paperwork themselves
- Any of the changes in Brands Policy that are part of an Administrative Rule cannot be changed by the DOL, but must go through the ARM rule change protocol
- Brett DeBruycker requested that the BOL members work a little more on the Brands Policy document after the day’s discussed changes and then requested that Ethan Wilfore visit with Rob Stutz regarding the “touchy part” of the requested changes to the Brands Policy to assure they are stated in the proper way

11:24 AM (3:06:35) – Presentation by Brand Recorder on Brand Recording/Conflict Check Process

Cally Goyins, DOL Brand Recorder, shared the step-by step process she goes through for each brand application that comes into the Brands office:

- Mike Honeycutt said that the BOL approval of “acceptable characters” for brands issued in 2017 not only included new changes brought forth by staff, but also approved characters and formats from many years ago as well, brought forth by a previous BOL
- There was discussion about the conflict check regarding boxes and diamonds on a brand. (3:50:13) Ty Thomas, DOL Assistant Brands Administrator, said that while they are two different characters, when applied to an animal, they can look the same
- Ms. Goyins said that one way more brands were made available for issue is when the conflict check was changed about 10 years previous from requiring the five-county single character conflict check
- (3:21:00) Mike Honeycutt said that his hypothesis is that the actual process of issuing brands is limiting the number of available brands, and in some cases the DOL is running out of brands. He added that with some producers listing seven counties of range putting in for a brand, it takes out half the state to be able to utilize that brand
- Mr. Honeycutt said that under MCA 81-3-103, brands are to be distinguishable with reasonable certainty from all other marks and brands, and it brings up the question whether Montana can be like some other states who allow the same brand in adjacent or even the same county...would those brands then be for identification or would they even be distinguishable
- Mr. Honeycutt said there are three ways he feels would help solve the declining available brands issue, and none are easy or probably popular
 - Reduce what is being conflict checked for
 - Open up the number of characters accepted
 - Get some unused brands off the books
- Lila Taylor expressed concern about the DOL eliminating so many brands and making an incredible market for single character brands for people
 - Mike Honeycutt pointed out that it is not that the DOL isn't issuing certain brands anymore, but, that sometimes it becomes a county-of-range conflict that prevents a person from acquiring certain brands
- Brett DeBruycker said he thought industry input should be brought into the discussion because there are going to be a certain percentage who want high value brands or vanity brands
- Mike Honeycutt said he had evidence that 20 years ago, a Stockgrower committee met with DOL staff to discuss the brands, and at that time, many of the things used for conflict check today were already in place back then
- (3:54:04) Ty Thomas reported that there are a lot of brands that come through the markets, especially in the Fall, where the Brand Inspectors have to make a determination of what the brand is because of difficulty in reading them
- Brett DeBruycker requested that the BOL take some time to think about the brands discussion they just had and come back to a future meeting where it can

be decided whether to move forward or drop it and let the industry come in if they think there are necessary changes to be made regarding brands

12:19 PM (4:01:35) – LEGAL COUNSEL UPDATE

12:19 PM (4:01:37) – Legal Update from BOL Counsel, Rob Stutz

Rob Stutz updated the BOL on legal issues concerning the DOL:

- Mr. Stutz reported that he had been working with various Bureaus and Divisions, providing legal research, but there was no update on any litigation
- Mr. Stutz said there was no new information from a claim filed with Risk Management Tort Defense, the lead agency regarding a man's pending claim involving the MVDL
- **(4:03:25)** Mr. Honeycutt said that the DOL had received a couple of subpoenas for staff to be involved in presumed criminal proceedings
 - One of the subpoenas may require Cally Goyins, the Brand Recorder, to appear in Federal court in Bismarck, North Dakota, regarding a brand for a bank fraud/cattle theft case
 - One subpoena may require a Brand Inspector to provide brief testimony for an animal cruelty case in Deer Lodge County
 - Mike Honeycutt said that even though there is a law saying that when a veterinary inspection takes place that a Livestock Investigator has to be present, it does not preclude that Inspector from being called as a witness in a court case, because they were present on the scene
- When asked by Lila Taylor, Rob Stutz said that when local Brand Inspectors, in the performance of their duties do something wrong, even though they are not employees of the State, they are acting as an agent of the State and so, the State typically would be obligated to defend that work which is being done on behalf of the State
- Mr. Stutz announced that he had accepted a position with a different State Agency after serving the BOL for seven years, and that this would be his last meeting as counsel for the BOL

12:29 PM (4:11:47) –LUNCH

1:05 PM (4:11:57) – RECONVENE

1:05 PM (4:11:57) – CENTRALIZED SERVICES DIVISION REPORTS

1:05 PM (4:12:12) – PREDATOR CONTROL

1:05 PM (4:12:15) – Update on Activities of USDA Wildlife Services

John Steuber updated the BOL on the latest activities of USDA Wildlife Services:

- Mr. Steuber reported that there had been no major issues with either of the two DOL-owned helicopters or the USDA helicopter or two USDA Super Cubs
- The voluntary wolf mitigation agreement with the DOL had been finalized for another year
 - The voluntary check-off agreement was passed during the 2019 Legislative Session for FWP to collect money voluntarily offered by people when they purchase their hunting licenses. That money is then dispersed by the DOL to Wildlife Services for wolf mitigation work
 - The \$46,000 collected was dispersed to Wildlife Services on September 4, 2020
- The Wildlife Services annual work plan for predator control that utilizes per capita funding was signed and finalized with the DOL. That funding was \$366,477
- Wildlife Services is currently working with George Edwards, Livestock Loss Board, on an agreement for non-lethal work to be done, such as necropsies and implementing non-lethal methods for wolves and grizzlies. That funding was \$34,000
- Mr. Steuber reported that due to lack of moisture, cattle are starting to come off of allotments, particularly in NW Montana
 - Mr. Steuber explained that livestock producers are not compensated for any of their lost livestock due to predation unless an actual investigation is done on the carcass by Wildlife Services and it is determined the animal was killed by a particular predator and not just scavenged by that predator
- Mr. Steuber said he had met the day before with the Woolgrowers at a Board meeting in Miles City and commented that they were very receptive to information from Wildlife Services
- Nina Baucus requested that John Steuber pass on information they receive regarding cattle counts when they come off Summer range in the Eastern Front and down in the Centennials, to give the BOL an idea of the potential depredation in those areas
- Mr. Steuber reported that only 200 cattle, rather than 2500 cattle, were put out to graze on one particular grazing allotment in the West Fork of the Gravelly Range that had the highest depredations last year, and that could be why there have been fewer depredation reports than last year at this time
 - Mr. Steuber explained that when a depredation is reported to them, their people are out doing an investigation the next day. The delays come after that, when the report is sent to the State office to assure everything is correct and then onto the producer with an application for compensation, some of which may not get sent to George Edwards at the Livestock Loss Board for weeks or months or possibly never at all
- Mr. Steuber explained that regarding the possible Army helicopter purchase by the DOL, that he did not know which helicopters would be released by the Army first, but he suspected that the better helicopters would be released for sale later because the Army may want to keep the good ones for as long as they could
- According to Mr. Steuber, there are over 40 allotments for grazing in the Gravelly Range and a lot of livestock that graze there. He said it was good news that with some extra Department of Interior funding for grizzly bear work, Wildlife Services

was able to add an extra Range Rider in the Gravelles and also on the Rocky Mountain Front

1:22 PM (4:29:20) – ANIMAL HEALTH AND FOOD SAFETY DIVISION REPORTS

1:22 PM (4:29:27) – MEAT & POULTRY INSPECTION BUREAU

1:23 PM (4:29:45) – Administrative Rules - Labeling Rule

James Peterson, the Compliance Investigator and acting Supervisor of the Audit Unit explained proposed revisions to MAR Notice No. 32-20-308, pertaining to Label Review:

- The BOL had already commented at their last meeting regarding the proposed rule which had gone out for public comment. Mr. Peterson explained that the revisions made since then would update and clarify the Meat & Poultry Inspection Bureau's process in which labels are reviewed
- Mr. Peterson stressed the importance of proper label review, citing four recalls that took place in Federal establishments in August and that two had already taken place in September due to misbranding and undeclared allergens
- Public Comments received for MAR Notice No. 32-20-308 were the following:
 - The label review process was supported, but there was concern about the burdens this could place on the DOL's Label Specialist. Subsequently, issues may come up with establishments if the Label Specialist is overburdened in being able to get labels approved, reviewed in time, in not being able to produce their products, because the label review had not taken place
 - The two-year renewal period being overly burdensome for State-inspected establishments
 - The Federal review process was preferable, and it was proposed that labels, only with ingredient changes, be subject to being submitted for review
- Mr. Peterson said that the Meat & Poultry Inspection Bureau is aware that the review process puts additional burdens on plants in regards to additional labor, and so he listed their proposed revisions to the rule:
 - Extend the initially-proposed two-year period for reviews to three years
 - The review process for labels with no changes should be simple and straightforward and a matter of the Label Specialist checking and ensuring that no changes have been made and then signing off
 - Clarify that the Label is being reviewed and now approved because the Meat & Poultry Inspection Bureau is so heavily reliant on information provided by the establishment
 - This rule would require review of previously-reviewed labels at least every three years
 - Single-ingredient products no longer need to be reviewed by the Label Specialist

