Minutes of the Agriculture Task Force Meeting
Murray State University
December 1, 2008
Murray State University West Farm Equine Instructional Facility
5:30 p.m.

Call to Order and Introduction of Task Force Members

Ms. Peg Hays, Chair of the Agriculture Task Force, called the meeting to order at 6 p.m. after a brief dinner. The following Task Force members were present: Tony Brannon, Marilyn Buchanon, Will Ed Clark, Bob Hargrove, Emily Harned, Doug Lawson, Jay Morgan, Kim Oatman and Tom Denton. Absent: Bill Adams (Regent) and Jim Stahler (Stahler Poultry and Dairy Farm). Others present included: Murray State University President Randy Dunn; Wade Northington, Director, MSU Breathitt Veterinary Center; and Jill Hunt Lovett, Coordinator for Board Relations, Executive Assistant to the President and Secretary to the Board of Regents. Ms. Hays asked each member of the Task Force to introduce themselves.

- Mr. Hargrove – The Murray Bank and 1980 graduate of Murray State with a degree in Agriculture
- Mr. Clark – The Tobacco Association and a 1970 graduate of Murray State with a degree in Agriculture
- Mr. Oatman – MSU Chief Facilities Officer
- Mr. Denton – MSU Vice President for Finance and Administrative Services
- Mrs. Buchanon – Member, MSU Board of Regents, BOR Buildings and Grounds Committee and 1970 MSU graduate. Ms. Hays requested she serve on the Task Force.
- Mrs. Lovett – (title above)
- Ms. Hays – Member, MSU Board of Regents and Chair of BOR Buildings and Grounds Committee. She is a 1976 graduate of the University of Kentucky and Owner of Herb Hays Furniture in Hopkinsville, Kentucky. At the request of Dr. Jay Morgan, she formed the Agriculture Task Force to revisit the work of the 2005 Long-Range Farm Planning Committee.
- Dr. Northington – (title above)
- Dr. Morgan – Member, MSU Board of Regents (Faculty Regent) and MSU agriculture graduate
- Ms. Harned – President, Agriculture Leadership Council and will graduate in December 2009 with a degree in Agriculture
- Dr. Dunn – (title above)
- Mr. Lawson – Heritage Bank
- Dr. Brannon – Dean, MSU School of Agriculture

Mr. Adams and Mr. Stahler were unable to attend due to previous commitments.

Ms. Hays reported that the Murray State University Board of Regents, during their quarterly meeting on November 14, 2008, passed the following motion:

“On behalf of the Buildings and Grounds Committee, Ms. Hays moved that the Board of Regents establish a special Regents Task Force to study long-term planning of farms and facilities and programs and relationships for the MSU School of Agriculture and to make recommendations to the Board of Regents by reporting its findings and recommendations at the February 2009 Board meeting.”

The quarterly meeting is February 6, 2009, and Mrs. Lovett will e-mail a copy of the motion to Task Force members.

Presidential Welcome and Comments

Dr. Dunn thanked the members of the Agriculture Task Force for their time and commitment to this process and stated he asked Ms. Hays to share the motion passed by the Board of Regents because it is wide-ranging and references farms, facilities, programs and relationships. The work of the Task Force should go beyond a reconsideration of the 2005 Long-Range Farm Planning Committee report regarding whether Murray State should acquire a fourth farm, although that is one piece of work that should also occur. The status of the School of Agriculture has not changed drastically from that outlined in the 2005 report and he asked the Task Force to consider the following current issues:
1) **BVC Improvements** – Upon his arrival at MSU a request had already been submitted to the Commonwealth of Kentucky for full replacement of the Breathitt Veterinary Center. Considering the budget of the Commonwealth and that the University has experienced difficulty gaining traction on full replacement of the BVC, at some point discussion should take place regarding whether the BVC could pool money together from various sources (Kentucky Agriculture Development Board, U.S. Department of Agriculture, local CERR funding) for renovation and remodeling needs as opposed to waiting to receive approximately $28.5 million for a new facility. Federal requests are currently being compiled and if it is not feasible to do anything less than full replacement of the BVC, the Board of Regents needs to know that to determine which project requests move forward.

