

|      | Beef Council Collected* | Annual DOL Revenue** | DOL Cost*** |
|------|-------------------------|----------------------|-------------|
| 2000 | \$                      | 94,454.76            | \$ 123,204  |
| 2001 | \$                      | 96,171.27            |             |
| 2002 | \$                      | 85,737.21            |             |
| 2003 | \$                      | 78,986.95            |             |
| 2004 | \$                      | 86,876.96            |             |
| 2005 | \$                      | 81,547.77            |             |
| 2006 | \$                      | 75,690.34            |             |
| 2007 | \$                      | 86,059.92            |             |
| 2008 | \$                      | 78,521.50            |             |
| 2009 | \$                      | 83,387.19            | \$ 154,772  |

\* As per Department of Livestock Annual Reports

\*\* 5% of collections as per agreement. Actual amount varies slightly due to some collections being returned to the state of origin.

\*\*\* Research of Department records show that a cost estimate was only done in 1995. 2009 cost estimate was done as per board of Livestock action on July, 2010.

9/19/95

ESTIMATED COST OF BEEF CHECK-OFF FEE COLLECTION (as is)

DISTRICT INSPECTORS:

|                            |      |   |                 |
|----------------------------|------|---|-----------------|
| 4 months 200 mi. per week  | x 16 | = | 3,200 mi.       |
| 8 months 200 mi. per month |      | = | <u>1,600</u>    |
|                            |      |   | 4,800 mi.       |
|                            |      |   | x 19 inspectors |
|                            |      |   | <u>91,200</u>   |
|                            |      |   | x .29 per mi.   |
|                            |      |   | <u>26,448</u>   |

Total Mileage Cost

|                            |  |  |                  |
|----------------------------|--|--|------------------|
| 4 months 5 hours per week  |  |  | 80 hours         |
| 8 months 5 hours per month |  |  | <u>40</u>        |
|                            |  |  | 120 hrs. per yr. |
|                            |  |  | x 16.33 per hour |
|                            |  |  | <u>1,960</u>     |
|                            |  |  | x 19 inspectors  |
|                            |  |  | <u>37,240</u>    |

Total Cost Per Hour

|                                       |  |  |               |
|---------------------------------------|--|--|---------------|
| <u>MARKETS:</u> (1560 hours per year) |  |  | <u>18,773</u> |
| Sub Total                             |  |  | <u>82,461</u> |

HELENA OFFICE:

PERSONNEL:

|   |  |  |               |
|---|--|--|---------------|
| Twila Morgan (Cent. Services)           |  |  | 12,394        |
| Tammy Bowles (Cent. Services)           |  |  | 11,768        |
| Marc Bridges (48 hrs./year)             |  |  | 1,172         |
| Louella Fredricksen (104 hrs./year)     |  |  | 948           |
| Carol Robocker/Andersen (25 hours/year) |  |  | 505           |
| John Skufca (24 hours/year)             |  |  | <u>584</u>    |
| Sub Total                               |  |  | <u>27,371</u> |

OPERATIONS:

|                                 |   |               |
|---------------------------------|---|---------------|
| Postage: 300/wk. x 52 x .50     | = | 7,800         |
| Envelopes: 15,600 x .05         | = | 780           |
| Phone Calls: 20 calls/wk. @2.00 | = | 2,080         |
| Remittance Forms:               | = | 150           |
| Computer Costs:                 | = | 1,281         |
| Monthly Subscription            | = | 480           |
| Maintenance                     | = | 441           |
| Supplies                        | = | <u>360</u>    |
| Sub Total                       |   | <u>13,372</u> |

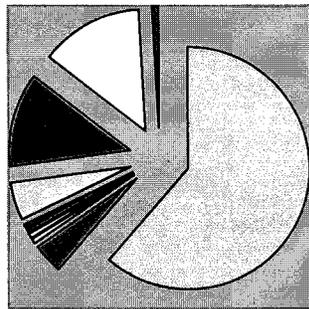
TOTAL COST TO DEPARTMENT \$123,204

# WYOMING LIVESTOCK BOARD

1934 Wyatt Drive, Cheyenne, Wyoming 82002-0051  
 Phone: (307) 777-7515 ■ Fax: (307) 777-6561 ■ Web Site: <http://wlsb.state.wy.us>

**Brand Inspection Additional Duties:** The state General Funding appropriation was based on the assumption that at least 35% of a Brand Inspector's duties are spent performing other duties. By statute, Brand Inspectors began filling out daily logs in July 1, 2007. In FY 08, FY 09 and FY10, the amount of time spent doing additional duties exceeded 35%.

