



MINUTES
BOARD OF LIVESTOCK MEETING
JANUARY 15, 2016
 Capitol Meeting Room 137
 Helena, MT

<i>Friday</i>	<i>January 15, 2016</i>
Call to Order	Chairman John Lehfeldt at 10:00 AM Requested a roll call from Board members. Chairman Lehfeldt introduced Mike Honeycutt, future Executive Officer.
Board Members Present:	
	John Lehfeldt, Chair (sheep producer) Brett DeBruycker (cattle producer) Ed Waldner (swine producer) John Scully, Vice-chair (cattle producer) Nina Baucus (cattle producer) Lila Taylor (cattle producer)
Staff Present:	
	Dan Turcotte, Milk & Egg Bureau Gary Hamel, Meat Inspection George Harris, Centralized Services Bill Layton, Diagnostic Laboratory Marty Zaluski, Animal Health Tahnee Szymanski, Animal Health Eric Liska, Animal Health George Edwards, Livestock Loss Board Evan Waters, Centralized Services Leslie Doely, Brands Enforcement
Public Present:	
	Pat Murdo, Legislative Services Gene Curry, Montana Stockgrowers Association Errol Rice, Montana Stockgrowers Association Chelcie Cargill, Montana Farm Bureau Federation Krista Evans, Montana Milk Producers Association Eric Sommer, USDA National Agricultural Statistics Services Joe & Wendi Arnold, Flathead Lake Cheese Susan Brown, Amaltheia Organic Dairy Ben Tiller, Montana Dept. of Agriculture Matt Schaeffer, Wilcoxson's Ice Cream Mike Honeycutt, Future Executive Officer, Dept. of Livestock Sen. Gordon Vance, Vice Chair, Economic Affairs Interim Committee
Audio Meetings: <i>These minutes are in outline form only. They provide a list of participants and a record of official action taken by the board. A brief summarization of each action taken is provided for clarification. The link to the audio recording of the meeting is available on the Department of Livestock website, liv.mt.gov listed under Agency Information, then click on Board of Livestock</i>	
AM 10:00	Approval of prior meeting minutes December 18, 2015 & Jan 12, 2016

<u>Motion/Vote</u>	Nina Baucus moved to approve the minutes of Dec 18, 2015 meeting Lila Taylor seconded. The motion passed.	
<u>Motion/Vote</u>	Nina Baucus moved to approve the minutes of the telephone conference call meeting of Jan 12, 2016. Lila Taylor seconded. The motion passed.	
	Approval Chair interim actions – none	
	Old Business	
		<u>Personnel Committee updates</u> – Brett Debruycker announced Mike Honeycutt will begin February 1 st . Need to update the position description so we can advertise the EO Administrative Assistant position. Will wait for Mr. Honeycutt before hiring the position.
		<u>Budget Committee updates</u> – John Scully, nothing to report but encourages Board to look hard at the Gap control document review from last meeting. The next board meeting will be tough issues.
		<u>Long Range Planning Committee</u> – need a committee to prioritize the recommendations. Will start with Centralized Services. The committee will be administrators, John Lehfeltd, John Scully and Gene Curry will be a point of contact. Brett DeBruycker offered to assist in recommendations that deal with brands and laboratory.
10:26 AM	Division Reports	
	<u>Motion/Vote</u>	<p>Centralized Services – George Harris, Administrator</p> <ul style="list-style-type: none"> • Wanted to present outstanding employee with a 5 year pin but she is ill and not present today. • December Monthly Financials <p>Handed out Gap sheet and discussion proceeded.</p> <ul style="list-style-type: none"> • Per Capita Fee Collection Update <p>Concern and discussion of shortfall on fees and revenue.</p> <p>Discussed the contingency fund in the Governor’s office to help with the department payouts. Whether they give us just spending authority or cash with the authority is up to the Governor’s budget office.</p> <p>John Scully moved we immediately write a letter to the Governor’s Budget Office requesting the funds and the authority for appropriate payments for employee payouts that have occurred to date. Second by Nina Baucus. Motion passed.</p> <p>Clarification for the letter, the “appropriate” amount includes the negotiated settlement that took place and the other payouts that took place with John Grainger’s position, Sherry Rust’s position, and Marty Clark’s position.</p>