2) **Acquisition of Fourth Farm/North Farm/Operational Plans for Each Site** – The report of the Long-Range Farm Planning Committee in 2005, updated in 2006, should be revisited and brought to currency by the Task Force. Considering the current fiscal environment, in order to make the case for the purchase of an additional farm, benefit can be derived from reviewing how the acquisition plan for a fourth farm fits with the properties the University currently owns and it must be clearly stated what the main focus of operations will be at the various farm properties. The 2005 report references a potential desire to dispose of the North Farm (removing it from the University’s inventory) and if that is the recommendation of the Task Force then an affirmative statement should be made on the part of the Task Force and the Board of Regents declaring this property no longer fit for use. The University will not be in a position in the future to acquire property for another purpose which is why the Task Force should carefully consider whether there are other activities suitable for the North Farm location. One component of this discussion could be around a “swap” or sale/purchase but this option may be difficult to accomplish. If the North Farm is sold any proceeds would automatically be returned to the state and there is currently no legislative provision for a “swap.” Special legislation could be pursued that states if the North Farm is sold the University receives proceeds from that sale to be designated for the acquisition of another farm property. This special legislation would need to be coordinated through the BOR Buildings and Grounds and Governmental Relations committees, in addition to the entire Board making this project part of its legislative agenda. He cautioned that this then becomes a chip Murray State has used and if this is the decision of the Board and the Task Force then a compelling case to proceed in that direction must be made. Discussion should also take place regarding whether there are other means of paying for a farm and there most likely are. The 2005 report references funding that would be needed for necessary infrastructure maintenance (fencing, buildings, etc.). The University is currently in the midst of identifying $2.1 million to give back to the state and is not in a position to move forward with university funds to acquire another farm property.

3) **Improvements to Pullen Farm Property** – Through the generosity of the MSU Foundation the University acquired the Pullen Farm and although this farm is owned by the Foundation the University utilizes it for the benefit of the School of Agriculture. University resources and assets have been used at the Pullen Farm in the amount of approximately $550,000, not including the Arboretum. The University must think through how future improvements to the Pullen Farm will be handled because the time is approaching when the University’s auditors will indicate resources cannot be used to benefit an asset it does not own. If developments are to occur at the Pullen Farm additional sources of funding for those improvements must be identified.

4) **Expo Center Facility Issues** – The 2005 report outlined issues at the Expo Center and in the most recent Capital Plan the University requested more than $2.5 million for needed developments. While the project does not appear high on the Capital Projects list, some degree of prioritization needs to occur and the Task Force should consider how others will view their recommendation and as they consider purchasing another farm property, utilizing state money, they must also determine how to balance that against other University needs.

5) **Program Development** – Dr. Dunn believes the University should take a more active role in poultry science and suggested it might be helpful for the Task Force to consider this issue given the importance of poultry science to the economy of the region.

Dr. Dunn stated the Task Force will help determine the future direction of the School of Agriculture and prioritizing projects is a helpful way to inform the Board of Regents of existing needs – as they ultimately make the decisions regarding what the University will request for the
federal fiscal year coming into the 2010 biennial budget. The priority project list previously approved by the Board will come back before them to determine if the priorities listed remain the ones to be advanced. The Task Force can recommend the purchase of another farm and provide justification for that purchase but the case will be helped immensely if it makes this decision within the context of other budget constraint issues at the University.

After reviewing the 2005 report and 2006 update, Dr. Dunn does not believe this project has languished and what the Long-Range Farm Planning Committee recommended in terms of farm acquisition was advanced forward after the Committee identified a suitable farm but the project ultimately came to a halt when it came time to determine how to pay for the property. During his first meeting with the Foundation Board of Trustees (BOT) in 2006 the purchase of a farm was on the docket for discussion. The BOT had been identified as a possible way to move forward on the project but at that meeting did not commit Foundation funds for the purchase of an additional farm. The project was advanced in terms of identifying a property and source of funding but those holding the estate lost a great deal of interest and funding was ultimately not available to make the purchase. The farm purchase also appeared on the Capital Projects list but was not funded.

Mr. Hargrove stated that the Long-Range Farm Planning Committee was charged by President King Alexander to purchase a farm and was told Foundation money would be available to make the purchase. The Committee proceeded given this understanding but the project seemed to languish because some thought the price was inflated. At the time of the 2005 report he believed the University would be willing to give up the North Farm in order to acquire additional acreage and Dr. Alexander had indicated that this type of arrangement was possible and precedent had been set by another university. Dr. Dunn indicated this is the special legislation he referred to earlier. Mr. Denton stated that he checked with several state employees and the issue remains if state or general appropriations were initially used to acquire the North Farm then any proceeds from the sale of that property would go back to the state. Regarding precedent set by UK, he must assume the law was different at that time or UK used other means for the initial purchase.

