



Wild, Natural & Sustainable®

Board of Directors Meeting
Monday, May 8th, 2017
9:30 a.m. AKST

Draft minutes

I. Introduction

Vice Chair Allen Kimball called the meeting to order at 9:35 AM AKST on May 8, 2017.

A. Roll Call

Board members present:

Allen Kimball, Vice Chairman
Mark Palmer
Fritz Johnson
Tom Enlow (telephonic)
Tomi Marsh
Richard Riggs
Representative Louise Stutes (House ex-officio)

Board members absent:

Jack Schultheis, Chairman
Commissioner Chris Hladick (ex-officio)
Senator Peter Micciche (Senate ex-officio)
Senator Gary Stevens (alternate – ex-officio)
Senator Lyman Hoffman (alternate – ex-officio)

Staff present:

Alexa Tonkovich, Executive Director
Alice Ottoson-McKeen, Administrative Specialist
Becky Monagle, Finance Director
Hannah Lindoff, International Program Director
Michael Kohan, Seafood Technical Director
Susan Marks, Sustainability Director
Bruce Schactler, Global Food Aid Director
Victoria Parr, Domestic Marketing Director
Jeremy Woodrow, Communications Director
Megan Rider, International Marketing Specialist
Monica George, International Program Coordinator
Arianna Elnes, Marketing and Communications Specialist
Jhi-Jhi Ferrer, Accountant
Karl Uri, Foodservice Manager
Linda Driscoll, Retail Manager
Lisa Martinson, Administrative Support Technician

Guests:

Julie Decker, Alaska Fisheries Development Foundation
Andy Wink, McDowell Group
Katie Goldberg, Edelman PR
Jeff Regnart, ASMI Fisheries Consultant

B. Approval of Agenda

Enlow moved to approve the agenda. Riggs seconded. The motion passed unanimously.

C. Approval of minutes from April 6th Teleconference

Johnson moved to approve the minutes from the April 6th teleconference. Marsh seconded. The motion passed unanimously.

D. Chairman's Remarks

Vice chair Allen Kimball thanked everyone for attending the meeting. He informed everyone that Chairman Jack Schultheis was experiencing some health issues and would be unable to attend. He asked that everyone keep Schultheis in their thoughts and prayers.

E. Executive Director Report

Executive Director Alexa Tonkovich welcomed everyone to the meeting. She gave a special thank you to Vice Chair Allen Kimball for stepping up to run the meeting on short notice. She

extended an official welcome to the new legislative ex-officios. She reminded everyone the CAP meeting would be on Tuesday, May 9th at 9am with a reception at Salt from 6-8pm.

F. Public Comment

Kimball called for public comment. No comments were made.

I. Alaska Seafood Industry Update

Andy Wink from the McDowell Group presented an Alaska Seafood Industry update to the board as outlined in the board materials.

Palmer asked about Chilean trout production versus coho production. Wink responded the McDowell group could look into that.

Kimball asked how farmed fish are priced versus wild. Wink stated that in terms of sockeye the difference between farmed and wild has gotten very small. Kimball stated it would be interesting to look at value too.

Wink commented that tilapia prices and import volume are down after years of growth and they are seeing weaker demand for tilapia in the US and Europe. Wink stated this could open the door for other things like pollock.

Johnson asked what the cause was of the narrowing price gap between farmed salmon and wild sockeye. Wink attributed that to high farmed prices. Wink noted the Uner Berry salmon index was at record levels for farmed salmon and stated his hope that retailers will look at that and realize having Alaska sockeye is worth it.

II. ASMI Budget Presentation

Becky Monagle gave a presentation to the board on the overall ASMI budget and the Admin/Executive budget as outlined in the board materials.

Palmer asked which salaries that were previously under international would be moved into the admin budget. Monagle responded that 50% of the Executive Director, 35% of the Finance director, and 50% of the Executive Assistant's salaries would be put back into the admin budget.

III. International Budget

Hannah Lindoff gave a presentation to the board on the International Program budget as outlined in the board materials. There were no questions.

IV. Technical Budget

Michael Kohan gave a presentation to the board on the seafood Technical Program budget as outlined in the board materials. There were no questions.

V. Sustainability Budget

Susan Marks gave a presentation to the board on the Sustainability Program budget as outlined in the board materials.

Palmer noted that the expert contractor's line in the sustainability budget was the same as last year, but that unlike last year, this year there would not be work put into the initial GSSI certification process. He asked if the sustainability program really anticipated spending the same amount on expert contractors in FY18.

