

**A. ESTABLISHMENT OF QUORUM AND ROLL CALL**

The regular teleconference meeting of the Board of Agriculture & Conservation (BAC) was held August 6, 2009 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Kristan Cole called the meeting to order at 4:30 p.m.

Boardmembers present and establishing a quorum were:

- Ms. Kristan Cole, Chair (telephone)
- Mr. Ben VanderWeele, Boardmember
- Mr. Al Poindexter, Boardmember (telephone)
- Mr. Stuart Davies, Boardmember (telephone)
- Dr. Anthony (Tony) Nakazawa, Boardmember (telephone)
- Mr. Omar Stratman, Boardmember (telephone)

Staff in attendance was:

- Ms. Franci Havemeister, Director
- Ms. Lora Haralson, Administrative Assistant
- Ms. Candy Easley, Loan Officer
- Mr. Ray Nix, Asset Manager
- Mr. Robert McFarlane, AAG, Dept. of Law

**B. APPROVAL OF AGENDA**

Chair Cole amended the agenda to:

- Add Boardmember VanderWeele to G. New/Old Business regarding purchasing Alaska Grown vegetables.

**MOTION:** Boardmember VanderWeele moved to approve the agenda as amended.

Boardmember Nakazawa seconded.

No objections were received.

**The agenda was approved as amended.**

**C. PUBLIC COMMENTS/SESSION**

*(No public was in attendance for comments).*

**D. MINUTES OF PRECEDING MEETING**

**MOTION:** Boardmember VanderWeele moved to approve the minutes of July 9, 2009.

Boardmember Stratman seconded.

No objections were received.

**The minutes were approved.**

## **E. REPORTS/CORRESPONDENCE**

### 1. Division Update/Division Newsletter

*(The Board has no questions).*

#### MMM&S Committee Update

Director Franci Havemeister:

- Stated she and Vice Chair Schirack have met twice with Department of Corrections (DOC) Commissioner Schmidt.
- Requested DOC to eliminate and Reimbursable Services Agreement (RSA) of \$35,000 for inmate transportation cost.
- Requested DOC to cover half of the \$300,000 (\$150,000) personnel services expense.
- Stated she is hopeful that DOC will put in an \$185,000 RSA operating request.
- Stated to help eliminate costs, the Board might consider purchasing an inventory tracking system, but it will cost funds to implement this system.

Chair Cole:

- If an inventory tracking system was purchased, how much would it cost and what benefit would it have?

Asset Manager Nix:

- It could cost \$50,000 and it would provide dollar value of the cost of inventory.

Boardmember Davies:

- Asked if there have been problems with the inmates?

Director Havemeister:

- Stated that during her tenure there has only been one instance. The inmates have not posed a problem.

Chair Cole:

- Will contact Commissioner Schmidt and give the Board an update at the next meeting.

Boardmember VanderWeele:

- Recommended a Board resolution regarding MMM&S to give to DOC that the Board feels that DOC should be financially responsible for the inmates at MMM&S

Chair Cole:

- Stated a resolution will be worked on.
- She will contact Commissioner Schmidt and try to get him to commit to the funding.

## 2. Asset Report

Asset Manager Ray Nix:

- Stated the Anchor Point property sale is closed and has been recorded.

## ARLF Real Property 513 South Valley Way Palmer, AK

Asset Manager Ray Nix:

- The Palmer property sale has been noticed and brochures are available.
- Stated he had sent the City of Palmer an email regarding the disposal and no formal response has been received.

## 3. Financial Reports

Chair Cole:

- Asked about status of loans on the June 30, 2009 aging report.

Loan Officer Easley:

- Reviewed the aging report process and stated that financial services provides 30-60-90 day late letters to the applicants with provided copies assigned to the loan officer for collection work. If after 90 days there isn't something in the works to bring the loan current, a delinquency report is submitted to the Board with a recommendation. Usually by the time you receive it we have exhausted all avenues and need you to approve assigning it to the AGO for collection action.
- By regulation, delinquencies over 90 days are public information.
- The aging report will be discussed in Executive Session.

