

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the March 11, 2016 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
March 11, 2016**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:05 a.m. (EST)

Roll Call

The following members were present: Westy Adams, John Brady (designee for Secretary William M. Landrum III), Dr. Kenneth Burdine, Larry Jagggers, Doug Lawson, Frank McAninch, Aaron Miller, Commissioner Ryan Quarles, and Linda Rumpke.

Members absent: George Begley, Wayne Hunt, and Frank Penn.

Notification of Media

Commissioner Quarles received verification from Ray Arnold, GOAP Boards Coordinator, that the media had been notified of the KAFC board meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Commissioner Quarles updated the board regarding the Blue Grass Stockyards reconstruction planning process.

Commissioner Quarles outlined his activity and the activity of Kentucky Department of Agriculture (KDA) staff since the February KAFC board meeting.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the February 12, 2016 KAFC board meeting.

Ms. Rumpke moved to approve the minutes, as presented; Mr. Jagggers seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Quarles yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler updated the board regarding the activity of GOAP staff since the February KAFC board meeting.

Mr. Beeler announced that Bobby Foree, a Henry County farmer and attorney, had been appointed by Governor Bevin to complete an unexpired term on the Kentucky Agricultural Development Board ending in July 2018.

Mr. Beeler announced that Bill McCloskey had been promoted to GOAP Deputy Executive Director.

Mr. Beeler announced that Steve Doan had been hired as GOAP General Counsel, Emily Milam had been hired as GOAP Public Relations Officer, and Stefanie Osterman had been hired as a GOAP Project Manager.

Director of Financial Services Reports

Commissioner Quarles yielded the floor to Mr. McCloskey to report to the board.

Mr. McCloskey expressed his excitement for the opportunity to continue his service to the agricultural community as Deputy Executive Director.

Mr. McCloskey directed the board's attention to a page in their meeting material updating them on the status of Category B Loans. *(on file with the Boards Coordinator)*

Mr. McCloskey reviewed the K AFC Statement of Financial Position *(on file with the Boards Coordinator)* as of February 29, 2016.

K AFC Statement of Financial Position	
As of February 29, 2016	
Assets	
Cash K AFC Accounts	\$ 14,733,450
Loan Payments Due K AFC	
Category A	\$ 39,992,668
Category B	\$ 811,548
Category C	\$
	\$ 40,804,216
Total Assets	\$ 55,537,666
Liabilities	
K AFC loans approved not closed	\$ 9,102,478
Loans Outstanding	\$ 40,804,216
Total Liabilities	\$ 49,906,694
Unobligated Assets	\$ 5,630,972
Total Liabilities & Unobligated Assets	\$ 55,537,666

After discussion, Commissioner Quarles moved to approve the K AFC Statement of Financial Position; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF16-0020

Wahl, Shane and Megan

Applicants requested \$100,000 for the construction of two (2) Perdue breeder barns in Warren County. Farm Credit Mid-America in Bowling Green, Kentucky is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a Perdue guarantee on the FCMA and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF16-0021 Keown, Walter and Lisa

Applicants requested \$150,000 for the construction of one (1) Perdue mega pullet house in Warren County. Farm Credit Mid-America in Bowling Green, Kentucky is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a Perdue guarantee on the FCMA and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF16-0019 Graham, Jeremy

Applicant requested \$125,000 for the purchase of a 2016 Kinze 4900 24 row planter in McLean County. Sacramento Deposit Bank in Sacramento, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF16-0022 Henning, Charles "Brandon"

Applicant requested \$162,500 for the purchase of 96 acres with improvements in Breckinridge County. Independence Bank in Owensboro, 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.

AF16-0024 Elmore, James "Nathan"

Applicant requested \$27,000 for the purchase of 43.37 acres in Green County. Farm Credit Mid-America in Campbellsville, Kentucky is the participating lender.

Staff recommended loan approval, contingent on the CLV being no worse than 85%.

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

VOTE: Motion Passed; Unanimous.

AF16-0025 Cox, Nathan and Beth

Applicants requested \$222,000 for the purchase of 108 acres in Taylor County. United Citizens Bank of Southern Kentucky in Campbellsville, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship Loan Program (DEAL)

AF16-0023 Goetzinger, George

Applicant requested \$78,000 for the purchase of a seed dealership and treatment facility in Shelby County. Farm Credit Mid-America in Shelbyville, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

Old Business

Extension Request

AF14-0095 Rattner, Daniel

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 the loan to be closed and disbursed. The new expiration date would be June 5, 2016. This was the second extension request for this loan.

Staff recommended approving the request.

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

VOTE: Motion Passed; Unanimous.

AF15-0007 Miller, Aaron

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 poultry houses to be finalized and permanent financing to be in place. The new expiration date would be June 10, 2016. This was the first extension request for this loan.

The extension was approved by the Operations Committee on March 2, 2016.

No action necessary.

AF15-0039 Quarles, Clinton

Commissioner Quarles declared a personal conflict of interest regarding the above referenced loan, yielded the chair to Ms. Rumpke, and left the room prior to discussion in accordance with KRS 247.944.

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 closing to be completed. The new expiration date would be June 5, 2016. This was the third extension request for this loan.

Staff recommended approving the request.

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

VOTE: Motion Passed; Unanimous.

Commissioner Quarles returned to the room after discussion and voting concluded.

Ms. Rumpke yielded the chair to Commissioner Quarles.

Paid in Full

A2008-0062	Re-Borne, Inc.
AF08-0022	Elkins, Thomas
AF08-0074	Davis, Ronald

No action necessary.

Withdrawn Applications

AF16-0017	Sykes, Joshua
AF16-0005	Hicks, Daniel

No action necessary.

Pending Applications

AF16-0009	Powell, Brett
AF16-0018	Hunt, Michael

No action necessary.

Closing Remarks

Commissioner Quarles stated that the next KAFC Board meeting will be Friday, April 8, 2016 at 10:00 a.m. (EDT) at the Kentucky Transportation Cabinet Office Building in Frankfort, Kentucky in room C118.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

Mr. Adams moved to adjourn the KAFC board meeting; Commissioner Quarles seconded the motion.

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:15 a.m. (EDT).

APPROVED DATE:

PRESIDING OFFICER:

~~BOARD SECRETARY:~~

Loan Programs
Coordinator

April 8, 2016

Angela Bleen

Brett E. Hubert
