

The actions delineated below were taken in open session of the KADB at the November 20, 2009 regular board 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 (GOAP), 404 Ann Street, Frankfort, KY 40601

**Kentucky Agricultural Development Board
Summary Minutes of the Business Meeting
Barren River State Park, Barren, KY
Thursday, November 19, 2009
Friday, November 20, 2009**

Call to Order

Chairman Mac Stone called the meeting to order at 1:00 p.m. (CST) on Thursday, November 19, 2009. The members were given a presentation regarding recommended changes to programs, projects and policies for the coming year. The Kentucky Agricultural Development Board (KADB) discussed possible changes. No action was taken on any issue during this meeting.

The meeting recessed at 4:45 p.m. (CST).

The meeting reconvened at 9:00 a.m. (CST) on Friday, November 20, 2009.

Roll Call

The following members were present: Karen Curtis; Rodney Dick; Don Goodin (designee for Secretary Larry Hayes); Pat Henderson; Dr. Kimberly Holmes (designee for Dr. Mary Sias); Wayne Hunt; Sam Lawson; Jim Mahan; Wayne Mattingly; Sam Moore; Troy Rankin; Jim Sidebottom; Dean Scott Smith; Mac Stone (designee for Commissioner Farmer).

Members with excused absences: Vickie Yates Brown

Notification of Media

Mr. Stone received verification that the media has been notified of the Kentucky Agricultural Development Board monthly meeting.

Approval of Minutes

Troy Rankin called attention to a misspelling in the minutes. **Mr. Rankin moved to approve the minutes of the October 16, 2009 meeting as corrected. Jim Sidebottom seconded the motion.**

Vote: Motion Passed, Unanimous

Executive Director's Report

Mr. Stone called on Roger Thomas to give the Executive Director's Report.

Mr. Thomas reported that the December KADB meeting will be held at Kentucky Horse Park near Lexington, KY on December 18, 2009 starting at 10:00 a.m.

Mr. Thomas reported his attendance at the November 4, 2009 Tobacco Settlement Agreement Fund Oversight Committee Meeting and noted that the next meeting would be held on December 2, 2009. He invited any available KADB member to attend.

Mr. Thomas reported on meetings and activities that staff at the Governor's Office of Agricultural Policy (GOAP) had attended between the October and November KADB meetings. These included: the Interim Joint Committee on Agriculture; the Kentucky Agricultural Council; the Kentucky Agriculture Heritage Center Banquet; the Marion County Chamber of Commerce; the Kentucky Experience Product Pavilion Press Conference; and, the Louisville Farm-City Luncheon.

Mr. Thomas called on Christi Marksbury to report on the updated flyer on the Breathitt Veterinary Center.

Mr. Thomas called on Michael Judge to report on the expired application A2008-0447-Anderson's Victory Haven Training Center, LLC with an expiration date of October 22, 2009.

Mr. Thomas called on Diane Fleming to give a legal update. Ms. Fleming provided information on the continuous audit of the agri-tourism projects, as well as a status report on circuit court and federal cases. Jennifer Daniels gave the Board a compliance update on the status of the Shared-use Equipment program.

No action was taken on the Executive Director's report.

Roger Thomas presented a Memorandum regarding Leveraging Funds for Multi-County Energy Projects requesting approval of a commitment of up to \$800,000 for eligible projects. **Dr. Kimberly Holmes moved approval of the funds; Jim Mahan seconded the motion.**

Vote: Motion Passed, Unanimous

Mr. Thomas called on Bill McCloskey to give a report on the financial position of the KAFC. Mr. McCloskey referred to the report, found in the Board Book (on file with the Board Secretary), which shows the balance of accounts as of October 31, 2009. **Rodney Dick moved that the report be accepted; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Fiscal Update and Review

Joel Neaveill gave a report on the Kentucky Agricultural Development Fund Fiscal Year 2010 State-Level Project Funding.

No action was taken on this item.

A short discussion of the previous day's presentation ensued. **Dean Scott Smith moved that the GOAP staff develop wording for the CAIP guidelines that would eliminate all trailers and directly related items from being eligible investment items; Sam Lawson seconded the motion.**

Vote: Motion Passed, Unanimous

Discussion of Project Applications and Presentations/Reports

The KADB members and the GOAP staff held a discussion session regarding pending applications. The members were provided updates regarding the status of the following applications:

- A2009-0023 Marksbury Farm Foods, LLC
- A2009-0028 Owens Garden Center, LLC
- A2009-0031 Grasshoppers Distribution, L.L.C.
- A2009-0037 Elliott County Extension District Board
- A2009-0127 Kentucky Forage & Grassland Council
- A2009-0128 The Agriculture Communications Association, Inc.
- A2009-0167 J & Sons Meats & Processing, LLC
- A2009-0190 Valley Vegetables, Inc.
- A2009-0193 Bluegrass Lamb & Goat, LLC
- A2009-0195 Laurel County Extension District
- A2009-0196 The Little Kentucky River Winery, LLC
Teresa Weyler addressed the KADB concerning this application.
- A2009-0203 Tracy Curtsinger
- A2009-0219 Jessamine County FFA Alumni Association Inc.
- A2009-0220 Breckinridge County Board of Education
- A2009-0221 Marshall County Conservation District
- A2009-0223 Kentucky Community and Technical College System Foundation, Inc.
- A2009-0224 Mammoth Cave Resource Conservation and Development Area Inc
- A2009-0225 Two Brothers Garden Center and Nursery
- A2009-0227 Fairyhouse Productions, LLC
- A2009-0229 Nelson County Conservation District
- A2009-0230 Capstone Auction Service, LLC

Discussion ensued but no action was taken on any items.

County Agricultural Investment Program (CAIP) Recommendations¹

Mr. Stone referenced for the Board's consideration six (6) CAIP applications requesting county funds totaling \$1,226,875 that meet program guidelines and compliance standards. **Pat Henderson moved for approval of the submitted CAIP applications as presented; Mr. Dick seconded the motion.**

¹ A detailed list of projects funded under each *C.A.I.P. Recommendations* is attached as Appendix A.

Vote: Motion Passed, Unanimous

Other Programs Recommended for Approval²

Deceased Farm Animal Disposal Assistance Program (DFADAP)

Mr. Stone referenced for the Board's consideration two (2) DFADAP applications requesting county funds totaling \$8,975 that meet program guidelines and compliance standards. **Dr. Holmes moved for approval of the submitted DFADAP applications as presented; Wayne Mattingly seconded the motion.**

Vote: Motion Passed, Unanimous

Shared-use Equipment Program

Mr. Stone referenced for the Board's consideration one (1) Shared-use Equipment application requesting county funds totaling \$10,750 that meet program guidelines and compliance standards. **Mr. Dick moved for approval of the submitted Shared-use Equipment Program application as presented; Mr. Sidebottom seconded the motion.**

Vote: Motion Passed, Unanimous

Program Amendments³

Mr. Stone referenced for the Board's consideration two (2) program amendments requesting county funds totaling \$82,234. **Dean Smith moved for approval of the submitted amendments as presented; Don Goodin seconded the motion.**

Vote: Motion Passed, Unanimous

Memo Action Items

Todd Harp presented a Memorandum regarding A2009-0214, the Mason County Fiscal Court. The Mason County Fiscal Court was approved for a Deceased Farm Animal Disposal Assistance Program in the amount of \$5,915 based upon 25% of their previous year's budget for the pick up of fallen animals. However, their anticipated expenditures for 2009-10 have increased and they are requesting an additional \$1,485 in Mason County funds. The Mason County council has given this request a high priority and staff is recommending approval. **Sam Moore moved to approve the staff recommendation; Mr. Dick seconded the motion.**

Vote: Motion Passed, Unanimous

² A detailed list of requested *Programs Recommended for Approval* is attached as Appendix B.

³ A detailed list of requested *Amendments* approved is attached as Appendix C.

Todd Harp presented a Memorandum regarding A2008-0434, the Kentucky Dairy Development Council. The Kentucky Dairy Development Council was approved for \$10,000 in state funds to help assist with the administrative costs associated with the establishment of a Milk Commission. These funds were contingent upon the passage of legislation establishing the Milk Commission during the 2009 Kentucky Legislative Session and upon \$10,000 in matching funds being raised by the applicant. The applicant is requesting release of funds to match the amount of funds that have been secured. To date the applicant has raised nearly \$7,000. Staff is recommending approval of this request. **Mr. Henderson moved to approve the staff recommendation; Dean Smith seconded the motion.**

Vote: Motion Passed, with one abstention by Mr. Sidebottom.

Todd Harp presented a Memorandum regarding A2007-0026, the Kentucky Entrepreneurial Coaches Institute. The Kentucky Entrepreneurial Coaches Institute was approved for \$883,545 to complete an entrepreneurial coaches training program in south eastern Kentucky. The program has currently completed the first class in this area and has just recently selected their second class that will begin in January, 2010. Due to some unforeseen circumstances, the project will be unable to complete the second class by the original expiration date of July 31, 2010. The applicant is requesting an extension of this expiration until May 31, 2011. Staff is recommending approval of this request. **Mr. Dick moved to approve the staff recommendation; Mr. Rankin seconded the motion.**

Vote: Motion Passed, Unanimous

Todd Harp presented a Memorandum regarding A2006-0461, the Kentucky Poultry Federation. The Kentucky Poultry Federation was approved for \$825,716 in state funds to complete a statewide educational program as well as conduct poultry house energy evaluations. To date the program has completed energy evaluations on 42 Kentucky farms and conducted several educational events including statewide programming as well as integrator specific seminars. The applicant has encountered various obstacles that have prevented them from completing the project by the original expiration date of December 31, 2009 and is now requesting an extension until December 31, 2010. Staff is recommending approval of this request. **Mr. Moore moved to approve the staff recommendation; Mr. Mahan seconded the motion.**

