

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the November 6, 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
November 6, 2015**

Call to Order

Kristen Branscum, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:04 a.m. (EST)

Roll Call

The following members were present: Aaron Miller, Wayne Hunt, George Begley, Doug Lawson, Frank McAninch, Linda Rumpke, Dr. Kenneth Burdine, Larry Jaggars, Frank Penn, John Brady (designee for Secretary Lori Flanery,) and Kristen Branscum (designee for Commissioner James R. Comer.)

Members absent: Westy Adams.

Notification of Media

Ms. Branscum received verification from Angela Blank, GOAP Director of Public Affairs/Public Relations, that the media had been notified of the KAFC board meeting.

Welcome

Ms. Branscum welcomed everyone to the meeting.

Approval of Minutes

Ms. Branscum entertained a motion to approve the minutes of the October 2, 2015 KAFC board meeting.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Ms. Branscum yielded the floor to Roger Thomas, GOAP Executive Director, to give his report to the board.

Mr. Thomas recognized Ms. Branscum's work at the Kentucky Department of Agriculture and thanked her for chairing the meeting on the behalf of Commissioner Comer.

Mr. Thomas updated the board regarding the upcoming transition of leadership in the Governor's Office and the Kentucky Department of Agriculture.

Mr. Thomas informed the board that at the November 20, 2015 meeting of the Kentucky Agricultural Development Board (KADB) the results of a University of Kentucky study on the impact of the Kentucky Agricultural Development Fund (KADF) will be presented.

Mr. Thomas thanked the board for their work and recognized the growth of KAFC assets during the Beshear administration.

Director of Financial Services Report

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

Mr. McCloskey reviewed the KAFC Statement of Financial Position *(on file with the Boards Coordinator)* as of October 31, 2015.

KAFC Statement of Financial Position	
As of October 31, 2015	
Assets	
Cash KAFC Accounts	\$ 15,781,698
Loan Payments Due KAFC	
Category A	\$ 38,487,823
Category B	\$ 706,593
Category C	\$
	\$ 39,194,416
Total Assets	\$ 54,976,114
Liabilities	
KAFC loans approved not closed	\$ 7,488,912
Loans Outstanding	\$ 39,194,416
Total Liabilities	\$ 46,683,328
Unobligated Assets	\$ 8,292,786
Total Liabilities & Unobligated Assets	\$ 54,976,114

Ms. Branscum entertained a motion to approve the KAFC Statement of Financial Position.

Mr. Hunt moved to approve the KAFC Statement of Financial Position; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Presentation

Mr. McCloskey introduced Jimmy Tosh, Owner and CEO of Tosh Pork, LLC, to present to the board.

Mr. Tosh presented information regarding Tosh Farm, LLC. (PowerPoint on file with the Boards Coordinator)

New Business

Agricultural Infrastructure Loan Program (AILP)

AF15-0076 Jones, Ethan and Michelle

Applicants requested \$100,000 for the purchase and installation of a grain bin, grain dryer, and equipment shed in Lincoln County. Central Kentucky ACA in Lebanon, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF15-0078 Compton, Tony and Pamela

Applicants requested \$150,000 for the purchase and installation of a robotic milking system and retrofitting of current dairy barn to accommodate the new system in Adair County. Bank of Columbia in Columbia, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF15-0072 Wheeldon, Martin and Jill

Applicants requested \$250,000 for the construction of two Cobb houses in Pulaski County. Central Kentucky ACA in Stanford, Kentucky is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a 90% FSA guarantee on CKACA and KAFC funds. CL/V shall not exceed 100%.

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

VOTE: Motion Passed; Unanimous.

AF15-0077 Willett, Tyler

Applicant requested \$138,679 for the purchase of 37 acres with improvements at auction in Graves County. First Community Bank of the Heartland in Clinton, Kentucky is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a 90% FSA guarantee on FCB and KAFC funds. CL/V shall not exceed 100%.

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

VOTE: Motion Passed; Unanimous.

AF15-0079 Overbey, Kelly and Brittany

Applicants requested \$167,950 for the purchase of 68.55 acres in Calloway County. First Community Bank of the Heartland in Clinton, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF15-0080 Wilson, Thomas and Whitley

Applicants requested \$250,000 for the purchase of 14.2 acres with four (4) Pilgrim broiler houses in Marshall County. First Community Bank of the Heartland in Clinton, Kentucky is the participating lender.

