

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation was held April 6, 2007 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Rhonda Boyles called the meeting to order at 9:30 a.m.

Boardmembers present and establishing a quorum were:

Ms. Rhonda P. Boyles, Chair
Mr. Edward Kern, Vice Co-Chair
Mr. Bruce Willard, Vice Co-Chair
Mr. William E. Burton, Member (via telephone)
Mr. Carrol J. Martin, Member (via telephone)
Mr. Paul Shoen, Member
Mr. McLaren Carter, Member

Staff in attendance was:

Mr. Larry DeVilbiss, Director
Ms. Candy Easley, Loan Officer
Ms. Lora Haralson, Administrative Assistant
Mr. Ray Nix, Natural Resource Specialist
Ms. Tina Otto, AAG, Dept. of Law (via telephone)
Mr. Douglas Warner, Development Specialist
Mr. Curt Sandvik, Administrative Manager

B. APPROVAL OF AGENDA

MOTION: Boardmember Carter moved to approve the agenda.
Vice Co-Chair Kern seconded.

VOTE: The motion passed without objection.

C. APPROVAL OF MINUTES

MOTION: Boardmember Carter moved to approve the February 5, 2007 minutes. Vice-Co Chair Kern seconded.

VOTE: The motion passed without objection.

D. REPORTS/CORRESPONDENCE

Director's Report – Director Larry DeVilbiss:

1. Activity Update:
 - In addition to activities submitted in the packet, the Director:
 - stated a weekly letter will be posted on the Division of Agriculture's website; and

- reviewed the Farm Bill Draft document that was requested by John Katz, DC Governor's office; and
- stated as it stands now the Division of Agriculture will receive over \$1 million dollars from the legislature for general fund expenditures to include Division operations; the Plant Materials Center and the marketing program; and
- announced \$50,000 from the Senate for appraisals for ARLF assets: and
- reported the USDA Dairy grant was awarded to Rob Wells, Alaskan Natural Milk, for \$475,000 to bottle milk and Kyle Beus to make ice cream for \$175,000; and
- reported waiting on a determination from the Commissioner regarding Farmland of Statewide Importance; and

Asset Report & MMM&S – Asset Manager Ray Nix:

4. Reviewed the February 2007 asset report.

Marketing & AK Grown Report – Development Specialist Doug Warner:

5. Reviewed the Marketing, inspection and Alaska grown programs.

Financial Reports:

6. The financial reports were reviewed.

E. PUBLIC COMMENTS/SESSION

Craig Trytten and Kyle Beus made comments regarding the dairy industry.

EXECUTIVE SESSION

MOTION: Boardmember Carter moved to go into Executive session for matters the immediate knowledge of which would clearly have an adverse effect upon the finances of a public entity. The session will include Boardmembers and AAG Tina Otto.

Vice Co-Chair Willard seconded.

VOTE: The motion passed without objection.

E. PUBLIC SESSION RESUMED

MOTION: Vice Co-Chair Kern moved to request staff to acquire an appraisal for the Mat Maid Plant, land, building, equipment and brand/logo based on market value. To include the following timeframe:

Publish RFP: April 13, 2007

RFP Bid response due: May 14, 2007

Award made: May 21, 2007

Appraisal due: July 13, 2007

Boardmember Carter seconded.

VOTE: The motion passed without objection.

H. EXECUTIVE SESSION

MOTION: Boardmember Shoen moved to go into Executive session for matters the immediate knowledge of which would clearly have an adverse effect upon the finances of a public entity. The session will include Boardmembers, Director Larry DeVilbiss, AAG Tina Otto, Administrative Assistant Lora Haralson and Loan Officer Candy Easley.

Boardmember Willard seconded.

VOTE: The motion passed without objection.

I. PUBLIC SESSION

7. Hawks Garden, Inc. – S Loan Operating Approved

MOTION: Vice Co-Chair Kern moved to approve the S loan – Hawks, Garden, Inc. as recommended by the loan officer:

1. \$50,000 @ 5% 8 months payable by 4 payments.
2. Secured by Deed of Trust on subject property.
3. Standard Lenders Title Insurance
4. Waive Controlled Account Requirement.

Boardmember Carter seconded.

VOTE: The motion passed without objection.

8. P & M Garden Services, Inc.- S Loan Operating Approved

MOTION: Vice Co-Chair Willard moved to approve the S loan – P & M Garden Services, Inc. as recommended by the loan officer:

1. \$200,000 @ 5% 1 year.
2. Secured by Deed of Trust on Tracts, A, B, & C P&M Subdivision.
3. Lenders Title Insurance.
4. Hazard Insurance ARLF Loss Payee.
5. Waive controlled account.
6. Payoff ARLF loan #S-5416.

Boardmember Shoen seconded.

VOTE: The motion passed without objection.

9. R & B Wrigley Partnership - S Loan Operating Approved

MOTION: Boardmember Shoen moved to approve the S loan – R & B Wrigley Partnership as recommended by the loan officer:

1. \$40,000 @ 5% 1 year payable by monthly payments.
2. Secured by standard Security Agreement and UCC filing on equipment limited to 75% LTV.
3. Waive controlled account.
4. Payoff ARLF loan #S-5419

Vice Co-Chair Willard seconded.

VOTE: The motion passed without objection.

10. Butte Farms, Inc. S - Loan Operating Approved
MOTION: Boardmember Carter moved to approve the S loan – Butte Farms, Inc. as recommended by the loan officer:
1. \$95,000 @ 5% 1 year.
2. Standard Security Agreement & UCC filing secured by equipment limited to 75% LTV.
3. Waive controlled account requirement.
4. Payoff ARLF #S-5418.
Boardmember Shoen seconded.
VOTE: The motion passed without objection.

Butte Farms, Inc. C - Loan Chattel Approved
MOTION: Boardmember Carter moved to approve the C loan – Butte Farms, Inc. as recommended by the loan officer:
1. \$25,000 @ 5% 5 years payable by annual payments.
2. Standard Security Agreement & UCC filing secured by equipment limited to 75% LTV.
Boardmember Shoen seconded.
VOTE: The motion passed without objection.

11. Gold Nugget Farms, Inc. S - Loan Operating Approved
MOTION: Vice Co-Chair Kern moved to approve the S loan – Gold Nugget Farms, Inc. as recommended by the loan officer:
1. \$175,000 @ 5% 1 year.
2. Standard Security Agreement & UCC filing secured by equipment limited to 75% LTV.
3. Waive controlled account requirement.
Boardmember Carter seconded.
VOTE: The motion passed without objection.

Gold Nugget Farms, Inc. C -Loan Chattel Approved
MOTION: Vice Co-Chair Kern moved to approve the C loan – Gold Nugget Farms, Inc. as recommended by the loan officer:
1. \$25,000 @ 5% 5 years payable by annual payments.
2. Standard Security Agreement & UCC filing secured by equipment limited to 75% LTV.
Boardmember Carter Seconded.
VOTE: The motion passed without objection.

J. UNFINISHED BUSINESS
(No unfinished business.)

K. PUBLIC SESSION
(No public session was held.)

L. BOARDMEMBERS COMMENTS

(No comments were made.)

M. OTHER MATTERS OR CORRESPONDENCE

(No other matters or correspondence.)

N. SET NEXT MEETING & AGENDA ITEMS

- The next BAC meeting will be scheduled in the next 30 days and noticed after a quorum can be established.

O. ADJOURNMENT

The meeting was adjourned at 3:10 p.m.