

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the April 8, 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
April 8, 2016**

Call to Order

Ms. Angela Blank, Designee for Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:04 a.m. (EDT)

Roll Call

The following members were present: Westy Adams, George Begley, Angela Blank (designee for Commissioner Ryan Quarles), John Brady (designee for Secretary William M. Landrum III), Wayne Hunt, Larry Jagers, Frank McAninch, Aaron Miller, Frank Penn, and Linda Rumpke.

Members absent: Dr. Kenny Burdine and Doug Lawson

Notification of Media

Ms. Blank received verification from Beth Herbert, GOAP Loan Programs Coordinator, that the media had been notified of the KAFC board meeting.

Welcome

Ms. Blank welcomed everyone to the meeting.

Ms. Blank introduced special guests Kem Delaney-Ellis as the executive director of the Kentucky Department of Agriculture's Office of Strategic Planning and Administration and Melanie Blandford as the new executive director of marketing for the Kentucky Department of Agriculture.

Ms. Blank gave an update on the status of the Blue Grass Stockyards reconstruction.

Ms. Blank discussed the legislative budget.

Ms. Blank outlined the activity of the Commissioner and the Kentucky Department of Agriculture staff since the March KAFC board meeting.

Approval of Minutes

Ms. Blank entertained a motion to approve the minutes of the March 11, 2016 KAFC board meeting.

Mr. Adams moved to approve the minutes, as presented; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Ms. Blank yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler expressed that he was glad to have Ms. Blank working for the Kentucky Department of Agriculture.

Mr. Beeler introduced special guest, Catherine McAninch, daughter of KAFC board member Frank McAninch.

Mr. Beeler introduced special guest, Lowell Atchley from the Legislative Research Commission.

Mr. Beeler introduced the new GOAP staff members: Steve Doan as GOAP General Counsel, Emily Milam as GOAP Public Relations Officer and Stefanie Osterman as Project Manager.

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

Mr. Beeler expressed his appreciation of the KAFC board members service.

Deputy Executive Director's Report

Ms. Blank yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey thanked Ms. Blank for her attendance.

Mr. McCloskey recognized Tim Hughes, deputy executive director of the Kentucky Department of Agriculture's Office of Agricultural Marketing and Product Promotion, and expressed his appreciation for his past contributions to the KAFC.

Mr. McCloskey clarified the Farm Credit Mid-America and Perdue Guaranty and Financing Agreement (*on file*).

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of March 31, 2016.

Mr. McCloskey referenced a memorandum (*on file*) regarding an update for Category B loan AF08-0050 for Michael Kean.

KAFC Statement of Financial Position	
As of March 31, 2016	
Assets	
Cash KAFC Accounts	\$ 12,760,821
Loan Payments Due KAFC	
Category A	\$ 42,015,894
Category B	\$ 639,742
Category C	\$
	\$ 42,655,636
Total Assets	\$ 55,416,457
Liabilities	
KAFC loans approved not closed	\$ 7,603,582
Loans Outstanding	\$ 42,655,636
Total Liabilities	\$ 50,529,218
Unobligated Assets	\$ 5,157,239
Total Liabilities & Unobligated Assets	\$ 55,416,457

Mr. Adams moved to approve the KAFC Statement of Financial Position; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Ms. Blank called on Linda Rumpke to give the Loan Review Committee report to the board.

Ms. Rumpke reported that the Loan Review Committee met at 9:00 a.m. (EDT) in the downstairs conference room of the Governor's Office of Agricultural Policy, to discuss a 60-day, no-cost, payment extension request for AF12-0034, Charah, Inc.

The Loan Review Committee recommended a 90-day, no-cost, payment extension to coincide with the current KAFC extension policies.

Mr. Hunt moved to approve the committee recommendation; Mr. Adams seconded the motion.

VOTE: Motion passed; Unanimous

New Business

Agricultural Infrastructure Loan Program (AILP)

AF16-0026 Taylor, Wilson

Applicants requested \$111,429 for the construction of a 54 x 20 ring Brock E series commercial grain bin with implements in Daviess County. Independence Bank in Owensboro, Ky is the participating lender.

