

Kentucky Agricultural Finance Corporation

Minutes of the June 7, 2013 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, June 7, 2013 at 10:05 a.m. EDT at the Transportation Cabinet Office Building, 200 Mero Street, Frankfort, KY. Commissioner James Comer, presiding, called the meeting to order.

Notification of Press

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

Roll Call

Members Present

Commissioner Comer, Westy Adams, Kenny Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Tom Midkiff (designee for Secretary Flanery), Joel Oney, Frank Penn, Peggy Peterson

Members Absent

George Begley, Frank McAninch

Others Present

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

Guests – Tammy Pugh, Mike Smith and Eric Estill, Farm Credit Mid-America; Steve Kelly, Kentucky Department of Agriculture

Review and Approval of Minutes

Kenny Burdine moved to approve the minutes of the May 10, 2013 meeting of the KAFC Board of Directors; Frank Penn seconded the motion. *The motion passed without dissent.*

Reports

Executive Directors' Report

Commissioner Comer called on Joel Neaveill to give the Executive Directors Report.

Mr. Neaveill reported that Roger Thomas accompanied Governor Beshear to Toronto for a series of trade mission meetings then traveled to Vancouver to speak at the Legislative Ag Chairs Summit regarding Kentucky's decade of agriculture and rural development efforts.

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

Director of Financial Services Report

Commissioner Comer called on Bill McCloskey to give the Director of Financial Services Report.

KAFC Statement of Financial Position	
ASSETS (as of 05/31/2013):	
Interest Earned from Loans	\$ 3,668,265
Interest Earned from State Investment Commission	1,098,598
Funds Transferred to Acct 2803	(3,000,000)
Interest Fund (2802 Acct.)	1,766,862
Principal/Loan Fund (2803 Acct.)	3,839,094
Loan Funds Disbursed	31,873,064
KADB Approved Loans not Transferred	
Authorized, unissued	2,000,000
Total Assets	\$39,479,020

Westy Adams moved to approve the financial report; Joel Oney seconded the motion. The motion passed without dissent.

New Business

The following applications were received between April 20, 2013 and May 17, 2013.

Agricultural Infrastructure Loan Program - Discussion and Action

AF13-0027 Gearlds, Ronnie and Penny – Applicants requested \$42,500 for the construction of a 56 x 200 tobacco barn in Monroe County. South Central Bank in Tompkinsville is the participating lender. Staff recommended loan approval. **Larry Jagers moved to approve AF13-0027, based on staff's recommendation, pending fund availability; Mr. Oney seconded the motion. The motion passed without dissent.**

Beginning Farmer Loan Program - Discussion and Action

AF13-0025 Smith, Brian and Brandye – pending.

AF13-0026 Kauffman, Kore and Linda – Applicants requested \$180,500 for the purchase of 19.8 acres with poultry barns and equipment in Graves County. FNB Bank in Mayfield is the participating lender. Staff recommended loan approval contingent on a FSA guarantee approved and obligated. **Mr. Adams moved to approve AF13-0026, based on staff's recommendation, pending fund availability; Mr. Penn seconded the motion. The motion passed without dissent.**

AF13-0028 Courtney, Nathan and Amanda – Applicants requested \$250,000 for the purchase of 135.76 acres in Bourbon County. Central Kentucky ACA in Paris is the participating lender. Staff recommended loan approval contingent

on a FSA direct loan of \$300,000. **Mr. Penn moved to approve AF13-0028, based on staff's recommendation, pending fund availability;** Wayne Hunt seconded the motion. *The motion passed without dissent.*

AF13-0029 **England, Andrew and Melanie** – Applicants requested \$250,000 for the purchase of 10 acres with 4 broiler houses in Daviess County. US Bank in Hopkinsville is the participating lender. Staff recommended loan approval contingent on loan-to-value no worse than 85%. **Mr. Hunt moved to approve AF13-0029, based on staff's recommendation, pending fund availability;** Doug Lawson seconded the motion. *The motion passed without dissent.*

AF13-0030 **Koch, Augustine "Gus" and Michelle** – Applicants requested \$50,000 for the purchase of one half interest in Assumption Farms in Bourbon County. Farm Credit Services Mid-America in Lexington is the participating lender. Staff recommended loan approval. **Kenny Burdine moved to approve AF13-0030, based on staff's recommendation, pending fund availability;** Mr. Penn seconded the motion. *The motion passed without dissent.* Mr. Oney abstained.

Old Business

Paid in Full – No Action Necessary

AF08-0024 Clark, James

Closing Remarks

Mr. McCloskey presented a plaque in appreciation of service to out-going Board Member, Peggy Peterson.

The next meeting of the KAFC Board will be Friday, July 19, 2013 at Carter Caves State Resort Park, Olive Hill, KY. The regular business meeting of KAFC will begin at 9:00 a.m. EDT.

Mr. Jagers moved to adjourn; Dr. Burdine seconded the motion. *The motion passed without dissent.* The meeting adjourned at **10:55** p.m. EDT.

APPROVED: 7-19-2013

PRESIDING OFFICER: 
James Comer

SECRETARY: 
Cyndi Hall