



Alaska Seafood Marketing Institute

**Board of Directors Meeting**

**Thursday May 10, 2018  
9:00 a.m. Alaska Time**

Westmark Baranof Hotel  
Treadwell Ballroom  
127 N. Franklin Street  
Juneau, Alaska

**I. Introduction**

Chair Schultheis called the meeting to order at 9:05AM AKST on May 10, 2018

**a. Roll Call**

**Board Members Present:**

Chair Jack Schultheis  
Tom Enlow  
Richard Riggs  
Tomi Marsh (telephonic)

**Board Members Absent:**

Vice Chair Allen Kimball  
Fritz Johnson  
Mark Palmer  
Commissioner Mike Navarre  
Representative Louise Stutes  
Senator Peter Micciche  
Senator Gary Stevens  
Senator Lyman Hoffman

**Staff Present:**

Alexa Tonkovich  
Sara Truitt  
Becky Monagle  
Leah Ferster  
Hannah Lindoff  
Monica George  
Alice Ottoson-McKeen  
Ashley Heimbigner  
Michael Kohan  
Susan Marks  
Bruce Schactler  
Victoria Parr  
Megan Rider  
Emily Gisler  
Jeremy Woodrow  
Arianna Elnes

**Guests:**

Garret Everidge, McDowell Group  
Katie Goldberg, Edelman PR  
Jeff Regnart, ASMI Fisheries Consultant

**b. Approval of Agenda**

Chair Schultheis asks the Board to review the agenda as presented and asks if there is a motion to approve the agenda.

**Enlow moves to approve the agenda. Riggs seconds the motion. The motion passes unanimously.**

**c. Approval of Minutes**

Chair Schultheis asks for a motion to approve the minutes from the November 2017 All Hands Meeting and the April 6, 2018 meeting.

**Enlow moves to approve both the November 2017 Minutes and the April 6, 2018 minutes. Marsh seconds the motion. The motion passes unanimously.**

**d. Chairman’s Remarks**

Chairman Schultheis welcomes everyone present to the meeting, also welcoming those joining on the phone. He thanked everyone for their time and attention. Chair Schultheis reminds those assembled that as a Board they must remove personal hats and work for the greater good of ASMI, the state and the industry.

**e. Executive Director Report:**

Tonkovich notes that she is looking forward to a productive meeting, with the goal of setting priorities for next year. She commends staff for their continued good work despite budget reductions, stating that great work has been done by each program.

**f. Public Comment**

Chair Schultheis asks for public comments. No public comments occur.

**II. ASMI Program Reports**

Chair Schultheis invites the first presenter, Garrett Evridge of McDowell, to present.

**A. Alaska Seafood Industry Update - McDowell**

Mr. Evridge reviews ex vessel value by volume of each species. Reviews the process by which McDowell compiled their research and arrives at their various numbers. Reviews largest markets: China/Japan/S Korea, reviews export numbers to those markets. Notes exports to China up 20%/ Japan 18% and S. Korea lower than 2017. Reviews breakdown by salmon species from 2012-2017. Reviews pollock overview and outlook beyond 2018 overview. Notes Russian supply of pollock is primary competition and the lack of ability to import to Russia since 2014. Reviews Pacific cod overview and outlook. Notes quota has been down but may increase in 2020 – 2022. Notes global supply of cod is falling. Reviews halibut overview and outlook. Notes halibut price fluctuations and factors such as inventory, price fatigue and competing supply are driving prices down. Notably Atlantic halibut from Canada is competing with AK halibut. Reviews sablefish overview and outlook,

reviews TAC, ex vessel prices, downward pressure such as price fatigue and existing inventory. Notes unique factors such as biomass now consists of smaller fish. Review of “other species” overview and outlook (king crab, bairdi, rockfish, mackerel). Reviews overview and outlook for flatfish (sole, flounder, and perch). Provides a wrap up market summary. Notes grounds to be positive for this year’s salmon season. Pollock seems to be rebounding, cod challenged by low volume, halibut and black cod downward pressure.

## **B. ASMI Budget Presentation - Becky Monagle**

Introduces herself, introduces new staff member Leah Ferster. Reviews the breakdown of current FY18 budget by each program. Notes the reductions taken by each program. Notes the capital appropriation current 5-year term ends June 30, 2018, and that she is working with OMB and Department of Commerce, Community & Economic Development to extend appropriation for another year. Monagle then shows the proposed budget for FY19 of \$16 million dollars. Notes each reduction for each program. Monagle explains that the Seattle lease contract is not over for another 1.5 years from now, and that she is working with a property broker to find a tenant. If ASMI is forced to pay all rent, ASMI would go over budget for this expense.

Monagle then provides a proposed spend plan, showing each funding source and their current respective balances. She walks through each fiscal year and shows a cash flow analysis based on FY18 cash outflows/inflows.