Marks responded that there were some unknowns for expert contractor spending. She explained the RFM committee was undertaking a rewrite of the program's policies and procedures, and that RFM Committee Vice-Chair Ron Rogness had expressed confidence that it was important to keep money in the expert contractor line until it was clearer what the substantive changes were.

VI. Global Food Aid Budget

Bruce Schactler gave a presentation to the board on the Global Food Aid budget as outlined in the board materials.

Palmer asked if the team in DC was needed to write product specifications to list our products in government programs. Schactler responded the team was for that purpose and to serve as boots on the ground to attend meetings.

Palmer noted an increase of \$25,900 in the global food aid budget and asked where this money would come from. Tonkovich responded that it could come from the carryforward or be taken out of another program.

Palmer moved to increase the Global Food Aid program budget \$25,900 and leave it up to the ASMI Executive Director to decide where the funds will come from. Johnson seconded. The motion passed unanimously.

Tonkovich clarified that when the board passed the total budget the number provided would be increased.

VII. Domestic Budget

Victoria Parr gave a presentation to the board on the Retail and Foodservice Program budgets as outlined in the board materials.

Palmer asked if there was money for research in the domestic marketing budgets. Parr responded that there is research money set aside in both the retail and foodservice budgets and that one primary focus of that research was to look into who the overall target market was for seafood now and in the future.

VIII. Communications & Consumer PR Budget and Highlights -

Jeremy Woodrow gave a presentation to the board on the Communications Program budget as outlined in the board materials. There were no questions.

Katie Goldberg gave a presentation to the board on the Edelman PR budget and PR highlights as outlined in the board materials. There were no questions.

Kimball called for a break for lunch.

IX. Executive Session

Kimball moved to enter into executive session to discuss the ASMI office and personnel. Riggs seconded. The motion passed unanimously.

Johnson moved to enter into regular session. Marsh seconded. The motion passed unanimously.

X. Set priorities and approval of the FY18 Budget

Johnson moved to approve ASMI FY18 operating budget in the amount of \$17,033,125, which includes an increase of \$25,900 to the food aid budget component. In addition, the board agrees to accept a \$120,000 capital appropriation for the food aid program. Palmer seconded.

The motion passed unanimously.

XI. RFM Fisheries Standard Version 2.0

Kimball thanked past RFM committee chair Larry Cotter for his leadership on the committee and contributions, as well as Susan Marks and her staff for their work on RFM and achieving the goal of GSSI certification. He recognized the RFM process had been long and difficult with lots of people involved.

Marsh moved to approve RFM fisheries standard version 2.0. Johnson seconded.

Palmer asked what a failing score would be on the 1-10 numeric system.

Regnart responded that below a six would be considered “non-conformance,” but it was hard to say now if it would be major or minor. He noted that the scoring system was requested during public comment and that one of the major criticisms of the old standard was that there was not a numeric score associated with it.

Palmer commented that the GSSI set one bar and either you cleared it or you didn't. He asked if people who received higher scores on RFM could use their scores to say they were better than those who passed with lower scores.

Regnart said he did not see that happening - that RFM was robust enough that once someone was certified that would be enough.

Palmer stated that if the board was expected to review and revise RFM every five years and set objectives, there was certain information the board should be provided, such as an update on market acceptance and a report back from staff that is geographic – are there certain countries that have issues with RFM? Also input on species concerns, any objections to particular parts, input from key accounts, and feedback on how NGOs viewed the program. He stated it would be difficult as a board member to set the objectives of a technical committee without it being a process driven by gaining market acceptance and accessing more customers.

Kimball asked Marks and Regnart for any additional comments on RFM 2.0.

Regnart stated that RFM 2.0 was a reissue of the RFM standards. He clarified that RFM 1.3 was not a reissue, it was an update and RFM 2.0 addresses the issues in 1.3. He described RFM 2.0 as a robust, redefined standard that will be easier to score consistently. He stated the product will be more accepted and the result will be more predictable than the other standards.

The motion passed unanimously.

XII. New Business

Riggs moved that with the prior commitment by ASMI to close the Seattle Office by June 30, 2018 and relocate positions to Alaska, the board hereby authorizes the ASMI Executive Director to extend the existing Juneau office space lease and negotiate necessary additional lease space through June 30, 2018 and schedule a planning discussion at the fall 2017 All Hands meeting regarding the long term strategy related to the ASMI office. Palmer seconded.

Representative Stutes commended Riggs for the motion because it sent a message to the legislature that ASMI listened and incorporated the feedback they offered.

The motion passed unanimously.

Riggs compliment the ASMI staff on their budget presentations and the passion displayed for each of the programs.

XIII. Adjourn

Palmer moved to adjourn. Riggs seconded. The motion passed unanimously.

