



Alaska Seafood Marketing Institute

**Board of Directors Meeting
Thursday, March 31, 2016
beginning at 8:00 a.m. AKST**

Goldbelt Building
Hugh Malone Board Room
801 West 10th Street, 3rd Floor
Juneau, Alaska

Teleconference Information:
Call in number: 800-315-6338
Alternate Call in number: +1-
913-904-9376
Access Code: 05684

Draft Minutes

Call to Order

Vice Chairman Tomi Marsh called the meeting to order at 8:00 am

Roll Call

Board Members present:
Tomi Marsh
Jack Schultheis
Allen Kimball
Mark Palmer
Kevin Adams
Tom Enlow
Richard Riggs
CO Chris Hladick
Senator Bill Stoltze

Other Members present:
Alexa Tonkovich
Megan Rider
Tasha McKoy
Hannah Lindoff
Becky Monagle
Tyson Fick
Nicole Stangeland
Christine Fanning
Merle Knapp

Larry Andrews
Claudia Hogue
Deb Tempel
Cody Bennett
Representative Sam Kito
Andy Wink
Susan Bell
Stephanie Warpinski
Michael Kohan
Shannen O'Brien

Approval of Agenda

Motion: Kimball moved to approve the draft agenda with the following additions:

- **Define who will oversee the Canadian market**
- **Discuss streamlining committee and board communication;**

seconded by Adams; the motion passed unanimously.

Approval of minutes from February 15th teleconference

Motion: Kimball made a motion to approve the draft minutes from the February 15, 2016 meeting; seconded by Adams; the motion passed unanimously.

Chairman's Remarks

Marsh extended thanks to the legislators, board members, and staff for their time and dedication. She acknowledged and thanked former chairman Barry Collier for over 20 years of service to ASMI. She thanked Ana Hoffman for her service to the board over the last year. Marsh welcomed two new board members Tom Enlow and Richard Riggs. Marsh extended well wishes to Kwik'Pak Fisheries as they recover from a devastating fire in Emmonak.

Marsh reminded the group that as members of ASMI that we remove our company hats to work together to fulfill the mission of ASMI; increase the economic value of Alaska Seafood. That we must put aside our own personal agendas to work for the greater good of the state and industry in these challenging times. With crisis comes opportunity if we can all work together. She asked that each board member introduce themselves and tell the group why they are involved with ASMI.

Executive Director Report

Tonkovich thanked; Vice Chair Marsh for stepping up to chair the meeting, Barry Collier for his leadership over the past two decades to ASMI and outgoing member Ana Hoffman for her service. She welcomed new members Tom Enlow and Richard Riggs. Tonkovich reported that the first few months on the job have been challenging and the industry and state both face very difficult times, she thanked the board for the guidance she received thus far. She thanked all of the ASMI program directors and staff for tackling the challenging fiscal climate and preparing multiple budget scenarios. She gave special recognition to Retail Marketing Program Director Larry Andrew for is 14 + years of service to ASMI as he will be retiring at the end of April.

Public Comment

There was not public comment.

State of the State Budget Overview – Susan Bell, McDowell Group

Bell reported on the current status of the statewide fiscal crisis as outlined in her handout, there were no questions.

Commissioner Hladick commented that Senator Hoffman is responsible for the \$3.4 million in the senate and that it is the Governor's requested amount.

Alaska Seafood Industry Update - Andy Wink, McDowell Group

Wink presented his report to the board as outlined in the board materials.

Commissioner Hladick asked about the Bristol Bay salmon being down by 17%, what is that down from? Wink answered that it is 17 % down from last year's harvest, which was a huge year.

Marsh asked about domestic trends for roe products and what can we expect there. Andrews answered that if we are to see the trend do an uptake in the US it will be driven by the Foodservice sector.

Kimball asked about the decline of Tilapia consumption in the US, Wink commented that colder weather might have hampered production; it was not a consumer driven decline. Kimball also asked about the Pangasius issue that is now being regulated by the USDA, Wink has no information on Pangasius regulations.

Overall ASMI Budget and Admin Budget Presentation - Becky Monagle

Monagle gave a presentation to the board about the overall and Admin Budget as outlined in the board materials.

Palmer asked what contracts were out for bid, Monagle answered the Seafood Market Information Service; it has been awarded to the McDowell Group and the fulfillment and print services contract.

Palmer asked about the current website and IT contract, Monagle answered that it is currently with BYTE networking and that it will be the next RFP to go out.

Hladick asked about the matching federal fund amounts: Tonkovich clarified that this year we are asking for FY17 2.6 million down from last year FY16 3.75 million.

