

**A. ESTABLISHMENT OF QUORUM AND ROLL CALL**

The regular meeting of the Board of Agriculture & Conservation (BAC) was held July 14, 2016 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 8:07 a.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair  
Mr. John Schirack, Vice Chair  
Mr. Troy Shelden, Board member  
Ms. Deidre Berberich, Board member  
Mr. Chris Flickinger, Board member (telephone)

Board members absent were:

Ms. Roxy Marcy, Board member  
Mr. Jason Smith, Board member

Staff in attendance was:

Mr. Arthur J. Keyes IV, Director  
Mr. Ed Fogels, DNR Deputy Commissioner (telephone)  
Ms. Elizabeth Bluemink, DNR Special Assistant  
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)

Public in attendance were:

Rean Brooks  
Kristi Brooks  
Todd Pettit (telephone)  
Amy Seitz (telephone)  
Franci Havemeister (telephone)  
Scott Mugrage (telephone)

**B. APPROVAL OF AGENDA**

**MOTION** Board member Berberich moved to approve the agenda

**SECOND:** Vice Chair Schirack seconded the motion.

No objections were received.

The agenda was approved

### **C. PUBLIC COMMENTS/SESSION**

Rean Brooks stated he is not a felon as the newspaper article in the Frontiersman said, he was charged, he was tried, and not convicted. His attorney is dealing with the newspaper article. He submitted his RFP as a non-profit which are subject to be audited at any time. He has sent product to China and the meat market is a growing industry in Alaska. He came to Alaska for a better life for his family and the opportunities in Alaska for agriculture.

John Anderson – written comments:

To the Board of Agriculture and Conservation,

I ask you first and foremost to take your time before making a decision today on MMMS. In fact, I ask you to wait a few months before either accepting or denying the proposal of Mr. Brooks and his Inlet Processing Co Inc bid. I would ask for you to help Mr. Brooks speak directly to producers to explain why he is the best man for the job and why we won't end up in the same place with the State owning MMMS once again in the future if he defaults. Back at the December 4<sup>th</sup> meeting Mr. Brooks told you all how he wanted to build his own plant one day and sell to China that was going to be his big market. Now 6 months later he wants you to believe this is all for a nonprofit betterment of the state proposal. At another BAC meeting Mr. Brooks talked all about how many cattle he had out on feed over in Point Mac. He made all these claims of how many steers he would be slaughtering and bringing over to MMM&S but you have the slaughter numbers from MMM&S and you can see no significant increase of animals. There clearly is a history here and I would encourage you to seek all the facts so that you can make the best decision for MMMS and the Agriculture community in general. Please defer a decision if at all legally possible.

Sabrieta Holland – verbal comments from phone call to the Division:

The BAC is the place to discuss agriculture not the media. What the public needs to know is that hard working families are doing agriculture and not from a desk. She is working in agriculture in Alaska and the families should be helped and not run through the mud. The media should be held accountable for hurting agriculture they are not helping.

### **D. MINUTES OF PRECEDING MEETINGS**

Board of Agriculture & Conservation Draft minutes June 2, 2016.

- MOTION:** Vice Chair Schirack moved to approve the minutes of June 2, 2016.
- 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?

*(There were no conflict of interest disclosures).*

## **F. REPORTS/CORRESPONDENCE**

### **Director Keyes:**

#### 1. Elections of Chair

**MOTION:** Board member Shelden moved to reappoint Ben VanderWeele as Chair.

**SECOND:** Board member Flickinger seconded the motion.

#### Elections of Vice Chair

**MOTION:** Board member Berberich moved to reappoint John Schirack as Vice Chair.

**SECOND:** Board member Shelden seconded the motion.

Board member Flickinger moved to close the elections.

