

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held February 23, 2017 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:12 p.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair

Mr. John Schirack, Vice Chair

Mr. Chris Flickinger, Board member (telephone)

Ms. Deidre Berberich, Board member

Mr. Troy Shelden, Board member (telephone)

Mr. Jason Smith, Board member (telephone) joined the meeting at 1:20

Board member absent: Ms. Roxy Marcy

Staff in attendance was:

Mr. Arthur Keyes, Director

Ms. Brianne Blackburn, Natural Resource Manager II

Ms. Elizabeth Bluemink, Special Assistant, DNR (telephone)

Ms. Lora Haralson, Administrative Officer I

Ms. Joan Wilson, AAG, Dept. of Law

Ms. Amanda Swanson, ARLF Loan Officer

Ms. Olga Lotosh, ARLF Accountant

Public in attendance were:

Todd Pettit (telephone)

John Anderson (telephone)

B. APPROVAL OF AGENDA

MOTION: Board member Flickinger moved to approve the agenda.

SECOND: Board member Berberich seconded the motion.

No objections were received.

The agenda was approved.

C. PUBLIC COMMENTS/SESSION

Todd Pettit stated he had read the Director's Report and was very impressed with the Division of Agriculture and their accomplishments.

John Anderson asked about the letter from the BAC Chairman that was in the minutes from December 9, 2016 meeting and stated he wanted a copy of the letter. He stated it will now take three months for the environmental process regarding Mt. McKinley Meat & Sausage and now we have to wait another month until the snow melts. If it was such an emergency why is there a wait? He asked why it has taken so long for the FY16 financial year end documents to be distributed. He also stated that the BAC Board, Mr. Chairman and his son-in-law need to be held more accountable.

AAG Wilson responded to John Anderson, stating that he had filed and has received a response to the public records request and he has the documentation of the executed closing of sale documents which speaks for itself.

Chair VanderWeele stated the BAC's main concern was to keep the slaughter facility open and they have achieved that.

Vice Chair Schirack responded to John Anderson, stating that his comments were inappropriate and if he wants to reference the Director he should say Director Keyes and not Ben's son-in-law.

D. MINUTES OF PRECEDING MEETINGS

December 1, 2016 Draft Meeting Minutes

MOTION: Vice Chair Schirack moved to approve the minutes of December 1, 2016.

SECOND Board member Flickinger seconded the motion.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Shelden (telephone) voted yes, Vice Chair Schirack voted yes and Board member Smith (telephone) voted yes.

December 9, 2016 Draft Meeting Minutes

MOTION: Board member Flickinger moved to approve the minutes of December 9, 2016.

SECOND Board member Berberich seconded the motion.

Comment: Board member Flickinger stated the letter that John Anderson had asked about that would be formulated and signed by the Board Chair is what was in the December 9, 2016 meeting.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Shelden (telephone) voted yes, Vice Chair Schirack voted yes and Board member Smith (telephone) voted yes.

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 disclosures were stated).

F. REPORTS/CORRESPONDENCE

Director's Report

Director Keyes:

- Stated the Governors Alaska Grown dinner was successful and a good event.
- Mt. McKinley Meat & Sausage has been sold and is moving forward with the environmental assessment from Ralph Hulbert.
- Today is Brianne Blackburn, Natural Resource Manager II last day at the Division of Agriculture.

Chair VanderWeele asked about the Agricultural Inspector working on GIP & GAP plans and if we have a person here that is going to do that.

Director Keyes stated Robert McCall was recently hired as the Agricultural Inspector to work on GIP & GAP however, he slipped on the ice and broke his leg and ankle and is recovering.

Board member Shelden asked that the BAC members be contacted to see if they would like to be on the list serve.

MMM&S Discussion

AAG Wilson stated the environmental assessment will not be complete until a visual can be conducted and it is hard to do that with all the snow. The parties agree that it is still well within the 90- day due diligence time. The agreement was executed quickly because of the emergency of the plant closing its doors on June 30, 2017 and now we are in the process of closing the deal.

