

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held February 18, 2016 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 (absent)
Mr. Chris Flickinger, Board member (telephone)
Ms. Deidre Berberich, Board member
Mr. Troy Shelden, Board member (telephone)
Ms. Roxy Marcy, Board member (telephone)
Mr. Jason Smith, Board member

Staff in attendance was:

Mr. Arthur Keyes, Director
Ms. Elizabeth Bluemink, Special Assistant, DNR
Mr. Rob Carter, Agronomist III
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:

Amy Pettit, Farmland Trust
Todd Pettit, Denali Meat Company
Nate Burris, Denali Meat Company
Ernie Diamond, Denali Meat Company
Scott Mugrage, Denali Meat Company (telephone)
Robert Gibson, Alaska Farm Bureau (telephone)
John Anderson, (telephone)

B. APPROVAL OF AGENDA

MOTION: Board member Berberich moved to accept the agenda.

SECOND: Board member Flickinger seconded the motion.

No objections were received.

The agenda was approved.

C. PUBLIC COMMENTS/SESSION

Elizabeth Bluemink, Special Assistant DNR stated she was representing Deputy Commissioner Fogels who could not attend the meeting because he was in Juneau. She stated at the House Finance Subcommittee regarding Mt. McKinley Meat & Sausage (MMM&S) the subcommittee will recommend one time funding increment (OTI) for FY17.

Red Meat Committee:

Scott Mugrage, Denali Meat Company presented the list of contingents for the Board to review to be included in a Request for Proposal (RFP) for MMM&S. He also stated that he respects the managers of MMM&S but the managers of the plant are spreading rumors. He asked the Director to contact them.

Robert Gibson, Alaska Farm Bureau said he was contacted by someone else to take over the plant.

Ernie Diamond, Denali Meat Company read the mission statement of the company and their plan to take over the plant that was distributed to the Board.

Nate Burris, Denali Meat Company stated they are in negotiations with other people and making plans for the plant and the company would like to compete in an open bidding process.

Todd Pettit, Denali Meat Company stated they would like to take over the plant on July 1, 2016. They would like the RFP to move as soon as possible. They asked to attend Executive Session.

D. MINUTES OF PRECEDING MEETINGS

January 7, 2016 Draft Meeting Minutes

MOTION: Board member Berberich moved to approve the minutes of January 7, 2016.

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, Board member Marcy (telephone) voted yes and Board member Smith voted yes.

January 14, 2016 Draft Meeting Minutes

MOTION: Board member Flickinger moved to approve the minutes of January 14, 2016.

SECOND Board member Marcy 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, Board member Marcy (telephone) voted yes and Board member Smith 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 Update/Division Newsletter:

1. Division Update/Division Newsletter:

- Arthur Keyes introduced himself as the new Director of Agriculture.

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 2016.

MOTION: Board member Flickinger moved to keep the interest rates for 2016 the same and no GBC credits for 2016.

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%

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, Board member Marcy (telephone) voted yes and Board member Smith voted yes.

3. Asset Report

The February 2016 asset report was reviewed.

ARLF Accountant Lotosh:

4. January 2016 Financial Reports

The January 2016 financial reports were reviewed.

AAG McFarlane:

5. Public Session Report

The public session report was presented.

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

SECOND: Board member Smith seconded the motion.

VOTE: The motion passed without objection.

G. EXECUTIVE SESSION

The Executive Session for Bates – Contract Financing, Hawks – S Loan and the ARLF Aging Report/Delinquency Report included Chair Ben VanderWeele, Board member Chris Flickinger (telephone), Board member Troy Shelden (telephone), Board member Deidre Berberich, Board member Roxy Marcy (telephone), Board member Jason Smith, AAG Robert McFarlane, DNR Special Assistant Elizabeth Bluemink, Director Arthur Keyes, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION

AAG McFarlane stated that before the Executive Session started he talked to the Denali Meat Company and after the discussion they withdrew their request to attend the Executive Session. No Executive Session was held on this issue.

6. Bates

Contract Financing

Approved

- MOTION:** Board member Shelden moved to approve the Tangy and Matthew Bates – Contract Financing as recommended by the loan officer:
1. \$275,000.00 @ 4.50% payable by monthly payments beginning April 20, 2016 for 30 years.
 2. Secured by First Position Deed of Trust on subject property.
 3. 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, Board member Marcy (telephone) voted yes and Board member Smith voted yes.

7. Hawks 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, 2016 and continuing August 1, 2016, September 1, 2016 and October 1, 2016.
 2. Standard Lenders Title Insurance.
 3. Secured by 2nd Deed of Trust on subject property.
 4. Property insurance with ARLF as mortgagee & loss payee.

SECOND: Board member Marcy 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, Board member Marcy (telephone) voted yes and Board member Smith voted yes.

H. NEW/OLD BUSINESS

Administrative Officer Haralson will notice and post the meeting for Mt. McKinley Meat & Sausage public hearing.

I. BOARD MEMBER COMMENTS:

(There were no board member comments).

J. SET NEXT MEETING & AGENDA ITEMS:

The next meeting will be held on Thursday, March 31, 2016 at 1:00 p.m.

K. ADJOURNMENT: The meeting was adjourned at 3:30 p.m.