

A. ESTABLISHMENT OF QUORUM AND ROLL CALL

The regular meeting of the Board of Agriculture & Conservation (BAC) was held October 3, 2011 at the Division of Agriculture conference room, 1800 Glenn Highway, St.12, Palmer, Alaska. Chair Ben VanderWeele called the meeting to order at 1:05 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
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
Mr. Ed Fogels, Deputy Commissioner, DNR

B. APPROVAL OF AGENDA

MOTION: Boardmember Poindexter moved to approve the agenda.

SECOND: Boardmember Davies seconded the motion.

No objections were received.

The agenda was approved.

C. PUBLIC COMMENTS/SESSION

(There were no public comments).

E. MINUTES OF PRECEDING MEETING

MOTION: Boardmember Poindexter moved to approve the minutes of August 24, 2011.

SECOND: Vice Chair Schirack seconded the motion.

VOTE: The motion passed without objection.

F. REPORTS/CORRESPONDENCE

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

- Stated a House Finance Sub Committee meeting was held on September 30, 2011 for agriculture at the Plant Materials Center. The meeting was attended by 15 people in person as well as invited testimony in person and on the telephone.
- Visited with the First Lady in Juneau and discussed agriculture issues. She is very interested in agriculture and is willing to help promote Alaska Grown.

2. Financial Services Olga Lotosh:

- Reviewed the July and August 2011 financials.
- Reviewed the year end financials.

Discussion:

The Board requested a breakdown on “regions” for loans funded and what those covered.

Chair VanderWeele asked if personnel services funding could be changed from the Agricultural Revolving Loan Fund (ARLF) to the general fund.

Deputy Commissioner Fogels stated the personnel services funding needs to be in the State’s operating budget either through legislation or the Governor.

Vice Chair Schirack stated the Board should contact the appropriate legislators.

Deputy Commissioner Fogels suggested research could be done to see if Mt. McKinley Meat & Sausage (MMM&S) can operate to save funds.

Boardmember Davies Mt. McKinley Meat & Sausage financials and alternative funding:

MOTION: Boardmember Davies moved that the ARLF funds no longer be available to make up the losses for MMM&S.
Boardmember Flickinger seconded the motion.

Discussion:

Vice Chair Schirack stated that if ARLF would not be funding MMM&S who would be funding it?

Boardmember Sheldon stated the motion reads as proposing the sale of MMM&S or to locate another entity to take over the operation.

Boardmember Berberich stated she would like to see a better breakdown of the contractual services for MMM&S.

Boardmember Poindexter asked Boardmember Davies who the private sector would be that is competing with MMM&S.

Boardmember Davies said he didn't know who the private sector was.

Deputy Commissioner Fogels stated if it was Alaska meat being sold at MMM&S then it would be easier for state support either through ARLF or General Funding.

VOTE: The motion failed by a vote of 5 no and 1 yes.
Vice Chair Schirack, Boardmember Poindexter,
Boardmember Berberich, Boardmember Flickinger and
Boardmember Sheldon voted no.
Boardmember Davies voted yes.

3. ARLF Interest Rate Comparison – Loan Officer Easley:
(The Board had no questions).

4. ARLF Applications in Process – Loan Officer Easley:
(The Board had no questions).

5. Public Session Report – AAG McFarlane:
(The Board had no questions).

F. EXECUTIVE SESSION

MOTION: Boardmember Poindexter moved to go into Executive Session to Review the ARLF Aging/Delinquency report, AAG Report, loans for Meurer, Roshuar and Amberg.

SECOND: Boardmember Davies seconded the motion.

No objections were received.

The Executive Session for the ARLF Aging/Delinquency Report included Chair Ben VanderWeele, Vice Chair John Schirack, Boardmember Al Poindexter, Boardmember Stuart Davies, Boardmember Deidre Berberich, Boardmember

Chris Flickinger, Boardmember Troy Shelden, Deputy Commissioner Ed Fogels, Director Franci Havemeister, AAG Robert McFarlane, ARLF Accounting Clerk Olga Lotosh and Administrative Assistant Lora Haralson.

The Executive Session for the AAG Report, Meurer – F loan reconsideration, Roshuar – C loan reconsideration and Amberg 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, Deputy Commissioner Ed Fogels, Director Franci Havemeister, AAG Robert McFarlane and Administrative Assistant Lora Haralson.

PUBLIC SESSION ACTION ITEMS

8. Meurer Development-Reconsideration Approved

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 Shelden seconded the motion.

VOTE: The motion passed with 5 yes votes and 1 no vote. Vice Chair Schirack, Boardmember Poindexter, Boardmember Flickinger, Boardmember Berberich and Boardmember Shelden voted yes. Boardmember Davies voted no.

9. Roushar Chattel-Reconsideration Approved

MOTION: Boardmember Flickinger 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: Boardmember Poindexter seconded the motion.

VOTE: The motion passed with 4 yes votes and 2 no votes. Vice Chair Schirack, Boardmember Poindexter, Boardmember Flickinger and Boardmember Shelden voted yes. Boardmember Davies and Boardmember Berberich voted no.

10. Amberg Development Approved

- MOTION:** Vice Chair Schirack moved to approve the William J. Amberg – F loan as recommended by the loan officer:
1. \$80,000 @ 4.50% - 30 years payable by monthly payments.
 2. Secured by 2nd Deed of Trust on applicable Parcel 9 Tonsina North Amberg parcel.
 3. Standard Lenders Title Insurance.
- SECOND:** Boardmember Berberich seconded the motion.
- VOTE:** The motion passed without objection.

Chair VanderWeele requested that Director Havemeister and AAG McFarlane write 30 day default letter to Matanuska Creamery and that they demand that Matanuska Creamery attend the next scheduled BAC meeting with a plan.

G. NEW/OLD BUSINESS:

Vice Chair Schirack stated the Board will write a letter to the Governor for general fund for MMM&S.

Boardmember Shelden asked how much is outstanding available for loans and will additional funding be given to the State for the ARLF?

Director Havemeister stated the loan portfolio for the ARLF is revolving and continues to revolve.

H. BOARDMEMBER COMMENTS:

Boardmember Davies stated that MMM&S needs to be more solvent.

I. SET NEXT MEETING & AGENDA ITEMS

The next regularly scheduled meeting will be held on Monday, November 28, 2011 at 1:00 p.m.

J. ADJOURNMENT:

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