

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held June 27, 2008 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Kristan Cole called the meeting to order at 6:15 p.m.

Boardmembers present and establishing a quorum were:

Ms. Kristan Cole, Chair
Mr. Ben VanderWeele, Vice Chair
Mr. John Schirack, Boardmember
Ms. Ruby Hollembaek, Boardmember
Mr. Al Poindexter, Boardmember
Mr. Omar Stratman, Boardmember

Absent Boardmember: Mr. Ralph Carney

Staff in attendance was:

Ms. Franci Havemeister, Director
Ms. Lora Haralson, Administrative Assistant
Mr. Kevin Saxby, AAG, Dept. of Law
Mr. Ray Nix, Natural Resource Specialist
Mr. Jim Griffin, State Auditor, Legislative Affairs

B. APPROVAL OF AGENDA

Chair Cole stated to amend the agenda to:

- Add under G. Country of Origin Labeling (COOL)
- Add under F. Mat Su Farm Bureau

MOTION: Boardmember Poindexter moved to approve the agenda as amended.

Boardmember Schirack seconded.

VOTE: The motion passed without objection.

C. PUBLIC COMMENTS/SESSION

Kyle Beus updated the Board on the status of the Matanuska Creamery. He indicated the first batch of ice cream was produced today. Three Bears and Fred Meyer now carry their milk in the valley. They have an account with Kaladi Brothers they use between 200 to 250 gallons of milk per day. Wal-Mart, Target and Safeway were at the plant to make applications. They passed their IMS last week, so they can sell to the military. 150 to 250 more cows are needed for the volume asked for production.

D. MINUTES OF PRECEDING MEETING

MOTION: Boardmember Schirack moved to approve the minutes of April 22, 2008.

Vice Chair VanderWeele seconded.

VOTE: The motion passed without objection.

E. REPORTS/CORRESPONDENCE

1. Division Update

Director Franci Havemeister:

- Presented an update regarding Division activities.
- Stated 6 agricultural parcels of new farm land were sold in Delta Junction and 65 bids were received for the parcels.
- HB 330 was signed, which established a Weed Coordinator to be located at the Plant Materials Center (PMC). This position will help with controlling invasive weeds.
- Stated the Division was successful in getting the potato funding and general fund funding in the amount of \$500,000 for the PMC. This was a one time increment and funding for FY10 funding will have to be requested.
- Stated a PMC Advisory meeting was held on June 12th to assist with the PMC.

Boardmember Questions/Comments for Director:

- Boardmember Hollembaek asked about the size of land and number of acres that were sold in Delta Junction.
- Boardmember Poindexter stated coordination between the UAF and PMC regarding the potato program would be good.
- Vice Chair VanderWeele stated he had concerns regarding the GIP & GAP program federal regulations and Division inspectors. Wonders if we need a third party needed to be brought in to certify their produce to be able to sell to Fred Meyer and Carrs.

2. Asset Report

Asset Manager Ray Nix:

- Gave a verbal update on the assets.
- Reviewed the history of the Mt. McKinley Meat & Sausage (MMM&S) Plant.
- Reviewed the ARLF Real and Personal Property Inventory Report.

3. Disposal of ARLF Assets Report & Recommendation.

Asset Manager Ray Nix:

- Reviewed the background and disposal options for the Mat Maid Dairy facility in Anchorage.

The Board held a discussion.

Asset Manager Nix stated timing of the Anchorage property disposal has significant importance due to the high maintenance and management costs associated with the property. A proposed timeline for the Anchorage property disposal is as follows:

07/15/2008	Public Notice
07/21/2008	Brochure Issued
08/21/2008	Deadline for Submission of Bids (1 PM)
08/21/2008	Notice of Award to Purchase
10/20/2008	Deadline for Closing

MOTION: Boardmember Hollembaek moved to authorize the Director or designee to dispose of the ARLF real property located at 814 W. Northern Lights Boulevard, Anchorage, Alaska by Competitive Sealed Bid with a minimum acceptable bid of \$1,500,000.00.

Subject to:

Cash Only Sale (No ARLF Financing)
\$100,000 Bid Deposit
OTC Offering in the event no responsive bid is received.
Closing requirements in 60 days of notice of award to purchase

Boardmember Schirack seconded the motion

The Board held a discussion.

VOTE: The motion passed with 3 yes votes and 2 no votes. Boardmember Hollembaek, Boardmember Schirack and Boardmember Poindexter voted yes. Vice Chair VanderWeele and Boardmember Stratman voted no.

4. Financial Services

Chair Cole asked if any of the delinquent loans have been made current. Director Havemeister replied that there were no updates so she is assuming they have not been made current.

F. EXECUTIVE SESSION

The Board moved to go into the Executive session for matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of a public entity. Items that will be discussed are an ARLF loan request. The session will include Chair Kristan Cole, Vice Chair Ben VanderWeele, Boardmember John Schirack, Boardmember Ruby Hollembaek, Boardmember Omar Stratman, Boardmember Al Poindexter, Director Franci Havemeister, Asset Manager, Ray Nix, Legislative Auditor Jim Griffin, AAG Kevin Saxby and Administrative Assistant Lora Haralson.