Mr. Clark indicated when the Committee was initially formed there was a problem on the North Farm and in the meeting with King Alexander there was discussion on ways to resolve that problem. Although most in the meeting never considered purchasing another farm, Dr. Alexander told the group to locate a farm and purchase it. The Committee proceeded and put together a proposal and time has proven that the University would be better off now if it had purchased a farm at that time. This does not mean the University must buy another farm now but the 2005 report addressed a lot of other issues and the Committee was discouraged when they were told to identify a suitable farm for purchase and once they accomplished that objective were told they could not actually purchase the farm. Dr. Dunn indicated it was not so much the case that they could not purchase a farm but perhaps something was lost in translation. There was a directive from the President to move forward and identify a farm and that financing would be worked out through the Foundation to accommodate the purchase. He is not sure how the dynamics of the situation played out but he does know that at the BOT meeting where the issue was discussed it did not move forward. Mr. Hargrove indicated the Committee met with Dr. Tim Miller, Executive Director of the MSU Foundation, who indicated the Foundation had money to invest and further indicated if the Committee could identify a farm then the money would be there to purchase the property. Mr. Clark asked if once the associated issues are resolved and if the Task Force recommends purchasing a farm whether money is still available for the purchase. Dr. Dunn cannot answer that question for the Foundation and if the MSU Board decides this will be requested through state capital funds, it would need to agree to proceed in this fashion. A determination could also be made to not pursue the purchase of a farm with Foundation funds and the project could be added as a budgeted line or be funded through some combination of funds (MSU, Foundation, Capital Campaign funds). The Task Force must present a compelling case, given the current economic situation with higher education in Kentucky, if it makes the determination to move forward in recommending acquisition of a farm as part of the state capital request.

Mr. Clark asked where the monies are coming from with regard to $2.5 million for the Expo Center and the Pullen Farm. Dr. Dunn stated that Expo Center monies come from within the Capital Plan the University puts together for the state. All potential capital projects that need to be addressed at the University are listed in the Six-Year Capital Plan which is submitted to the state every two years in conjunction with the biennial budget. Those projects are basically listed
in the plan as possibilities to be undertaken if funding becomes available. Mr. Denton indicated with regard to the Pullen Farm a combination of farm improvement and grant monies were used. Mr. Clark stated the University would not have the Pullen Farm without the School of Agriculture because they were responsible for the farm being donated to the University. Dr. Dunn stated the Pullen Farm is a point of pride but utilizing University funds to enrich an asset it does not own is an issue that must be addressed. One way to handle this would have been for the farm to have been donated to the University (not the Foundation) and he does not know why it was handled in this manner. Ms. Hays added that many times in business one does not own an asset but must improve it to stay profitable and asked if this philosophy can be applied to the Pullen Farm. Mr. Denton stated it is a matter of degree and to this point the University is okay with its investment in that property because of the return on investment. If the University plans to construct a $10 million building on the property, however, that would present an entirely different situation. Ms. Hays indicated while this refers to enrichment of an asset not owned by the University, the farm offers several benefits, including increased enrollment for the School of Agriculture, that would not exist if the University did not possess the facility. Dr. Dunn stated this point was listed to inform the Task Force of the issue and if during deliberations they determine additional facilities on the Pullen Farm are needed it would need to be discussed. Mr. Hargrove reported that the Long-Range Farm Planning Committee discussed managing the Pullen Farm by the square foot rather than by the acre and asked with regard to the Science Complex, when it is determined they need expansion, new labs or a bigger building where the School of Agriculture may need more dirt versus bricks and mortar, whether they have to go through this same justification process. Dr. Dunn indicated the same argument must be made if it is determined to pursue the new building through a state capital request. If the Board decides to use University funds to purchase a farm then it must receive approval to do so but that would be separate from the state capital projects process. Mr. Denton stated there is a difference in getting the state to authorize a project versus actually funding a project. Mr. Hargrove feels this issue is being looked at more strictly because agriculture labs are out on the farms and are not pretty brick and mortar buildings that everyone can identify with and he does not want the School of Agriculture to be discriminated against. Dr. Dunn and Mr. Denton will provide testimony in Frankfort on these requests and must be able to articulate a clear message on the acreage of the farms the University currently owns and why it needs to move forward with purchasing another farm – if this makes it to the list of the two or three projects to be funded through the Capital Plan request. Mr. Clark indicated the farms are very important to the University and it cannot afford to let them deteriorate and whether or not a farm is purchased it will still require spending on those properties to properly maintain them. Dr. Dunn indicated at some future point the question will be asked whether the University can afford to invest in an additional farm and what the additional costs associated with that will be. Mr. Clark stated this question was answered in the 2005 report and the Committee was confident in the action it was pursuing. Dr. Dunn suggested that the Task Force update the information provided earlier so that it may feel equally confident moving forward. Mr. Clark requested clarification regarding reference to relationships that was included in the motion. Ms. Hays explained this refers to any type of relationship that the School of Agriculture might currently have that would make the work of this Task Force possible. Mrs. Buchanon indicated to her it means taking advantage of any relationships the School of Agriculture has, perhaps with a donor or company. Ms. Hays thanked Dr. Dunn for his insight and stated that he may be asked to address the Task Force again. Dr. Dunn stated he would be happy to render any assistance but Task Force members must keep in mind that nothing happens in isolation and there are different needs at the University today than there were in 2005 and there is also a different Board in place. **Overview of School of Agriculture and Farms/Facilities**

