

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

**Call to Order**

Steve Kelly, 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: Dr. Kenneth Burdine; Aaron Miller; George Begley; Frank McAninch; Linda Rumpke; Westy Adams; Secretary Lori Flanery; and Steve Kelly (designee for Commissioner James R. Comer).

Members absent: Frank Penn; Larry Jagers; Doug Lawson; and Wayne Hunt.

**Notification of Media**

Mr. Kelly received verification from Angela Blank, Director of Public Affairs/Public Relations, that the media has been notified of the KAFC board meeting.

**Welcome**

Mr. Kelly welcomed everyone to the meeting.

**Approval of Minutes**

Mr. Kelly entertained a motion to approve the minutes of the January 9, 2015 KAFC board meeting.

Ms. Rumpke moved to approve the minutes, as presented; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

**Executive Director's Report**

Mr. Kelly 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 recognized the departure of Tom Midkiff from the Kentucky Finance and Administration Cabinet and yielded the floor to Secretary Lori Flanery.

Secretary Flanery recognized Mr. Midkiff's work, expressed thanks for his service on the KAFC board, and introduced John Brady as her new proxy on the KAFC board.

Mr. Neaveill informed the board that as of the beginning of 2015 Biff Baker, GOAP Project Manager, would be transitioning to part time. As a result, GOAP recently hired Dr. Luther Hughes in the position of Project Manager to work in tandem with Mr. Baker. Dr. Hughes is a retired Western Kentucky University administrator with a deep agricultural background.

**Director of Financial Services Report**

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

Mr. McCloskey recognized that Aaron and Melissa Miller had recently won first place in Kentucky Farm Bureau's Excellence in Agriculture competition and received a top 10 ranking in the American Farm Bureau Federation's Young Farmers and Ranchers Excellence in Agriculture Award competition.

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

<b>KAFC Statement of Financial Position</b>	
<b>As of January 31, 2015</b>	
<b>Assets</b>	
Cash KAFC Accounts	\$ 12,747,992
Loan Payments Due KAFC	
Category A	\$ 36,292,142
Category B	\$ 168,314
Category C	\$
	\$ 36,460,456
<b>Total Assets</b>	<b>\$ 49,208,448</b>
<b>Liabilities</b>	
KAFC loans approved not closed	\$ 5,836,092
Loans Outstanding	\$ 36,460,456
<b>Total Liabilities</b>	<b>\$ 42,296,548</b>
<b>Unobligated Assets</b>	<b>\$ 6,911,900</b>
<b>Total Liabilities &amp; Unobligated Assets</b>	<b>\$ 49,208,448</b>

Mr. Kelly entertained a motion to approve the KAFC Statement of Financial Position.

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

VOTE: Motion Passed; Unanimous.

### **Presentation**

Mr. Kelly yielded the floor to Mr. McCloskey.

Mr. McCloskey introduced Vince Bailey, Farm Credit Mid-America Agribusiness Regional Vice President to present to the board.

Mr. Bailey presented a 2015 Agricultural Financial Outlook to the board. *(PowerPoint on file with the Boards Coordinator)*

### **New Business**

#### **Agricultural Infrastructure Loan Program (AILP)**

##### **AF15-0001                      Ranes, Gregory and Jana**

Applicants requested \$62,000 for the improvement of a grain bin and to tile an existing farm in Hopkins County. Independence Bank in Sebree, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

##### **AF15-0002                      Clark, Jed and Chrissie**

Applicants requested \$70,850 for the construction of two farm buildings in Graves County. The Murray Bank in Murray, Kentucky is the participating lender.

Staff recommended loan approval contingent on C/LV being no worse than 80%.

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

VOTE: Motion Passed; Unanimous.

##### **AF15-0003                      Furnish, Lewis "Ben," and Katie**

Applicants requested \$100,000 for the construction of grain storage and drying facilities in Harrison County. Farm Credit Mid-America in Lexington, KY is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

**Old Business**

**AF24-0008**

**House, Justin**

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. House due to construction delays. The new expiration date would be June 7, 2015. This is the 2<sup>nd</sup> extension request for this applicant.

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

VOTE: Motion Passed; Unanimous.

**Paid in Full**

AF05-0013 Murdock, Kyle  
AF07-0103 Musser, Nathan  
AF10-0026 Kelsay, James

No action necessary.

**Closing Remarks**

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

**Adjournment**

Mr. Kelly entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The K AFC board meeting adjourned at 11:21 a.m. (EST).

APPROVED DATE: 4/10/15

PRESIDING OFFICER: 

BOARD SECRETARY:   
Ray Arnold