

Minutes of the Agriculture Task Force Meeting
Murray State University
December 30, 2008
Murray-Calloway County Chamber of Commerce
5 p.m.

Ms. Peg Hays, Chair of the Agriculture Task Force, called the meeting to order at 5:30 p.m. following a brief dinner. The following Task Force members were present: Bill Adams, Tony Brannon, Will Ed Clark, Bob Hargrove, Emily Harned, Doug Lawson, Jay Morgan, Kim Oatman, Jim Stahler and Tom Denton (Ex-officio). Absent: Marilyn Buchanon. Also present: Wade Northington, Director, MSU Breathitt Veterinary Center (BVC).

Dr. Dunn's School of Agriculture Task Force Issues, discussed

Ms. Hays asked for a review of the current issues that President Randy Dunn outlined at the last Task Force meeting on December 1, 2008, and requested Dr. Brannon start the discussion.

Items were discussed in the order they were presented on Dr. Dunn's outline. Dr. Brannon asked Dr. Northington to provide an update on the BVC proposal and he reported that since the last meeting a proposal had been made to the Kentucky Agricultural Development Board (ADB) on December 4 to fund a \$450,000 feasibility study. If funded this study would encompass inventory and analysis of the existing laboratory, determination of current and projected laboratory facility needs, estimation of new laboratory costs and the expense to renovate the existing laboratory. He also pointed out the Carman Pavilion renovation was not included in the ADB application and would need to be considered by the Task Force. Dr. Northington distributed copies of the ADB proposal as well as a listing of the members of the BVC Advisory Board. He reminded the group that the Advisory Board passed a resolution at its last meeting requesting the University keep the BVC as a priority project for the University. The Advisory Board feels strongly, although federal funds might assist, that to come to fruition this project must be a Murray State and Kentucky agriculture state legislative project. Mr. Clark has assisted with Animal Health Technology (AHT) Accreditation Team visits and the Carman Pavilion project is on the list of major recommendations and is crucial to continued accreditation. He added that the Task Force should endorse and include in its report a statement in support of the BVC Advisory Board resolution. Mr. Stahler added that accreditation is very important and the Breathitt Veterinary Center is an important part of animal agriculture in the state. Ms. Hays reminded the group that the Breathitt Veterinary Center improvements are not being considered by this Task Force because the BVC has its own Advisory Board to accomplish this work but the two groups should maintain a positive relationship for the benefit of BVC and Murray State.

Dr. Brannon continued with the discussion of President Dunn's current issues and discussion of the acquisition of an additional university farm was delayed until later in the meeting. With regard to Pullen Farm improvements, Dr. Brannon reported he met with Dr. Dunn and received clarification on this issue and there is now an understanding of why this issue was on the list and he believes it could be handled administratively. The School of Agriculture has been tremendously successful in securing outside funding to support the development of this farm. The University has supported some ongoing costs of operation and infrastructure improvement which is vital for continued usage of the greenhouse and farm laboratory. He tends to view issues from a student's point of view and when they leave Beef Science class in the Applied Science Building and drive to the Greenhouse for their Greenhouse Management class, they most likely are unaware they are leaving University property and going onto Foundation property and that transparency to MSU students and programs is what matters most. The School of Agriculture must play the cards it has been dealt because Ms. Pullen left the farm to the MSU Foundation. The long-term lease of the property from the Foundation to the University is about all that can be done but with a continuing good relationship between the School of Agriculture, the University, the MSU Foundation and the Board of Regents, this will most likely not become an issue. The Task Force members also discussed the improvements that have already been made by the University at the Pullen Farm. The University has paid for these improvements – approximately \$550,000 – through grants and special state appropriation funding even though the Pullen Farm is actually owned by the MSU Foundation. While the University accesses and receives numerous benefits from the use of this farm, at some point Murray State's external auditors will review the benefit versus cost of University funds paying for improvements on land that it does not own. There is some leeway due to the nominal rental amount the University pays

for this property but the cost of improvements will need to be balanced against the benefit over the life of the lease. Expo Center facility issues were also briefly discussed.

Program development is very important to the School of Agriculture and in order to be competitive with other regional universities MSU must remain up-to-date in all industries, including dairy, poultry and swine. Dr. Brannon indicated that the poultry science needs of regional agriculture have been vetted and addressed throughout the years. At one time a commitment was made to build a chicken barn on MSU's North Farm property. Considering the series of events that occurred with a one-time hauling of chicken litter onto this farm, it was undoubtedly a wise decision to let that opportunity pass. The poultry industry is going through a tough time and MSU continues to provide education and service to that industry. The administrative team at Pilgrim's Pride has many MSU graduates and coursework in poultry science is provided with their personnel being heavily involved in that instruction, sometimes even utilizing their own personnel as adjunct instructors. Additionally, poultry instruction is embedded in many of the animal science and animal health classes. Pilgrim's Pride facilities are utilized for class visits and University staff work with that business to host the statewide poultry science FFA CDE. The BVC is also heavily intertwined with the poultry industry.

