

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held June 10, 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
Ms. Deidre Berberich, Board member
Mr. Al Poindexter, Board member
Mr. Troy Shelden, Board member (telephone)
Ms. Roxy Marcy, Board member (telephone)

Staff in attendance was:

Ms. Franci Havemeister, Director
Ms. Courtney Sanborn, DNR, Legislative Liaison
Ms. Lora Haralson, Administrative Officer I
Mr. Robert McFarlane, AAG, Dept. of Law
Ms. Amanda Swanson, ARLF Loan Officer
Ms. Olga Lotosh, ARLF Accountant
Mr. Erik Johnson, Natural Resource Specialist II

Director Havemeister introduced Courtney Sanborn, DNR Legislative Liaison.

Public in attendance was:

Mr. Matthew Beck, Mat-Su Borough
Mr. Brad Sworts, Mat-Su Borough
Ms. Katie Sunderland, Alaska Rural Rehabilitation Corp. (ARRC)
Mr. Todd Pettit, Alaska Farm Bureau Representative
Mr. Nate Burris, Mat-Valley Meats
Mr. Brian Johnson
Mr. Wayne Brost
Mrs. Veronica Brost

B. APPROVAL OF AGENDA

Add Red Meat Discussion under H New and Old Business and move item H before the Executive Session.

MOTION Board member Berberich moved to approve the agenda as amended.

SECOND: Board member Flickinger seconded the motion.
No objections were received.
The agenda was approved as amended.

C. PUBLIC COMMENTS/SESSION

Mathew Beck, Mat-Su Borough Assembly stated an Agriculture Advisory Committee is being formed. If interested or if you know of anyone interested they can apply on the Mat-Su Borough website.

Brad Sworts, Mat-Su Borough Planning Department presented Port MacKenzie Rail Extension maps. He stated a management plan will soon be developed regarding the extension.

Wayne Brost, Pt. MacKenzie farmer stated the purchase of the farms at Pt. MacKenzie were not done in public and had concerns regarding the farms that were purchased.

Katie Sunderland, Manager ARRC introduced herself as the new Manager.

D. MINUTES OF PRECEDING MEETINGS

April 23, 2015 Draft Meeting Minutes

MOTION: Vice Chair Schirack moved to approve the minutes of April 23, 2015.

SECOND Board member Flickinger 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. Division Update/Division Newsletter:

- Stated after 30 years of service Douglas Warner has retired and Curtis Knight from the Fairbanks Office has resigned, but has agreed to come back to assist with the timber export phytosanitary program as a short-term, non-perm.
- Stated based on the budget as of June 10, 2015 the programs and positions that are funded with General Funds (GF) will cease. Programs and positions that will be retained are from non GF which are the Agricultural Revolving Loan Fund, Mt. McKinley Meat & Sausage and the Land Program. Two GF staff would be retained for the Plant Material Center to take care of the plants.

Loan Officer Swanson:

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

3. Reviewed the Applications in Process
(The Board had no questions).

4. Asset Report
The June 2015 asset report was reviewed.
(The Board had no questions).

ARLF Accountant Lotosh:

5. Financial Reports
The ARLF financials were reviewed.
(The Board had no questions).

AAG McFarlane:

6. Public Session Report
The public session report was presented.

Stated the Matanuska-Susitna Borough has filed a lawsuit seeking to condemn agricultural covenants on ten parcels of land located in the Point MacKenzie Agricultural District so the parcels can be used for the Point MacKenzie Rail Extension Project. He will be following the lawsuit and will keep the Board informed.

H. NEW/OLD BUSINESS:

Red meat discussion:

Todd Pettit, from the Alaska Farm Bureau Red Meat Committee stated Mt. McKinley Meat & Sausage (MMM&S) needs to stay open because of the USDA stamp. The Alaska Farm Bureau is requesting to work with the Board of Agriculture & Conservation (BAC) and the Division of Agriculture for a third party consultant such as Niche Meat Processors to provide a report on how to make the meat plant viable.

MOTION: Board member Flickinger moved to accept the Farm Bureau recommendation to have a third party consultant.

SECOND: Board member Poindexter seconded.

