

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held August 24, 2011 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.

Boardmembers present and establishing a quorum were:

Mr. Ben VanderWeele, Chair
Mr. John Schirack, Vice Chair
Mr. Al Poindexter, Boardmember
Mr. Stuart Davies, Boardmember
Ms. Deidre Berberich, Boardmember
Mr. Chris Flickinger, Boardmember (telephone)
Mr. Troy Shelden, Boardmember

Staff in attendance was:

Ms. Franci Havemeister, Director
Ms. Lora Haralson, Administrative Assistant
Mr. Robert McFarlane, AAG, Dept. of Law
Ms. Olga Lotosh, ARLF Accountant (telephone)
Mr. Erik Johnson, Natural Resource Specialist
Mr. Judy Bockmon, AAG, Dept. of Law

B. APPROVAL OF AGENDA

AMENDED AGENDA:

Executive Session: Add personnel issues

MOTION: Boardmember Davies moved to approve the agenda as amended.

SECOND: Boardmember Berberich seconded the motion.

No objections were received.

The agenda was approved as amended.

C. PUBLIC COMMENTS/SESSION

(There were no public comments).

E. MINUTES OF PRECEDING MEETING

June 22, 2011

MOTION: Boardmember Davies moved to approve the minutes of June 22, 2011.

SECOND: Boardmember Poindexter seconded the motion.

VOTE: The motion passed without objection.

August 4, 2011

MOTION: Boardmember Davies moved to approve the minutes of August 4, 2011.

SECOND: Boardmember Poindexter seconded the motion.

VOTE: The motion passed without objection.

F. REPORTS/CORRESPONDENCE

1. Ethics Overview – AAG Bockmon:

(The Board had no questions).

2. Division Update/Division Newsletter – Director Franci Havemeister:

Reported late blight in Delta Junction has been reported. Initial tests came back positive and the division is investigating the matter.

3. Financial Services Olga Lotosh (telephone):

- Reviewed the July 2011 financials.

Boardmember Davies stated he wanted monthly reports produced for Mt. McKinley Meat and Sausage (MMM&S).

Accountant Lotosh explained it was year end and that report was not available. However, she will draft a preliminary report for the next meeting.

4. ARLF Interest Rate Comparison – Loan Officer Easley:

(The Board had no questions).

5. ARLF Applications in Process – Loan Officer Easley:

(The Board had no questions).

6. Boyd Subdivision Request – Natural Resource Specialist Johnson:

Director Havemeister presented the Boyd subdivision request on behalf of NRS Johnson. She stated that agriculture covenants were attached to the property by a previous ARLF Board. She stated the property meets the agriculture covenants and has a current State Farm Conservation plan.

MOTION: Boardmember Poindexter moved approval of the Boyd subdivision request.

SECOND: Boardmember Flickinger seconded the motion.

VOTE: The motion passed with 6 yes votes and 1 no vote. Chair VanderWeele, Vice Chair Schirack, Boardmember Poindexter, Boardmember Flickinger, Boardmember Shelden and Boardmember Berberich voted yes. Boardmember Davies voted no.

EXECUTIVE SESSION PUBLIC REQUESTS:

- Chair VanderWeele stated Jean and Ty Havemeister asked to speak in Executive Session regarding their loans.
- Chair VanderWeele stated Wayne Brost asked to speak in Executive Session regarding his loan.
- Chair VanderWeele stated Karen Olson asked to speak in Executive Session regarding the Valley Dairy Request.
- AAG McFarlane stated that Director Havemeister will not participate in the Havemeister loan and she will recuse herself from the Executive Session.

F. EXECUTIVE SESSION

MOTION: Boardmember Poindexter moved to go into Executive Session to Discuss loans for the ARLF Aging/Delinquency report, AAG Report, loans for Havemeister, Meurer, Brost, Roshuar, personnel issues and the Valley Dairy Request.

SECOND: Boardmember Berberich seconded the motion.

No objections were received.

The Executive Session for the ARLF Aging/Delinquency Report and AAG Report included Chair Ben VanderWeele, Vice Chair John Schirack, Boardmember Al Poindexter, Boardmember Stuart Davies, Boardmember Deidre Berberich, Boardmember Chris Flickinger, Boardmember Troy Shelden, Director Franci Havemeister, AAG Robert McFarlane and Administrative Assistant Lora Haralson.

Director Havemeister recused herself from Executive Session and left the room. The Executive Session for the Havemeister – S & F loans included Chair Ben VanderWeele, Vice Chair John Schirack, Boardmember Al Poindexter, Boardmember Stuart Davies, Boardmember Deidre Berberich, Boardmember Chris Flickinger, Boardmember Troy Shelden, AAG Robert McFarlane and Administrative Assistant Lora Haralson. Members of the public who attended were Jean Havemeister in person and Ty Havemeister (telephone).

The Executive Session for the Meurer – F loan included Chair Ben VanderWeele, Vice Chair John Schirack, Boardmember Al Poindexter, Boardmember Stuart Davies, Boardmember Deidre Berberich, Boardmember Chris Flickinger, Boardmember Troy Shelden, Director Franci Havemeister, AAG Robert McFarlane and Administrative Assistant Lora Haralson.