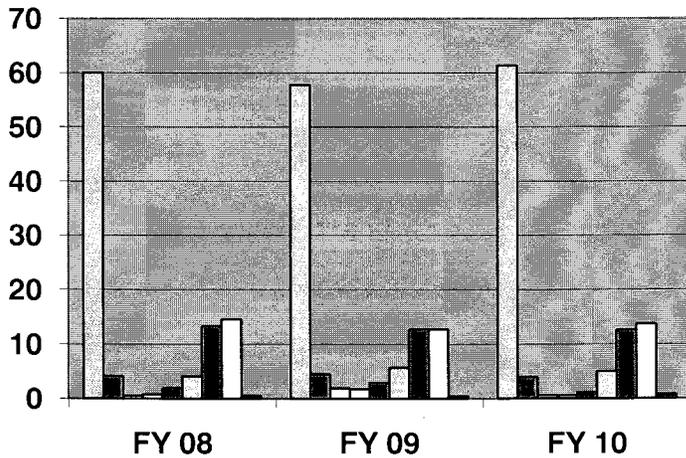
## Brand Inspection Hours July 1, 2009 to June 30, 2010



- Brand Inspection - 61.33%
- Animal Health - 4.03%
- Animal Welfare - 0.68%
- Law Enforcement - 0.61%
- Public Safety- 1.16%
- Public Information - 5.05%
- Beef Council - 12.56%
- Predator Fee - 13.75%
- Other - 0.82% \*

\* "Other" includes training, Board meetings and any other activity not covered in the included subcategories.

## Brand inspection duties over the last three years



- Brand Inspection
- Animal Health
- Animal Welfare
- Law Enforcement
- Public Safety
- Public Information
- Beef Council
- Predator Fee
- Other

**MONTANA DEPARTMENT OF LIVESTOCK**  
**Beef Council Cost Estimate 2010**

| District Inspectors:   | Units                               | Subtotal   | Total Cost                             |
|--|-------------------------------------|--|--|
| Miles Driven Collecting Beef Council/Resolving Issues<br>200 miles a week for 4 months of the Year (200x4x4 = 3,200 miles)<br>200 miles per month for 8 months of the year (200x8 = 1600 miles)<br><br>Total miles driven per year = 4800 x 18 district mgrs =<br>Cost per mile = \$.50  | 3200<br><u>1600</u><br>4800         | 86400  | \$43,200                               |
| Salaries and Benefits<br>5 hours per week during busy 4 months = hrs per month =<br>5 hours per month during rest of the 8 months =<br>Total hours worked per person per month<br>Total hours worked 18 district men 120 x 18 =<br>Average Salary per district man = \$22 (22.00*2160 =<br>Benefits for the Department is 29.6%  | 80<br>40<br><u>120</u>              | 2160   | \$47,520<br>\$14,066                   |
| <b>Markets</b>   |                                     |  |  |
| Hours worked doing paper work and reconciling each sale to figure the beef council<br>Pays 4 months 2 a week - 1 a week 8 months - Average Per Sale as follows:<br>Pays 69 sales a year, @ 1hour per sale @ \$15.33 per hour<br>BLS 69 sales a year, @ 1hour per sale @ \$15.33 per hour<br>Gt. Falls 57 sales a year, @ 1hour per sale @ 15.33 avg per hour<br>Remaining 10 markets 1 sale a week * 49 weeks @ 1 hour per sale @ \$15.33 per hour<br>Total Sale hours worked<br>Average wage of hours worked = \$15.33<br>Benefits for hours worked @ 29.6%<br>Total wages and benefits for market work | 69<br>69<br>57<br><u>490</u><br>685 | 1058<br>1058<br>874<br>7512<br>\$9,590<br><u>\$2,839</u>                         | \$12,429                               |
| <b>Central Office</b>  |                                     |  |  |
| Brand Administrator @ .025% = 52 hrs @ \$30.73<br>Brands Supervisor 2.5% (2080 * .025 = 52 hrs @ \$27.22 =<br>Brands Compliance Specialists 104 hrs @ \$12.30/hr<br>CSD Accounting Supervisor 2.5% = 52 hours @ \$25 =<br>CSD Accounting Technicians (1040 @ \$12.30/hr + 104 @ 15/hr = \$12,792 + \$1,560)<br>CSD Supply Purchasing Spc (104hrs @ \$15.66)<br>Total Wages<br>Plus Benefits @ 29.6%<br>Total Personal Services central office  |                                     | \$1,598<br>\$1,415<br>\$1,279<br>\$1,300<br>\$14,352<br><u>\$1,629</u>           | \$21,573<br><u>\$6,386</u><br>\$27,959 |
| <b>Operations</b>  |                                     |  |  |
| Postage 1.583 per piece (avg is 9 1/2 x 6 1/2 envelope) x 300 wk x 52 = 15,600 x .20 = 3,120 x 1.583<br>Annual Permit Fee .20 of \$770, as provided from post office 8/10<br>Printing: BE10 Form 60% change of ownership, 50/50 split DOL BC (1200 x .6 = 720 x .5 = 360 x 3.03 =<br>BE72 5000 forms 1/3 BC = 1666 @ \$1.04 =<br>BE71 60 books @ 1.43 all BC<br>BE 73 60 books @ \$8.00 all BC<br>Envelopes 15,600 x .05 (x.20 to BC)<br>Computer BC to pay .05% of 13 market pc, 2 brands, 2 csd @ \$1200 for a pc = \$1200 x 16 = \$19,200 x .05 =   |                                     | \$4,939<br>\$154<br>\$1,091<br>\$1,733<br>\$86<br>\$480<br>\$156<br><u>\$960</u> | \$9,598                                |
| <b>TOTAL</b>   |                                     |  | <u>\$154,772</u>                       |

