
A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held May 8, 2014 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:05 p.m.

Board members present and establishing a quorum were:

Mr. Ben VanderWeele, Chair
Mr. John Schirack, Vice Chair
Mr. Al Poindexter, Board member
Ms. Deidre Berberich, Board member
Mr. Chris Flickinger, Board member
Mr. Troy Shelden, Board member

Staff in attendance was:

Ms. Franci Havemeister, Director
Ms. Esther Tempel, DNR, Legislative Liaison (telephone)
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)

B. APPROVAL OF AGENDA

The following additions were made to the agenda.

H. New/Old Business: Alaska Diversified Livestock Association

MOTION: Board member Poindexter moved to approve the agenda with changes.

SECOND: Board member Berberich seconded the motion.
No objections were received.
The agenda was approved as amended.

C. PUBLIC COMMENTS/SESSION

Larry DeVilbiss, Wolverine Farm stated he supports Mt. McKinley Meat & Sausage (MMM&S) and encourages the Board to put MMM&S up for sale. He believes there is interest in the private sector for the purchase of MMM&S.

Esther Tempel, DNR, Legislative Liaison stated that she, Director Havemeister and Deputy Commissioner Fogels will start working on the Food Resource Working Group in Delta Junction.

D. MINUTES OF PRECEDING MEETINGS

March 27, 2014 Draft Meeting Minutes

MOTION: Vice Chair Schirack moved to approve the minutes of March 27, 2014.

SECOND Board member Poindexter 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 conflicts were reported).

F. REPORTS/CORRESPONDENCE

Director Havemeister:

1. Division Update/Division Newsletter:

- Spoke to Deputy Commissioner Fogels regarding the state land transfer expedited request from the City of Palmer for the Palmer Mat Maid property and he stated there is not an expedited process for land transfers.
- Tuesday, May 6, 2014 was Alaska Agriculture Day. For the 2015 Alaska Agriculture Day she will talk to the Alaska Farm Bureau for cooperation in organizing more activities. Also, the Plant Materials Center will hold an open house for that day in 2015.
- The second session of the 28th legislature has adjourned. The Division of Agriculture received General Funds that were added to the base budget for the Farm to School Program. A permanent position will be hired for the program as soon as the Governor signs the budget.
- An informational fact sheet will be prepared that has the Department of Transportation (DOT) information regarding the agriculture transportation requirements on the website next week.
- A red meat processors and red meat industry survey is on the website and in the May 6, 2014 newsletter to get input regarding MMM&S.

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 May 2014 asset report was reviewed.

(The Board had no questions).

ARLF Accountant Lotosh:

5. Financial Reports

The March 2014 ARLF financials were reviewed.

The Board asked for a breakdown for MMM&S and ARLF accounts for personnel services and contractual expenditures for the next BAC meeting.

AAG McFarlane:

6. Public Session Report

The public session report was presented.

Director Havemeister stated the Department of Environmental Conservation (DEC) had sent a notice of violation to Mr. Riddle for a violation of his permit and he cannot accept anymore sewage.

Vice Chair Schirack moved to go into executive session.

G. EXECUTIVE SESSION

The Executive Session for the Wrigley Farms, LLC – S Loan, Williams – S Loan Extension, Williams – S, Fluetsch & Dye Extension request and the Aging/Delinquency report included Chair Ben VanderWeele, Vice Chair John Schirack, Board member Deidre Berberich, Board member Chris Flickinger, Board member Troy Shelden, Board member Al Poindexter, AAG Robert McFarlane, Director Franci Havemeister, ARLF Loan Officer Amanda Swanson and Administrative Officer Lora Haralson.

PUBLIC SESSION

7. Wrigley Farms, LLC Short-Term Loan Approved

MOTION: Board member Sheldon moved to approve the Wrigley Farms, LLC – S Loan as recommended by the loan officer:

1. \$40,000.00 @ 3.00% for one year payable by monthly payments beginning July 15, 2014.
2. Standard Security Agreement & UCC filing statement.
3. Property insurance with ARLF as Loss Payee.

SECOND: Board member Flickinger seconded the motion.

SUBJECT

TO: Personal Guarantee by Bryce Wrigley due to Wrigley Farms, LLC’s high debt to income ratio.

VOTE: The motion passed without objection.

**8. Thomas E. Williams Short-Term Loan Approved
Extension**

MOTION: Board member Sheldon 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, 2015.
2. Secured by Deed of Trust.
3. Standard Lenders Title Insurance.
4. Property Insurance with ARLF as Mortgagee & Loss Payee.

The extension was approved due to good cause based on the unforeseen loss in hay production and equipment repairs which resulted in an unexpected increase in farm expenses, as well as other unforeseen personal expenses.

SECOND: Board member Poindexter seconded the motion.

SUBJECT

TO: Mr. Williams placing the funds owed to him for attorney fees from the sale of his client’s property into escrow to make a payment to ARLF up to the amount of the delinquent 90 day payment. F-Loan will need to be brought current.

VOTE: The motion passed without objection.

9. Thomas E. Williams Short-Term Loan Approved

MOTION: Board member Berberich moved to approve the Thomas E. Williams – S Loan as recommended by the loan officer:

1. S-\$50,000.00 @ 3.00% for one year payable by quarterly payments beginning October, 2014.
2. Secured by Deed of Trust.
3. Standard Lenders Title Insurance.
4. Property Insurance with ARLF as Mortgagee & Loss Payee.

SECOND: Board member Poindexter seconded the motion.

VOTE: The motion passed without objection.

10. Fluetsch & Dye Closing Extension Approved

MOTION: Board member Flickinger moved to approve the Mr. Fluetsch and Mrs. Dye loan closing extension for 60 days based on Mr. Fluetsch and Mrs. Dye completing most of the loan stipulations and not being able to meet with the City of Juneau for the final permit needed prior to the loan approval's current expiration. The Farm Development loan approval for Mr. Fluetsch and Mrs. Dye will expire July 23, 2014 with no other extensions available.

SECOND: Board member Berberich seconded the motion.

VOTE: The motion passed without objection.

H. NEW/OLD BUSINESS:

Chair VanderWeele stated he has been in contact with the Alaska Diversified Livestock industry regarding MMM&S and will let them know when a meeting will be held.

Director Havemeister has been in contact with the Boards & Commissions regarding the Board of Agriculture vacancies and no one has been interested.

Director Havemeister stated the Governor's picnic will be held on Friday, July 11, 2014 at Raven Hall at the Alaska State Fairgrounds.

Board member Flickinger stated the Alaska Farm Bureau has been in contact with the Kodiak Farm Bureau regarding a steering committee to be established

to research MMM&S. Board member Flickinger will ask that the Farm Bureau work with the Division of Agriculture.

Board member Flickinger discussed a transition plan and a feed lot at MMM&S.

Director Havemeister stated the red meat processor and red meat industry surveys will be made available at MMM&S.

I. BOARD MEMBER COMMENTS:

The Board held a discussion regarding MMM&S.

J. SET NEXT MEETING & AGENDA ITEMS:

The next Board of Agriculture & Conservation meeting will be held on Wednesday, July 2, 2014 at 1:00 p.m.

K. ADJOURNMENT:

The meeting was adjourned at 3:10 p.m.