

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held November 12, 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)
Mr. Al Poindexter, Board member
Ms. Roxy Marcy, Board member (telephone)
Ms. Deidre Berberich, Board member
Mr. Troy Shelden, Board member (telephone)

Staff in attendance was:

Mr. Ed Fogels, Deputy Commissioner, DNR (telephone)
Ms. Franci Havemeister, Director
Ms. Lora Haralson, Administrative Officer I
Mr. Robert McFarlane, AAG, Dept. of Law (telephone)
Ms. Amanda Swanson, ARLF Loan Officer

Public in attendance were:

Mr. Don Brainard, Alaska Farmers Union
Ms. Zaz Hollander, Alaska Dispatch (telephone)
Mr. Todd Pettit (telephone)
Ms. Janet Otto (telephone)
Ms. Tiana Thomas (telephone)

B. APPROVAL OF AGENDA

MOTION Vice Chair Schirack moved to approve the agenda.

SECOND: Board member Poindexter seconded the motion.

No objections were received.

The agenda was approved.

C. PUBLIC COMMENTS/SESSION

Don Brainard representing the Alaska Farmers Union stated the Alaska Farmers Union adopted two resolutions. One in support of Mt. McKinley Meat & Sausage (MMM&S) and the other resolution was for the Seed Potato Program at the Plant Materials Center. The resolutions will be sent to the Governor, Lt. Governor and Legislators.

Deputy Commissioner Fogels stated he has been having discussions with the Department of Corrections (DOC) regarding having a meat plant built at Pt. MacKenzie.

Todd Pettit asked who would approve the sale of MMM&S the legislature or the Board of Agriculture & Conservation (BAC)?

Deputy Commissioner Fogels stated MMM&S is an asset of the BAC and the BAC would need to approve the sale of MMM&S.

Janet Otto asked who Deputy Commissioner Fogels was having conversations with regarding MMM&S.

Deputy Commissioner Fogels stated he has conversations with DOC regarding a path forward. Deputy Commissioner Fogels said that he wants to ensure that there is a USDA meat plant in Southcentral Alaska.

Janet Otto asked why the State doesn't have \$100,000 now but the State can come up with money to move the MMM&S?

Deputy Commissioner Fogels stated a plan that does not need State subsidy at Pt. MacKenzie would be the goal. It would be possible to have the legislature look at a plan. MMM&S has used inmate labor for many years and there are times where we have success with inmate labor and times when inmate labor is not fully available.

Janet Otto stated that the turnover with DOC inmates is what holds the plant back from running at full capacity. Why would they want to move it to Pt. MacKenzie?

Vice Chair Schirack asked what legislators are supporting moving the plant.

Deputy Commissioner Fogels said Representative Neuman supports moving the plant to Pt. MacKenzie.

Board member Shelden stated the agriculture community needs to rise up and submit phone calls and letters in support of MMM&S. The BAC and the Division of Agriculture can't do it on our own. Everyone needs to show support for MMM&S.

D. MINUTES OF PRECEDING MEETINGS

September 9, 2015 Draft Meeting Minutes

MOTION: Board member Poindexter moved to approve the minutes of September 9, 2015.

SECOND Vice Chair Schirack 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:

- Director Havemeister stated her last day with the Division of Agriculture will be December 4, 2015. She understands that Scott Musgrave will be presenting a report on MMM&S to the Alaska Farm Bureau on Saturday, November 14, 2015.

Director for the Division of Agriculture:

- Deputy Commissioner Fogels stated the Governor has asked for a change in leadership for the Division of Agriculture. Director Havemeister has done an excellent job and it has been an honor to serve with her. By law it is the Board's responsibility to choose a new Director and submit two or more names to the DNR Commissioner. Beyond the statutory requirement the Board has a lot of latitude of how to come up with that list. The Board will decide on how to move forward with the process and he suggested not to rush the recruitment process. Someone will be appointed as Acting Director if no appointment has been made by December 4th

- Board member Shelden asked what is the timeline for the list?
- Board member Poindexter asked what prompted the Governor to make the change? What are the expectations from the Governor or DNR Commissioner that was not being fulfilled with the current Director? Will the new Director be able to collaborate with other Departments?
- Deputy Commissioner Fogels stated the Governor has the right to replace positions. The Board needs to focus on who should be on that list. The new Director should have good leadership and good knowledge of the industry and the ability to maintain the excellent team that Director Havemeister has built.

Loan Officer Swanson:

3. Asset Report

The November 2015 asset report was reviewed.

The offer for 4614 Tanana Loop Ext. Delta Junction will be discussed in Executive Session.

AAG McFarlane:

4. Public Session Report

The public session report was presented.

- AAG McFarlane stated the Alaska Farmers Cooperative wants to make a minor change to the documents that were provided.

MOTION: Board member Poindexter moved to go into Executive Session.

SECOND: Vice Chair Schirack seconded the motion.

VOTE: The motion passed without objection.

G. EXECUTIVE SESSION

The Executive Session for the Fluetsch & Dye Promissory note modification, 4614 Tanana Loop Ext. Delta Junction and the ARLF Delinquency Report included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Chris Flickinger (telephone), Board member Shelden (telephone), Board member Berberich, Board member Al Poindexter, Board member Roxy Marcy (telephone), AAG Robert McFarlane (telephone), Director Franci Havemeister, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION

6. Fluetsch & Dye

Modification

Approve

MOTION: Board member Berberich moved to approve the Fluetsch and Dye promissory note modification as recommended by the loan officer to re-amortize their payments based on withdraws from their loan.

SECOND: Board member Marcy seconded the motion.

VOTE: The motion passed without objection.

4614 Tanana Loop Ext. Delta Junction Counter Offer

MOTION: Board member Berberich moved that the Board reviewed the asset report update and the letter from the prospective buyer and declined the offer and did not make a counter offer. Also, the board supports the decision of the Director to decline the previous offer made on the property.

SECOND: Vice Chair Schirack seconded the motion.

VOTE: The motion passed without objection.

Solicitation of Interest for the Position of Director:

Chair VanderWeele reviewed the following timeframe for the solicitation of the Director:

- November 16, 2015 – position opens – letters of intent and resumes are due on December 4, 2015 by 3:00 p.m.

H. NEW/OLD BUSINESS

Board member Flickinger – Grazing Lease discussion.

Board member Flickinger stated Mining Land & Water wants the Dorman grazing lease since Mr. Dorman passed away. Board member Flickinger asked if the Board could write a letter to Mining Land & Water to keep the lease for grazing.

I. BOARD MEMBER COMMENTS:

Board member Shelden stated the report that was provided by the Farm Bureau regarding MMM&S was disappointing and it provided little direction for MMM&S to proceed and had no solutions. He stated a meat plant at Pt. MacKenzie would be a state disaster and take years and years to establish.

J. SET NEXT MEETING & AGENDA ITEMS:

The next meeting will be scheduled on December 4, 2015 at 1:00 p.m.

K. ADJOURNMENT: The meeting was adjourned at 4:50 p.m.

DRAFT