Foodservice Marketing Program - Claudia Hogue

Hogue presented board with the Foodservice budget and updates as outlined in the board materials, there were no questions.

Retail Marketing Program - Larry Andrews

Andrews thanked the ASMI board for the great opportunity it gave him and thanks the ASMI staff for all of their great support over the past 14 years. Andrews presented the Retail Marketing program as outlined in the board materials.

Hladick asked about how a research firm would go about assessing the effectiveness of something like the über athlete promotion. Andrews answered ASMI would assist in crafting the questions so that they could go out and conduct a survey to find out where people are hearing about specific promotions.

Kimball asked his opinion on how we as an organization and program can measure our successes. Andrews used the example of CIF demos, the price we pay for the demo and product, but all of the printed and online advertising the store pays for. And something like cooking demos also addresses the issue that people have a fear of cooking fish. ASMI can also see on social media how many views a video gets. He also feels like the CAP is a great way to hear about what we are doing right and what we can do better.

Palmer asked to see a simple matrix of promotions and their participation. It would give the program and board a good comparison year to year and the number of participation and demos. Larry said that they will try to put something like that together.

Communications Program and Consumer PR Update - Tyson Fick

Fick gave the board an overview and covered all the information in his report in the board materials.

Adams commented that he felt cutting in-state sponsorships is not a good idea. Fick answered that we will still be sponsoring events, however we won't be the top line promoter, and that he felt like with the budget crisis that it is not always good to be the top sponsor for events. He also mentioned the focus is on the smaller events like Town Hall events as opposed to our name on a wall as a sponsor. Instead we will have people on the ground connecting with the fishermen and industry members.

Palmer asked about the Consumer PR line item and who managed it; Fick answered that it is co-managed by the Retail, Foodservice and Communication programs; Hogue added that the

Communications Program and Consumer PR Update continued

Foodservice trade PR is managed by her program. Palmer asked about the Consumer Advertising budget oversight; Hogue answered that Foodservice and Retail oversees that completely.

Kimball asked about who has the rights to the photo/video profiles? Fick informed the group that they vary widely. The more status a photographer has the more stringent rights. We now demand rights in perpetuity and a certain number of photos for us to use as we wish in new contracts. The

most economical way for us to get images is to allow the photographer to retain the copyrights and give ASMI the usage rights.

International Marketing Program - Hannah Lindoff

Lindoff gave an overview of the International Program as presented in the board meeting materials.

Palmer asked about the length of contracts for our OMR's, Lindoff explained that every three years a RFP goes out; after the selection they have a one year contract with the option to renew for two years.

Hladick asked about how the economies of various countries play into our thinking about investment into marketing? Lindoff used the example of Brazil; we are making a cut to the budget at the recommendation of industry members who know that Brazil has a very cyclical market. We don't want to vacate knowing it will be very hard to come back in. Re: Russia, keeping a presence in the country is important for the same reason. Our office there is able to keep a presence in the country so that when it does open up and turn around, we are on the ground and ready.

Hladick asked the OMR fee reductions that were mentioned, Lindoff explained that some of our OMR's have voluntarily taken a reduction but when the budget is finalized we will go and look at where we need to make more cuts if needed.

Palmer asked to clarify the budget for SEU and WEU and if the trade-show are included. Lindoff explained that yes, Conxemar is in the SEU budget, but that we itemize Brussels out of the WEU budget because it is such a big show.

He asked about the budget breakdown being so different from country to country and inquired if we ever considered consolidating some to bring the overhead down. She affirmed that the costs do vary greatly, that when the RFP went out for WEU and CEU last year it was offered to consolidate those regions, we did not get a winning bid for anyone who wanted to cover both. Alexa also commented that all the regions except NEU went out for bid last year, that the people that we have chosen for each region are the best, most competitive bid that was received. Re: Brazil, the budget does not reflect the reduction for next year, we will be renegotiating with Brazil for next year.

Sustainability Program - Susan Marks

Marks gave an overview of the Sustainability program including RFM as outlined in the board materials.

Hladick commended the Marks and the RFM committee and their work; he asked about the 89 supplementary components in the GSSI audit, Marks informed the group that the 145 essential components were met and that 60 out of the 89 supplementary components were met during the audit.

Sustainability Program continued

Enlow commented on the RFM committee and its recommendations, he asked if any changes or recommendations have been made to the strategic plan? Marks informed the group that no changes have been made to date, that the committee will need to take a look at document.

Enlow wanted to know the estimated investment that ASMI has made on RFM to date? Marks said she will have to look into that.

