

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the January 9, 2015 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Regular Business Meeting
Transportation Cabinet Office Building
Frankfort, Kentucky
January 9, 2015**

Call to Order

Commissioner James Comer, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFCC) regular business meeting to order at 10:00 a.m. (EST).

Roll Call

The following members were present: Dr. Kenneth Burdine; Wayne Hunt; Larry Jagers; George Begley; Frank McAninch; Linda Rumpke; Tom Midkiff (designee for Secretary Lori Flanery); and Commissioner James R. Comer.

Members absent: Frank Penn; Aaron Miller; Doug Lawson; and Westy Adams.

Notification of Media

Commissioner Comer received verification from Angela Blank, Director of Public Affairs/Public Relations, that the media has been notified of the KAFCC board meeting.

Welcome

Commissioner Comer welcomed everyone to the meeting.

Approval of Minutes

Commissioner Comer entertained a motion to approve the minutes of the December 5, 2014 KAFCC board meeting.

Mr. Hunt moved to approve the minutes, as presented; Mr. McAninch seconded the motion.

VOTE: Motion Passed; Unanimous

Executive Director's Report

Commissioner Comer yielded the floor to Joel Neaveill, Chief of Staff, Governor's Office of Agricultural Policy (GOAP) to give the Executive Director's report to the board.

Mr. Neaveill explained that Roger Thomas, Executive Director, GOAP, had a conflicting meeting at the Governor's Office of Legislative Affairs.

Mr. Neaveill outlined the accomplishments of the KAFCC during 2014.

Mr. Neaveill updated the board regarding the December meeting of the Kentucky Agricultural Development Board (KADB) and outlined program changes approved at that meeting.

Commissioner Comer updated the board on the successful expansion of the Kentucky Proud program into Kroger stores.

Director of Financial Services Report

Commissioner Comer called on Bill McCloskey, Director of Financial Services, to give his report to the board.

Mr. McCloskey asked Dr. Burdine to briefly outline the University of Kentucky's "2014-2015 Agricultural Situation & Outlook" report *(on file with the Boards Coordinator)*.

Mr. McCloskey reviewed the K AFC Statement of Financial Position *(on file with the Boards Coordinator)* as of December 31, 2014.

K AFC Statement of Financial Position	
As of December 31, 2014	
Assets	
Cash K AFC Accounts	\$ 12,994,426
Loan Payments Due K AFC	
Category A	\$ 35,634,489
Category B	\$ 168,314
Category C	\$
	\$ 35,802,803
Total Assets	\$ 48,797,228
Liabilities	
K AFC loans approved not closed	\$ 6,290,822
Loans Outstanding	\$ 35,802,803
Total Liabilities	\$ 42,093,625
Unobligated Assets	\$ 6,703,604
Total Liabilities & Unobligated Assets	\$ 48,797,228

Commissioner Comer entertained a motion to approve the K AFC Statement of Financial Position.

Ms. Rumpke moved to approve the K AFC Statement of Financial Position; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Committee Report

Commissioner Comer yielded the floor to Ms. Rumpke to give the Loan Committee Report.

Ms. Rumpke stated the Loan Review Committee met at 2:20 p.m. (EST) on December 5, 2014.

Ms. Rumpke reported that the committee recommended the board approve a new rule requiring that the Loan Review Committee evaluate applications from individuals who have been through a bankruptcy prior to the application being presented to the board.

Ms. Rumpke made a motion to approve the committee's recommendation, Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0091

Hopkins, Brian

Applicant requested \$250,000 for the purchase of four broiler houses on 10 acres in Hickman County. River Valley AgCredit in Clinton, Kentucky is the participating lender.

Loan Review Committee recommended loan approval, contingent on FSA approval and obligation of funds.

Ms. Rumpke moved to approve the committee recommendation, as presented, pending fund availability; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

Presentation

Commissioner Comer yielded the floor to Mr. McCloskey.

Mr. McCloskey introduced John Brunnquell, President of Egg Innovations, LLC, to present to the board.

Mr. Brunnquell explained his company's plan to establish an organic free range chicken operation in Kentucky (*handout on file with the Boards Coordinator*).

New Business

Agricultural Infrastructure Loan Program (AILP)

AF14-0038 Goodlet, Betty

Applicant requested \$78,310 for dairy barn and parlor improvements in Mercer County. Central Kentucky ACA in Danville, Kentucky is the participating lender.

Staff recommended loan approval.

Dr. Burdine moved to approve the staff recommendation, as presented, pending fund availability; Mr. Begley seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0100 McCarron, Stephanie and Christopher

Applicants requested \$100,000 for the purchase of a farm with equine facilities in Woodford County. Farm Credit Mid-America is the participating lender.

Staff recommended loan approval.

Mr. Hunt moved to approve the staff recommendation, as presented, pending fund availability; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0101 Bortrager, Jason and Jennifer

Applicants requested \$100,000 for the construction of two Equity broiler houses in Taylor County. Farm Credit Mid-America in Campbellsville, KY is the participating lender.

Staff recommended loan approval, contingent on FSA approval and obligations of funds.

Dr. Burdine moved to approve the staff recommendation, as presented, pending fund availability; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0103 Martin, Chet and Joan

Applicants requested \$50,000 for the purchase of a grain dryer in Carlisle County. FNB Bank, Inc. in Mayfield, KY is the participating lender.

Staff recommended loan approval.

Mr. Hunt moved to approve the staff recommendation, as presented, pending fund availability; Mr. McAninch seconded the motion.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF14-0102 Smith, Richard and Margaret

Applicants requested \$108,082 for the purchase of 178 acres in Washington County. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommended loan approval, contingent on FSA approval and obligation of funds.

Dr. Burdine moved to approve the staff recommendation, as presented, pending fund availability; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business

AF12-0044 Williford, Michael

Mr. McCloskey presented a memorandum (*on file with the Boards Coordinator*) regarding the above referenced loan. The loan officer requested a 3 month extension on behalf of Mr. Williford due to construction delays. The new expiration date would be May 1, 2015. This is the 2nd extension request for this applicant.

Mr. McAninch moved to approve the staff recommendation; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

AF12-0084 Phelps, Jordan

Mr. McCloskey presented a memorandum (*on file with the Boards Coordinator*) regarding the above referenced loan. The loan officer requested a 3 month extension on behalf of Mr. Jordan to allow adequate time for the closing to be complete. The new expiration date would be April 6, 2015. This is the 2nd extension request for this applicant.

Staff recommends approval of this request.

Mr. Midkiff moved to approve the staff recommendation; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Extensions

AF13-0072 Horn, Timothy
AF14-0084 Phelps, Jordan

No action necessary.

Paid in Full

AF07-0068 Feagin, James
AF06-0028 Masterson, Brent
AF07-0026 Kimbro, Billy
AF11-0018 Kimbro, Billy

No action necessary.

Withdrawn

AF13-0071 McDanel, Billy
AF14-0097 Thomas, Mark

No action necessary.

Closing Remarks

Commissioner Comer stated that the next K AFC Board meeting will be Friday, February 6, 2015 at 10:00 a.m. (EST) at the Transportation Cabinet Office Building, 200 Mero Street, in room C-109.

Adjournment

Commissioner Comer entertained a motion to adjourn.

Mr. Jagers moved to adjourn the K AFC board meeting; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

The K AFC board meeting adjourned at 11:25 a.m. (EST).

APPROVED DATE:

2/6/15

PRESIDING OFFICER:

Stuart Kelly

BOARD SECRETARY:

Ray Arnold