- In answer to Wendy Palmer’s comment that the review period should not be less stringent, but remain at every two years, Mike Honeycutt said this is a completely new rule that was written and then reviewed by the BOL in June, it is not one currently in place, and the three-year review is an adjustment made due to public comment received
 - Lila Taylor commented that two years is a really short period of time, and that by the time the review is done, it’s time to start all over again
 - Dr. Zaluski said that the two-year review estimate is burdensome and that the DOL wants to be respectful and responsive to public comment. He added that three years is a good number because it offers an opportunity to see what kind of burden it puts on establishments and on the Label Specialists
- Mr. Peterson assured the BOL that the Label Specialist works directly with the plants, inspectors and with compliance regarding labels in commerce and so if issues are found prior to the 3-year period of review, there is nothing that would preclude the Specialist from addressing those issues and any other potential issues that may arise
- Dr. Zaluski explained that currently, labels are approved and then there is actually no requirement to ever be looked at on any type of calendar basis, even though the Label Specialist does make an effort to go back and look at some of those. He said this proposed new rule would not be to approve labels but to review labels, modeled after what FSIS does
 - Mike Honeycutt said the DOL is going to try to find a reasonable time frame to move away from the language of approving labels to reviewing labels, which means an establishment cannot tell us they are recalling a product on a label the DOL approved, instead it will be the establishment’s issue, not the DOL’s issue

MOTION/VOTE

1:50 PM (4:57:16)

Gilles Stockton moved to adopt the proposed new rule (MAR Notice No. 32-20-308) pertaining to Label Review, as presented. Sue Brown seconded. The motion passed.

1:51 PM (4:57:51) – Request to Fill a Position - EIAO

Gary Hamel addressed the BOL regarding the Meat & Poultry Inspection Bureau’s EIAO position, recently vacated by Dr. Emily Kaleczyc:

- Dr. Kaleczyc, who accepted a position with USDA, was the Bureau’s resident expert on food safety, Federal regulations and compliance and so, Mr. Hamel said he would like to hire a professional with graduate level training in Meat Science, Food Science or Animal Health
- Mr. Hamel explained the duties of the EIAO in the Meat and Poultry Inspection Bureau and added that a trained EIAO is necessary for an audit that is scheduled for Spring 2021, as the EIAO makes sure the Bureau is ready for the audit, that

establishments have their food safety systems in place and functioning, provides scientific context for department decisions, answers the auditors' questions and ensures that if there are audit findings, that appropriate corrective actions are in order to meet the needs of the program

- Mr. Hamel said he could not fill in as EIAO because he does not have the month-long training session required to have that specific training, although he did let the Federal auditors know that the Bureau is currently without an EIAO and if a situation were to arise, he would have to work closely with the Federal auditors
- Dr. Zaluski said he does not have the necessary training to serve as an EIAO and that there is not an individual in the DOL at the moment who has the sufficient training to take off and run with it. He said he thinks the best person to use for the moment in that position is James Peterson
- Concern was raised by the BOL about having a backup person for this position, and it was suggested to train somebody else in that month-long training Mr. Hamel mentioned earlier
 - Mr. Hamel said that he was working with FSIS who have offered virtual EIAO training courses and he is working to get current staff to those

MOTION/VOTE

1:57 PM (5:04:20)

Wendy Palmer moved to fill the vacant EIAO position in the Meat & Poultry Inspection Bureau. Sue Brown seconded. The motion passed.

2:03 PM (5:10:14) – ANIMAL HEALTH BUREAU

2:05 PM (5:11:40) – Request to Purchase Captive Bolt Guns

Dr. Tahnee Szymanski put in a request to purchase captive bolt guns utilizing Homeland Security money through the National Animal Disease Preparedness and Response Program (NADPRP), Federal money, part of the 2019 Farm Bill:

- Four captive bolt guns had already been purchased in August of 2019 and the request for an additional 12, according to Dr. Szymanski, would give the DOL a greater supply if multiple depopulations of large numbers of animals was required across the state. Dr. Szymanski said that the grant money also includes 10 trainings around the state for how to use the captive bolt guns
- Dr. Szymanski said that Dr. Forseth had already written and was awarded the grant money through NADPRP to be utilized for advancing the emergency response capabilities of the state
- According to Dr. Szymanski, Dr. Forseth had done followup work on the Agriculture Response Management and Resources (ARMAR), one of them being depopulation capabilities
- Lila Taylor mentioned that the grant was applied for and received and a decision made on what the money will be used for, and so she sees it was a done deal before being approved by the BOL

MOTION/VOTE

2:19 PM (5:11:40)

Wendy Palmer moved to approve the purchase of 12 captive bolt guns and training for use of the guns. Sue Brown seconded. Nina Baucus voted No. The motion passed.

2:20 PM (5:26:48) – Request to Purchase Annual Inventory of Trichomoniasis Tags

Dr. Tahnee Szymanski requested of the BOL permission to purchase the Animal Health Bureau's annual order of Trichomoniasis tags for veterinarians to use

- Dr. Szymanski explained that the tags are purchased and resold to veterinarians at a slightly higher rate to account for handling and packaging and recordkeeping in regards to distribution of the tags and that the money coming back from those veterinarians goes into an account that is used to purchase tags the following year
- Dr. Szymanski said that about 10,000 animals per year are tested for Trichomoniasis with rotating tag colors each year

MOTION/VOTE

2:21 PM (5:27:44)

Lila Taylor moved to approve the purchase of the annual inventory of trichomoniasis tags, 4000, at a cost of \$1.41 per tag. Wendy Palmer seconded. The motion passed.