Discussion of Priority Description and Ranking Form with Facilities SWOT

A list of needs in the School of Agriculture was provided by Dr. Brannon and his staff. The discussion included the BVC, Expo Center, selling or "swapping" the North Farm, acquisition of a fourth farm and additional program development. Also discussed were the Arboretum at the Pullen Farm, a new University horse barn, livestock facility, open-sided Expo stall barn and the Carman Pavilion. Prioritizing these items was discussed and although no vote was taken general consensus among the group led to the following ranking:

1. Carman Pavilion – Phase II
2. Additional Farm Purchase
3. New University Horse Barn
4. Open-Sided Horse Barn
5. Livestock Instructional Facility
6. Arboretum

Phase II of the Carman Pavilion renovation was listed as a high priority by MSU faculty, staff and School of Agriculture students. Once completed the labs would serve over 300 students and could be utilized as a marketing tool for the School of Agriculture and the University. The current capital project request for renovation of the Carman Pavilion, which is included in the Six-Year Capital Plan, totals \$655,000. Facilities Management was asked to provide an updated estimate for this renovation to be discussed at the next Task Force meeting. It was explained that the renovation was not completed during Phase I due to funding limitations.

Purchasing an additional farm was also listed as a high priority but Mr. Oatman indicated a direction and purpose needs to be identified for a new farm before a purchase or swap is initiated. Location of a potential new farm is extremely important and the Task Force should not decide to purchase and/or swap property just for the sake of doing so. Mr. Denton reminded Task Force members that the state would require a minimum of two appraisals for each tract of land. He agreed to provide information from the state regarding the appraisal requirement for any land that is purchased or swapped once he is able to acquire that information. Mr. Oatman indicated he felt more details would be needed to justify the purchase of an additional farm if that is the ultimate recommendation of the Task Force. Dr. Brannon was asked to gather data that will help provide a comparison of Murray State to other benchmark universities in regard to their agriculture programs and land purchases to be presented at the next Task Force meeting. MSU cannot depend on a loan from the Foundation to purchase additional property because its assets are down \$15 million and it does not have the cash flow to support a loan. Mr. Denton will review whether the MSU Foundation could serve as a back-up plan if the market changes, but if the Task Force decides to pursue purchasing a new farm other funding sources would need to be identified. He is also about 90 percent sure the University could not legally borrow money from the Foundation and pay a rate of return (principal and interest) for real property.

In regard to the new University horse barn, Facilities Management has generated preliminary sketches and some partial funding has been committed from the Equine Trust Fund. No formal construction estimates have been made for this barn, so the Task Force requested that Facilities Management provide a preliminary construction estimate before the next meeting. The current

horse barn is in very poor shape on the exterior but could be used by students to board their horses. One important question that was raised by Task Force members was whether acquisition of a new farm is more important than renovating and updating the farms and buildings already in the University's possession. The Task Force is aware that the University cannot meet all needs at one time so they must decide what would be most beneficial to MSU, the community and the region.

Other Discussion/Work Plan/Timeline

The Task Force discussed a work plan which included:

- Revisiting the Horse Barn
- Reviewing of the cost of AHT
- Examining possibility of a land trade
- Providing documentation justifying why an additional farm is needed

The Task Force agreed that reviewing the North Farm in more detail was a necessary step, including how often the farm is used and whether it could be used for other purposes such as pasture land or growing crops. Several members of the group supported the idea of "swapping" parts of the West Farm and possibly the North Farm in exchange for a piece of property outside of town that is not landlocked by residential areas.

Mr. Adams stated he is against the building of kingdoms and also taking property off the city and county tax rolls. He is not opposed to purchasing additional acreage but does not want to make that move simply to be the biggest.

The next two meetings of the Task Force are scheduled for January 13 and 27, 2009. The meeting on January 13 will begin with a tour of the Carman Animal Health Technology Building at 5 p.m., followed by dinner and the Task Force meeting in the Regional Special Events Center.

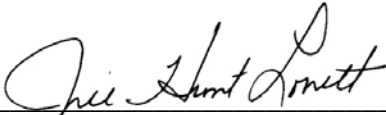
Adjournment

The Agriculture Task Force meeting adjourned at 8:45 p.m.

Minutes approved at the February 17, 2009, Agriculture Task Force meeting.



Chair, AGR Task Force



Secretary, Board of Regents

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