

The actions delineated below were taken in open session of the Kentucky Agricultural Development Board at the March 21, 2014 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Development Board  
Summary Minutes of the Regular Business Meeting  
Franklin County Cooperative Extension Office  
Frankfort, Kentucky  
March 21, 2014**

**Call to Order**

James R. Comer, presiding, called the Kentucky Agricultural Development Board (KADB) regular business meeting to order at 10:17 a.m. (EDT).

**Roll Call**

The following members were present: Dr. Betty Bailey; Dean Nancy M. Cox; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Dr. Teferi Tsegaye (designee for President Mary Sias); Jim Sidebottom; James R. Comer, Vice Chairman; and Jamie Link (designee for Governor Steven L. Beshear).

Members absent: Roy Collins; Karen Curtis; Wayne Hunt

**Notification of Media**

Commissioner Comer received verification from Sandy Gardner, Director of Communications, that the media has been notified of the KADB monthly meeting.

**Welcome**

Commissioner Comer welcomed everyone to the meeting.

Commissioner Comer announced that the Lexington Legends signed a contract with the Chop Shop, a KADF supported project. The contract calls for all hamburgers sold at the Lexington Legends ballpark to come from the Chop Shop meat processing plant in Lee City, Kentucky.

Commissioner Comer informed the board of the passing of Dr. David Coffey yesterday.

### **Approval of Minutes**

Commissioner Comer entertained a motion to approve the minutes of the February 21, 2014 board meeting.

Dr. Betty Bailey moved to approve the minutes, as presented; Dean Nancy Cox seconded the motion.

VOTE: Motion Passed; Unanimous

### **Executive Director's Report**

Commissioner Comer yielded the floor to Joel Neaveill, Chief of Staff, Governor's Office of Agricultural Policy (GOAP). Mr. Neaveill deferred to Bill McCloskey, Director of Financial Services, to review the Kentucky Agricultural Finance Corporation (KAFC) Statement of Financial Position (on file with the board secretary) as of February 28, 2014.

Jim Sidebottom moved to accept the KAFC Financial Report; Troy Rankin seconded the motion.

VOTE: Motion Passed; Unanimous

Roger Thomas gave the board an update on the 2014-2016 Budget. The budget is now in the Senate having passed the House last week. The House budget (taking into consideration the projected MSA payment, which could change) indicates the following allocations to the GOAP:

	<u>FY15</u>	<u>FY16</u>
County Accounts	\$17.4M	\$9.2M
State	\$13.6M	\$2.9M

Mr. Thomas further stated that if any additional MSA monies are awarded to the state that are not budgeted, those monies will be distributed according to the formula in HB 611 (50/25/25).

Mr. Thomas announced that Cyndi Hall, Loans Program Manager, will be leaving GOAP on Friday, March 28, and will be moving to Oklahoma. Mr. Thomas invited Ms. Hall to say a few words to the board.

Mr. Thomas called on John McCauley, State Director, Farm Service Agency (FSA), to report to the board on events with the FSA since the last board meeting. Mr. McCauley presented the board with the March 2014 Kentucky Guaranteed Lender News bulletin (on file with the Board Secretary).

Mr. Thomas called on Aleta Botts, Executive Director, Kentucky Center for Agricultural Development (KCARD), to report to the board. Ms. Botts announced that they are serving 50-60 clients per month.

## Presentation

### **Kentucky Agricultural Leadership Program (KALP) – A2008-0407**

In 2008 the University of Kentucky was approved for \$1,000,000 in state funds to establish an endowment for the Kentucky Agricultural Leadership Program. Per the Legal Agreement, on a bi-annual basis, the Recipient is to provide the Board sufficient information, data and statistics to evaluate the benefits of this investment.

Kylee Palmer, Director of Compliance, introduced Dr. Will Snell and Dr. Steven Isaacs, Co-Directors, KALP, to present to the board. A PowerPoint presentation was given in addition to several handouts (on file with the board secretary).

