

Wednesday November 14, 2018, 8 AM CST
Mid-Plains Community College
2520 E. St.
Broken Bow, NE 68822

All agenda items are for discussion and action will be taken as deemed appropriate, The Committee reserves the right to go into closed session in accordance with Neb.Rev.Stat. §84-1410.

In compliance with the provision of the Open Meetings Act, Public notice of this November 14th, 2018 meeting was posted in the headquarters office- in Alliance, NE on October 31, 2018 at 5:40p.m. MT Certification of Public Notice will be provided as part of the record of this meeting,

Notice of this November 14, 2018 meeting was published in the Alliance Times- Herald, North Platte Telegraph, McCook Daily Gazette, and posted on the Nebraska Brand Committee's website, Affidavit of Publication will be provided as part of the record of this meeting.

In compliance with the Open Meetings Act, an agenda and other related material were made available for public inspection in the headquarters office prior to the meeting. Agenda and related items are available for public use and review. An agenda was made available on October 31, 2018 at 11 am. MT. The meeting agenda was emailed to the Committee members on October 31, 2018.

A copy of the Open Meetings Act is available to the public at the entrance of this meeting room.

This meeting is being recorded.

Roll Call: John Widdowson (P) Adam Sawyer (P) Chris Gentry (P) Terry Cone (P) Jay Martindale (P)

John Widdowson called for introductions around the room.

John Widdowson: Chairman of the Nebraska Brand Committee

Mark Fahleson: Outside Legal Council

Dave Horton: Interim Executive Director

Terry Cone: Vice Chair of the Brand Committee

Terry Martindale: Member of the Brand Committee

CJ Fell: Area 3 Investigator

Tom Hughson: Area 2 Investigator

Becki Vineyard: Office Manager at Alliance

Cheyenne Volz: Accounts Payable and Administrative

Adam Sawyer: Committee Member

Chris Gentry: Committee Member

Melody Benjamin: Nebraska Cattlemen

Brett Hoffman: Nebraska Interactive

Danna Schwenk: Nebraska Brand Consultant

Ann Marie Bosshamer: Nebraska Beef Council

Josh Dethlefsen:

Adoption of Agenda

Additions to the agenda:

- Producer Chris Edison presenting brand request to the committee for evaluation
- Ann Marie Bosshamer from Beef Council providing communication to the board from the council

Motion to approve the agenda with additions stated by the chair by
Second by

No discussion, votes are as follows:

John Widdowson (Y) Adam Sawyer (Y) Chris Gentry (Y) Jay Martindale (Y) Terry Cone (Y)
Motion carries.

Current Business

1) Election of new Chairman and Vice Chairman

Floor was opened for nominations for chairman of the committee
Terry Cone moved for John Widdowson to be chairman. Jay Martindale seconded.

The chair called for additional nominations two more times. There were no further nominations.
John Widdowson accepted, there was no further discussion, and votes were as follows:

Jay Martindale (Y) Terry Cone (Y) Adam Sawyer (Y) Chris Gentry (Y) John Widdowson (Y)

John Widdowson is elected Chairman for the 2018/2019 fiscal year.

Floor was opened for nominations for Vice Chair.
John Widdowson nominated Terry Cone, Jay Martindale seconded. There were no further nominations. No further discussion. Votes are as follows.

Adam Sawyer (Y) Jay Martindale (Y) Chris Gentry (Y) John Widdowson (Y) Terry Cone (Y)

Terry Cone is elected Vice Chair for the 2018/2019 fiscal year.

Established quarterly meeting locations, date and time
The floor was open for discussion. The committee members decided that each member would host a meeting in their area, in hopes of having better opportunity to meet inspectors and producers in that area. The meetings will be on the second Tuesday of the month with consideration to conflicts in schedule. There will be a budget meeting in September; date, time and location are to be determined.

There was a conflict in schedule with the December 2018 meeting to December 18, 2018 in North Platte at 9 am.

