

# Kentucky Agricultural Finance Corporation

Minutes of the March 1, 2013 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, March 1, 2013 at 10:00 a.m. EST at the Transportation Cabinet Office Building, 200 Mero Street, Frankfort, KY. Bruce Harper, designee for Commissioner Comer, presiding, called the meeting to order.

## **Notification of Press**

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

## **Roll Call**

### ***Members Present***

Bruce Harper (designee for Commissioner Comer), Westy Adams, Kenny Burdine, Larry Jagers, Frank McAninch, Tom Midkiff (designee for Secretary Flanery), Joel Oney, Frank Penn, Peggy Peterson

### ***Members Absent***

George Begley, Wayne Hunt, Doug Lawson

### ***Others Present***

**Staff** – Roger Thomas, Angela Blank, Biff Baker, Sandra Gardner, Cyndi Hall, Bill Hearn, Brian Murphy, Joel Neaveill, Bill McCloskey

**Guests** – Mitch Whittle, Farm Loan Chief, USDA/Farm Service Agency

## **Review and Approval of Minutes**

**Kenny Burdine moved to approve the minutes of the February 8, 2013 meeting of the KAFC Board of Directors; Westy Adams seconded the motion. *The motion passed without dissent.***

## **Reports**

### **Executive Directors' Report**

Mr. Harper called on Roger Thomas to give the Executive Directors Report.

Mr. Thomas reported to the board regarding various meetings/events held and attended since the last board meeting.

Mr. Harper introduced Mitch Whittle from Farm Service Agency (FSA). Mr. Whittle reported on FSA loan programs.

### **Director of Financial Services Report**

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

Mr. McCloskey called on Dr. Burdine to report on the recommendation from the Guideline Review Committee. **Dr. Burdine moved to amend guideline three (3) of the Infrastructure Loan Guideline by adding "per household" to the guideline; Mr. Adams seconded the motion. *The motion passed without dissent.***

## New Business

The following applications were received between January 25, 2013 and February 8, 2013.

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

**AF13-0007                      Shoulders, James "Isaac" – pending**

**AF13-0008                      Lancaster, Joshua and Kathy; Lancaster Kyle** – Applicants requested \$180,000 for the purchase of 50 acres in Webster County. Independence Bank in Sebree is the participating lender. Staff recommended loan approval contingent on CLTV no less than 85%. **Frank Penn moved to approve AF13-0008, based on staff's recommendation, pending fund availability;** Peggy Peterson seconded the motion. *The motion passed without dissent.*

## Old Business

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

**AF12-0043                      Knight, Jonathan** – Applicant requested \$76,660.25 for the purchase of 107.165 acres at auction in Hart County. Farm Credit Services in Elizabethtown is the participating lender. Staff recommended loan approval contingent on long term financing for the \$49,052.83 down payment loan from Cecilian Bank. **Ms. Peterson moved to approve AF12-0043, based on staff's recommendation, pending fund availability;** Mr. Adams seconded the motion. *The motion passed without dissent.* Joel Oney abstained.

## **Extensions**

**AF12-0025                      Meat Hook, Inc.** - Dave Carter, Project Coordinator for Meat Hook Inc., has requested an extension on the expiration date of loan AF12-0025. Meat Hook Inc. was approved for \$525,000 to purchase equipment for a start-up butcher shop and delicatessen at the September 7, 2012 KAFC Board Meeting. The need for this extension is based on some additional due-diligence work and some changes in securing the additional capital components for this project as outlined in the attached email. This request is for an extension to start the construction by May 7, 2013 and to complete the construction by November 7, 2013. Staff recommends approving this request. **Mr. Oney moved to extend the expiration date of AF12-0025, based on staff's recommendation;** Dr. Burdine seconded the motion. *The motion passed without dissent.*

## **Paid in Full – No Action Necessary**

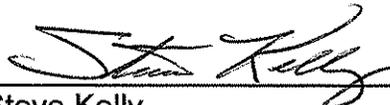
**AF08-0011                      Galloway, Bobby**  
**AF06-0032                      Pepper, David**

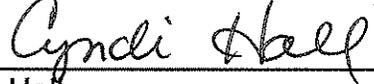
## Closing Remarks

The next meeting of the KAFC Board will be Friday, April 5, 2013 at the Transportation Cabinet Office Building, 200 Mero Street, Frankfort, KY. The regular business meeting of KAFC will begin at 10:00 a.m. EDT.

Larry Jagers moved to adjourn; Mr. Oney seconded the motion. *The motion passed without dissent.* The meeting adjourned at 12:02 p.m. EST.

APPROVED: 4/5/13

PRESIDING OFFICER:   
Steve Kelly

SECRETARY:   
Cyndi Hall