2:26 PM (5:32:34) – Request to Purchase Dump Trailer

Dr. Tahnee Szymanski requested the BOL approve the purchase of a dump trailer for use in the Bison Program, Animal Health, but also available for use by Brands Enforcement, if needed:

- Dr. Szymanski explained that the goose-neck trailer would have sideboards and be capable of hauling both the skid steer and multiple carcasses
- When asked by Nina Baucus about waiting until Spring when EPP items are presented by each Bureau for BOL approval, Dr. Szymanski said that the trailer had already been written into the FY2020 Federal umbrella agreement for the Bison Program and it had been approved for purchase. Wendy Palmer stated that the BOL does not want to micromanage and that it is a great thing if staff is actively finding grants and writing grants to get money

MOTION/VOTE

2:26 PM (5:32:34)

Sue Brown moved to approve the purchase of a dump trailer, utilizing Federal cooperative agreement funds, as presented by Dr. Tahnee Szymanski. Wendy Palmer seconded. Nina Baucus voted No. The motion passed.

2:32 PM (5:39:46) – Request to Adopt Proposed Changes to ARM 32.3.221, Special Requirements for Alternative Livestock

Dr. Tahnee Szymanski said that the public comment period for the proposed rule changes to ARM 32.3.221, Special Requirements for Alternative Livestock had closed and she was requesting that the BOL give permission to adopt the rule as proposed:

- Dr. Szymanski reported that one comment was received supporting the changes as written.
- The rule had been rewritten to say that animals that are imported into Montana that do not originate from a state contained within the DSA would no longer be required to have a negative Brucellosis test

MOTION/VOTE

2:34 PM (5:41:39)

Gilles Stockton moved to adopt the proposed changes to ARM 32.3.221, Special Requirements for Alternative Livestock, as presented by Dr. Tahnee Szymanski. Lila Taylor seconded. The motion passed.

2:36 PM (5:42:52) – Request to Adopt Proposed Changes to ARM 32.3.211, Special Requirements for Poultry

Dr. Tahnee Szymanski said that the public comment period for proposed changes to ARM 32.3.211, Special Requirements for Poultry were out the same time as the ARM just passed by the BOL and that no public comment was received:

- Dr. Szymanski reported that the proposed changes are intended to provide consistency with the National Poultry Improvement Plan (NPIP) regulations. The changes are to clarify the age at which animals must be tested negative for Pullorum in Montana as well as allow for the fact that animals are now moving on the VS Form 9-3

MOTION/VOTE

2:37 PM (5:43:47)

Gilles Stockton moved to adopt the proposed changes to ARM 32.3.221, Special Requirements for Alternative Livestock, as presented by Dr. Tahnee Szymanski. Lila Taylor seconded. The motion passed.

2:38 PM (5:44:42) – Update on Activity of the Interagency Bison Management Plan (IBMP)

Mike Honeycutt gave updates on the activities of the IBMP group of partners:

- Normally, there would have been two in-person IBMP meetings held by now, but so far, there had only been one half-day meeting

- For the sake of the two new BOL members, Mr. Honeycutt gave a brief history of IBMP
 - IBMP partners were ordered together by a court decision in the year 2000 to deal with Yellowstone bison on the border of Montana and their migration to and from Montana
 - The primary purpose of the group is to establish an adaptive management plan that is executed in conjunction with each other for the management of the movement of those bison and ensuring that there is no further spread of disease from bison to cattle and to keep bison and cattle separate on that landscape
 - Fulfilling that purpose is done by several methods: an annual tribal treaty hunt, lethal removal, establishing tolerance zones, working with tribes to establish quarantine, administrative harvest, Winter Operations Plan and bison counts
- IBMP partners include the DOL, Yellowstone National Park, MT FWP, US Forest Service and all of the treaty tribes
- Mike Honeycutt explained the chart listing activities this past winter with bison removals
 - In the Gardiner/Basin area, on the north side of YNP, 771 bison were removed; in the West Yellowstone/Horse Butte area, on the west side of YNP, 63 bison were removed, for a total of 834 animals removed through management
 - Of those 834 animals removed through management, the tribal hunt was responsible for 284 bison removed, the consignment slaughter was responsible for 442 of those bison removed, Yellowstone removed 105 bison confined to their quarantine fence for quarantining and maybe future removal to tribes at some point. There were 10 mortalities and one pen mortality. The DOL removed two bison because they had ventured out so far and couldn't be hazed back
- Mr. Honeycutt explained that the goal is to maintain a breeding population of bison in the Park of 3,000 to 3,500. The count is typically done post-calving and so it is accepted that somewhere around 4,500 is the post calving count, a count that is staying where the IBMP partners traditionally wanted it to be
- Due to COVID, a full bison count may not happen this year, but looking at historical numbers, an estimate may need to be made for the number of bison to be removed this coming winter, probably 800-900
- Of the 105 bison selected this past winter to go into a quarantine fence, there were 33 males and 72 females, whose Phase I sero-screening began in August
- Efforts are made to keep the quarantine bison separated by age and sex because of the different quarantine protocols for each of those different types of animals. Once the point of a whole herd negative test is reached, the general rule-of-thumb is that male bison can be released from the Quality Assurance pens, which are at Fort Peck, after about a year, but that females take a longer time because of heifer latency with Brucellosis
- Mr. Honeycutt said there is probably going to be limited capacity to add new animals to quarantine this winter season and until at least August of next year,

and because of that, culling of bison through tribal hunts and administrative harvests is going to have to take the bigger share of the burden that quarantine