The 2019 meetings were decided as follows:
March 12, 2019 in Brewster at 9 am CST

June 11, 2019 in Valentine at 9 am CST
September 10, 2019 in Alliance at 9 am MST
December 10, 2019 in Kearney at 9 am CST

It was discussed and decided to move the meeting times to 9 am in the time zone of the location.

Adam Sawyer moved to accept the 2018/2019 meeting dates and locations.

Jay Martindale seconded.

There was no discussion.

Votes are as follows:

Jay Martindale (Y) Terry Cone (Y) Chris Gentry (Y) Adam Sawyer (Y) John Widdowson (Y)

2) Approval of Minutes

Minutes were presented for approval.

Jay Martindale moved to approve the minutes, Terry cone seconded.

There was no discussion.

Votes are as follows:

John Widdowson (Y) Jay Martindale (Y) Chris Gentry (Abstained) Terry Cone (Y)

Adam Sawyer (Abstained)

Motion carries.

3) Consideration and Acceptance of Financial Statements

Dave Horton reviewed the financial statements.

Cheyenne Volz explained a discrepancy in a payable with Nebraska Interactive.

Becki Vineyard explained a deposit that was not received on the state in and did not reflect in the October financials.

There was discussion regarding the budget and John Widdowson briefed Chris Gentry and Adam Sawyer on the current budget situation.

John Widdowson updated the Committee that he, Senator Tom Hanson, Laura Feild will meet with John Stinner, Chairman of the Appropriation Committee will meet in the next ten days to explain our financial plan moving forward in hopes the state does not re-appropriate our funds for other government ventures.

Becki Vineyard updated the Committee on the deficit request, where the money went and why we have requested. There was further discussion from John Widdowson and Dave Horton regarding the deficit request and our efforts with Lincoln.

Dave Horton continued to review the financial statement.

John Widdowson discussed employee hours, pay and how comp time is negatively affecting the PSL side of the budget.

There was further discussion regarding current high comp time accruals and future expectations with restructuring and the technology component and implementing an online time keeping system.

John Widdowson requested a figure for monthly comp time pay out from Becki Vineyard. She explained the procedures for how comp time is structured and paid out, and that roughly thirty percent of the employees have 150 hours of comp time. She then stated she is paying 822 hours of comp time for October 2018.

There was further discussion about hiring full time employees to cut down on comp time costs and how the online time keeping system along with the sale barn system, will keep our employees accountable.

John Widdowson requested that Becki Vineyard what our labor cost is per inspection on a monthly basis. Adam Sawyer requested the mileage cost per inspection. In the month of October there was \$13937.43 paid out in comp time. Since July 1, 2018 over \$56,300 in comp time, there was only \$120,000 budgeted for comp time.

Terry Cone moved to accept the Financial Statements as provided, Adam Sawyer was the second.

There was no further discussion.

Votes are as follows:

John Widdowson (Y) Adam Sawyer (Y) Terry Cone (Y) Chris Gentry (Y) Jay Martindale (Y)

Motion carries.

BREAK

Ann Marie from Beef Council spoke on the relationship between Beef Council and the Brand Committee during the implementation of the online inspection system. She reported that they have passed two audits at the end of their fiscal year. Ann Marie expressed her appreciation for the Alliance office staff and brought up the fact that their contract terminates at the end of December.

4) 2019/2021 Budget Deficit Request

Dave Horton reviewed breakdown of the budget, as well as the breakdown of the deficit request (\$510,000).

John Widdowson explain the process of how the budget deficit was put together for new members, Chris Gentry and Adam Sawyer. He also described the steps the Committee has to take to get the deficit request approved.

Becki Vineyard explained how she and Claire Olglsby at State broke down the PSL request.

John Widdowson updated the Committee that Matt Miltenberger, Chief of Staff for Governor Ricketts, have been in communication and he has arranged a meeting with John Widdowson and Governor Ricketts in December to explain the 2019/2020 budget and our deficit request. All Committee members are welcome to join. Exact date and time not set.