**MINUTES**  
**BOARD OF LIVESTOCK MEETING**

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BOARD MEMBERS PRESENT:

Jan French, Chair, cattle producer  
John Lehfeldt, sheep producer  
Linda Nielsen, Vice-chair, cattle producer

Jeffery Lewis, dairy producer  
Stan Boone, cattle producer  
Ed Waldner, swine producer

Absent:

Brett DeBruycker, cattle producer

STAFF PRESENT:

Dan Turcotte, Milk & Egg Bureau  
Dr Jeanne Rankin, Animal Health  
John Grainger, Brands Enforcement  
Dr Layton, Veterinary Diagnostic Lab  
Dr. Eric Liska, Animal Health

Steve Merritt, Public Information Officer  
Dr Marty Zaluski, Animal Health  
Carol Olmstead  
George Harris  
Dan Turcotte, Milk and Egg Bureau

PUBLIC PRESENT:

Mr. & Mrs. Deboo  
Errol Rice, Montana Stockgrowers Assn  
Charlene Rich, Beef Council  
Hope Stockwell, LAC

Kraig Glazier, USDA APHIS Wildlife Services  
Aeric Riley, Montana Farmers Union  
Steve Harmon, Beef Council

DIVISION REPORTS CONTINUED

**Brands Enforcement**

- Beef Council contract discussion  
Board

- emphasized the need to cover department costs and that is not happening under the current reimbursement agreement with Beef Council
- the spreadsheet provided by the department for cost analysis is very accurate
- administrators met with district supervisors, markets, investigators, and clerks to provide true costs
- John Grainger said he understands Beef Council's feeling that analysis is arbitrary, but he feels the costs shown are conservative
- reality is having someone else do it will cost Beef Council more than the totals on the department's analysis

Beef Council

- any increase would have to pass a Cattlemen's Beef Board audit and in order to do that the department must provide documented expenses of all participating employees
- the 18 inspectors and office staff would need to complete and submit individual expense sheets
- if department chooses option 4, only three months to prepare producers for a big change and make a big change in the Beef Council system
- any press release intent would not be to make it negative but to prepare producers for the change

Board

- work together to do a joint press release in the event the board chooses a new option

**MINUTES**  
**BOARD OF LIVESTOCK MEETING**

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- o the collection fee has been at 5 percent since 1986, we all know costs have risen, the department must cover the expense of collections per statute
- o all producers are currently paying for any shortfall between collection expenses and reimbursement through their per capita fees - not fair to other producers to be supporting beef council fees
- o expenses have increased, head counts have fallen, additionally the internal control and accounting practices have increased over the years

**John Lehfeldt moved to accept option 4. Linda Nielsen seconded.**

Discussion:

- o any change is going to look like a split between Beef Council and the department - not the intent of the board
- o regarding implementation -once the original script is written for the data collection submission will be immediate
- o from efficiency and effectiveness it will be doable - will still have office staff involvement
- o John Grainger found no opposition out in the field
- o per capita should not be used to supplement Beef Council collection costs - non cattle producers should not have to pay for BC collection

**Chair Jan French called for a roll call vote:**

|                      |                  |
|----------------------|------------------|
| <u>Linda Nielsen</u> | <u>yes</u>       |
| <u>Stan Boone</u>    | <u>yes</u>       |
| <u>John Lehfeldt</u> | <u>yes</u>       |
| <u>Jeff Lewis</u>    | <u>abstained</u> |
| <u>Ed Waldner</u>    | <u>yes</u>       |

The collection part of Beef Council fees will become Beef Council responsibility, the department will provide information on change of ownership electronically. The board supports Beef Council to revisit this issue in the future if needed.

- Introduction of new employees/positions
  - o Gary Hamel, filled the market compliance auditor position
  - o Dani Kane, moved from horse inspection to mortgage clerk
  - o Cally Goyins, moved from mortgage clerk to brand recorder
- Rerecord updates
  - o still have plan A and plan B, but if if the software is up and working will go with plan A
  - o will do a test mail out within the system soon, if that works we will move plan B back - progress is going well
  - o Axiom, contractor for brands systems, started out ahead of and have continued to stay ahead, Montana Interactive has the online system built
  - o must remind brand owners there is a rerecord and there is no grace period
  - o plans for PSA, internet videos etc. for campaign awareness -
  - o board members may do PSA at November promoting awareness and producer organizations will be invited to participate in the awareness campaign
  - o will make a special effort to reach out to mortgage lenders regarding the no grace period
- Area Meetings
  - o held four meetings with district and market people
  - o Lewistown, Helena, Miles City and Billings