AMENDED

MOTION: Board Member Poindexter stated that a scope of work including timeframes needs to be provided to the BAC and the Division from the Farm Bureau before they agree to have a third party consulting firm have access to MMM&S.

AMENDED

SECOND: Board member Flickinger seconded the amended motion.

ROLL CALL

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

A discussion was held.

Board member Flickinger will represent the BAC on the Alaska Farm Bureau Red Meat committee. Their next meeting is scheduled for June 18, 2015.

Vice Chair Schirack moved to go into Executive Session.

G. EXECUTIVE SESSION

The Executive Session for the Alaska Farmers Coop, Inc., Boydston F Loan, Wrigley Farms LLC S Loan, Payne F Loan and the Aging/Delinquency report included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Chris Flickinger, Board member Al Poindexter, Board member Troy Shelden (telephone), Board member Roxy Marcy (telephone), AAG Robert McFarlane, Director Franci Havemeister, DNR Legislative Liaison Courtney Sanborn, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION

7. Boydston Development Loan Declined

MOTION: Board member Flickinger moved to decline the Mark Boydston – F loan due to insufficient collateral.

SECOND: Board member Berberich seconded the motion.

ROLL CALL

VOTE: The motion passed with six yes votes to decline. Vice Chair Schirack, Board member Flickinger, Board member Berberich, Board member Poindexter, Board member Shelden (telephone) and Board member Marcy (telephone) voted yes.

8. Wrigley Farms, LLC Short-term Loan Approved

MOTION: Board member Berberich moved to approve the Wrigley Farms, LLC – S Loan as recommended by the Loan Officer:

1. S-\$40,000.00 @ 3.00% one year payable by monthly payments beginning July 15, 2015.
2. Security agreement & UCC financing statement on equipment provided as collateral.
3. Personal guarantee from Bryce Wrigley, Member & Manager.
4. Personal guarantee from Jan Wrigley, Member
5. Property Insurance with ARLF as Loss Payee.
6. Provide updated pictures of collateral.

SECOND: Board member Shelden seconded the motion.

ROLL CALL

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

9. Payne

Development Loan

Declined

MOTION: Board member Poindexter moved to decline the Johnny & Michelle Payne F Loan due to high debt to income ratio, outstanding collections, and poor pay history with other creditors.

SECOND: Board member Flickinger seconded the motion.

ROLL CALL

VOTE: The motion passed with six yes votes to decline. Vice Chair Schirack, Board member Flickinger, Board member Berberich, Board member Poindexter, Board member Shelden (telephone) and Board member Marcy (telephone) voted yes.

Alaska Farmers' Cooperative

MOTION: Board member Berberich moved to counter offer the Alaska Farmers' Cooperative - \$90,000 for both parcels with the following terms:

1. Must operate as a co-op for 28 years. Based on the balance of the existing lease, including 25 year extension.
2. The Agricultural Revolving Loan Fund will have Right of First Refusal.
3. Minimum of 5% down.
4. Financing available at 4.50%. for a 30 year loan term.
5. Any sale of property owned by the Agricultural Revolving Loan Fund is subject to public notice as required by 11 AAC 39.730.

SECOND: Vice Chair Schirack seconded.

ROLL CALL

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

I. BOARD MEMBER COMMENTS:

Vice Chair Schirack stated he is optimistic regarding the Alaska Farm Bureau's interest in helping MMM&S

Board member Poindexter stated the Board needs to know what the Alaska Farm Bureau wants to do with MMM&S.

Board member Flickinger stated the Alaska Farm Bureau has the financial backing for the consultant firm and the Alaska Farm Bureau might want to purchase the MMM&S but he was not sure.

Director Havemeister stated the purpose of consulting firm is to look at the viability of privatization for MMM&S, not for addressing the current operations.

Chair VanderWeele stated that potato sales have been very slow this year and grocery stores are importing potatoes instead of buying local product.

Chair VanderWeele stated that the public has no idea what agriculture does. He asked what we can do to market the Division. He stated we should start a public relations campaign to defend the Division, social media is powerful and along the same lines, Senators are talking on the radio not knowing the facts. We need to defend our agriculture industry.

J. SET NEXT MEETING & AGENDA ITEMS:

The next meeting will be scheduled at a later date.

K. ADJOURNMENT: The meeting was adjourned at 3:44 p.m.