Dave Horton requested the Committee to make a decision regarding the starting salary of the District Supervisor positions that start December 1, 2018. He and Becki Vineyard provided the current salary scale based on tenure as well as a scale based on performance based scale along with the numbers that corresponded with each. The performance based pay scale has been budgeted into the deficit.

Adam Sawyer as to when the new salary would be implemented and why that time of year. It was discussed that the salary would go into effect December 1, 2018 for the District Supervisor position and the IT positions would take effect April 1 when those positions are filled.

John Widdowson requested the total PSL per inspection for 2019, 2020 and 2021 including benefits, comp time etc., if we accept the new pay scale from Becki Vineyard to get a better idea of how the new proposed salaries would affect the budget. Currently it costs \$1.04 per inspection. Becki explained that with the new positions and salaries, we are taking costs away from other operating expenses and adding to PSL. The budget deficit request was only for PSL funds.

John Widdowson explained to the new members how the new positions would save money in regards Danna having less hours in the other operating side and the new District Supervisor positions being moved to PSL to make up for her.

There was discussion as to whether any candidates would take a cut in salary by accepting the District Supervisor position. Becki went on to explain how the new salary proposal has made it to where lower ranking employees will not be able to make more money than higher ranking employees like they have in the past.

John Widdowson then brought up the current rate of \$1.00 per inspection and how it is not sustainable with our current PSL spending. Chris Gentry asked if this trend should continue. John proceeded to explain that we have other profitable enterprises. Terry Cone agreed that the current situation is not sustainable and that the Committee should raise the inspection fee to \$1.10. There was further discussion as to whether the PSL cost per inspection would go down, and if the fee was raised it would need to be applied to the feedlots as well, as to whether the current rate would sustain until the electronic inspections and reorg took full effect.

Danna Schwenk explained that once the electronic inspections took full effect there would be a major decrease in comp time hours, especially in the sale barns.

Dean Anderson questioned if the current PSL per inspection included the office staff, director, etc. and if that was the reason it was so high. Cheyanne Volz stated that the \$1.04 per inspection calculation did not include the office staff or director.

John Widdowson stated he like the concept of performance based pay versus the tenure based pay. Adam Sawyer asked if we could match current inspectors salaries who would take a pay cut if they applied for the District Supervisor position as an incentive. Dave Horton stated that their salaries would be a wash or a slight increase.

Becki Vineyard reported that the PSL cost per inspection was \$0.54, projected \$0.68 with new pay scale calculating only the mileage. The new pay scale will cost an extra \$0.14 per inspection. The PSL total dollar amount we would add to the budget would be \$486,901.

It was decided that there was not enough information to make a decision. John Widdowson asked Becki Vineyard and Cheyanne Volz to calculate the figures for the PSL cost per inspection, including benefits and comp time, leaving out the brand recording and executive director positions, with and without mileage, while the committee was in executive session.

Adam Sawyer moved to table the 2019/2020 budget review, Chris Gentry seconded.

There was no discussion.

Votes are as follows:

Terry Cone (Y) Chris Gentry (Y) Jay Martindale (Y) Adam Sawyer (Y) John Widdowson (Y)

Motion carries.

John Widdowson moved to go into closed executive session for the protection of the public interest to discuss strategy in respect to the Nebraska Legislature and Legislation and matters of litigation. Jay Martindale provided a second.

No discussion

Votes are as follows:

John Widdowson (Y) Jay Martindale (Y) Terry Cone (Y) Chris Gentry (Y) Adam Sawyer (Y)

Motion carries.

Adjourned for Executive Session at 10:51 PM

Terry Cone moved to adjourn executive session, there was a unanimous second

Votes are as follows:

Terry Cone: (Y) Jay Martindale (Y) Adam Sawyer (Y) Chris Gentry (Y) John Widdowson (Y)

Motion carries.

Executive Session adjourned at 12:49

The agenda was adjusted for producer Chris Edison present an issue that he has regarding a brand he is not able to transfer.