Palmer asked about the expert contractors and why CCC and RFM committee members can't cover some of the expert work that the contractors do. He specifically wanted clarification on the Certification/Governance contractor and what they do specifically. Marks clarified that they provide years of knowledge that we don't have at ASMI and carried us through the audit process. Palmer asked now that the structure is in place if Marks thought ASMI would have the need for contracting that work out, Marks answered that for that specific area she did not.

Seafood Technical Program - Michael Kohan

Kohan gave the board an overview of the program according to the presentation provided in the meeting materials. There were no questions.

Global Food Aid Program - Bruce Schactler

Schactler called in from Kodiak where he is manning the ASMI booth for ComFish, he gave an overview of his program and the budget as presented in the meeting materials.

Palmer asked for clarification on the budget spreadsheet, he was informed that it rolled onto the next page. Monagle clarified the Capital Appropriation of \$110,000 and Canned Salmon Marketing Project of \$40,000 will need to come in the form of an amendment to the budget.

Executive Session

Motion: Schultheis made a motion to move into executive session to discuss personnel issues, RFM, and committee appointments; seconded by Palmer; the motion passed unanimously.

Motion: Kimball made a motion to reconvene into regular session; seconded by Palmer; the motion passed unanimously.

Set priorities and approval of FY17 Budget (contingent on legislative outcomes)

Motion: Enlow made a motion to approve budget scenario #3, in the amount of \$17 million dollars for FY17; seconded by Kimball; the motion passed unanimously.

Motion: Kimball made a motion to amend the approved budget by adding the following to the Global Food Aid budget \$40,000 for canned salmon marketing and \$110,000 for legislative capital appropriation to continue herring and protein power projects; seconded by Enlow; the motion passed unanimously.

Old Business

ASMI Committee Structure

Operational and Species Committee Appointments

Motion by Adams to reappoint and appoint the following committee members, seconded by Palmer; the motion passed unanimously.

Shellfish Committee

Reappoint

- Jake Jacobsen
- Roger Painter
- Mark Gleason
- Joe Thompson
- Jim Stone

Halibut – Sablefish Committee

Reappoint

- Peggy Parker
- John Jensen
- Bob Barnett

Salmon Committee

Reappoint

- Julie Decker
- Ron Jolin
- Thea Thomas

Whitefish Committee

Reappoint

- Rasmus Soerensen
- Merle Knapp
- Tony Macedo

Appoint

- Julie Yeasting

Seafood Technical Committee

Reappoint

- Rodger Painter

Appoint

- Jason Chandler
- Allison Corcoran

International Marketing Committee

Reappoint

- Lance Magnuson
- Merle Knapp
- Dean Pugh

Appoint

- Shigeki Okano

Domestic Marketing Committee

Appoint

- Thea Thomas
- Tom Sunderland
- Matt Christenson
- Ron Jolin
- Mark Gleason
- Bob Barnett
- Julianne Curry
- Jennifer Castle
- Jamie Marshall
- Peggy Parker
- Mike Cusack

Motion: Kimball made a motion to create a new committee - Communications/PR Committee will be recruited for and appointed at the All Hands on Deck meeting in October 2016; seconded by Adams; the motion passed unanimously.

Chairman elections

Motion: Adams made a motion to appoint Jack Schultheis as Chairman and Allen Kimball as Vice Chair; seconded by Enlow; the motion passed unanimously.

New Business

HB 251 Representative Louise Stutes welcomes comments on an amendment to HB251 which designates a seafood marketing fund.

Senator Stoltze reported that he received a memo dated March 20th from the AAG to the Office of the Governor and registered on the Senate floor. The letter states that the Attorney General has

found that any legislative ex officio participation on a board is unconstitutional and unlawful. He asked if there has been any discussion or inquiries with the Commissioner /ASMI and the Governor's office. He takes this letter very seriously and will share the memo, and would like the board to look into this memo. Senator Stoltze stated that he has enjoyed the 10 plus years of sitting on the ASMI board and wishes to continue.

Canadian Market

Motion: Palmer made the motion to designate that the Domestic Marketing Program will oversee the Canadian market; seconded by Kimball; the motion passed unanimously.

Committee communications

It was discussed that the committee recommendations seem to get lost at All Hands. The Species Committee give recommendations to the Operational Committees and it seems like they are not getting direct feedback from the board. The feedback would be helpful to the committees for them to know that they are going in the right direction. It is always good to examine the process to refine it.

Adjourn

Motion: Enlow made the motion to adjourn the meeting; seconded by Adams; the motion passed unanimously.