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**Board of Directors Meeting  
via Conference Call  
February 26, 2017 at 7pm**

President Bill Kluck called the meeting to order and asked for the Secretary to call the roll.

Those in attendance: President Bill Kluck, Vice-President Gary Deering, Regional Vice-President Scott Edoff, David Niemi, Chance Davis, Shawn Freeland, Randy Volmer, Bill Paulton, Mark Tubbs, Chance Anderson, Les Shaw, Matt Kammerer, Mark DeVries, Chris Harvey, David Fuoss, Larry Nelson, Rick Fox, Kenny Fox, Bob Fortune Excused: Shane Kolb

Absent: Mike Maher, T.W. Schalesky, Chuck O'Connor, Sandy Buffington, Brett Stirling, Bob Mack, Brad Bunker

Bill Kluck asked for a motion to waive the ten-day notice requirement for a board meeting. A motion was made by Gary Deering, seconded by Bill Paulton to waive the notice. Motion carried.

President Kluck asked Silvia to provide an explanation of the two proposals for funding the Animal Disease Research and Diagnostic Lab.

**#1 - Governor's Proposal** – this was first introduced as SB172 and was largely a product of the Governor's office. It's a menu of fees and assessments that would affect a wide variety of livestock industries, but would require all of the money to come from taxes on producers. Silvia has voiced concerns to legislators about this approach being too heavy-handed on the livestock industry. None of the ag groups liked this but it felt like some of them were willing to go along with it. Once the State's Budget projections came out, the Governor's office backed off on their commitment for \$5million which would have raised these fees even higher.

**#2 - Ag Groups Proposal** – Jason Frerichs, Lee Qualm and Kent Peterson helped develop this proposal as an alternative to the Governor's plan. This proposal would take that sales tax money and instead of paying it back to property taxes, use it to pay for the lab. Last year's sales tax increase created a Property Tax relief fund that largely benefitted commercial property in order to get the Retailers on board with the tax increase. Agriculture tax relief from that sales tax was \$5 million last year which results in an average \$0.18 per acre payback to agriculture. Ag's contribution to the lab would basically be to forego that small property tax refund in exchange for not having any new fees. The only ongoing fees would be specific to Pet Food (under 10lbs) to pay for ongoing expenses at the lab.

Discussion followed.

A motion was made by Mark DeVries, seconded by Chance Davis, to support the funding mechanism provided in the second proposal but continue to call for additional contribution of general fund dollars, instruct Silvia and Jeremiah to continue all efforts to find other sources of funding to lower the burden on agriculture, and to oppose the establishment of a permanent building fund. Motion carried, 10-7.

Gary Deering made a motion, seconded by Randy Volmer, to adjourn the meeting. Seeing no further business, President Bill Kluck declared the meeting adjourned.