- Dr. Zaluski reported that Brucellosis does depress the calving rate of bison in Yellowstone National Park, but the recruitment rate, which accounts for how many more bison there are this year versus last year, is going to be typically about 13%
- Mr. Honeycutt explained that the bison in Yellowstone National Park are publicly owned by the Federal Government who consign them to the tribes, due to a treaty going back 130-140 years. The CSKT has been the largest user of the treaty right to the bison, although the Inter-Tribal Buffalo Council, Nez Perce and others haven't take animals through that program in the past
- When Yellowstone bison are transported through the state, they must be transported with a law enforcement escort, due to an executive order by Governor Schweitzer given years ago. Once those bison arrive at a slaughter facility, the process must move forward in that. It is monitored, if it is a USDA facility, by a USDA Meat Inspector plus DOL law enforcement, to assure the slaughter goes forward

2:57 PM (6:03:50) – VETERINARY DIAGNOSTIC LABORATORY

2:57 PM (6:04:27) – MVDL Operations Update

Dr. Greg Juda gave a synopsis of the MVDL's ongoing efforts to get CWD testing up and running:

- The MVDL is currently awaiting the results of proficiency testing for the Immunohistochemical Assay that had been completed and submitted to the National Lab in Ames, Iowa
- Proficiency testing for the ELISA Assay were conducted the previous week and will be submitted to the NDSL for evaluation today. Four technicians completed that training with results of two of them being submitted today and the other two technicians will get set up within the NAHLN portal to submit those results
- Dr. Juda said that he had been in regular contact with FWP and it was his hope that the MVDL would be able to start conducting CWD testing the week of September 21st

(6:06:32) Dr. Juda gave a general Operations Update at the MVDL:

- Dr. Juda reported that Montana State University had obtained the materials to redo the floor in the Prep Room portion of the MVDL, an area whose flooring was probably in the worst condition of all the Lab, and the plan was, after asbestos abatement, to begin replacing that flooring the week of September 21st
- **(6:07:40)** According to Dr. Juda, the MVDL had been working with the South Dakota Veterinary Diagnostic Lab and the University of Illinois to share ideas, improve and make enhancements to the Laboratory Information Management Systems, called VADDS. A grant proposal was submitted by MVDL and those two Labs to USDA on September 14, 2020 for improvements to the Laboratory Information Management System

- (6:09:55) AAVLD conducted a virtual audit of the MVDL on September 3, 2020. This audit was a follow-up to the site audit done in 2017, along with some subsequent requests for progress on non-conformances the MVDL had. Outcome of the audit should be known in the October timeframe, and it is hoped that full-AAVLD accreditation, rather than provisional accreditation, would be returned to the MVDL
- (6:11:16) Regarding equipment, Dr. Juda reported that the Histology auto-stainer had been received, installed, qualified and is now in use. The two Pathology microscopes were received, installed and are now being used and the prior scopes had been repurposed to other Lab sections
- Nina Baucus requested that copies of a Montana Outdoors magazine article regarding the safety of eating CWD-positive and Brucellosis-positive meat, be given to Dr. Juda

3:06 PM (6:13:16) – Preliminary Cost Analysis for CWD ELISA Testing

Dr. Greg Juda gave a requested follow-up to discussion at the last BOL meeting regarding what the actual cost of CWD testing would be:

- Based on supplies and reagents for testing up to 180 samples of CWD, the cost is \$1,386.38. The MVDL agreed to handle 11,000 samples for the 2020 hunting season, which works out to be a total of \$84,569.18. FWP projects a need for 14,000 samples that will need to be tested for the 2020 hunting season, and so the extra 3,000 samples would be out-sourced to Colorado State University
- Dr. Juda said that three full-time employees working for 12 weeks was also added into the estimate for an extra \$130,233.74
- Although there are other costs associated with CWD testing, Dr. Juda said that according to this preliminary analysis, he feels comfortable that the DOL is going to be able to cover the cost of CWD testing in its entirety
- Dr. Juda assured the BOL members that the three employees that had been cross-trained to do CWD testing would not be taken from the Serology Lab where a significant amount of Brucellosis testing would be conducted at the same time as the CWD testing was being done. Dr. Zaluski said that with the recent addition to the DSA, he does believe that there will be a proportionally higher rate of Brucellosis testing this year than last year