The Executive Session for the Brost – C loan included Chair Ben VanderWeele, Vice Chair John Schirack, Boardmember Al Poindexter, Boardmember Stuart Davies, Boardmember Deidre Berberich, Boardmember Chris Flickinger, Boardmember Troy Shelden, Director Franci Havemeister, AAG Robert McFarlane and Administrative Assistant Lora Haralson. Members of the public who attended were Wayne Brost.

The Executive Session for the Roushar – C loan included Chair Ben VanderWeele, Vice Chair John Schirack, Boardmember Al Poindexter, Boardmember Stuart Davies, Boardmember Deidre Berberich, Boardmember Chris Flickinger, Boardmember Troy Shelden, Director Franci Havemeister, AAG Robert McFarlane and Administrative Assistant Lora Haralson.

The Executive Session for the Valley Dairy request included Chair Ben VanderWeele, Vice Chair John Schirack, Boardmember Al Poindexter, Boardmember Stuart Davies, Boardmember Deidre Berberich, Boardmember Chris Flickinger, Boardmember Troy Shelden, Director Franci Havemeister, AAG Robert McFarlane and Administrative Assistant Lora Haralson. Members of the public who attended were Karen Olson, Matanuska Creamery; Eric Downey, AMEP and David Weatherholt, Weatherholt & Associates, LLC.

PUBLIC SESSION ACTION ITEMS

- | 9. <u>Havemeister</u> | <u>Short-Term</u> | <u>Approved</u> |
|------------------------------|---|------------------------|
| MOTION: | Boardmember Davies moved to approve the Bob A. & Jean M. Havemeister – S loan: | |
| | 1. \$100,000 @ 3.00% 1 year annual payment after the first withdraw. | |
| | 2. Secured by standard Security Agreement & UCC filing on farm equipment maximum 75% LTV. | |
| | 3. No controlled account required. | |
| SECOND: | Boardmember Flickinger seconded the motion. | |
| VOTE: | The motion passed without objection. | |

9. Havemeister Development Approved

MOTION: Boardmember Davies moved to approve the Bob A. & Jean M. Havemeister – F loan:
1. \$400,000 @ 4.50% 30 years payable by semi annual payments beginning 1 year from closing.
2. Secured by 1st Deed of Trust D2 80 Acre Dairy Home Farm
3. Standard Lenders Title Insurance
4. Property Insurance with ARLF as Mortgagee & Loss Payee
5. No controlled account required.

SECOND: Boardmember Shelden seconded the motion.

VOTE: The motion passed without objection.

10. Meurer Development Declined

MOTION: Boardmember Poindexter moved to approve the Stephen C. & Mathea E. Meurer – F loan as recommended by the loan officer:
1. \$164,800 @ 4.50% 30 years payable by monthly payments.
2. Secured by 1st Deed of Trust on Subject Farm Property.
3. Standard Lenders Title Insurance.
4. Property Insurance with ARLF as Mortgagee & Loss Payee.

SECOND: Boardmember Davies seconded the motion.

VOTE: The motion was declined by a vote of 4 no votes and 3 yes votes. Chair VanderWeele , Vice Chair Schirack, Boardmember Davies and Boardmember Berberich voted no. Boardmember Flickinger, Boardmember Poindexter and Boardmember Shelden voted yes.

REASON: 1. Not actively involved in farming.
2. No farm income documented in loan documents.

11. Brost Chattel Approved

MOTION: Boardmember Davies moved to approve the Wayne J. & Veronica P. Brost – C loan as recommended by the loan office and to add UCC filing to include serial #:
1. \$18,000 @ 4.00% - 5 years payable by monthly payments.
2. Secured by standard Security Agreement & UCC filing on subject New Holland Delta T6030 Tractor & 840TL Loader.
3. USDA FSA Subordination Brost Blanket Equipment Lien for subject equipment.
4. UCC filing to include serial #.

SECOND: Boardmember Poindexter seconded the motion.

VOTE: The motion passed without objection.

- 12. Roushar Chattel Declined**
MOTION: Boardmember Poindexter moved to approve the Steven F. & Carrie E. Roushar – C loan as recommended by the loan officer:
1. \$20,000 @ 4.00% - 7 years payable by monthly payments.
2. Secured by standard Security Agreement & UCC filing on subject equipment.
3. Sign & Date Corrected Financial Statement.
SECOND: Vice Chair Schirack seconded the motion.
VOTE: The motion was declined by a vote of 6 no votes and 1 yes vote. Chair VanderWeele, Vice Chair Schirack, Boardmember Davies, Boardmember Berberich, Boardmember Flickinger and Boardmember Shelden voted no. Boardmember Poindexter voted yes.
REASON: 1. No farm income.
2. No active farming.
3. Request was for reimbursement.

13. Valley Dairy Request: No application was attached no action taken.

Personnel Issue added to agenda in Executive Session:

- MOTION:** Vice Chair Schirack moved to withdraw the personnel issue.
SECOND: Boardmember Berberich seconded the motion.
VOTE: The motion passed without objection.

G. NEW/OLD BUSINESS:

Boardmember Davies: ARLF budget discussion – MMM&S funding:
This issued was tabled and will be discussed at the next BAC meeting.

H. BOARDMEMBER COMMENTS:

(The Board had no comments).

I. SET NEXT MEETING & AGENDA ITEMS

The next scheduled meeting will be held on October 3, 2011 at 1:00 p.m.

J. ADJOURNMENT:

The meeting was adjourned at 5:10 p.m.