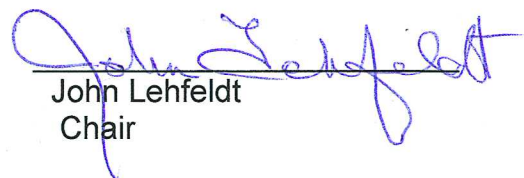
11:12 AM		<p>Senator Gordon Vance explained a letter given to Dr. Zaluski this morning from the Economic Affairs Interim Committee suggesting that BOL hold off any decisions from their Jan 28, 2016 hearing because the Committee has a hearing February 4th and will seek comments on the milk rule at that meeting.</p>
Division Reports		
11:31 AM	<u>Motion/Vote</u>	<p>Centralized Services – George Harris, Administrator</p> <ul style="list-style-type: none"> • State Special Revenue review • County Predator Control Per Capita Allocation – to the three Counties \$28,075. <p>Board of Livestock discussed the listed amount of \$28,075. Reviewed collection of payments. Kraig Glazier answered Nina Baucus’s question, do all these counties have active predator programs – two have programs, do not know if the third one has a program. He will discuss this later in the agenda. After insurance and county fees the remainder goes to USDA Wildlife Services.</p> <p>Lila Taylor made a motion to approve payments to these three counties at the listed amounts totaling \$28,075 cumulatively and also to review how much of the billed per-capita revenue was collected in the previous year. The motion includes approval for payment to be made, after the insurance and county payment is subtracted, the remainder goes to USDA Wildlife Services. Second by Brett DeBruycker. Motion passed.</p> <ul style="list-style-type: none"> • Audit Updates – none on agenda • George Harris discussed a document he received Wednesday from the Governor’s Budget office; the Budget Calendar, the Long Range Building calendar, and the Legislative Proposal calendar for Department of Livestock for the 2019 biennium. Reviewed key dates. <p>Stephen Forrest, Legislative Fiscal Division – spoke to clarify MBRS, the Montana Budgeting & Reporting System and IBRS, the Internet Budgeting & Reporting System.</p> <p>John Scully spoke in detail about the calendars and requested the Board receive a calendar that outlines things for them. Need a calendar for going through the budget process to know when and what and it would help Mr. Honeycutt too. Nina asked that each administrator have a line item budget included in the calendar.</p> <p>George Harris will work with the Executive Office to</p>

		prepare that calendar for the Board.
12:10 PM	Recess	
12:25 PM	Reconvene	
12:25 PM	Division Reports	
		<p>Information Technology Updates – Jim Newhall, Supervisor</p> <ul style="list-style-type: none"> IT Plan included in Board packet will be submitted to the State Chief Information Officer by June 15, 2016. <p>Mr. Newhall gave the Board members a thumb drive that contains supporting documents for the major software systems we use including what is required on each system, the contracts we have signed with the vendors.</p> <p>The Board requested the IT department track time worked for each division within the department and report it to the administrators so they can put that in their budget. Need to understand how much time IT spends on projects for each division.</p>
12:45 PM	Agenda change: Producer Organization Comment – allowed with Board approval	
		<p>Montana Milk Producers Association – Krista Lee Evans</p> <p>Presented a comment letter to the Board on the proposed milk rule. 10% of the General Fund money should be allocated to the Milk Lab. MCA 81-1-102(2) says fees must be based on cost. That cost is unknown. Not their responsibility to pay for other parts of the lab that they don't use and the fee must be based on the costs.</p>
12:48 PM	Division Reports	
		<p>Veterinary Diagnostic Laboratory - Dr. Bill Layton, Administrator</p> <ul style="list-style-type: none"> General updates <p>Legislative auditors have hopefully made their last visit to us and they will begin to write their report. Estimated time is up to two months.</p> <p>Reviewed PCR test cost sheet. Plan to do certain tests on certain days so cost will be lower and more efficient.</p>
1:04 PM		<p>Animal Health Division – Dr. Marty Zaluski, Administrator</p> <ul style="list-style-type: none"> Out of State travel to Washington DC in March 2016. As Executive Committee member of the USAHA, he is requested to participate in the Government Relations Committee meeting. Estimated cost \$1704.00. Asking for \$1,000 paid out of Animal Health budget. The

