

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held March 27, 2014 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:03 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 (telephone)

Staff in attendance was:

Ms. Franci Havemeister, Director
Ms. Lora Haralson, Administrative Officer I
Mr. Robert McFarlane, AAG, Dept. of Law
Ms. Amanda Swanson, ARLF Loan Officer
Ms. Olga Lotosh, ARLF Accountant
Ms. Amy Pettit, Manager, Marketing Section
Ms. Frank Huffman, Production Manager, Mt. McKinley Meat & Sausage
Mr. Erik Johnson, Natural Resource Specialist II

B. APPROVAL OF AGENDA

The following additions were made to the agenda.

- G. Executive Session - Delta Cooperative discussion.
- H. New/Old Business – Food Modernization Act.

MOTION: Board Member Poindexter moved to approve the agenda with changes.

SECOND: Vice Chair Schirack seconded the motion.
No objections were received.
The agenda was approved as amended.

C. PUBLIC COMMENTS/SESSION

Todd Pettit, from Pitchfork Ranch on Lazy Mountain discussed goals to improve and expand meat production in Alaska.

Nate Burris, from Mat Valley Meats stated the investment required for a new meat plant is not justified because of the amount of animals we have in Alaska. Nobody will take Mt. McKinley Meat & Sausage (MMM&S) because there is no supply line of animals. The State needs to help somebody with a transition to a new plant and help the producers market their product.

The Board held a discussion regarding MMM&S.

Frank Huffman, Production Manager MMM&S:

- Stated the backlog of animals has always been a problem because everybody in Alaska wants their animals killed in the fall. In the Lower 48 animals are slaughtered 12 months a year.
- MMM&S kills four days a week and up to 20 animals a day which fills up the existing coolers.
- MMM&S plant is 30 years old and needs major repairs. The current meat plant may not be the right place to start a new plant.
- The inmate labor is staggered and MMM&S needs at least 13 inmates available to work at the meat plant.

Board member Poindexter suggested the Board and Division hold a meeting with the producers regarding the livestock industry.

Director Havemeister stated that she will research holding a meeting.

Chair VanderWeele stated the hardest part is to do a large operation with small equipment. On his farm, he has a carrot line that is small but it works. If the State can agree on a concept it can be done.

Chair VanderWeele stated MMM&S needs a stable work force.

Director Havemeister responded she has tried to do everything in her power to get steady inmate labor.

D. MINUTES OF PRECEDING MEETINGS

January 23, 2014 Draft Meeting Minutes

MOTION: Board member Flickinger moved to approve the minutes of January 23, 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?

- Director Franci Havemeister stated she will recuse herself from the Executive Session regarding the Havemeister S Loan Extension and she did not receive their loan information in her packet.

F. REPORTS/CORRESPONDENCE

Director Havemeister:

1. Division Update/Division Newsletter:
 - Presented the Director's monthly report.
 - Invasive Aquatic Quarantine was issued.
 - Met with the City of Palmer regarding the EPA assessment which was good. The City of Palmer does not have funds to purchase the property and they want to do a land transfer with the State.
 - Distributed a GMO paper from the Cooperative Extension service.

The Board held a discussion regarding the City of Palmer and the Palmer Mat-Maid purchase or land transfer.

Director Havemeister will follow up with Deputy Commissioner Fogels regarding a State land transfer.

Loan Officer Swanson:

2. Presented the ARLF Interest Rates
 - Reviewed the current interest rates comparable to the ARLF rates.
3. Reviewed the Applications in Process
(The Board had no questions).
4. Asset Report
The March 2014 asset report was reviewed.
(The Board had no questions).

Palmer Feed Mill Property ARLF Sale #09-01:

- AAG McFarlane stated the Palmer Feed Mill Property ARLF Sale #09-01 would need a new appraisal because the last appraisal was done in 2008.
- A new public Notice and new brochure would also need to be done.

MOTION: Board member Poindexter moved to get a new appraisal.

SECOND: Board member Berberich seconded.

VOTE: The motion passed without objection.

ARLF Accountant Lotosh:

5. Financial Reports

The February 2014 ARLF financials were reviewed.

(The Board had no questions).

AAG McFarlane:

6. Public Session Report

The public session report was presented.

AAG McFarlane stated the Lanser/Riddle hearing began today March 27, 2014 and he will update the Board when a ruling is issued.

MOTION: Vice Chair Schirack moved to go into Executive Session.

SECOND: Board member Flickinger seconded the motion.

VOTE: The motion passed without objection.

G. EXECUTIVE SESSION

The Executive Session for the Hawks Farm & Garden Center, Inc. – S Loan, Brost – S Loan, Longbrake C & F collateral release, Fluetsch & Dye Loan Closing Extension, Aging/Delinquency report and AAG Executive Session report included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Deidre Berberich, Board member Chris Flickinger, Board member Troy Shelden (telephone), Board member Al Poindexter, AAG Robert McFarlane, Director Franci Havemeister, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

The Executive Session for the Havemeister – S Loan Extension request included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Deidre

9. Brost Short-Term Loan Approved

MOTION: Board member Flickinger moved to approve the Wayne & Veronica Brost – S Loan as recommended by the loan officer:

1. \$100,000.00 @ 3.00% payable by an annual payment of full balance due one year from date of loan closing.
2. Secured by Deed of Trust Pt. MacKenzie Tract 27.
3. Standard Lenders Title Insurance.
4. Property Insurance with ARLF as Mortgagee & Loss Payee.

SECOND: Vice Chair Schirack seconded the motion.

VOTE: The motion passed without objection.

10. Longbrake Collateral Release Approved

MOTION: Board member Poindexter moved to approve the Longbrake – Loan Collateral Release with the following stipulations:

1. The 2005 JD 6420 Tractor and 2008 JD 2008 CTL must be sold together as a single unit.
2. The 2005 JD 6420 Tractor cannot be sold prior to the DJ 100 Baler.
3. Longbrake must pay minimum dollar amount as recommended by the loan officer proposed on his “Loan collateral values balance of loan” versus as a percentage of the sale.

SECOND: Board member Flickinger seconded the motion.

VOTE: The motion passed without objection.

11. Fluetsch & Dye Closing Extension Approved

MOTION: Vice Chair Schirack moved to approve the Mr. Fluetsch and Mrs. Dye loan closing extension for 30 days based on Mr. Fluetsch and Mrs. Dye completing most of the loan stipulations.

SECOND: Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

Alaska Farmers Delta Cooperative

MOTION: Board member Berberich moved to get a Broker's Opinion for the Alaska Farmers Delta Cooperative.

SECOND: Board member Flickinger seconded the motion.

VOTE: The motion passed without objection.

Palmer Mat-Maid Property

MOTION: Board member Berberich moved to get a new appraisal for the Palmer Mat-Maid property.

SECOND: Board member Poindexter seconded the motion.

VOTE: The motion passed without objection.

H. NEW/OLD BUSINESS:

Board member Flickinger discussed the Food Modernization Act. The Board will write a letter.

I. BOARD MEMBER COMMENTS:

The Board all commented that they would like to keep the discussion going regarding MMM&S.

J. SET NEXT MEETING & AGENDA ITEMS:

The next Board of Agriculture & Conservation meeting will be held on Thursday, May 8, 2014 at 1:00 p.m.

K. ADJOURNMENT:

MOTION: Board member Poindexter moved to adjourn the meeting

SECOND: Board member Flickinger seconded the motion.

VOTE: The motion passed without objection.

The meeting was adjourned at 5:00 p.m.