Staff recommended loan approval contingent on the approval and obligation of a 90% FSA guarantee on FCB and KAFC funds. CL/V shall not exceed 100%

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

VOTE: Motion Passed; Unanimous.

AF15-0081 Alford, Andrew and Jennifer

Applicants requested \$90,000 for the purchase of 54 acres in Edmonson County. Farm Credit Mid-America in Bowling Green, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF15-0082 Berkshire, Jonathan and Morgan

Applicants requested \$145,000 for the purchase of 45 acres with improvements in Gallatin County. Farm Credit Mid-America in Dry Ridge, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF15-0083 Caldwell, Grant and Felicia

Applicants requested \$197,100 for the purchase of 220 acres in Pendleton County. Farm Credit Mid-America in Dry Ridge, Kentucky is the participating lender.

Staff recommended loan approval contingent on CL/V being no worse than 85%

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

VOTE: Motion Passed; Unanimous.

AF15-0084 Bishop, Michael and Meagan

Applicants requested \$250,000 for the purchase of 165 acres and the construction of an Egg Innovations pasture poultry layer house in Washington County. Central Kentucky ACA in Lebanon, Kentucky is the participating lender.

Staff recommended loan approval contingent on the approval and obligation of a 90% FSA guarantee on the Central Kentucky ACA and KAFC funds. CL/AV shall not exceed 95%.

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

VOTE: Motion Passed; Unanimous.

Old Business

Extension Requests

AF15-0010 Smith, David

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 the construction commencement and subsequent expiration date to ensure adequate time for the remainder of financing to be in place and approved by all participating parties. The new construction commencement deadline would be January 10, 2016 and the expiration date would be July 10, 2016.

Staff recommended approving the request.

Dr. Burdine moved to approve the staff recommendation; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

AF15-0061 Davidson, John

Mr. McCloskey presented a memorandum (*on file with the Boards Coordinator*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow bond rates to increase to the point where the KAFC portion can be funded at no additional cost to the applicant. The new expiration date would be February 7, 2016.

Staff recommended approving the request.

Dr. Burdine moved to approve the staff recommendation; Mr. McAninch seconded the motion.

VOTE: Motion Passed; Unanimous.

AF15-0067 Hood, Cheryl

Mr. McCloskey presented a memorandum (*on file with the Boards Coordinator*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for the final invoice to be paid, as well as the closing to be complete. The new expiration date would be February 1, 2016. This was the second extension request for this loan.

Staff recommended approving the request.

Mr. Penn moved to approve the staff recommendation; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0062 Davis, Juddson

Mr. McCloskey presented a memorandum (*on file with the Boards Coordinator*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for permanent financing to be in place and this loan disbursed. The new expiration date would be February 18, 2016. This was the second extension request for this loan.

Staff recommended approving this request.

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

VOTE: Motion Passed; Unanimous.

AF14-0092 Patterson, Jason

Mr. McCloskey presented a memorandum *(on file with the Boards Coordinator)* regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for construction to be completed and permanent financing to be in place. The new expiration date would be March 5, 2016.

Staff recommended approving this request.

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

VOTE: Motion Passed; Unanimous.

AF15-0069 Ortiz, Javier

Mr. McCloskey presented a memorandum *(on file with the Boards Coordinator)* regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for verification of US and Kentucky residency to be obtained and for all permanent financing to be in place. The new expiration date would be March 4, 2016.

Staff recommended approving this request.

Mr. Lawson moved to approve the staff recommendation; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

Paid in Full

AF07-0016 Hayden, Eric
AF12-0035 Brawner, Michael

No action necessary.

Withdrawn Application

AF15-0063 O'Neal, Ricky

No action necessary.

Pending Application

AF15-0075 Lemberger, Audrey

No action necessary.

Closing Remarks

Ms. Branscum stated that the next KAFC Board meeting will be Friday, December 4, 2015 at 10:00 a.m. (EST) at the Galt House Hotel in Louisville in the Morrow Room.

Adjournment

Ms. Branscum entertained a motion to adjourn.

Ms. Rumpke moved to adjourn the KAFC board meeting; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:05 a.m. (EST).

APPROVED DATE:

PRESIDING OFFICER:

BOARD SECRETARY:

12-4-2015
Jemar Comer
[Signature]