Warren Beeler, designee for Commissioner Comer, assumed the Vice Chair.

Jamie Link assumed the Chair.

## Old Business

### **Memo Action Item**

Mr. Link called on Brian Murphy, General Counsel, to present the following memo action item to the Board for consideration:

#### **A2012-0103 Mac Farms, Incorporated**

Mr. Murphy presented a memorandum (on file with the board secretary) regarding the above-referenced project. The Recipient requested a time extension until June 30, 2014 to allow time to complete the anaerobic digester.

Staff recommends approval of this request.

Sam Moore moved to approve the staff recommendation, as presented;  
Jim Mahan seconded the motion.

VOTE: Motion Passed; Unanimous

## New Business

### **Memo Action Item**

Mr. Link called on Ms. Gardner to present the following memo action item to the Board for consideration:

#### **2014-2016 County Agricultural Development Councils**

Ms. Gardner presented a memorandum and attachments (on file with the Board Secretary) recommending the board establish a policy to prohibit any individual from acting as both a County Agricultural Development Council (CADC) member

and in an administrative capacity for KADF programs, including decision making and fiduciary responsibilities.

After discussion, Mr. Rankin moved to change the policy to read:

“Prohibit any CADC member from serving as a KADB Program Administrator.”

Dr. Bailey seconded the motion.

VOTE: Motion Passed, Unanimous

The Board noted the policy is not intended to preclude representatives of organizations from scoring CAIP producer applications.

### **New Application for Referral<sup>1</sup>**

Mr. Link referenced one application for referral:

Mr. Henderson moved to refer the submitted application; Dr. Teferi Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

### **Programs Recommended for Approval<sup>2</sup>**

Mr. Link referenced five (5) County Agricultural Investment Program (CAIP) applications requesting county funds totaling \$357,022; one Deceased Farm Animal Removal Program (DAR) application requesting county funds totaling \$7,500; and two (2) Shared-use Equipment applications requesting county funds totaling \$35,775. Total program funding requested \$400,297.

Don Goodin moved to approve the program recommendations, as presented; Dr. Bailey seconded the motion.

VOTE: Motion Passed; Unanimous

### **Requested Program Amendment<sup>3</sup>**

Mr. Link referenced one CAIP Amendment requesting county funds totaling \$34,729.

Mr. Sidebottom moved to approve the program amendment, as presented; Dr. Tsegaye seconded the motion.

VOTE: Motion Passed; Unanimous

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<sup>1</sup> A detailed list of Applications for Referral is attached as Appendix A.

<sup>2</sup> A detailed list of projects funded under the County Agricultural Investment Program, Deceased Farm Animal Removal Program and Shared-use Equipment Program is attached as Appendix B.

<sup>3</sup> A detailed list of County Agricultural Investment Program amendments is attached as Appendix C.

### **Project Recommendations for Funding**

Mr. Link called on staff to present the following project recommendations for funding:

**A2014-0001            Kentucky Sheep and Goat Development Office, Inc.**  
Biff Baker, Project Manager, referenced the above project from the Kentucky Sheep and Goat Development Office, Inc. requesting \$60,000 in state funds over two years to train mentors to assist sheep and goat producers and to develop an intensive educational program: Small Ruminant Profit Schools.

The Red Application Review Committee recommended funding this request.

Mr. Mahan moved to approve the committee recommendation; Warren Beeler seconded the motion.

VOTE: Motion Passed; Unanimous

**A2014-0006            Lee's Plant Farms, Inc.**  
Mr. Baker referenced the above project from Lee's Plant Farms, Inc., requesting \$60,000 in state funds to construct and equip a 20'x60' vegetable processing facility.

The Red Application Review Committee recommended funding this request for \$60,000 in state funds in the form of a 2% loan amortized over seven years.

Mr. Henderson moved to approve the committee recommendation; Dean Cox seconded the motion.