Staff recommended loan approval.

Mr. Hunt 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)

AF16-0009 Powell, Brett

Applicants requested \$250,000 for the purchase of 300 acres in McLean County. Farm Credit Mid-America in Owensboro, Kentucky is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a 90% FSA Guarantee on FCMA and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF16-0027 Miller, Nolan

Applicant requested \$250,000 for the purchase of 295.28 acre farm in Henderson County. Farm Credit Mid-America in Owensboro, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF16-0028 Pirtle, Carl "Dillon"

Applicant requested \$250,000 for the construction of two (2) Tosh swine barns in Hickman County. River Valley Ag Credit in Clinton, Ky is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a 90% FSA guarantee on RVACA and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF16-0029 Phelps, Eric

Applicants requested \$62,500 for the purchase of 150 acres in Pulaski County. Farm Credit Mid-America in Somerset, Ky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF16-0030 Wurzback, Jonathan

Applicants requested \$153,250 for the purchase of 94.29 acres in Woodford County. Central Kentucky ACA in Lexington, Ky is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a 90% FSA guarantee on CKACA and KAFC funds. KAFC funds not to exceed 50% of the eligible project cost or \$153,250, whichever is less, and C/LV shall not exceed 100%.

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

VOTE: Motion Passed; Unanimous

AF16-0031 Smith, Robert

Applicant requested \$202,937.50 for the purchase of 197.286 acres with improvements in Owen County. Farm Credit Mid-America in Dry Ridge, Ky is the participating lender.

Staff recommended loan approval, contingent on the applicant providing documentation of Kentucky residency and verification of Kentucky employment with annual income of at least \$85,000.

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

VOTE: Motion Passed; Unanimous

AF16-0032 Schlosnagle, Chelsey

Applicant requested \$185,000 for the purchase of 52 acres and construction of 42 x 200 poultry barn in Shelby County. United Citizens Bank and Trust in Campbellsburg, Ky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous

Old Business

Extension Request

AF14-0101 Bortrager, Jason

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to ensure adequate time for FSA funding to be secured. The new expiration date would be July 9, 2016. This was the first extension request for this loan.

The extension was approved by the Operations Committee on March 31, 2016.

No action necessary.

AF15-0015 Bray, Derick

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for FSA guarantees to be secured and construction to commence. The new expiration date would be July 10, 2016. This was the first extension request for this loan.

The extension was approved by the Operations Committee on April 1, 2016.

No action necessary.

AF15-0016 Yoder, Elwood

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for closing to be complete and permanent financing in place. The new expiration date would be July 10, 2016. This was the first extension request for this loan.

The extension was approved by the Operations Committee on March 31, 2016.

No action necessary.

AF15-0018 Loy, Benjamin

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for construction to be completed and permanent financing in place. The new expiration date would be July 10, 2016. This was the first extension request for this loan.

The extension was approved by the Operations Committee on March 31, 2016.

No action necessary.

Paid in Full

AF07-0021	Hart, Danny
AF07-0030	Galloway, Bobby
AF10-0021	Tanner, Davin

No action necessary.

Additional Remarks

Mr. Beeler recognized Senator Paul Hornback and expressed his appreciation for the work Sen. Hornback does for the agriculture industry.

Mr. Beeler yielded the floor to Sen. Hornback.

Sen. Hornback discussed his legislative events and the state budget.

Sen. Hornback expressed his appreciation of the K AFC board members service.

Expired Application

AF16-0018 Hunt, Michael

No action necessary.

Closing Remarks

Ms. Blank stated that the next K AFC Board meeting will be Friday, May 13, 2016 at 10:00 a.m. (EDT) at the Kentucky Transportation Cabinet Office Building in Frankfort, Kentucky in room C109.

Adjournment

Ms. Blank entertained a motion to adjourn.

Mr. Adams moved to adjourn the K AFC board meeting; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

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

APPROVED DATE:

5/13/2016

PRESIDING OFFICER:

Don Lewis

GOAP REPRESENTATIVE:

Bill E. Hulst