Chris Edison, from Chappell, moved his operation from Colorado to Nebraska a year and a half ago. He has been trying to get his brand registered in Nebraska. His cows are all one iron. He was turned down for registration due to conflicts. He was able to get the brand registered in another area and tried to transfer the brand, the transfer was also denied due to conflicts. He would like to know what conflict would not allow his brand to be registered in that area, and if this could be reviewed by the committee for possible approval.

Dave Horton explained that, Mr. Edison's brand, backward E with a standing mill iron bowed left, was declined because there is another brand (backward E quarter circle bowed left) very similar in a surrounding area. This is why the application and transfer were denied.

Mr. Edison was told by an inspector in his area that the similar brand has not been used in many years. After discussion, Mr. Edison was advised by the committee to contact Dave Horton and Mista White, Brand Recorder for the Nebraska Brand Committee, to make sure this is the only conflict. If so, Mr. Edison will attempt to buy the similar brand, cancel it and then transfer his brand to himself, and use it.

4. 2019/2021 Budget Review and Budget Deficit Request cont.

Becki Vineyard reported that for 2019 the PSL cost per inspection, not including the Director and Brand recording, for the new proposed budget, was \$0.93, when mileage was included \$1.06. These figures include the Nebraska Interactive fee of \$0.06. For 2020, \$1.06, with mileage \$1.12. The mileage expense is forecasted to drop in 2020 due to the reorg, and saving other expenses. 2021, cost is \$1.08, with mileage \$1.13.

It was concluded that mileage is costing the Brand Committee, when the surcharge should be covering these expenses. Last year, surcharge fees brought in \$120,000, while mileage costs were \$538,038.00. This includes mileage to sale barns, locker plant, and packing houses.

John Widdowson proposed that instead of charging a surcharge, we charge the producers the actual mileage costs. There was discussion on how this would be received by producers, and if, depending on the miles, if you could charge a flat rate (surcharge), or actual miles.

John Widdowson readdressed the topic at hand, the budget/new pay scale. It was confirmed that the new pay scale will cost around an extra \$0.07 per inspection. However, if the new pay scale is not adopted, PSL cost per inspection will still rise due to new positions to be filled. Hiring a Chief Investigator, new IT positions and District Supervisor positions there will be a \$270,000 or more increase even without the approval of the new pay scale. This ends up being a \$0.05 increase in the PSL cost per inspection vs these new positions and the new pay scale being \$0.07. It was explained that the purpose of the new pay scale was to implement a system that does not allow lower position employees to make more than their superiors and offer incentive to do a better job and climb the ranks.

Terry Cone moved to accept the new pay scale, effective December 1, 2018 for salary exempt positions. Non-exempt employee pay scale will go into effect July 1, 2019.

Chris Gentry seconded.

There was discussion on if any employees would have an issue with the non-exempt employees going into effect July 1, 2018. Becki Vineyard said it would not be a problem.

Votes are as follows:

Adam Sawyer (Y) Jay Martindale (Y) Chris Gentry (Y) Terry Cone (Y) John Widdowson (Y)

Motion carries.

5) Executive Director Search Update

Dave Horton provided the information on the Executive Director position including the job description and where to send resumes and cover letters. Friday, November 16, 2018 is the last

day applications will be accepted. Jason Jackson, HR director for the Governor, and his staff will review applicants and select the top to send the Brand Committee for further consideration and selection.

Change in agenda per John Widdowson

8) Technology Report/ Special Projects Manager update

Danna Schwenk gave an over view of the milestones that have been accomplished as of late. First was the administrative program for the office staff, including access to producer records, brands and website update to reflect online data base. Next step was getting all of the inspectors using the online system which has been a yearlong process. Finally, implementing registered feedlots online, which was done the week before the meeting. Sale barns are currently 90% done with development and testing. The administrative side is held back as the development side was not up to our standard, however Nebraska Interactive is onboard and fixing the issues. We will be going live with sale barns during busy season and we will not be going live unless we are sure that the inspectors are comfortable with the program and the financial reporting is correct. The first live sale barn should be during the middle of December, which sale barn has yet to be determined. From there, it will have a gradual phase in.

