

# Kentucky Agricultural Finance Corporation

Minutes of the October 5, 2012 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, October 5, 2012 at 10:00 a.m. EDT at the Transportation Cabinet Office Building, 200 Mero Street, Frankfort, KY. Steve Kelly, designee for Commissioner Comer, presiding, called the meeting to order.

## **Notification of Press**

Mr. Kelly received verification that the media had been notified regarding the Kentucky Agricultural Finance Corporation (KAFC) monthly meeting.

## **Roll Call**

### ***Members Present***

Steve Kelly (designee for Commissioner Comer), Westy Adams, George Begley, Kenny Burdine, Wayne Hunt, Tom Midkiff (designee for Secretary Miller), Joel Oney, Frank Penn, Peggy Peterson

### ***Members Absent***

Larry Jagers, Doug Lawson, Frank McAninch

### ***Others Present***

**Staff** – Biff Baker, Cyndi Hall, Bill McCloskey, Brian Murphy

**Guests** – Danny Gray, Terry Ginn and Kim L. Nelson, Charah, Inc.

## **Review and Approval of Minutes**

Kenny Burdine moved to approve the minutes of the September 7, 2012 meeting of the KAFC Board of Directors; Joel Oney seconded the motion. *The motion passed without dissent.*

## **Director of Financial Services Report**

Mr. Kelly called on Bill McCloskey to give the Director of Financial Services Report.

Mr. McCloskey reviewed the financial position report (below) of KAFC, which reflected activity since the last meeting.

<b>KAFC Statement of Financial Position</b>	
<b>ASSETS (as of 9/30/2012):</b>	
Interest Earned from Loans	\$3,161,916
Interest Earned from State Investment Commission	1,088,464
Interest Fund (2802 Acct.)	4,250,380

Principal/Loan Fund (2803 Acct.)	4,655,799
Loan Funds Disbursed	27,764,757
KADB Approved Loans not Transferred	0
Funds Held by State & not transferred to KAFC	2,000,000
<b>Total Assets</b>	<b>\$38,670,939</b>

**Tom Midkiff moved to approve the financial report;** Westy Adams seconded the motion. *The motion passed without dissent.*

Mr. McCloskey introduced Danny Gray, Terry Ginn and Kim Nelson of Charah, Inc. Mr. Gray gave a presentation about their company.

**New Business**

The following applications were received between August 25, 2012 and September 14, 2012.

**Agricultural Infrastructure Loan Program - Discussion and Action**

**AF12-0032 Farrar, Michael and Michelle** – Applicants requested \$25,120 for the upgrading equipment in four broiler barns in Hickman County. Clinton Bank in Clinton is the participating lender. Staff recommended loan approval contingent on loan-to-value no worse than 91% and if the Farrar’s receive an energy grant, it needs to be applied to our portion of the loan. **Wayne Hunt moved to approve AF12-0032, based on staff’s recommendation, pending fund availability;** George Begley seconded the motion. *The motion passed without dissent*

**AF12-0033 Dowell, Danny and Tracy; Dowell, Pauline / Momma Dowell Farm, LLC** – Applicants requested \$150,000 for the rebuilding of three chicken houses in Breckinridge County. Wilson & Muir Bank & Trust in Leitchfield is the participating lender. Staff recommended loan approval contingent on loan-to-value no worse than 80%, an FSA Direct Loan and a FSA guarantee. **Mr. Oney moved to approve AF12-0033, based on staff’s recommendation, pending fund availability;** Peggy Peterson seconded the motion. *The motion passed without dissent*

**Agricultural Processing Loan Program - Discussion and Action**

**AF12-0034 Price, Charles / Charah, Inc.** – pending

**Beginning Farmer Loan Program - Discussion and Action**

**AF12-0031 Moss, Taylor** – Applicant requested \$250,000 for the purchase of 4 acres, construction of two 1,200 head swine finishing barns and installation of equipment in Fulton County. River Valley AgCredit in Hickman is the participating lender. Staff recommended loan approval contingent on an executed contract with Tosh Farms, a FSA Direct Loan and a FSA guarantee. **Mr. Oney moved to approve**

**AF12-0031, based on staff's recommendation, pending fund availability; Mr. Burdine seconded the motion. *The motion passed without dissent.***

**Old Business**

**Extensions – Discussion and Action**

**AF11-0037                      McLean, John / MacFarms, Inc** - Applicant requested an extension on the expiration date of this loan. He was approved for \$250,000 for construction of an anaerobic digester at the October 14, 2011 board meeting. He has been waiting to see if he was awarded any of the grants for which he applied. He was not and he is beginning to move forward with the project. He estimates that he will need at least 6 months. Staff recommended the KAFC loan approval be extended to April 14, 2013. **Mr. Burdine moved to extend the expiration date of AF11-0037, based on staff's recommendation, pending fund availability; Mr. Hunt seconded the motion. *The motion passed without dissent.***

**Paid in Full – No Action Necessary**

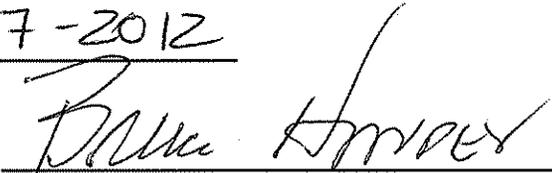
**AF08-0032                      Jones, Barney**

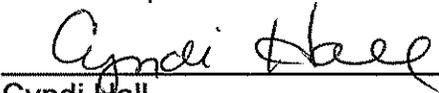
**Closing Remarks**

The next meeting of the KAFC Board will be Friday, December 7, 2012 at the Transportation Cabinet Office Building, 200 Mero Street, Frankfort, KY. The regular business meeting of KAFC will begin at 10:00 a.m. EST.

**Mr. Hunt moved to adjourn; Mr. Midkiff seconded the motion. *The motion passed without dissent.*** The meeting adjourned at 11:45 a.m. EST.

**APPROVED:** 12-07-2012

**PRESIDING OFFICER:**   
Bruce Harper

**SECRETARY:**   
Cyndi Hall