Dr. Brannon provided an overview of School of Agriculture farms and facilities which included the following highlights:

- Vision and Mission Statement: The fundamental mission of the School of Agriculture at MSU is to meet the needs of its students by providing educational experiences in the field of agriculture
necessary to develop their potential for premier leadership, personal growth and career success. Based upon student needs, the school’s mission focuses on offering a broad undergraduate and graduate curriculum consisting of areas, options and courses in agricultural science, agronomy, agribusiness economics, agricultural education, agricultural systems technology, horticulture, animal science, animal health technology, equine science and pre-veterinary medicine. Through its farms, the Breathitt Veterinary Center and the West Kentucky Livestock and Exposition Center, the School of Agriculture recognizes its important mission to enhance the agricultural, educational, economical and cultural opportunities for the people of its service region.

The School of Agriculture pursues the following goals and objectives:
- Emphasize a primary commitment to students through quality teaching and service from well-prepared, technologically proficient, professionally competent faculty and staff
- Provide “hands-on” agricultural experiences through classroom, experiential and farm laboratory instruction
- Develop, maintain and improve diverse, technologically current farm and technical programmatic laboratories that support the educational objectives of the school
- Provide public and university service to support the educational and technical needs of agriculture students and the agriculture industry of the service region
- Perform practical research and/or remain technologically proficient through involvement in research-oriented activities

Former Kentucky Commissioner of Agriculture Billy Ray Smith has most affected the School of Agriculture by implementing the recurring Regional University Farm Improvement Fund which provides the University with a $200,000/year recurring appropriation.

The School of Agriculture is proud of its association with many important organizations, including the BASF Chemical Company, U.S. Smokeless Tobacco Company, Kentucky Equine Trust Fund, Garst and the Kentucky Department of Agriculture and external funding from 1996 to 2008 amounts to more than $16 million.

Agriculture is important to the state of Kentucky and to this region and of the $3.96 billion dollars coming to the state of Kentucky, $1.5 billion comes from the Murray State service region, with eight of the top ten counties statewide in crop revenue; four of the top ten counties statewide in livestock and nine of the top ten counties statewide in corn, soybeans and wheat. Over 90 percent of all dark-fired tobacco receipts are within Murray State’s service region.

The School of Agriculture contributes significantly to recruitment with 54 freshmen students in the program in 1988 which has grown to 174 students in the fall of 2008. Last year there were five agriculture education students and this year there are 23 and the School of Agriculture attracts 10 to 12 percent of new freshmen. There are a total of 675 graduate and undergraduate students in agriculture.

The University’s overall retention rate is 74.3 percent and the School of Agriculture has a retention rate of 79 percent. Agriculture students come into the program focused and remain in the program. Mrs. Lovett agreed to e-mail a copy of Dr. Brannon’s PowerPoint presentation to Task Force members.

Since 2003 the number of Bachelor of Science Degree graduates has increased to 140 students. Master of Science Degree graduates remain strong but the capacity of the program is limited by the number of faculty available to teach master’s level courses.