Next step is a client portal that allows brand users to access computer records. They will be able to do renewal, transfers, look at inspections etc. Nebraska Interactive will charge fees for these services and the Committee needs approve a pay scale for these charges. This will be addressed at the next meeting. After sale barns Nebraska Interactive will begin packing and locker inspections. From there estrays and violations.

Offline brand book will be finished by December 31, 2018 with some work arounds. This will be readdressed at a later time. Not printing the brand book saves \$60,000.

John Widdowson ask Danna Schwenk if she and Brent Hoffman had come up with any online time keeping systems. Danna has researched and found several options, she needs to get Becki Vineyard and Dave Horton to make sure we meet the requirements necessary. This could be done by the end of December, ready to implement January 1, 2019. There was discussion as to whether the app/program would require monthly or bi-weekly payroll. John Widdowson requested that the staff make a decision on which app/program to use and present it to the Committee at the December 18, 2018 meeting for approval.

Danna Schwenk requested that we purchase a support call program so we are able to quantify how much time our IT personnel are spending on specific issues as well providing a resource library if there is employee turnover. John Widdowson requested that she present it again at the December 18, 2018 meeting with more information.

John Widdowson asked Danna Schwenk that as our IT person, who is her backup should she be absent. At this point Dave Dodds is her backup as well as a trainer for the new District Supervisors even though he has not applied for the District Supervisor position. It was also determined that the Investigators, while they use the admin side of the electronic inspection program are not literate, but moving forward they will receive training on the program. Danna Schwenk stated that some of the inspectors would like a more in-depth training for things like

email and more advanced issues. There was discussion on how long it takes someone to understand the program and how difficult it is to use. There is a training in Broken Bow after the committee meeting and a training in Hyannis, NE on Thursday, November 15, 2018. Location TBD.

There was discussion on how long the electronic inspections have been in effect. Danna stated that two inspectors (Alan Cornish and Greg Deverous) were the first inspectors at the beginning of last year. All inspectors were online in July with the exception of a few that are still sending in paper inspections. Danna explained that the printers continue to be the number one support call she receives and our warranty has ran out. She and Dave Dodds have learned how to service them to help save on cost. In the case of a printer failure, paper inspections are a backup. John Widdowson asked when we set a date for all inspectors to be live and using NO paper. There was much discussion on the matter and as of January 1, 2018 paper will no longer be accepted unless there is an equipment issue.

The committee will be hiring an IT person in March 2018.

7) Nebraska Interactive Fees and Brand Committee fee review

Brent Hoffman gave a review of Nebraska Interactive for the new committee members. He explained his excitement in hearing that Beef Council had passed their audits, as this is the goal. Brent told the committee that Nebraska Interactive will be going through agile training to help develop faster in a smaller timeframe and be more flexible. They hope to implement this by January 1, 2018.

As of today there have been about 750,000 head inspected through the electronic program, over the past 8 weeks there have been 6 releases for the mobile applications, it has 14 fixes and 19 changes that have been requested. Registered feedlots are rolled out and sale barns are very close behind. In the desk top admin there have been 5 changes in the last 8 weeks. There continue to be hurdles such as wireless and connectivity. We are going through a normal progression of adoption considering.

John Widdowson explained to the new committee members that there is an excellent partnership between the Brand Committee and Nebraska Interactive, and that Nebraska Interactive absorbs all of the upfront cost and do not make any money until we make transactions.

Change in agenda per John Widdowson

12) Registered Feedlot Inspector Report- See attached

Change in agenda per John Widdowson

9) Area-District Supervisor Update

Dave Horton briefed the committee about the Area District Supervisor position. He included the job description in the committee meeting binder. There are 9 applicants and interviews will be held in Alliance Tuesday, November 20 and Wednesday, November 21. As of now 5 have confirmed the interview. Staff conducting the interviews will be Dave Horton, Becki Vineyard, the three are investigators and Danna Schwenk. There will be a written test, 25 interview

questions and a mock support phone call. This will be a strenuous interview process, if the right applicant does not present itself, the position will re-open, or applicants could be asked to move to fill in another area.