Next provides Admin Program/Highlights and Challenges. HR recruitments/RFP’s solicited, Seattle office closure and two new IT contractors.

## **C. International Marketing Program – Hannah Lindoff**

Lindoff gives an overview of the International Program as presented in the Program Report and Program Budget. Lindoff reviews the highlights of various regional programs and their subsequent increases or reductions in funding. Lindoff also references opportunities for collaboration with other ASMI programs as well as future, important program events during the current calendar year.

Chair Schultheis: Asks if there are any recent problems with MAP funds. Lindoff responds there are no recent problems, and that the farm bill is still working its way through Congress.

Marsh: Asks about possibly using matching grant funds with the MAP grant. Lindoff responds that it would be difficult to incorporate matching funds because there are things you cannot spend MAP money on. It would cause a lot of complication.

Marsh: What are the other possible sources for match for the MAP program? If you cannot use other Federal grant dollars to match, can you use other grant or funding sources such as BIA food program funds? Lindoff responds that we can’t match Federal funds with Federal funds and that she is not aware of any private grants available to ASMI for her program.

Enlow: Thanks Hannah for report. Asks why China does not allow the word “wild” to be included in ASMI China Marketing. Lindoff: The answer is not seafood specific. It is among a list of words no longer allowed in advertisements in China, thus “wild” has been replaced with “pure”.

#### **D. Seafood Technical Program – Michael Kohan**

Kohan gives an overview of the Seafood Technical Program, as presented in the board meeting materials. Kohan provides an overview of the changes in budget from her FY18 to the FY19 budget proposal. She shows a breakdown of the Seafood Technical Program by segments, and highlights how work on certain projects would continue at the FY19 funding level. Kohan ends by highlighting upcoming events for the calendar year.

Marsh compliments Michael for her continuing good work in the program, on quality.

#### **E. Sustainability Program – Susan Marks**

Marks gives an overview of the Sustainability Program, as presented in the board meeting materials. She presents on the reductions in program sections between FY18 and FY19. Provides a breakdown of each program sections reduction. Notes new budget section of Trademark Law given the proposed transition of the RFM program. Marks also notes a 40% decrease over the last 3 years.

**Chair Schultheis Calls for a 15 minute break starting at 10:50am.**

**Break ends at 11:10am, session resumes.**

#### **F. Global Food Aid – Bruce Schactler**

Schactler gives an overview of the Global Food Aid Program as presented in the board meeting materials. Schactler reviews major projects currently undertaken by the program as well as potential ways to continue the work on those projects with the projected FY19 funding levels.

Schactler proposed that his long-term contractor be brought onboard in a further capacity as an in house nutritionist for ASMI. Notes her credentials in nutrition sciences and faculty position at Tufts. Schactler ends by highlighting upcoming events for his program in the calendar year.

#### **G. Domestic Marketing Program - Victoria Parr**

Parr gives an overview of the Domestic Marketing Program as presented in the board meeting materials. Parr presents the Foodservice and Retail budgets separately, highlighting areas where the two programs would begin to mesh as opposed to their past separation. She also reviews areas that will be reduced for both programs in FY19. Parr highlighted various collaborative measures taken with other ASMI Programs, and also reviewed important industry events for her program throughout 2018 calendar year.

#### **H. Edelman/Communications Presentation – Katie Goldberg**

Goldberg reviews Edelman's aim to build brand awareness to reach consumers and develop compelling digital material. Goldberg noted a program decrease of 3% into FY19. Decrease will not come from monthly consumer PR and Social Media digital retainer. Decrease will come from program expenses: reviews where the reduction in budget will come from. Overview of what their work accomplishes and how they will find greater efficiencies. Highlights various collaborations with other ASMI programs to maximize impact.

#### **I. Communications Program – Jeremy Woodrow**

Woodrow gives an overview of the Communications program as presented in the board meeting materials. Woodrow reviewed the FY19 budget reductions of 6.7%. Notes a reduction in

advertising, and desire to increase inventory of stock footage. Notes upcoming important program events for the remainder of 2018.

Enlow asks Woodrow for his impressions of the new Communications Committee.

Woodrow states it seems to be going well so far, has not spoken directly to chair since the first meeting, but the committee is a good sounding board and there is collaboration. This may dissipate into the summer season as people become busy.

Marsh asks how information is being shared between the Domestic and Communications committees at the committee level? Is committee input being conveyed back and forth between directors.

Jeremy responds that the two programs come together quite frequently to collaborate on events, activities and projects. Having the domestic staff in Juneau has helped the two programs work together more closely.

Victoria echoed that she and Jeremy have – and continue to – work closely together on multiple projects.