An overview was provided of current agriculture facilities, including Oakley Applied Science, Howton Agricultural Engineering, Carman Pavilion (satellite classroom), and Breathitt Veterinary Center
- $700,000 for Phase I renovation of the Carman Pavilion came from special surplus funding from the Kentucky legislature in 1998 but a lab remains unfinished in this facility. Completion of this lab and additional renovations would cost $500,000 which is included in the legislative request for $25.5 million for Breathitt Veterinary Center. Completing this renovation work was cited as a critical issue by the AHT accrediting agency.
- Dr. Northington provided an update on BVC and indicated that a proposal to replace the Center is on the Capital Projects list and the project rose to the top of the priority list for the University in 2006 but was not funded at that time. He presented a handout prepared for the 2006 legislative session which outlines issues associated with the project. Comprising $4 billion of Kentucky’s economy, agriculture is Kentucky’s number one industry. Of that $4 billion over 65 percent comes from animal agriculture (livestock and poultry industries). What Kentucky does well is agriculture and while that state is trying to recover in these difficult economic times it must capitalize on the state’s resources.
- A copy of the executive summary from the Kentucky Agriculture Council to provide a strategic plan for agriculture which has been endorsed by the current state administration was presented. Over 50 agencies involved in agriculture participated in this process and six different action items were identified: 1) agriculture production and consumer marketing (meeting the future needs of Kentucky agriculture for state-of-the-art, comprehensive diagnostic services), 2) agri-energy development, 3) education, 4) public awareness and advocacy, 5) rural communities: quality of life, conservation and community leadership development and 6) agricultural development fund and supporting state governmental actions. Animal disease diagnostic laboratories were the number one item identified by these activities.
Kentucky agriculture agencies that recognized the importance of bringing laboratories into the 21st century. An aggressive effort is currently underway to develop a regional agricultural economic development plan that takes into consideration resources that exist in the Pennyrile and Purchase areas with regard to workforce development.

- The BVC has an external Advisory Council and a list of those members was provided. The fact that these individuals are willing to drive from all over the state to attend meetings and determine how to move the BVC forward speaks highly of the Center. In November the Advisory Council drafted a strong statement requesting Murray State keep BVC as a priority.

- Dr. Northington reported the architectural firm working on the UK laboratory that was funded for renovation (to add 40,000 square feet, basic HVAC renovation and some interior improvements to their existing facility) visited the BVC two weeks ago and indicated they do not understand why UK opted for renovation and not new construction because it costs more per square foot to renovate than it does to build new and at the end of the process UK will still have a 40-year-old building. A proposal will be sent to the Kentucky Agricultural Development Fund to attempt to secure funding for a feasibility study for a professional assessment of the BVC facility, including current and future needs of the Center, and to determine whether renovation or a new facility is needed. It is estimated that such a study would cost approximately $450,000. This initiative is being spearheaded by the Hopkinsville-Christian County Economic Development Council in conjunction with the Pennyrile Area Development District. Mr. Denton added that one biennium ago the CPE added a separate category for research projects on their priority list and Murray State’s BVC was third out of a priority listing of four facilities. Mrs. Buchanan indicated she will voice to legislators that this project needs to move forward and encouraged others to do so as well. Ms. Hays stated that she does not want to have an either/or situation come out of the work of the Task Force and since the BVC has its own Advisory Committee it should be allowed to do its own work but the Task Force will have a relationship with and support the work of the Advisory Committee.

The Agriculture Task Force adjourned for a short recess at 7:30 p.m. and reconvened at 7:40 p.m. Dr. Brannon continued with the following highlights:

- Not all School of Agriculture students come from farm backgrounds which is why the laboratory support system is of even greater importance. Student and faculty research is also important and acreage must be available to conduct that research. University farms are utilized for Future Farmers of America (FFA) which is an event that draws over 1,100 high school students to campus, including approximately 20 chapters from Illinois. Student groups also utilize farm facilities to host community service events such as Fall on the Farm and Special Education Day.

- West Farm Complex – The first farm (134 acres) was purchased in 1938 for $13,300 and makes up the main University farm complex. A second farm was purchased in 1939 (50 acres) for $11,500, a third farm was purchased in 1941 (40 acres) for $6,600, a fourth farm was purchased in 1942 (40 acres) for $11,500, and the final farm was purchased in 1959 (15 acres) for $4,125. Acreage at the West Farm Complex totals 279 at a cost of $46,425.