3:13 PM (6:19:29) – MILK & EGG BUREAU

3:13 PM (6:19:43) – USDA Shielded Egg Fee Increase

Dr. Zaluski said that the USDA had informed the DOL back in 2018 that the Federal rate for inspection of eggs was going to be changed, and this was an update on that change:

- After legal action by the State of California regarding competition from another state charging a lower inspection rate than California, the USDA mandated that all states charge the Federal rate of inspection, which, according to Dr. Zaluski, is a fairly significant increase from what Montana had been charging
- Phase-in of the egg inspection rate increase began last year, adding 50% of that increase to egg inspection fees, with the full Federal rate for inspection being

activated this year. This added 19% more revenue last year to the Milk & Egg Program

- Although there are no plans to increase expenditures in the Milk & Egg Program, Brian Simonson said that growth is anticipated in that area and the additional funds could add personnel or other opportunities
- Mike Honeycutt explained that the individual producers are not paying the extra fee, but it was being paid for by Wilcox, who had already been doing business in multiple other states and paying their fees

3:19 PM (6:25:50) – RECESS

3:34 PM (6:25:55) – RECONVENE

**3:34 PM (6:25:55) – CENTRALIZED SERVICE DIVISION REPORTS
(Continued)**

3:34 PM (6:26:37) – FISCAL BUREAU

3:34 PM (6:26:37) – HB10 Update/Report

Dan Olson gave an update on the IT's (Information Technology) plans going forward with the HB10 project:

- Mr. Olson explained that end goal of the HB10 request is to unify data in Bureaus of the DOL into fewer applications. He explained that some of the systems currently in place had been written by previous personnel, and support-wise, they were hanging on by just a thread
 - Having data unified would cost less to maintain
 - Mr. Olson said that in the past couple months, IT had been in contact with current vendors working with other states who have functionality within their programs that can be utilized cheaper than rebuilding an entire system
 - Having data unified would allow data cross-flow across different areas of the DOL
- (6:30:53) Mr. Olson said that by tweaking the VADDS program, a system is being put together for the Milk & Egg Bureau that Sanitarians can access, the Milk Lab can access and Darcy Alm can access all on that one system. Right now, that plan is about 75% complete, with the remaining 25% to cost around \$7,500 of the HB10 funds to complete the data integration and \$7,500 for tablets that the Sanitarians can use to input data real-time into VADDS.
 - Tablets would be replaced every five years with an annual increase of \$3,000 per year for a maintenance agreement
- (6:34:35) In conversation with Acclaim (USAHerds), the application currently utilized by Animal Health, there can be a Meat Inspection application added onto it that will allow the capturing of store license data, printing of licenses, search and create label data, print label reports, capture and store and clear weekly

slaughter reports, capture and store custom exempt and meat depot inspections, including the violations, capture and store poundage reports, have the compliance for investigations and inspections and have the ability to link it into a license, all in one system

- The development total and data migration will cost roughly \$175,000. The State of Missouri is considering doing the same type of change at the exact same time as Montana is, and are willing to split some of the costs, such as coding, to help reduce costs to both States
- Acclaim confirmed to Mr. Olson that there would not be an added annual maintenance increase in cost for adding the Meat & Poultry Inspection Bureau information to the USAHerds system
- (6:38:34) Mr. Olson reported that he is looking at migrating Axiom, the application holding all Brand information and liens for the State, into Fort Supply. The current brand look-up app has not been able to be updated since 2016 because it was originally written by previous DOL employees who are long gone and who left no documentation. Fort Supply committed to do that for the DOL
- This move would not be done until well after the rerecord year, but the development work could be done throughout the rerecord year. Cost for the electronic brand inspection, the Axiom migration and the electronic inspection and app is estimated to be \$266,000, but Mr. Olson has no estimate for any increased cost for the maintenance agreement once all the changes would be made
 - Mr. Olson said that Fort Supply's support has been phenomenal over the years

Mr. Olson said that estimated expenditures for all of the plans presented are around \$456,000, with a balance remaining of \$834,000 of the HB10 funds. He said he needs approval from the BOL to move forward with the plans and then he can get all the plans written out for the Department of Administration, who get them approved by the State CIO. When funds are expended, reporting must be done to the Legislative Finance Committee

- Brett DeBruycker said that what Dan Olson presented was just an update of the HB10 process and that when the HB10 money was applied for, the BOL approved the direction of its use, so no action needed to be taken on Mr. Olson's plans, but he did ask to be kept in the loop for all the finances and how it is going

4:03 PM (6:54:43) – 2021 Legislative Budget Update

Brian Simonson reported that there were three elements to the 2021 Legislative Budget Update, none of which the DOL had received any feedback on from the Governor's Office and so he said it was premature to give any kind of assessment of what would be going forward to the Legislature at this time:

- The BOL approved budget additions were submitted earlier this year; the Long-Range Building Plan (LRBP) submission went in on time to OBPP, and the 2023 biennium budget proposal had been submitted to the Governor's office by the September 1st deadline