10) Ratification of personnel changes

Dave Horton three retirees that included Dewey Roberts and Wayne DeKay retirement date was September 30, 2018. Monte Bullington has resigned on September 28, 2018.

Josh Wegner is the new inspector trainee to Jerry Kennedy in Gordon, NE. Jerry Kennedy is retiring December 25, 2018.

Amanda McCarter is a new inspector trainee in Lexington, she started on October 15, 2018.

Steven Roberts has started as an inspector trainee in North Platte, October 15, 2018.

Intermittent inspector Cort Fedderson resigned due to the new electronic program. James Starr from Mullen is a new intermittent trainee, as well as Gary Riser from Brownlee.

Jay Martindale moved to ratify the personnel changes.
Terry Cone seconded.

No discussion

Votes are as follows:

John Widdowson (Y) Jay Martindale (Y) Terry Cone (Y) Chris Gentry (Y) Adam Sawyer (Y)
Motion carries.

Dave Horton asked for another Inspector to be hired in Ogallala due to the area being short staffed and surrounding inspectors helping and acquiring a substantial amount of comp time, mileage and boarding expenses. The total overtime for covering the Ogallala area is around 333 hours, total mileage is \$1670, and lodging is \$214. We are paying enough of these expenses to justify another fulltime employee.

There was further discussion on logistics of the area. Position is to be filled as soon as possible.

Terry Cone moved to hire another full time employee for the Ogallala area.
Adam Sawyer was the second.

There was further discussion regarding applicants who have used the new online application process.

Votes are as follows

Adam Sawyer (Y) Chris Gentry (Y) Jay Martindale (Y) Terry Cone (Y) John Widdowson (Y)
Motion passes.

11) Investigator Reports

Tom Hughson-See attached
CJ Fell-See attached
Brent Deibler (absent)-see attached

Change in agenda per John Widdowson

8) Legislative review, discussion and consideration of any changes and subsequent recommendations to present to appropriate member(s) of Nebraska Legislature a. Executive Director Law Enforcement Certification

John Widdowson asked the committee if it was still the committees desire to remove the law enforcement certification off of the Executive Director job description.

Terry Cone expressed his opinion to remove it. There was discussion on the cost and time that the law enforcement certification entails, as well as limiting applicants.

Letter B of the agenda (Electronic Identification Evidence of Ownership discussion) was decided to be discussed in Executive session.

Terry Cone move to go out of open session into Executive Session.
Adam Sawyer seconded.

There was no discussion.
Chris Gentry (Y) Adam Sawyer (Y) John Widdowson (Y) Terry Cone (Y) Jay Martindale (Y)
Motion carries.

Open session ended at 3:44 pm

14) Public Comment

Melody Benjamin shared that late last spring, Nebraska State Patrol stopped a truck loaded with cattle around the Kansas/Nebraska state line and made him sit for several hours. The cattle were in dire stress when they finally arrived at the destination feedlot. Because of this Nebraska Cattlemen have approached the State Patrol regarding the animal welfare issue. Since the in cent State Patrol now has a new standard operating procedure for loaded trucks. This applies to hogs too.

She also stated that there is a not a lot of movement on committees. Steve Howleren wants to be the chair of the Ag Committee and since no one typically wants the position, he will probably be selected. No one is sure who will be on the other committees as of yet. The ag committee will have less rural and conservative senators.

15) Adjournment

Terry Cone moved to adjourn
Adam Sawyer seconded
No discussion
Votes are as follows:
John Widdowson (Y) Terry Cone (Y) Jay Martindale (Y) Chris Gentry (Y) Adam Sawyer (Y)
Motions carries. Meeting adjourned at 5:36pm