- The Black Angus beef herd is located on the West Farm and was made possible through the donation of $112,000 from three tri-state producers. The Equine Instructional Facility is also located at the West Farm and was made possible through the Equine Trust Fund in the amount of $52,800. A riding arena completed in 1998 and $930,000 for the classroom addition in 2004. The equine barns include the Student Barn which was built and paid for from student funds and stall rental fees and the MSU Barn which is scheduled for replacement utilizing $155,000 on hand and $175,000 pending from the Equine Trust Fund. Test plots at the West Farm funded by Garst and BASF seed companies in the amount of $52,800 provide research opportunities and funding for equipment and paying professors for summer research. The School of Agriculture receives revenue from crops produced and when BASF puts out a presentation headline in a flyer Murray State University is mentioned in that publication. Several years ago no tobacco was grown on the farm and now dark fired tobacco research is taking place at the Tobacco Research Facility through an agreement with UK. The agreement with UK and the University of Tennessee (along with funding from U.S. Smokeless Tobacco Company) included $15,000 to construct a tobacco barn. One of the newest facilities on the West Farm is the feed and hay storage facility and the farm shop made possible through farm improvement funding. The Cherry Agricultural Exposition Center has been in existence since the mid-1970s and was established with the help of former Mayor Bill Cherry. The Heathcott Rodeo Barn was made possible through donations from Dan Evans in the amount of $200,000 in addition to other private donations.

- The School of Agriculture received $267,995 in Agriculture Development Board funding to diversify Murray State farms and provide instruction in modern farm technology. New facilities included two additional greenhouses. The initial greenhouse was paid for through farm improvement funds and the two additional greenhouses were paid for from Agriculture Development funding received from the state and a 4.5 acre aquaculture catfish pond was added.

Fall on the Farm and Special Education Day
There are 42 acres at the Pullen Farm which was donated to the MSU Foundation for the use and benefit of MSU agriculture students and the farm is utilized for agronomy and crop research.

The Agriculture and Environmental Center was made possible through funding from the Tennessee Valley Authority, Kentucky Department of Agriculture and the Calloway County Soil Conservation District. The Pot-in-Pot Nursery was made possible through the ADA program and the Greenhouse Complex is a state-of-the-art facility and is a satellite instructional classroom.

The School of Agriculture received $80,000 in agricultural development funding to support the new Arboretum and groundbreaking took place during Homecoming with a dedication planned in the near future.

The North Farm Complex (75 acres) was purchased in 1962 for $18,000 and is primarily pasture land set up for intensive grazing. Also located in this complex are the Embryo Transfer Research Center, Boar Test Station/Feed Storage and the former Organic Recycling Center. Facilities Management uses facilities at the North Farm Complex, including buildings for storage and refuse and the Cardboard Recycle Center.

Dr. Brannon outlined the following constraints, problems and needs for the Murray State University School of Agriculture:

- Urban sprawl – There are two farms surrounded by golf courses and all farms are surrounded by subdivisions. It is a tremendous asset to have three University farms within a half mile of the center of town but can also become a liability.
- Manure handling and limited green space for animals/equine
- Expanded crop research - Companies continuously indicate they are exploring the possibility of on-farm research and have indicated that they do not want to use private farms but instead would prefer to utilize property owned by the University to conduct this research.
- Expanded specialized agriculture and pasture and hay production
- Joint projects with industry/educational institutions – The University currently has the UK soybean trials as well as the dark tobacco trial and Garst/BASF partnership.
- Carman Pavilion Phase II and EXPO Stall Barn are on the capital projects list.
- Livestock Instructional Laboratory – Discussions are underway with potential donors to move this facility forward but timing is an issue on this project as with all others previously mentioned.

Ms. Hays thanked Drs. Brannon and Northington for their presentation and stated that while there are many needs within the School of Agriculture the Task Force must identify two or three workable priorities.

**Background Summary of Previous Long-Range Farm Planning Committee Work**

Mr. Hargrove provided a summary of the work of the previous Long-Range Farm Planning Committee. The Committee was formed by Dr. King Alexander and when work first began conditions on the farms were deplorable – although today the farms are showcases. The farms are boxed in but there are companies that want to work with the University and hire MSU students to work with them – and most likely help them find employment when they graduate – and when that type of reputation gets out there enrollment numbers will continue to increase and that is not the typical trend across campus. He served as Chair of the Executive Committee of the Long-Range Farm Planning Committee and minutes of those meetings have been provided. In January 2005 the Planning Committee unanimously recommended as its number one priority the purchase of an additional farm. In March 2005 the recommendation was presented to Dr. Alexander who instructed the Committee to identify a piece of property and purchase it.

