

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held January 23, 2014 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:00 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 (telephone)
Mr. Troy Shelden, Board member (telephone)

Staff in attendance was:

Ms. Franci Havemeister, Director (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 (telephone)

B. APPROVAL OF AGENDA

The following additions were made to the agenda.

- Add discussion on genetically modified (GMO) food products to section H New/Old Business.
- Add HB 249 discussion to section H New/Old Business.

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

SECOND: Board member Berberich seconded the motion.
No objections were received.
The agenda was approved as amended.

C. PUBLIC COMMENTS/SESSION

(No members of the public made comments).

D. MINUTES OF PRECEDING MEETINGS

December 19, 2013 Draft Meeting Minutes

MOTION: Board member Poindexter moved to approve the minutes of December 19, 2013.

SECOND Vice Chair Schirack 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 Aging/Delinquency report.

F. REPORTS/CORRESPONDENCE

Director Havemeister:

1. Division Update/Division Newsletter:
 - Presented the Director's monthly report.
 - Stated she will testify at the House Resources Committee in Juneau on January 24, 2014.
 - Indicated the University of Alaska Fairbanks, Cooperative Extension Service is in the process of producing a document regarding GMO food products.

Stated the following bills are being introduced during this session:

HB 201: "An Act relating to the application of non-aerial pesticides and broadcast chemicals near fish habitat or water for human consumption, and in public places."

HB 202: "An Act raising the application fee for a drawing permit for the hunting of bison to \$20; requiring the game management plan for bison in the Delta Junction Bison Range Area to include mitigation of bison damage to farm crops and farm and personal property; and authorizing the commissioner of natural resources to make grants to mitigate or prevent damage caused by bison."

- HB 215: “An Act relating to the labeling of food; relating to the misbranding of food; requiring labeling of food produced with genetic engineering; and providing for an effective date.”
- HB 224: “An Act limiting the application of neonicotinoid pesticides.”
- HB 231: “An Act eliminating the Department of Revenue’s duty to register cattle brands.”
- HB 238: “An Act relating to the municipal procurement preference for state agricultural and fisheries productions; relating to legislative oversight of that procurement preferences; and providing for an effective date.”
- HB 248: “An Act establishing May 15 each year as Think Local Day; and providing for an effective date.”
- HB 249: “An Act prohibiting the use of genetically engineered seeds or plants to produce or grow agricultural products for sale.”

Loan Officer Swanson:

2. Presented the ARLF Interest Rates & Good Borrower Credit

- Reviewed the current interest rates comparable to the ARLF rates and recommended no change in the ARLF Loan Interest Rates and 0% on the Good Borrower Credit (GBC) Rate for 2014.

MOTION: Vice Chair Schirack moved to keep the interest rates for 2014 the same and no GBC credits for 2014.

SECOND: Board member Berberich seconded the motion.

- Short term = 3.00%
- Chattel = 4.00%
- Development = 4.50%
- Irrigation = 4.50%
- Product Process = 4.50%
- Land Clearing = 4.50%
- Real Estate = 4.50%
- GBC = 0.00%

VOTE: The motion passed without objection.

3. Reviewed the Applications in Process
(The Board had no questions).

4. Asset Report

The January 2014 asset report was reviewed.
(The Board had no questions).

ARLF Accountant Lotosh:

5. Financial Reports

The December 2013 ARLF financials were reviewed.
(The Board had no questions).

AAG McFarlane:

6. Public Session Report

The public session report was presented.

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

SECOND: Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

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 (telephone), Board member Troy Shelden (telephone), Board member Al Poindexter, AAG Robert McFarlane, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson. Director Franci Havemeister did not attend this portion of the Executive Session.

The Executive Session for the Fluetsch & Dye – F loan included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Deidre Berberich, Board member Chris Flickinger (telephone), Board member Troy Shelden (telephone), Board member Al Poindexter, AAG Robert McFarlane, Director Franci Havemeister (telephone), ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson. Brad Fluetsch member of the public joined the meeting regarding the Fluetsch & Dye loan request.

PUBLIC SESSION

MOTION: Vice Chair Schirack moved to amend the agenda to add the AAG Alaska Farmer’s Cooperative discussion for the Executive Session.

SECOND: Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

G. EXECUTIVE SESSION

The Executive Session for the AAG Delta Farms Cooperation discussion included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Deidre Berberich, Board member Chris Flickinger (telephone), Board member Troy Shelden (telephone), Board member Al Poindexter, AAG Robert McFarlane, Director Franci Havemeister (telephone), ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION

7. Fluetsch & Dye Development Loan Approved

MOTION: Board member Berberich moved to approve the Bradley Fluetsch and Kathy Dye – F Loan as recommended by the loan officer:

1. \$173,775.00 @ 4.50% for 30 years payable by monthly payments beginning one month after closing.
2. Secured by First Position Deed of Trust on USS 1287 Tract B3.
3. Standard Lenders Title Insurance.
4. The agricultural use permit must be in place prior to loan disbursement.
5. The easement, or permit, necessary to access the property with clearing equipment must be in place prior to loan disbursement.
6. Proceeds of loan funds to be paid directly to the current property lien holder and vendors for farm development.

SECOND: Vice Chair Schirack seconded the motion.

VOTE: The motion passed with five yes votes and one no vote. Chair VanderWeele, Vice Chair Schirack, Board member Berberich, Board member Flickinger (telephone) and Board member Shelden (telephone) voted yes. Board member Poindexter voted no.

H. NEW/OLD BUSINESS:

The Board held a discussion regarding legislative bills regarding GMO food products.

- HB 249: “An Act prohibiting the use of genetically engineered seeds or plants to produce or grow agricultural products for sale.”
- HB 215: “An Act relating to the labeling of food; relating to the misbranding of food; requiring labeling of food produced with genetic engineering; and providing for an effective date.”

Chair VanderWeele asked if Steve Seefeldt from UAF will be discussing the GMO issue at the Produce Conference being held on February 1, 2014.

Director Havemeister will follow up with Steve Seefeldt regarding the GMO issue.

Director Havemeister stated she is meeting with Mike Paschal regarding a revised version of HB 207 and will send it to the Board when she receives it.

I. BOARD MEMBER COMMENTS:

(No comments were made).

J. SET NEXT MEETING & AGENDA ITEMS:

The next Board of Agriculture & Conservation meeting will be held on March 27, 2014 at 1:00 p.m.

K. ADJOURNMENT:

The meeting was adjourned at 3:55 p.m.