**Break for lunch at 12:45pm**

**Lunch Break ends at 1:05pm**

### III. **Executive Session**

Chair Schultheis asks for a motion to go into Executive Session to discuss Budget, Committees, Strategic Plan updates, and Bylaw revisions.

**Enlow moves to enter into Executive Session to discuss Budget, Committees, Strategic Plan updates and Bylaw revisions. Riggs seconds the motion. The motion passes unanimously.**

**Executive session begins at 1:05pm. Chair Schultheis, Enlow and Riggs are present. Marsh is present telephonically.**

Chair Schultheis asks for a motion to return to regular session.

**Enlow moves to end Executive Session and return to regular session. Riggs seconds the motion. The motion passes unanimously.**

**Regular session reconvenes at 2:40pm**

### IV. **Return to Open Session: Set Priorities and approve Budget**

**Chair Schultheis, Enlow, and Riggs and Marsh, (telephonically), are present into regular session.**

## **A. Budget**

**Enlow moves to approve ASMI FY19 budget amount of \$16 million, and in addition moves to authorize spending of \$114,000 Capital Appropriation assuming the extension is approved by the legislature. Riggs seconds the motion. The motion passes unanimously.**

Chair Schultheis remarks on the day being a productive meeting and commends the staff for a job well done.

Enlow commends Alexa and the Program Directors for their successful program activity despite reductions of 24% over the last 3 years.

## **B. RFM/ RFM Committee**

**Chair Schultheis asks for motion to approve RFM member candidate Matthew Alward.**

**Riggs moves to amend the agenda to include nomination of Matthew Alward to the RFM Committee. Enlow seconds. The motion passes unanimously.**

**Riggs moves to appoint Matthew Alward to the RFM Committee. Enlow seconds the motion. The motion passes unanimously.**

## **C. Board Officer Elections**

Chair Schultheis introduces the topic of Board Officer Elections. He reviews past precedent of public nominations from the floor and invites fellow board members to nominate from among existing board members.

**Enlow makes a motion to nominate the existing officers into second terms; Chair Schultheis to continue serving as Chair, and Vice Chair Allen Kimball to continue serving as Vice Chair. Marsh seconds the motion. The motion passes unanimously.**

## **D. Review and Approval of Strategic Plan, ASMI Bylaws, Committee P&P's**

Chair Schultheis notes that the Board has decided they would like more time to review the documents up for review, (Strategic Plan, Bylaw Revisions and Committee P&P's), and approve them at a later meeting when the full board can be in attendance for discussion.

## **V. New Business**

Chair Schultheis asks Executive Director Tonkovich to speak about the items under New Business.

Tonkovich notes prior discussion to reframe the CAP meetings, which are held every other year. Notes there is a desire to formalize the structure of how ASMI engages with those members outside of their meetings. Tonkovich states she has been working with Susan Marks on this project, which

began by meeting with current CAP members at the Brussels Seafood Expo. Follow up meetings with members who were not at Brussels will also be held. She expects to have results of these meetings ready to be reported to the Board prior to next Board meeting.

Tonkovich states that Program Directors have also reviewed CAP discussion notes. Directors will consolidate this into a report to share with the Board and CAP prior to the next meeting. FY19 will contain a CAP meeting. Tonkovich states she also wishes to alert the board that there is a vacant seat on the CAP. The directors are working on recommendations on how to fill that seat for the fall meeting.

Tonkovich notes the Salmon 30 Salmon project, explaining that the plane that was painted, was painted several years ago with an AK Seafood theme. Every several years Alaska Airlines refreshes the paint and that particular plane will soon be due for re-painting. Alaska Airlines is open to painting the same or another AK Seafood image on the plane. The last time ASMI did this, \$250,000 was paid. It costs about \$600,000 to do the full paint job. No action is needed now but it is important to note that a decision will be needed. There is also the option not to paint the plane, as well as the option to shop out the concept to other industry members to see if they wish to fund the project.

Chair Schultheis asks if there is a deadline by which Alaska Airlines needs this decision.

Tonkovich states there is no deadline currently but it would need to be decided within the year before Alaska Airlines begins painting the planes.

Enlow asks that the board be kept apprised.

Tonkovich notes that she would like direction as to whether she should shop out the plane to industry or she could draw up a plan of where the money would come from.

Woodrow notes from the gallery that there is no data on how many people flew on it or how many people might have seen it. Alaska Airlines may have that info, we would need to go out and obtain that information if it is requested by the board.

Chair Schultheis notes that the plane was painted 2 or 3 times in the past and states that the issue will be tabled for now.

Chair Schultheis asks the board for any additional discussion good of the order. No further business is presented.

Chair Schultheis asks if there is a motion to adjourn.

**Enlow moves to adjourn. Riggs seconds the motion. The motion passes unanimously.**

**Adjourn at 2:46pm**