	<p><u>Motion/Vote</u></p> <p>remaining cost will requested as reimbursement from a federal cooperative agreement.</p> <p>Brett DeBruycker made the motion to approve the travel and cost. Second by Ed Waldner. Motion passed.</p> <ul style="list-style-type: none"> Request to fill animal health administrative specialist brucellosis program position and if filled internally to fill that vacant position as well. <p><u>Motion/Vote</u></p> <p>Brett DeBruycker made the motion to fill the vacancy and possibly the additional internal vacancy. Second by Ed Waldner. Motion passed.</p> <ul style="list-style-type: none"> Information Update <p>USDA proposed to removed <i>Brucella abortus</i> and <i>Brucella suis</i> from the terrorist list, proposal is open for a comment period.</p>
1:20 PM	<p>Brands Enforcement – Leslie Doely, Administrator</p> <ul style="list-style-type: none"> Update on Area Supervisor coverage – East & West supervisors to cover Central District because of vacancy, for now. Personnel update – one ½ time employee retired out of Miles City, one short term went permanent and covers Miles City & Glendive. One full time hired in Billings, and one ½ time short term in Chinook. Looking to see what the Helena position needs before deciding to fill. Nina asked about Law Enforcement Academy Leslie is signed up for the first available class in January 2017; she is also on a waiting list for dates prior.
1:21 PM	<p>Meat and Poultry Inspection – Gary Hamel, Administrator</p> <ul style="list-style-type: none"> General updates – reviewed the scheduled Bison slaughter. Mobile slaughter unit arrived Jan 10, 2016. 36 Bison were slaughtered. Highly professional operation.
1:40 PM	Lunch Break
	Reconvene
2:06 PM	<p>Milk and Egg Inspection Bureau – Dan Turcotte, Chief</p> <ul style="list-style-type: none"> General Updates – licensing is going well. Busy spring to get to every producer and all the Plants inspected. Every other year we do FDA inspection reports and every 3rd year FDA comes in to verify the accuracy of those reports and to do an audit. Milk processing rule fee options. Comment period not closed yet. Chad Lee, Chief of the Milk Control Board was asked to present some

		options for discussion. He reviewed the written options document that was included in the Agenda items from DOL staff that was sent to the Board and posted on the website.
2:38 PM		<p>Milk Control Board – Chad Lee, Bureau Chief</p> <ul style="list-style-type: none"> • General Updates - the board will have a meeting on February 4th where they will deliberate over a proposed rule that provides penalties. There are two statutes that provide for penalties but there are no administrative rules to carry those out.
2:41 PM		<p>Livestock Loss Board – George Edwards, Executive Director</p> <ul style="list-style-type: none"> • General updates – The Livestock Loss Board (LLB) does have some proposed legislation, so he needs a copy of the legislative calendars to present to his Board. • Discussed how to propose the LLB budget. John Scully suggested LLB needs to present their budget through Central Services or the Budget Committee and if they receive it in time it will be submitted with the Board of Livestock budget. • Chairperson Elaine Allestad agreed to request a seat on Interagency Grizzly Bear Committee and one for Nina Baucus from the Board of Livestock. George Edwards will proceed with getting that letter of request done.
2:50 PM		<p>Predator Control/Wildlife Services – Kraig Glazier, District Supervisor</p> <ul style="list-style-type: none"> • Helicopter pilot back by first part of March and updates on low fur prices and predator hunts around the State. • Gave extensive history of Predator Control & Wildlife Services. Copy of report is being completed. Nina Baucus requested a copy.
3:03 PM	Producer/Producer Organization Comment	
		<p>Montana Stockgrowers, Gene Curry, President –</p> <ul style="list-style-type: none"> • Welcomed Mike Honeycutt as the new Executive Officer and is looking forward to working with Leslie Doely. Concerned that Department of Livestock maintains control of the bison that come out of YNP. Thanked the Board members for their time and service. Also thanked Dr. Zaluski for filling in as Interim Executive Officer, he did a very good job. <p>Montana Stockgrowers, Errol Rice</p> <ul style="list-style-type: none"> • Discussed the bison EA and would like to have

		<p>more discussions as we move forward.</p> <p>Montana Farm Bureau, Chelcie Cargill –</p> <ul style="list-style-type: none"> • Welcome Mr. Honeycutt and Ms. Doely to their new positions and look forward to working with them. Concern of BLM removed fences and approved year-round bison grazing. Does this action comply with the Taylor Grazing Act? There is a protest period; perhaps the Board of Livestock would like to submit a letter offering their insights. The website says comments will be taken until April 30th. Chairman Lehfeldt encouraged that the Department should write a letter.
3:18 PM	Comments from the Public on non-agenda items	
		<p>Susan Brown, Amaltheia Organic Dairy</p> <ul style="list-style-type: none"> • Comments on proposed milk fee rule. The small business impact was based on retail; we are wholesale so income is 30 to 50% off what was calculated in the small business impact analysis. <p>Matt Schaeffer, Wilcoxson's Ice Cream</p> <ul style="list-style-type: none"> • Comments on proposed milk fee rule. Prefers to stay with Montana milk, the cost difference between using Idaho or Montana milk is a 35% difference. <p>Wendi Arnold, Flathead Lake Cheese</p> <ul style="list-style-type: none"> • Comments on proposed milk fee rule.
3:30PM		Next board meeting Feb 18 th and 19 th , 2016 at 10:00 AM
3:30 PM	Adjourn	


 John Lehfeldt
 Chair