

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held July 2, 2014 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:05 p.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair
Mr. John Schirack, Vice Chair
Mr. Al Poindexter, Board member
Ms. Deidre Berberich, Board member
Mr. Chris Flickinger, Board member
Mr. Troy Shelden, Board member

Staff in attendance was:

Ms. Franci Havemeister, Director
Ms. Elizabeth Bluemink, DNR Commissioner's office (telephone)
Ms. Lora Haralson, Administrative Officer I
Mr. Robert McFarlane, AAG, Dept. of Law
Ms. Amanda Swanson, ARLF Loan Officer
Ms. Olga Lotosh, ARLF Accountant

B. APPROVAL OF AGENDA

MOTION: Vice Chair Schirack moved to approve the agenda.

SECOND: Board member Flickinger seconded the motion.

No objections were received.

The agenda was approved.

C. PUBLIC COMMENTS/SESSION

35 members of the public attended the public session regarding Mt. McKinley Meat & Sausage (MMM&S).

- Kevin Frohling, farmer stated he does not want MMM&S to be closed.
- Alex Davis A & D Farm does not want MMM&S to be closed. He provided written comments.

- Cathy Glaser, Mat-Su 4-H livestock program does not want MMM&S closed. She provided written comments.
- Bob Schumaker (telephone), farmer stated that discussion has been held before about privatizing the facility. The industry needs a supply of meat. He does not want MMM&S closed.
- Robert Fifthum (telephone), Circle F Ranch Alaska, uses MMM&S. The managers at MMM&S provide a respectful even playing field in the State. Without MMM&S his Yak industry would not operate. He suggested the Director of Agriculture work with staff to reduce costs and increase production at the plant. He does not want MMM&S closed.
- Loni Hercimarich, Clark Pt. Farm, stated he relies on MMM&S for a safe product. He does not want MMM&S closed.
- Todd Pettit, (telephone), hay and ranch farmer does believe in eventually privatizing the facility. Does not want MMM&S shut down. The bottom line is there is a red meat market. He suggested a committee to work on privatization and stated the plant needs to more stream lined.
- Larry DeVilbiss stated he was in Juneau and more than one legislator told him they wanted to shut down MMM&S. Expressed interest of privately managing facility with the Division maintaining ownership. The plant is too small to handle all of the animals in the fall. He does not want MMM&S closed.
- Ruby Hollambaek (telephone), as a producer she stated she is in support of keeping the entities of the State open whether private or government subsidized. She does not want MMM&S to close in order to help the industry to continue to grow.
- Lee Hecimarich, from 4-H spoke about the 4-H youth activities with MMM&S. She provided written comments. She does not want MMM&S to close.
- Tom Bergey, Bergey Family Farm, stated MMM&S is training inmates in the meat industry which provides training for the State. He does not want MMM&S to close
- Jim Erickson from UAF Experiment Farm. UAF needs the USDA stamp. He does not want MMM&S to close.
- Nate Burris, Mat-Valley Meat Plant, stated MMM&S is not being managed correctly. Somebody needs to come in and analyze the operation to make it run efficiently.
- Arthur Keys (telephone) stated that HB 207 was not a good bill and it was a slap in the face of agriculture. Agriculture needs support. He does not want MMM&S to close.

- Bryce Wrigley (telephone) supports that the meat plant should be privatized or a new meat packing industry should be developed. Bryce Wrigley asked the following questions: How many animals were slaughtered last year, what are the operational costs of MMM&S and are there sewer issues with the City of Palmer. Director Havemeister stated the animals slaughtered and the operational costs are on the Division of Agriculture, website under the October 2013 year end financials and during her seven year tenure she is not aware of any sewer problems with the City of Palmer.
- Sabrina Holland was not able to attend. She does not want MMM&S to close.

The Board held a discussion.

D. MINUTES OF PRECEDING MEETINGS

May 8, 2014 Draft Meeting Minutes

MOTION: Vice Chair Schirack moved to approve the minutes of May 8, 2014.

SECOND Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

June 9, 2014 Draft Meeting Minutes

MOTION: Vice Chair Schirack moved to approve the minutes of June 9, 2014.

SECOND Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

E. CONFLICT OF INTEREST DISCLOSURES

Chair VanderWeele stated now is the time for conflict disclosures. You have the agenda outlining pending business and we will be going into executive session later to address loan requests. Does any member have a conflict to disclose relating to any business before the board?

(No conflicts were reported).

F. REPORTS/CORRESPONDENCE

Director Havemeister:

1. Division Update/Division Newsletter:

Director Havemeister will review the individuals who participated in the survey and the comments that were received today. There are multiple questions: What is the State going to do? How is the State going to privatize? She stated

we can hold all the meetings we want but if there is not anybody to take over the meat plant it will not be privatized. If someone is interested in starting a facility the State can assist.

The Board held a discussion.

Vice Chair Schirack stated today he heard from the public that there is no support of shutting it down MMM&S and he did not like HB207. His concern is the processors they don't like what is taking place, but no solution is being given. He is concerned with the age of the facility and not being able to upgrade it to be efficient.

Board member Flickinger stated that the cooler is the choke point.

Director Havemeister indicated inmate labor was an issue last fall. That has not been a problem in the past. Trained inmates at MMM&S will get a letter of recommendation from the managers at MMM&S and will have a better chance of employment.

Board member Poindexter stated that if any pressure comes from the legislature the Board will need to have a plan for MMM&S.

Board member Berberich stated that the public does not know that the funding for MMM&S comes from the Agricultural Revolving Loan Fund (ARLF) not from the State general funds.

AAG McFarlane stated that under the ARLF regulations assets under disposal can be leased.

Board member Shelden stated the Board needs a business plan to look at all the options for MMM&S.

Loan Officer Swanson:

2. Presented the ARLF Interest Rates

- Reviewed the current interest rates comparable to the ARLF rates.

(The Board had no questions).

3. Reviewed the Applications in Process

(The Board had no questions).

4. Asset Report

The July 2014 asset report was reviewed.

(The Board had no questions).

ARLF Accountant Lotosh:

5. Financial Reports

The May 2014 ARLF financials were reviewed.

AAG McFarlane:

6. Public Session Report

The public session report was presented.

For the first time in six years, there are no collections or foreclosures. He congratulated the Board and the loan officer.

Vice Chair Schirack moved to go into executive session.

G. EXECUTIVE SESSION

The Executive Session for the Aging/Delinquency report included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Deidre Berberich, Board member Chris Flickinger, Board member Troy Sheldon, Board member Al Poindexter, AAG Robert McFarlane, Director Franci Havemeister, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

H. NEW/OLD BUSINESS:

(There was no new/old business).

I. BOARD MEMBER COMMENTS:

(The Board had no comments).

J. SET NEXT MEETING & AGENDA ITEMS:

The next Board of Agriculture & Conservation meeting will be held on Tuesday, August 26, 2014 at 1:00 p.m. The Board members will tour MMM&S at 1:00 p.m. and then a BAC meeting will be held at the Division of Agriculture conference room.

K. ADJOURNMENT:

The meeting was adjourned at 3:20 p.m.