- For the September 1st meeting, Mr. Simonson said he verified that the baseline is good to go by implementing all of the inflationary adjustments, all the personnel increases, inflation, insurance adjustments or motor pool or indirect costs to the State and assigning what account source the DOL will use to finance the expenditures
- Mr. Simonson said he also had to update how much money the DOL was going to bring in for the 2022-2023 fiscal year
- Insurance for 2022-2023 went down about \$2,500 per year and it appeared that indirect costs were going down, although they were in a state of flux
- On October 1st, Mr. Simonson reported that LRBP from A&E will be submitted to the Governor's Office and October 16th is the last day for departments to submit HB3 requests, but the DOL does not have one to submit at this point in time. November 1st, the budget from OBPP goes to the Legislative Finance Division, and November 15th is the final date for the DOL to get legislation into Legislative Services Division

4:08 PM (6:59:35) – Per Capita Fee (PCF) Rate Change Proposal

Brian Simonson reported on the table he had put together, which reflected the last 10 years of livestock reporting:

- Mr. Simonson said that per capita numbers reported for horses and mules had gone down about 20,000 head, cattle had gone up over 200,000 head and chickens had gone up by about 750,000 during that 10-year period of time

Mr. Simonson said that this was the month that the BOL decides per capita rates for calendar year 2021, and if it is decided to raise those rates, statute provides that the DOL can't charge more than 110% of the past 3-year's average, which would be an increase of 5.4% maximum this year for each animal

- Without a change in per capita rates, Mr. Simonson said that the DOL is about \$100,000 ahead of last year with about \$5.5 million coming into the DOL. Mr. Simonson said to keep in mind the BOL's goal of funding the new VDL, but even with that, his recommendation is to make no change to the per capita fee rate for the upcoming year
- Mr. Honeycutt said that the last increase in the per capita fee rate was implemented right before 2016, the year he started at the DOL
- Mr. Honeycutt reported that although it varies by species, underreporting of per capita is somewhere under 5%
- Sue Brown said she felt that producers in the state could pull a 2% increase in per capita fees charged. Wendy Palmer felt an increase in small increments would be the best way to increase per capita fee, but if reserves are over and the recommendation from the expert is to not do it, she felt it shouldn't be increased
- Lila Taylor said she would hate to increase per capita because it is not the surest time for cattle people and even though producers would help if needed, she said she was not for putting in an increase just to put in an increase. Gilles Stockton said he identified with that
- Brett DeBruycker said that while he was not for promoting an increase in per capita, he said there was a time where they were increased about three times in

a row because the DOL had gotten behind the 8-Ball in finances after not increasing fees

- Mike Honeycutt reminded the BOL that unlike some of those years past, the DOL current has \$7 million to \$8 million of per capita in reserve
- No action was taken regarding raising per capita fees

4:34 PM (7:25:31) – August 31, 2020 State Special Revenue Report

Brian Simonson cautioned the BOL that because the DOL was just 17% into the fiscal year, anything they might try to make out to be a trend in the figures they saw in this section were probably just timing issues:

- Mr. Simonson pointed out some errors on page 6
 - Under per capita fee in the difference column between FY20 and FY21, the negative \$16,782 should be \$26,230. By changing that figure, it will translate over to the Total Combined State Special Revenue to \$65,943
 - The next error is also in per capita fee. The total per capita fee number that was listed as \$5,478,000 is going down to \$5,310,292, which changes the Total Combine Budget number to \$10,388,828
 - Mr. Simonson said that because there are two deposits missing under Milk Inspection, the Inspector's Assessment column showing a figure of \$30,227 should actually be \$55,107. With that change, Milk Inspection is only about \$3,000 short of what it was last year at this time
- Mr. Simonson pointed out that in most of the columns on this page there is something called "Investment Earnings," which are the reserves and money for the year not being spent actively at the moment. The DOL tries to put that money into short-term investments so they will grow interest
 - In August 2019, an interest rate on the short-term investments was 2.17%, but this year, that interest rate is 0.31%, an 86% reduction from last year
- Mr. Simonson reported that people are continuing to report past July 1st on per capita fee, as there is an additional \$86,000 in revenue compared to this time last year
- Revenues at the MVDL were showing \$103,000 positive, even before CWD testing had started
- Mike Honeycutt pointed out that Local Inspection through the first two months of the current fiscal year have been on par with last year's numbers, but, he expects Market Inspection Fee numbers to go up because the DOL is seeing the makings of a very large Fall Run through the markets with already Market Inspections up 15%-20% compared to last year at this time

4:43 PM (7:33:58) – September 2020 Through June 2021 Expenditure Projections

Brian Simonson pointed out that the pages for this section of financials would look different because of Evan Waters' addition of numbers and letters for rows and columns to help identify financial figures more quickly during a presentation:

- Mr. Simonson said that CSD's first meetings for the fiscal year with DOL Bureaus had taken place, but, with just two months into the fiscal year, numbers pretty much show history and things that have come before