From April through October of 2005 an exhaustive search of available farms in Calloway County was undertaken with over 20 properties evaluated and discussed. A suitable property was identified – the Leroy Todd Estate farm approximately 6.5 miles east of Murray State. In November 2005 the Executive Committee toured the Todd farm and Dr. Tim Miller addressed the Committee indicating that the Foundation would be interested in helping acquire the property. Dr. Alexander toured the property on November 22 and a draft plan for purchase and accepting a donation was presented to him. The Executive Committee met again on December 14 and on December 16, 2005, and formally presented a recommendation to President Alexander for the purchase of the property. Mr. Hargrove indicated when the Committee presented this report and its recommendation to move forward, it seems that the target started moving and the rules started changing. The Committee advanced the best recommendation possible, identified the needs of the School of Agriculture and accomplished what was asked of it. One of the obstacles the Committee encountered was that the purchase of an additional farm would require support from the MSU Foundation. It was his understanding at the time some believed the price...
was inflated and also during that time the Committee worked with three different presidents. He believed Dr. King Alexander was looking for an “out” with regard to the North Farm but the farm could continue to be used for grazing and for hay storage. There are odors associated with livestock and when a farm is surrounded by a residential area that makes managing those challenges difficult. If the North Farm could be replaced with a much larger tract located close to town with good roads for the safety of MSU students traveling to the facility, then the farm identified by the Long-Range Farm Planning Committee met those needs.

Mr. Hargrove indicated that one of the major caveats to the process was that the North Farm could be sold to help meet this need. The Committee did not care whether the farm was deeded to the Foundation but as a good faith effort indicated if the Foundation would help the Committee purchase the farm then it would be willing to give up these other properties. The Committee then began working with a fourth president. To this point Mr. Hargrove indicated he has only sent an e-mail to Dr. Dunn requesting that he meet with the Executive Committee to be briefed on the status of the project and judge his level of support. He reported that he received no response from the request and Dr. Dunn did not meet with the Executive Committee and the project, in his opinion, died for lack of interest. He added that when he sent the e-mail the Science Complex project was hitting Dr. Dunn from every angle and there were bigger fires he needed to handle as the new president on campus.

Scope of the Task Force/ Discussion and Opportunities

Ms. Hays stated that she does not know where the University stands with regard to the North Farm property but there have been discussions within the MSU Foundation concerning this property. If the Agriculture Task Force makes a recommendation to dispose of the North Farm property it must be determined whether any proceeds from that sale can be used for other purposes and she suggested that the Task Force identify two to three priorities that the proceeds could be used to accomplish. There was concern that this Task Force would convene solely to discuss the acquisition of an additional farm and would not also look at the other needs of the School of Agriculture. The Task Force must ensure that a recommendation for land acquisition exclusively is not what comes from this group. The BVC has its own Advisory Board and while the Task Force should have a relationship with that Board it should not take on the advisement work they are tasked with accomplishing. The Task Force should address agricultural needs on the main campus and, while she agrees that the University needs an additional farm, they must also determine a means for paying for it. Agriculture plays a major role in the economy of this area and when considering enrollment numbers in the School of Agriculture and the income stream that comes from farm property, it is head and shoulders above other units on campus and should be provided with the resources to remain strong.

Ms. Hays indicated farm acquisition is a key issue and questioned whether disposal of the North Farm is desirable. Mr. Clark stated that the Animal Health Technology Center and the Breathitt Veterinary Center have needs and the Task Force should not take any action that will cause harm to the BVC. When this process was previously undertaken the Committee was not considering using any state funds to purchase a farm and if the Task Force can figure out a way to purchase a farm while also providing needed assistance at the BVC site he will support both initiatives. Ms. Hays suggested the Task Force also consider pursuing private funding dollars but must first determine if funding is available before even considering purchasing an additional farm.

Mr. Hargrove suggested that all needs in the School of Agriculture should be identified and prioritized and Ms. Hays agreed, indicating that by undertaking this work the Task Force might be able to recommend two to three priorities to pursue. Mr. Denton reported that although Agriculture Improvement and grant monies have been used to make improvements on the University farms, there is no differentiation from the auditor’s standpoint and it amounts to using University funds to make improvements to a property it does not own. The University is in good standing with regard to monies that have been spent to date for this purpose but the way auditors are viewing the arrangement is changing.