**VOTE:** The motion passed without objection

### **Director Report:**

#### Director Keyes:

- Stated a hiring waiver has been submitted to the Chief of Staff for approval to hire the vacant lead position for the Marketing section.
- Governor Walker has been and will be attending various agriculture events instead of having a Governor's picnic.
- The Plant Materials Center has been busy with reclamation projects.
- The Division is almost complete with the reorganization.
- A phytosanitary inspector has been hired and will begin on August 1<sup>st</sup>.

Chair VanderWeele stated the Division needs to take an aggressive role in marking local Alaska Grown with Fred Meyer and Carrs- Safeway. He asked Director Keyes to fix the problem.

### **Newsletter:**

*(The board had no questions).*

**Loan Officer Swanson:**

3. Presented the ARLF Interest Rates

Reviewed the current interest rates comparable to the ARLF rates.  
(The Board had no questions).

4. Reviewed the Applications in Process

(The Board had no questions).

5. Asset Report

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

**ARLF Accountant Lotosh:**

6. Financial Reports

The ARLF May 2016 financials were reviewed.  
(The Board had no questions).

**AAG McFarlane:**

7. Public Session Report

The public session report was presented.

- Stated the Mat Maid property contract with Ralph Hulbert at Alaska Chem Engineering for the environmental issue will hopefully be done at by the end of August. If the Matanuska Brewery has their financing in order the property can close as early as September.

Board member Shelden moved to go into Executive Session.  
Vice Chair Schirack seconded the motion.

**G. EXECUTIVE SESSION**

The Executive Session for the Wrigley Farms – S and F Loans, Jones – S and C Loans, Mugrage partial collateral release, RFP MMM&S and the AAG/Delinquency Report included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Deidre Berberich, Board member Chris Flickinger (telephone) Board member Troy Shelden, DNR Deputy Commissioner Ed Fogels (telephone), DNR Special Assistant Elizabeth Bluemink, AAG Robert McFarlane, Director Arthur J. Keyes IV, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

**PUBLIC SESSION**

**8.     Wrigley                                     Short-Term Loan                                     Denied**

**MOTION:** Board member Shelden moved to deny the Wrigley - short-term loan due to needing more information regarding the debt service coverage.

**SECOND:** Board member Flickinger seconded the motion.

**VOTE:** The motion passed without objection.

**Wrigley                                     Development Loan                                     Denied**

**MOTION:** Board member Shelden moved to deny the Wrigley - development loan due to needing more information regarding the debt service coverage.

**SECOND:** Board member Flickinger seconded the motion.

**VOTE:** The motion passed without objection.

**9.     Jones                                     Short-Term Loan                                     Denied**

**MOTION:** Board member Shelden moved to deny the Jones – short-term loan due to insufficient collateral, limited experience and the questionable market.

**SECOND:** Vice Chair Schirack seconded the motion.

**VOTE:** The motion passed without objection.

**Jones                                     Chattel Loan                                     Denied**

**MOTION:** Board member Shelden moved to deny the Jones – chattel loan due to insufficient collateral, limited experience and the questionable market.

**SECOND:** Vice Chair Schirack seconded the motion.

**VOTE:** The motion passed without objection.

**11.   Mugrage                                     Partial Collateral Release                                     Approved**

**MOTION:** Board member Berberich moved to approve the partial collateral release as stated from the loan officer with the proceeds to go towards paying their ARLF loan.

**SECOND:** Vice Chair Schirack seconded the motion.

**VOTE:** The motion passed without objection.

**12. RFP – Mt. McKinley Meat & Sausage**  
Inlet Processing Company, Inc.

**MOTION:** Board member Berberich moved to post decision pending additional information.

**SECOND:** Vice Chair Schirack seconded the motion.

**VOTE:** The motion passed without objection.

**H. NEW/OLD BUSINESS:**  
*(There was no new/old business).*

**I. BOARD MEMBER COMMENTS:**  
*(There were no board member comments).*

**J. SET NEXT MEETING & AGENDA ITEMS:**  
The next meeting will be held on Wednesday, August 17, 2016 at 8:00 a.m.

**K. ADJOURNMENT:**  
The meeting was adjourned 10:38 a.m.