Loan Officer Swanson indicated the majority of the assessment from Ralph Hulbert can be completed in March and as soon as he can get a visual inspection the visual inspection could be done that day.

AAG Wilson stated the agreement was signed on January 23, 2017 and 90 days would be around April 23, 2017.

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 2017.

MOTION: Vice Chair Schirack moved to keep the interest rates for 2017 the same and no GBC credits for 2017.

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%

Comment: Board member Shelden asked if we can re-visit the interest rate review in the future.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Shelden (telephone) voted yes, Vice Chair Schirack voted yes and Board member Smith (telephone) voted yes.

3. Applications in Process

The applications in process were presented.

4. Asset Report

The February 2017 asset report was reviewed.

4. Umnak Slaughter Facility Lease Review

The lease discussion will be held in the Executive Session

ARLF Accountant Lotosh:

5. January 2017 Financial Reports

The January 2017 financial reports were reviewed.

6. FY16 Year End Reports

The FY16 year -end financial reports were reviewed.

AAG Wilson:

7. 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 Hawks Farm & Garden – S Loan, Williams – S Loan, Umnak Island Slaughter House Review and the ARLF Aging Report/Delinquency Report included Chair Ben VanderWeele, Vice Chair Schirack, Chris Flickinger (telephone), Board member Troy Shelden (telephone), Board member Deidre Berberich, Board member Jason Smith (telephone), AAG Joan Wilson, Director Arthur Keyes, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION

8. Hawks Farm & Garden Short-Term Loan Approved

MOTION: Board member Berberich moved to approve the Hawks Farm & Garden Center, Inc. – S loan as recommended by the loan officer:

1. \$60,000.00 @ 3.00% payable by four monthly payments beginning July 1, 2017 and continuing August 1, 2017, September 1st, 2017 and October 1st, 2017.
2. Secured by Deed of Trust on subject property.
3. Standard Lenders Title Insurance.
4. Property insurance with ARLF as mortgagee & loss payee.

SECOND: Board member Shelden seconded the motion.

ROLL CALL

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Shelden (telephone) voted yes, Vice Chair Schirack voted yes and Board member Smith (telephone) voted yes.

9. Williams

Short-term Loan

Approved

MOTION: Board member Shelden moved to approve the Thomas E. Williams – S Loan as recommended by the loan officer:

1. \$70,000.00 @ 3.00% for one-year term payable by quarterly payments beginning September 1st, 2017, November 1st, 2017, January 1st 2018 and March 1st, 2018.
2. Secured by Deed of Trust
3. Standard Lenders Title Insurance.
4. Property insurance with ARLF as mortgagee & loss payee.

SECOND: Board member Berberich seconded the motion.

ROLL CALL

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Shelden (telephone) voted yes, Vice Chair Schirack voted yes and Board member Smith (telephone) voted yes.

10. Unmak Island Slaughter House Review

MOTION: Vice Chair Schirack moved to keep the lease rate as is.

SECOND: Board member Flickinger seconded the motion.

VOTE: The motion passed with five yes votes. Board member Flickinger (telephone) voted yes, Board member Berberich voted yes, Board member Shelden (telephone) voted yes, Vice Chair Schirack voted yes and Board member Smith (telephone) voted yes.

H. NEW/OLD BUSINESS

(There was no new/old business).

I. BOARD MEMBER COMMENTS:

Board member Flickinger stated he was listening to a speech from Governor Walker who was referencing an Agriculture Board and he doesn't know what he meant.

Loan Officer Swanson had a meeting with FSA regarding a new EZ guarantee loan program with a limit of \$100,000.00.

J. SET NEXT MEETING & AGENDA ITEMS:

The next meeting will be held on Thursday, March 23, 2017 at 1:00

K. ADJOURNMENT: The meeting was adjourned at 3:05 p.m.