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Minutes
Farm Sub Committee
August 19, 2009

In attendance:

Mark Fey, Chair
Bill Wadsworth
Blythe Robison, Avon Assistant Town Manager (for Mr. Schenck)

Staff Members in attendance:

Kathleen Eagen, Farmington Town Manager
Joseph Swetcky, Finance Director

Absent:

Don Perrault

A. Call to Order.

The Chair opened the meeting at 5:05 P.M.

B. Public Comments.

Hinda Fisher questioned why were there seven citations against the Fisher Farm. Chairman Mark Fey said he would get that information to her.

Perry Clemenson showed 4-H pictures and described to the Committee her children's involvement with the Fisher Farm and that she supports Mr. Simmons making yogurt at the farm.

Sandra Garguilo said she witnessed the unsanitary conditions at the farm and that the cattle were starving and neglected while her daughter was employed at the farm. She commented that the Town should find someone motivated to keep the farm running in better condition and that there should be other opportunities.

C. Approve Minutes of the July 21, 2009 Meeting.

It was unanimously voted (Fey/Wadsworth) to approve the minutes of the meeting as written.

D. Old Business. None.

E. New Business.

To Discuss a "Business Plan" with Mr. Simmons and a UCONN Representative.

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Chairman Mark Fey introduced Joseph Bonelli, Associate Extension Educator at UCONN to the Committee and said the purpose of the meeting is to generate information to discuss a business plan with Mr. Simmons regarding the Fisher Farm.

Mr. Simmons spoke about the crisis of the dairy industry and its impact on the Fisher Farm and that the wholesale milk industry was in dire straits. He informed the Committee it would cost \$150,000 to \$200,000 to bottle the milk and to do the volume needed to handle milk production at the farm. Mr. Simmons told the Committee that it would be more productive to make yogurt rather than start a milk plant, and that it would be cheaper and more cost effective to produce yogurt rather than milk. He explained that the process to make yogurt is complicated and timely but informed the Committee that this is his plan. He also informed the Committee that he has been making hay and has a good supply of grain to feed the cattle and that he has been up-keeping the grounds at the farm.

Joseph Bonelli informed the Committee that he and Mr. Simmons spoke about fact-finding. He said that his goal was to look at the farm from an economic and financial standpoint and whether or not the farm should diversify, in creative ways, be it retail or other commodities and opportunities (i.e. wholesale or co-op). He told the Committee that he is a resource person who can look at Mr. Simmons' debt very carefully and that he will consider using short and long-term financial planning to determine what goals will or will not work to achieve the vision of the Committee.

William Wadsworth commented that after the last Farm Sub-Committee meeting he thought that an assessment would be made to determine if the farm could operate as a profitable entity and whether or not the property can support this type of operation; and that this information should have been available upfront. He thought that the Committee should have had a description of the property's assets, land, what is tillable, forests, buildings, main house and barn, outbuildings, etc. He questioned whether or not these assets could support the 50-60 milking cattle, and can the income generated from the milk support the farm.

Kathy Eagen commented that UCONN, in their capacity, is not able to give that kind of detailed report to the Committee. She said that UCONN can work on a business plan and be a resource but it would not include the kind of detail and analysis that Mr. Wadsworth requested.

Ms. Eagen questioned if there is a private group or consultant that would come up with this type of report required by the Committee. Mr. Bonelli said that there might be 3 or 4 groups that he could provide as references to the Town such as a soils person or production person that could assess the property, and that he will be willing to look at the resources needed to get the information required of the Committee. He stated that he would do whatever he can, as a catalyst, to assist in reviewing a business plan with Mr. Simmons, but cannot, in his capacity, recommend a plan. He felt that through the discussion with the Committee he now has a better idea of what the University can offer in specific resources to help with the goals of the Town relative to the property.

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Mr. Wadsworth stated that his expectation is that we as a Town would analyze those assets and income potential for the property and determine if the operation is viable, regardless of who is operating or managing the property.

Kathy Eagen said she worked with the state agencies to review the Town's lease and found hesitancy on their part to make recommendations regarding the Town's lease and understands that it would put the State in a compromising position if they gave their suggestions.

Chairman Fey asked several questions of Mr. Simmons on the income side of the farm. He inquired about housing sheep on the property. Mr. Simmons said he does not collect rent for the 50 sheep housed on the farm, however he does get income from the feed he sells to their owner and the lambs that are sold. He also said he is making an income from haying this season and that he will have enough for his cattle and to sell 3 to 4 thousand bales at \$4-5 dollars per bale, and that his son has sold some firewood as a source of income. He said that horse manure is being used as fertilizer and that composting is being done with the Polo Club, Avon Valley, and Wayne Arute but he said it does not generate any income. Mr. Simmons also stated that there are presently 58 cattle on the farm owned by him and that in one year the farm-stand made \$55,000; however he was uncertain how much income was made this year at the farm-stand. On the Avon side of the operation haying and cow pasturing is being done.

Chairman Fey went on to ask Mr. Simmons questions about the debt side of the farm. Mr. Simmons said he is paying off his debt to the owner of the Polo Grounds via hay and that his federal loans are paid up to date and that his main loan of approximately \$150,000 is to the Farm Service Agency (FSA). In the past year he said he purchased an incubator, a refrigerated truck and will purchase a bucket tractor as farm equipment.

Kathy Eagen informed Mr. Simmons that as part of his business plan he should provide to the Committee his income vs. debt ratio, level of debt, and what his present payments are so that the Committee can make an assessment. It was the consensus of the group that Mr. Simmons should provide this information to them.

William Wadsworth added in closing that Mr. Simmons has not fulfilled his lease obligation to the Committee (i.e. business plan, financial statement and budget) and that the Committee is not at the point where they can determine if this operation, which is a 50-60 cattle dairy farm, can be financially successful and meet the requirements of the lease. He pointed out that through grants received, the Town has provided money for repairs and improvements and that there are no taxes, debt, or insurance on the property that Mr. Simmons is obligated to pay; therefore Mr. Wadsworth's question is can a standard dairy farm be run efficiently and properly with these special considerations.

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In summary, Mr. Bonelli will try to zero in what issues have an impact on the business. Chairman Fey summarized that Mr. Simmons needs to provide the Town financial information to move forward with a business plan for the farm.

The meeting was adjourned at 6:25 P.M.

Respectfully submitted,

Kathleen A. Eagen
Town Manager