VOTE: Motion Passed; Unanimous

### **Pending Applications**

Mr. Link called on staff to review the following pending applications and invited the board to ask questions of any:

A2013-0217	Franklin Simpson High School Agricultural Education Program
A2013-0276	Appalachia-Science in the Public Interest
A2013-0292	Carter County Soil Conservation District
A2013-0301	James Wesley Spurrier, Jr.
A2014-0010	Henry County Meat Market LLC

No action necessary.

Mr. Link yielded the floor to Mr. Murphy. Mr. Murphy announced that the KADB would now enter into closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation.

Mr. Link entertained a motion to enter into closed session.

Wayne Mattingly moved to enter into closed session, Mr. Sidebottom seconded the motion.

VOTE: Motion Passed; Unanimous

The Board reconvened in open session at 12:49 p.m.

**Adjournment**

Mr. Link entertained a motion to adjourn.

Mr. Mattingly moved to adjourn the March KADB meeting; Mr. Henderson seconded the motion.

VOTE: Motion Passed; Unanimous

The KADB meeting adjourned at 12:50 p.m. (EDT).

APPROVED DATE: 4/17/14

PRESIDING OFFICER: Jamie Link

BOARD SECRETARY: Teresa Spreitzer

## Appendix A: Application for Referral

APP #	APPLICANT	COUNTY
A2014-0021	Kentucky Distillers' Association <i>Economic Impact of Kentucky's Distilling Industry</i>	Franklin

## Appendix B: Program Lists

### CAIP

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0014	Breathitt County Farm Bureau of Breathitt County, Kentucky	Breathitt	\$75,000.00
A2014-0015	Allen County Conservation District	Allen	\$155,597.00
A2014-0016	Magoffin County Agriculture Investment Program Incorporated	Magoffin	\$7,425.00
A2014-0019	Henry County Cattlemen's Association, Inc.	Henry	\$1,000.00
A2014-0022	Clinton County Farm Bureau, Inc. of Albany, Kentucky	Clinton	\$118,000.00
			<b>\$357,022.00</b>

### Deceased Farm Animal Removal Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0017	Hart County Soil Conservation District	Hart	\$7,500.00
			<b>\$7,500.00</b>

### Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2014-0018	Kentucky Ketch, Inc.	Clay	\$21,150.00
A2014-0020	Menifee County Conservation District	Menifee	\$14,625.00
			<b>\$35,775.00</b>

Total County Funds Recommended for Approval in Programs: **\$400,297.00**

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## ***Appendix C: Program Amendment***

<b>App #</b>	<b>A2013-0294</b>
<b>Applicant Name</b>	<b>Lewis County Conservation District</b>
Original Amount Approved	\$180,000
Execution Date	12/06/2013
Requested Change	<p>The applicant requests an <u>additional</u> \$34,729 Lewis County funds for the CAIP Program. The request received a <u>high</u> priority from the Lewis County Council.</p> <p>This is the first request for an amendment to this application number. The term of the program shall remain 12-months from the execution date of the original agreement.</p> <p>Approval of this request would bring the program total to \$214,729.</p> <p><b>Recommend Approval</b></p>

Kentucky Agricultural Development Board Meeting  
**MEETING AGENDA**



*Franklin County Cooperative Extension Office  
101 Lakeview Court, Room E/F  
Frankfort, Kentucky 40601*

**March 21, 2014  
10:00 a.m. (EDT)**

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**Call to Order**

**Roll Call**

**Notification of Media**

**Welcome**

**Review and Approval of Meeting Minutes for February 21, 2014**

**Executive Director's Report**

Roger Thomas, Executive Director

**Presentation**

Kentucky Agricultural Leadership Program (KALP)  
*Dr. Will Snell and Dr. Steve Isaacs, Co-Directors, KALP*

**Old Business**

Memo Action Item  
A2012-0103 Mac Farms, Incorporated  
*Time Extension*

**New Business**

Memo Action Item  
2014-2016 County Agricultural Development Councils  
*Policy*  
New Applications for Referral  
Programs Recommended for Approval  
Requested Program Amendment  
Recommendations for Funding  
Pending Applications

**Adjournment**