## 4. ARLF Applications in Process

Chair Cole:

- Asked about any additional applications pending.

Loan Officer Easley:

- Stated she is working on one currently that 30 days or more should be ready for the Board.

## 5. AAG Report

AAG McFarlane:

- Reviewed the AAG report.

## **G. NEW/OLD BUSINESS**

Boardmember VanderWeele:

- Stated he had received an email from another vegetable producer who is having trouble selling Alaska produce to DOC.
- He stated that this has been an ongoing problem for years and asked for recommendations for improving the situation.

Director Havemeister:

- Stated the Division's recommendation would be that it comes down from the top and any State purchase needs to go through the Alaska 7% preference.
- The Division does not have the manpower to review every purchase that is done.
- She did make contact with DOC and asked if they were utilizing the 7% preference and has not heard back.
- Representative Stoltz called and was upset about the same email and called the Governor's office and DNR Commissioner's office.
- The Division does not have statutory authority to enforce the issue. Unless it is addressed in statute, we can't mandate the purchase.

Boardmember VanderWeele:

- Stated he has an excellent relationship with the larger grocery chains.
- The wholesalers and especially DOC is where we have these problems every year.

Chair Cole:

- Will discuss this issue with DOC Commissioner Schmidt.

Director Havemeister:

- Stated will work on the issue to see if we can get some support from up the chain to mandate the 7% Alaska preference?

Boardmember Nakazawa:

- If they complied with the preference right, how much does it affect the Alaska grower's sales?

Boardmember VanderWeele:

- Boardmember VanderWeele stated it would affect the sales a lot; however, he has not sold to DOC.
- He contacted the Mat-Su School District to see if they would purchase Alaska Grown vegetables. The response he received was if it is processed, cut, washed and ready to serve they would consider purchasing it.

Chair Cole:

- Stated the Division can put pressure on the Borough Manager and the School Board and discuss the issue with Linda Menard.

Boardmember Davies:

- Stoney Wright from PMC has produced a revegetation manual that has helped with the seed sales.
- The school issue is statewide and an ongoing educational issue with state and local agencies.

Chair Cole:

- Stated she would be glad to assist.

## **F. EXECUTIVE SESSION**

Chair Cole stated the Executive Session was held to consider (2) loan applications and the ARLF aging report.

The Executive Session included Chair Kristan Cole, Boardmember Ben VanderWeele, Boardmember Al Poindexter, Boardmember Omar Stratman, Boardmember Tony Nakazawa, Boardmember Davies, Director Franci Havemeister, AAG Robert McFarlane, Asset Manager Ray Nix and Administrative Assistant Lora Haralson.

## **PUBLIC SESSION ACTION ITEMS**

6. East Development Loan Approved  
**MOTION:** Boardmember VanderWeele moved to approve the Michael W. & Dulce (Ben) East - F loan as recommended by the loan officer:  
1. \$135,000 @ 4.50% for 30 years payable by monthly payments.  
2. Secured by the 1<sup>st</sup> Deed of Trust Talkeetna purchase property.  
3. Secured by the 2<sup>nd</sup> Deed of Trust Wasilla Residence.  
4. Standard Lenders Title Insurance.  
5. Property Insurance w/ARLF as Mortgagee and Loss Payee.  
Boardmember Nakazawa seconded.

### **ROLL CALL**

**VOTE:** The motion passed without objection. Boardmember VanderWeele voted yes, Boardmember Poindexter voted yes, Boardmember Stratman voted yes and Boardmember Davies voted yes.

7. Amberg Development Loan Approved  
**MOTION:** Boardmember VanderWeele moved to approve the William J. Amberg – F loan as recommended by the loan officer:  
1. \$130,000 @ 4.50% for 30 years payable by monthly payments.  
2. Secured by the 1<sup>st</sup> Deed of Trust Parcel 9 Tonsina North Ag project.  
3. Standard Lenders Title Insurance.  
4. Payoff State ADL #228790.  
Boardmember Stratman seconded.

