

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held April 23, 2015 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 9:00 a.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. Troy Shelden, Board member (telephone) joined the meeting at 9:00 a.m. and had to leave meeting at 10:10 a.m.

Ms. Roxy Marcy, Board member (telephone)

Mr. Al Poindexter, Board member (absent)

Staff in attendance was:

Ms. Franci Havemeister, Director

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)

Mr. Erik Johnson, Natural Resource Specialist II

Ms. Barbara Hanson, Agriculture Inspector, DNR

Ms. Amy Pettit, Manager, Marketing Section, DNR

Ms. Shalome Cederberg, Board & Commissions

Public in attendance was:

Mr. Wayne Brost

Mrs. Veronica Brost

Mr. Tom Williams

Mr. Vern Stockwell

Ms. Carol Kenley

Mr. Arthur Keyes (telephone)

B. APPROVAL OF AGENDA

Add to the agenda under New Business a Food Safety Modernization Act (FSMA) power point to be held at 10:30 a.m.

Add to the agenda under Board Member Comments Farm Bureau discussion from Board member Flickinger

MOTION Vice Chair Schirack moved to approve the agenda.
SECOND: Board member Berberich seconded the motion.
No objections were received.
The agenda was approved as amended.

C. PUBLIC COMMENTS/SESSION

Wayne Brost stated he is not happy with the railroad buy outs from the Mat-Su Borough for some of the Pt. McKenzie farms. He received a letter from the Division of Agriculture to update his State Farm Conservation Plan. He has been applying for a deferral of taxes from the Mat-Su Borough on his agriculture land.

Tom Williams stated the Mat-Su Borough has not bought any of his land for the railroad. He was informed from the land owners who sold to the Mat-Su Borough that they could not disclose the purchase price because they were sworn to secrecy.

D. MINUTES OF PRECEDING MEETINGS

February 26, 2015 Draft Meeting Minutes

MOTION: Board member Flickinger moved to approve the minutes of February 16, 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:
Stated May 5, 2015 is Alaska Agriculture Day.

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 April 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.

AAG McFarlane stated the land purchases from the Mat-Su Borough for the railroad should be a public record. He stated that if he was able to obtain that information he would provide it to the Division of Agriculture, and the Division could provide it to anyone who is interested.

AAG McFarlane stated there would be a discussion of marketing and legal issues relating to the possible sale of real property currently being leased to the Alaska Farmer's Co-op. This discussion would be held in executive session.

Vice Chair Schirack moved to go into Executive Session.

G. EXECUTIVE SESSION

The Executive Session for the Brost – S Loan and F Loan Modification, Williams – S Loan and S Loan Modification, AAG McFarlane Executive Session report and the Aging/Delinquency report included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Chris Flickinger, Board member Troy Sheldon (telephone), Board member Roxy Marcy (telephone), AAG Robert McFarlane, Director Franci Havemeister, ARLF Loan Officer Amanda Swanson and

Administrative Officer Lora Haralson. Wayne and Veronica Brost members of the public attended Executive Session for discussion of their loans only.

Board member Shelden left the meeting at 10:10 a.m.

In order to establish a quorum Chair VanderWeele voted on the following motions.

PUBLIC SESSION

7. Brost Short-Term Loan Approved

MOTION: Board member Berberich moved to approve the Wayne & Veronica Brost - S loan as listed below:

1. \$100,000.00 @ 3.00% payable by an annual payment of full balance due one year from date of loan closing.
2. Secured by UCC Financing Statement on Equipment.
3. Property insurance with ARLF as Loss Payee.

SECOND: Board member Marcy seconded the motion.

ROLL CALL

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

7. Brost Loan Modification Approved

MOTION: Board member Berberich moved to approve the Wayne & Veronica Brost - F-Loan modification as listed below:

1. Re-amortized monthly payments on current loan balance due beginning May 15, 2015 and continuing monthly thereafter until paid in full on or before April 15, 2017.
2. Secured by Deed of Trust Pt. MacKenzie Tract 27.
3. Standard Lenders Title Insurance.
4. Property Insurance with ARLF as Mortgagee and Loss Payee.

GOOD

CAUSE: This loan modification is approved due to good cause, modifying the loan to lower payments and decrease term will decrease the borrower's monthly debt to income ratio and enable the borrower to pay the note off quicker.

SECOND: Board member Flickinger seconded the motion.

ROLL CALL

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

8. Williams Loan Extension Approved

MOTION: Vice Chair Schirack moved to approve the Thomas E. Williams – S-Loan Extension as recommended by the loan officer:

1. S-5471 Loan Extension @ 3.00% payable by final payment of full balance due on May 1, 2016.
2. Secured by Deed of Trust.
3. Standard Lenders Title Insurance.
4. Property Insurance with ARLF as Mortgagee and Loss Payee.

GOOD

CAUSE: This loan extension is approved due to good cause based on unforeseen events which ultimately resulted in a loss in hay production, farm income, and non-farm income thus negatively impacting the borrower’s ability to repay the note at the time it is currently due.

SECOND: Board member Flickinger seconded the motion.

ROLL CALL

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

8. Williams Short-Term Loan Approved

MOTION: Vice Chair Schirack moved to approve the Thomas E. Williams – S Loan as recommended by the loan officer:

1. \$60,000.00 @ 3.00% for a one year term payable by quarterly payments beginning October, 2015.
2. Secured by Deed of Trust.
3. Standard Lenders Title Insurance.
4. 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. Chair VanderWeele, Vice Chair Schirack, Board member Flickinger, Board member Berberich and Board member Marcy (telephone) voted yes.

H. NEW/OLD BUSINESS:

A power point regarding FSMA was presented by Barbara Hanson, Agriculture Inspector from the Division of Agriculture.

A discussion was held.

I. BOARD MEMBER COMMENTS:

Board member Flickinger stated the State Farm Bureau created a Red Meat Committee. The Red Meat Committee has had discussions regarding the closing of Mt. McKinley Meat & Sausage Plant. Board member Flickinger asked if a discussion with the Red Meat Committee could be added as an agenda item for the next meeting.

Vice Chair Schirack stated there is dialogue in the Legislature trying to get a meat plant built at Pt. McKenzie?

Vice Chair Schirack asked the AAG McFarlane to obtain information regarding what land has been purchased by Mat-Su Borough for the railroad and bring that information to the next meeting?

Chair VanderWeele stated on Saturday May 16, 2015 a Farmland Palooza celebration will be held.

J. SET NEXT MEETING & AGENDA ITEMS:

The next meeting will be held in early June and final date will be set later.

K. ADJOURNMENT: The meeting was adjourned at 11:55 a.m.