Mr. Hargrove stated in the materials distributed from President Dunn it appears $550,000 in University monies have been used to fund agriculture projects and he believes that is misleading. This amount includes Agriculture Improvement and grant money the University would not have received if it were not geared toward a specific agriculture project. Mr. Denton indicated Dr. Dunn was reporting from an auditor’s standpoint and that those funds are considered University
money if they flow through the University, regardless of the source. Mr. Hargrove asked if someone donates $100,000 for a new lab on the Pullen Farm if that money would flow through the University. Mr. Denton stated if the money is a donation, and the Pullen Farm was a donation, the money goes through the Foundation as opposed to the University, but grant monies do flow through the University. Mr. Hargrove asked if these monies flow through the University whether they can be used only for agriculture projects and Mr. Denton indicated that to be the case. Mr. Clark stated that to him that means this is not a direct expense to the University. Mr. Denton believes the Task Force is focusing on the wrong issue. To this point the University has been in good standing but is concerned if it ends up utilizing state funds, either general fund money or other state funds that are requested for University operations, and the farm is a University operation, then significantly more money becomes involved in that process and the return on investment becomes an issue. Mr. Clark indicated if the issue is constructing a $10 million facility then he understands this argument but the School of Agriculture is utilizing money it brought into the University to maintain the Pullen Farm. Mr. Denton indicated from a very specific allocation perspective the University has many costs in connection with the School of Agriculture, including staffing, personnel and benefits costs and operating support from the University that is being used for agriculture and farm operations.

Mr. Hargrove indicated he takes issue with the wording used by Dr. Dunn stating the University has paid for improvements to the property in the amount of approximately $550,000, exclusive of any University funds for the Arboretum. That makes it sound like the money came directly from the general operating fund and does not say $500,000 of the $550,000 is grant money. Mr. Oatman indicated the point was to show that dollars have been spent and leading into the Arboretum project it must be determined how much the University can do in terms of improvements and in the future if another farm is purchased what can be done by the University in terms of improvements. Ms. Hays indicated the purchase would need to be set up differently than the current model. Mr. Lawson stated this would depend on the type of property that is purchased and before the Task Force prioritizes the needs of the School of Agriculture it must determine what the role of the Foundation will be in this process. He suggested that a member of the Task Force talk with the Foundation Board to determine whether this project fits with their goals and objectives.

Ms. Hays suggested the Task Force identify a priority list of needs in the School of Agriculture and agreed that talking with the Foundation is an immediate priority. Dr. Brannon asked all to keep in mind the issue of using University funds to make improvements on property purchased by the Foundation which must be resolved before moving forward. Mr. Denton indicated the University does not know what plans are for the Pullen Farm and if there is no desire to construct a large new building at that location then it becomes a fairly easy discussion. Dr. Brannon indicated that is not in the long-term plan for the farm. He will ask faculty and students in the School of Agriculture to identify needs in the various areas, including strengths, weaknesses and opportunities. The Task Force will then review the listing in terms of President Dunn’s comments and will discuss prioritizing those needs at its next meeting. Ms. Hays indicated this should not be limited to existing physical facilities and that programmatic needs may also exist, including the poultry program that was mentioned earlier. As Chair of the Task Force, Ms. Hays agreed to contact the MSU Foundation to determine what continued role they may or may not have in this process. Mrs. Buchanon indicated she would be happy to participate in this discussion as well. Mrs. Buchanan and Ms. Hays agreed to schedule a meeting with the MSU Foundation to determine their level of interest in the work of the Task Force. A report regarding any discussion with the Foundation will also be provided at the next Task Force meeting.

Dr. Brannon appreciates dialogue with the Task Force but one issue that has not been mentioned is land purchases are somewhat different than building a Science Complex because once you build a Science Complex there are no bidders for that property and it is a Science Complex forever. When one purchases land it is an asset and that asset typically appreciates in value and also has revenue potential. All agreed that discussion with the Foundation would not be in terms of this being a gift to the University but instead a repayment plan would need to be established and the Foundation would serve the role of investor only.
Development of Task Force Work Plan and Timeline

The Agriculture Task Force will hold three additional meetings with the goal of presenting a report to the Board of Regents during their quarterly meeting on February 6, 2009. The Agriculture Task Force set the following meeting schedule:

- December 30, 2008  5:30 p.m.  MSU West Farm Equine Instructional Facility
- January 13, 2009  5:30 p.m.  MSU West Farm Equine Instructional Facility
- January 27, 2009  5:30 p.m.  MSU West Farm Equine Instructional Facility

Adjournment

The Agriculture Task Force meeting adjourned at 9:10 p.m.

Minutes approved at the January 13, 2009, Agriculture Task Force meeting.

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Peg Hay, Chair
Agriculture Task Force

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Jill Hunt Lovett, Secretary
MSU Board of Regents