

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held July 16, 2015 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. Chris Flickinger, Board member (telephone)
Ms. Deidre Berberich, Board member
Mr. Al Poindexter, Board member
Mr. Troy Shelden, Board member (telephone)

Absent: Ms. Roxy Marcy, Board member

Staff in attendance was:

Ms. Franci Havemeister, Director
Ms. Elizabeth Bluemink, DNR, Special Assistant (telephone)
Ms. Lora Haralson, Administrative Officer I
Mr. Robert McFarlane, AAG, Dept. of Law
Ms. Amanda Swanson, ARLF Loan Officer
Mr. Erik Johnson, Natural Resource Specialist II

Public in attendance was:

Ms. Katie Sunderland, Alaska Rural Rehabilitation Corp. (ARRC)
Mr. Todd Pettit, Alaska Farm Bureau Representative
Ms. Amy Seitz, Alaska Farm Bureau Representative (telephone)
Mr. Nate Burris, Mat-Valley Meats
Ms. Zaz Hollander, Alaska Dispatch News
Mr. Scott Mugrage, Delta Junction producer

B. APPROVAL OF AGENDA

MOTION Vice Chair Schirack 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 and Amy Seitz (telephone) representing the Alaska Farm Bureau Red Meat committee discussed the Mt. McKinley Meat & Sausage: Transition Assessment Project Proposal from the Niche Meat Processor firm dated July 2, 2015.

Scott Mugrage discussed the importance of the meat plant and how it is probably more cost effective to leave at the current location.

A discussion was held.

MOTION: Board member Poindexter moved to accept the Niche Meat Processor proposal.

SECOND: Board member Flickinger seconded the motion.

VOTE: The motion passed without objection.

D. MINUTES OF PRECEDING MEETINGS

June 10, 2015 Draft Meeting Minutes

MOTION: Board member Poindexter moved to approve the minutes of June 10, 2015.

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?

(No disclosures were stated).

F. REPORTS/CORRESPONDENCE

Director Havemeister:

1. Elections of Chair and Vice Chair

MOTION: Board member Flickinger moved to reappoint Ben VanderWeele as Chair and John Schirack as Vice Chair.

SECOND Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

2. Division Update:

- Stated the Division of Agriculture and the Plant Materials Center (PMC) will hold an open house at the PMC on July 28th from 3:00-6:00.
- Stated the Division is recruiting for a Development Specialist II manager position and a Development Specialist I position that will perform phytosanitary services.

Loan Officer Swanson:

3. Asset Report

The July 2015 asset report was reviewed.

MOTION: Board member Poindexter moved to reduce the price for the 4614 Tanana Loop Ext. Delta Junction Property Disposal from \$400,000.00 to \$345,000.00 offering financing at 5% down to qualified applicants and extending the realtor listing for an additional four months from date of expiration.

SECOND Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

AAG McFarlane:

5. Public Session Report

The public session report was presented.

- Financial records and the sale regarding the Alaska Farmer's Cooperative will be discussed in executive session.

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

SECOND: Board member Shelden seconded the motion.

VOTE: The motion passed without objection.

G. EXECUTIVE SESSION

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

PUBLIC SESSION
Alaska Farmers' Cooperative

- MOTION:** Board member Shelden moved that the Hanson Road and Richardson Highway properties be sold to Alaska Farmer's Cooperative, Inc. for the sum of \$90,000.00 on the following terms:
1. The co-op must continue to operate exclusively as a co-op for the purpose of providing agriculture products and services to the agriculture community for a period of 25 years until January 1, 2040. No other non-agricultural use of the property will be allowed;
 2. If the co-op sells either property prior to the expiration of 25 years it must pay the ARLF 4% of the profit for each year the property is sold prior to the 25 year expiration period;
 3. The co-op must agree to allow the ARLF to record declarations of covenants as security for the promise to operate as a co-op for 25 years;
 4. The sale is contingent upon satisfactory completion of the public notice requirements of 11 AAC 39.720 and any other legal requirements;
 5. The board has determined the sale of this property will not have a "significant effect" on the agricultural industry and therefore no public hearing is required and
 6. The board will also transfer all of its preferred shares of stock to the co-op in exchange for a written agreement requiring the co-op to be responsible for all past and future maintenance expenses of the property and the structures on the property, and all past and future environmental contamination if any.

SECOND: Board member Berberich seconded the motion.

VOTE: The motion passed without objection

H. NEW/OLD BUSINESS:

Director Havemeister asked Board member Shelden, Board member Berberich and Board member Flickinger if they want to be re-appointed due to their terms expiring in September 2015. Board member Poindexter position expired on September 2013 and he indicated he would stay until the Boards and Commissions finds a replacement.

I. BOARD MEMBER COMMENTS:

Director Havemeister stated she and Loan Officer Swanson will begin the process of updating the ARLF regulations.

J. SET NEXT MEETING & AGENDA ITEMS:

The next meeting will be determined at a later date.

K. ADJOURNMENT:

The meeting was adjourned at 2:47 p.m.

DRAFT