Vote: Motion Passed, Unanimous

Christi Marksburly presented a Memorandum regarding A2003-0597, Boone's Abattoir, Inc. Boone's Abattoir, Inc. was approved for \$26,000 in county funds and \$546,676 in state funds as a forgivable loan at the May 21, 2004 KADB meeting. Funds were used to rebuild their facility and construct a state-of-the-art USDA inspected slaughter/processing facility. Additional funds were used to purchase equipment necessary for the establishment of the processing facility. Staff

recommends changes to the legal agreement between the KADB and Boone's Abattoir to reflect needed changes to this project. These changes include: establishing the rate of forgiveness at a 10% discount for processing services to producers; the county money be awarded as a grant; and, changing the producer definition to include any Kentucky producer, not just Kentucky tobacco dependent producers. **Dean Smith moved to approve the staff recommendation; Mr. Lawson seconded the motion.**

Vote: Motion Passed, Unanimous

Christi Marksburly presented a Memorandum regarding A2008-0073, the Kentucky Agricultural Council Incorporated. The Kentucky Agricultural Council Incorporated was approved for \$200,000 in State funds as a grant at the June 27, 2008 KADB meeting. Funds were to assist the applicant in the coordination, implementation, and continued development of the Strategic Plan for Agriculture. The project allowed for administrative support for the project. The legal agreement was executed three months prior to the hiring of administrative support personnel and the Kentucky Agricultural Council is requesting an extension of their two-year legal agreement until December 31, 2010. This would allow the consultants to complete a two year contract and continue the mission of the organization. No additional funds are being requested with this amendment. Staff recommends extending the legal agreement of the Kentucky Agricultural Council until December 31, 2010. **Mr. Lawson moved to approve the staff recommendation; Mr. Mattingly seconded the motion.**

Vote: Motion Passed, with one abstention by Dean Smith.

Closing Remarks

The next meeting of the Kentucky Agricultural Development Board will convene on Friday, December 18, 2009 at 10:00 a.m. (EST) at the Kentucky Horse Park near Lexington, KY. Note time and location of meeting subject to change; ample notification will be given if such a change occurs.

Mr. Mahan moved to adjourn; Mr. Rankin seconded the motion.

Vote: Motion Passed, Unanimous

The meeting adjourned at 12:15 p.m. (CST)

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____

APPENDIX A: County Agricultural Investment Program (C.A.I.P.)
Recommended for Approval

C.A.I.P.			
<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2009-0228	Menifee County Beef Producers, Inc.	Menifee	\$120,000.00
A2009-0232	Todd County Conservation District	Todd	\$300,000.00
A2009-0234	Powell County Livestock Producers Association, Inc.	Powell	\$55,500.00
A2009-0235	Magoffin County Agriculture Investment Program Inc	Magoffin	\$112,375.00
A2009-0236	Boyle County Farm Bureau	Boyle	\$324,000.00
A2009-0237	Washington County Cattlemen Association, Inc.	Washington	\$315,000.00
			\$1,226,875.00
Total County Funds Recommended for Approval in County Agricultural Investment Programs			\$1,226,875.00

APPENDIX B: Programs Recommended for Approval

Deceased Farm Animal Disposal Assistance Program

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2009-0222	Anderson County Fiscal Court	Anderson	\$3,975.00
A2009-0233	Todd County Fiscal Court	Todd	\$5,000.00
			<hr/> \$8,975.00

Shared-use Equipment

<u>Application</u>	<u>Program Administrator</u>	<u>County</u>	<u>Funds Requested</u>
A2009-0231	Anderson County Farm Bureau, Inc	Anderson	\$10,750.00
			<hr/> \$10,750.00

Total County Funds Recommended for Approval in Programs: **\$19,725.00**

Requested Amendments-Projects & Programs

App # A2009-0052
Applicant Name Jefferson County Farm Bureau, Inc.
Amount Approved \$63,680.00
Date Approved May 15, 2009
Dated Executed September 1, 2009
Requested Change The applicant requests an additional \$23,565 for C.A.I.P. The request received a high priority from the Jefferson County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$87,245.
Recommendation Approval

App # A2009-0090
Applicant Name Robertson County Soil Conservation District
Amount Approved \$250,000.00
Date Approved June 19, 2009
Dated Executed July 9, 2009
Requested Change The applicant requests an additional \$58,669 for C.A.I.P. The request received a high priority from the Robertson County Agricultural Development Council. The term of the program shall remain 12-months from the execution date of the original agreement. Approval of this request would bring the program total to \$308,669.
Recommendation Approval