- Numbers do not show the impact of the current year on the budget or projection, but, as the budget matures, it will become more active
- Total Personal Services are projected to be an excess of \$63,766 for the year
- The Milk Control Bureau has three FTE positions, but one is vacant
- The Milk and Egg Bureau has intentionally left some vacancies open, and that is contributing positively to the \$63,000 in Personal Services
- In Budgeted Funds, a big chunk of the negative \$119,374 for General Fund is Personnel in the Meat & Poultry Inspection Bureau
- Contributing to the negative Personnel figures in the Meat & Poultry Inspection Bureau are off-cycle Union wage negotiations, increase in personnel and a lot of travel. Mr. Simonson said those figures are a concern, but, they have been there before and are tracking it
 - Mr. Simonson said that in the past, the Feds have come in with a \$50,000-\$70,000 augment, and he is anticipating that again. He added that the DOL is requesting additional money be added on the Fed side, which would cut that deficit
 - Mr. Simonson said that 2023 is not a personnel problem anymore until the next union cycle, but that the Snapshot will plus that authority up again
- On the Operational side of things, Mr. Simonson said that there was a \$30,000 negative showing, which came about because Lab maintenance contracts were made earlier this year than last year
 - The total equipment number in Operations is almost entirely the Lab, with some one-time-only purchases and some Federal dollars expended for Lab equipment last biennium
 - In Transfers, of the \$342,000, \$340,000 is for Elk Collaring, which will happen later in the year. The rest is the DOR fee paid for per capita fee collections
- The per capita fee figure shown under Budgeted Funds already shows positive and will probably run even more positive as the year goes on, according to Mr. Simonson
 - Other factors pushing the per capita figure positive are that the Milk & Egg Bureau contributes to most of it with their big-budget authority numbers and in CSD with supplies that have a timing issue, there is a lot more in contract authority than is expected to be spent
- There is a negative figure listed under Budgeted funds in the Lab and that has come about because a lot of expenses have been incurred for Brucella testing but no revenue is there to be shown as of yet
- Mr. Simonson is anticipating that the Budgeted Funds total of \$279,000, to become more positive as the year goes on

4:53 PM (7:44:01) – August 31, 2020 Budget Status Report

Brian Simonson explained that the sheets for the August 31, 2020 Budget Status Report are a comparative look at what the DOL was doing at that same time last year:

- Figures show that the DOL is 1% ahead in personnel costs for expenses, but 3% behind for the whole year, so far, which, historically, has been a normal occurrence for the first two months of the fiscal year
- In the MVDL, the negative \$176,000 shown for equipment is because the Lab bought a lot of equipment early in the year and that wasn't done this year. Mr. Simonson explained that per capita fee hadn't been charged to the Lab. He added that the general fund negative numbers, the per capita fee positive numbers and the MVDL fees showing as negative are going to correct themselves in the next couple of months

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

3:56 PM (7:47:00)

Brett DeBruycker requested public comment be brought forward:

- Christina Pierce said that with Monty Simonson retiring, they have no Brand Inspector at all in their area between Molt and Rapelje in Stillwater County
 - Ms. Pierce said that even though there are other Brand Inspectors listed for Stillwater County, nobody wants to come to their place because it is 40 miles to travel there. One Local Inspector, she said, is busy with his own ranch and when they have had him come, it is already dark
 - Mr. Honeycutt said that refusing service to people is not something acceptable to the DOL by Local Brand Inspectors and that each of those Local Brand Inspectors in Stillwater County need to get a call to let them know that if they want to remain on the list as a Local Inspector for Stillwater County they have to serve all of that county. Ethan Wilfore said he would take care of the situation
 - Ms. Pierce also shared that a petition was sent to the DOL in February with 46 signatures on it requesting that fired Local Brand Inspector Burt Stiles be brought back, but no answer was ever given from the DOL
 - Brett DeBruycker apologized to Ms. Pierce and said the time frame when the petition was sent was when the DOL was between Brand Administrators and that the letter probably slipped through the cracks
 - Mr. Honeycutt said that the Local Brand Inspectors serve under the discretion of the District Investigator and that the conversation about Mr. Stiles is not one that the BOL was going to have today
- Jenny Bloomquist of the Montana Veterinary Medical Association expressed her appreciation for the work the BOL does

SET DATE FOR THE NEXT BOARD MEETING/REQUEST FOR ADJOURNMENT

5:06 PM (7:57:30)

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

- Mike Honeycutt said that last part of the following week would probably be the time to schedule a meeting after the public hearing regarding the proposed sale of the Lewistown Livestock Auction Market and for discussion on the RFID comments for submission. Thursday, September 24, 2020 from 2pm -3pm was a goal set for a BOL conference call to address those items
- Wednesday, November 4, 2020, the day after election day, was the date set for the next full BOL meeting

MEETING ADJOURNED

5:11 PM



Brett DeBruycker, Chairman