

# **Kentucky Agricultural Finance Corporation**

## **Minutes of the May 10, 2013 Meeting**

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, May 10, 2013 at 10:15 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), George Begley, Kenny Burdine, Wayne Hunt, Larry Jagers, Frank McAninch, Tom Midkiff (designee for Secretary Flanery), Joel Oney, Frank Penn, Peggy Peterson

#### ***Members Absent***

Westy Adams, Doug Lawson

#### ***Others Present***

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

**Guests** – Tom Evans, Richard Medley, Willie Wilson, Lisa Yeager, Central Kentucky ACA; Lowell Atchley, Legislative Research Commission (LRC)

### **Review and Approval of Minutes**

Larry Jagers moved to approve the minutes of the April 5, 2013 meeting of the KAFC Board of Directors; Joel Oney seconded the motion. *The motion passed without dissent.*

### **Reports**

#### **Executive Directors' Report**

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

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

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

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

<b>K AFC Statement of Financial Position</b>	
<b>ASSETS (as of 02/28/2013):</b>	
Interest Earned from Loans	\$ 3,634,984
Interest Earned from State Investment Commission	1,098,026
Interest Fund (2802 Acct.)	4,733,010
Principal/Loan Fund (2803 Acct.)	815,426
Loan Funds Disbursed	31,896,732
KADB Approved Loans not Transferred	
Authorized, unissued	2,000,000
<b>Total Assets</b>	<b>\$39,445,168</b>

**Frank McAninch moved to approve the financial report;** Kenny Burdine seconded the motion. *The motion passed without dissent.*

Mr. Thomas called on Angela Blank, who showed a series of Kentucky Agricultural Development Fund (KADF) commercials and spoke about a special marketing campaign for the KADF in the coming months.

### **New Business**

The following applications were received between February 9, 2013 and March 15, 2013.

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

**AF13-0017**                    **Cash, Bernard "Eugene" and Suzanne / Cash Farms** – Applicants requested \$150,000 for the installation of a solar panel system in Graves County. River Valley AgCredit in Mayfield is the participating lender. Staff recommended loan approval contingent on signed contract to sell electricity with provider. **Mr. McAninch moved to approve AF13-0017, based on staff's recommendation, pending fund availability;** Mr. Oney seconded the motion. *The motion passed without dissent.*

**AF13-0020**                    **Deckard, Kevin and Jodi** – Applicants requested \$33,214 for the construction of a tobacco barn with a stripping and bailing room in Monroe County. Edmonton State Bank in Tompkinsville is the participating lender. This loan was approved by staff (04/24/2013) based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

**AF13-0021**                    **Bell, Benjamin "Dwain" and Deborah** – Applicants requested \$23,000 for the construction of a tobacco barn in Calloway County. FNB Bank in Murray is the participating lender. Staff recommended loan approval. **Mr. Oney moved to approve AF13-0021, based on staff's recommendation, pending fund availability;** Wayne Hunt seconded the motion. *The motion passed without dissent.*

**AF13-0024**                    **Rush, Sarah Ann / Dove Run Farms** – Applicant requested \$14,000 for the construction of a barn to store alfalfa hay in Bourbon County. Central

Kentucky ACA in Lexington is the participating lender. This loan was approved by staff (04/24/2013) based upon loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

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

**AF13-0016 Hudson, Michael "Ross"** – Applicant requested \$250,000 for the construction of three (3) FarBest Turkey houses, a shop and a liter shed in McLean County. Sacramento Deposit Bank in Sacramento is the participating lender. Staff recommended loan approval contingent on a FSA guarantee approved and obligated. **Tom Midkiff moved to approve AF13-0016, based on staff's recommendation, pending fund availability;** Mr. McAninch seconded the motion. *The motion passed without dissent.*

**AF13-0019 Woodburn, Benjamin "Ross"** – Applicant requested \$250,000 for the construction of three (3) FarBest Turkey houses, a shop and a liter shed in McLean County. Sacramento Deposit Bank in Sacramento is the participating lender. Staff recommended loan approval contingent on a FSA guarantee approved and obligated. **Mr. Hunt moved to approve AF13-0019, based on staff's recommendation, pending fund availability;** Larry Jagggers seconded the motion. *The motion passed without dissent.*

**AF13-0022 McCain, Terrence** – Applicant requested \$150,000 for the purchase of 164 acres in Casey County. Central Kentucky ACA in Lebanon is the participating lender. Staff recommended loan approval. **Mr. McAninch moved to approve AF13-0022, based on staff's recommendation, pending fund availability;** Mr. Oney seconded the motion. *The motion passed without dissent.*

**AF13-0023 McCain, Fergus** – Applicant requested \$109,000 for the purchase of 114 acres in Casey County. Central Kentucky ACA in Lebanon is the participating lender. Staff recommended loan approval. **Mr. Oney moved to approve AF13-0023, based on staff's recommendation, pending fund availability;** Peggy Peterson seconded the motion. *The motion passed without dissent.*

**AF13-0025 Smith, Brian and Brandye** – pending.

### **New Agriculture Enterprise Loan Program - Discussion and Action**

**AF13-0018 Glenn, Robert** – Applicant requested \$250,000 for the construction of three (3) FarBest Turkey houses, a shop and a liter shed in Daviess County. Independence Bank in Owensboro is the participating lender. Staff recommended loan approval contingent on CLTV no worse than 80. **Mr. Oney moved to approve AF13-0018, based on staff's recommendation, pending fund availability;** Mr. Hunt seconded the motion. *The motion passed without dissent.*

### **Old Business**

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

**AF13-0012 Drennan, Ronald and Beth / Broadbent B & B Foods** – Applicant requested \$55,000 for the purchase a bacon slicer for their business in Lyon County. Fredonia Valley Bank in Fredonia is the participating lender. Staff recommended loan approval. **Frank Penn moved to approve AF13-0012, based on**

staff's recommendation, pending fund availability; Dr. Burdine seconded the motion. *The motion passed without dissent.*

**Paid in Full – No Action Necessary**

AF07-0006	Stull, Roger
AF07-0100	Wilson, Paul
AF08-0082	Lawson, Michael

**Closing Remarks**

The next meeting of the KAFC Board will be Friday, June 7, 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.

**Mr. McAninch moved to adjourn;** Mr. Penn seconded the motion. *The motion passed without dissent.* The meeting adjourned at **11:38** a.m. EDT.

APPROVED: 6/7/2013

PRESIDING OFFICER: James Comer  
James Comer

SECRETARY: Cyndi Hall  
Cyndi Hall