

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the June 5, 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
June 5, 2015**

Call to Order

Steve Kelly, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:16 a.m. (EDT).

Roll Call

The following members were present: Dr. Kenneth Burdine, Larry Jagers, Frank Penn, Frank McAninch, Linda Rumpke, John Brady (designee for Secretary Lori Flanery,) and Steve Kelly (designee for Commissioner James R. Comer.)

Members absent: Aaron Miller, Doug Lawson, Wayne Hunt, George Begley, and Westy Adams.

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 May 8, 2015 KAFC board meeting.

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

VOTE: Motion Passed; Unanimous

Executive Director's Report

Mr. Kelly yielded the floor to Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP) to report to the board.

Mr. Thomas reported on the activity of GOAP staff since the May KAFC meeting.

Mr. Thomas informed the board about presentations to be given by GOAP staff at upcoming Interim Joint Legislative Committee meetings.

Director of Financial Services Report

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

Mr. McCloskey reported that the October 2, 2015 K AFC meeting location has been moved to the ES Good Barn on the University of Kentucky campus in Lexington.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (on file with the Boards Coordinator) as of May 31, 2015.

K AFC Statement of Financial Position	
As of May 31, 2015	
Assets	
Cash K AFC Accounts	\$ 12,886,460
Loan Payments Due K AFC	
Category A	\$ 36,155,538
Category B	\$ 699,158
Category C	\$
	\$ 36,854,696
Total Assets	\$ 49,741,156
Liabilities	
K AFC loans approved not closed	\$ 7,808,624
Loans Outstanding	\$ 36,854,696
Total Liabilities	\$ 44,663,320
Unobligated Assets	\$ 5,077,836
Total Liabilities & Unobligated Assets	\$ 49,741,156

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

Mr. McAninch moved to approve the K AFC Statement of Financial Position; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Mr. Kelly yielded the floor to Ms. Rumpke to give the Loan Review Committee Report.

Ms. Rumpke stated the Loan Review Committee met at 9:00 a.m. (EDT) on June 5, 2015 to discuss the following loans:

AF15-0036 Werre, Daniel and Schenk, Charlena

Applicant requested \$150,755 for the purchase of 31.15 acres in Woodford County. Central Kentucky ACA in Lexington, Kentucky is the participating lender.

The Loan Review Committee recommended pending the application to give the applicant time to submit additional documentation.

Ms. Rumpke moved to approve the committee recommendation; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF15-0040 Pease, Robert

Applicant requested \$100,000 for the renovation of a building to house a welding school in Fleming County. Buffalo Trace Area Development District in Maysville, Kentucky is the participating lender.

The Loan Review Committee recommended loan approval, contingent on personal guarantees to be provided on KAFC funds from all four members of HP Land & Investments, LLC.

After discussion, Ms. Rumpke moved to approve the committee recommendation, pending fund availability; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF15-0034 Hardin, Mary

Applicant requested \$100,000 for the construction of a freestall dairy barn in Marion County. Central Kentucky ACA in Danville, Kentucky is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF15-0035 Hoover, John, Brenda, and Brandon

Applicants requested \$150,000 for the construction of one (1) mega poultry house (55' x 500') in Ohio County. Independence Bank in Livermore, Kentucky is the participating lender.

Staff recommended loan approval.

Ms. Rumpke 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)

AF15-0037 Gregg, TJ

Applicant requested \$96,349 for the purchase of 117 acres in Pendleton County. Farm Credit Mid-America in Dry Ridge, KY is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF15-0038 Attebury, Jason and Moryla

Applicants requested \$250,000 for the construction of four (4) Tyson broiler houses in Webster County. AgriFinancial Services in Louisville, KY is the participating lender.

After discussion, Ms. Rumpke moved to pend the application to give the applicant time to submit additional documentation; Mr. Jagers seconded the motion.

VOTE: Motion Passed; Unanimous.

AF15-0039 Quarles, Clint and Jacquelyn

Applicants requested \$135,000 for the purchase of 8 acres and a farm shop in Scott County. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommended loan approval, contingent on L/TV being no worse than 85%.

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

VOTE: Motion Passed; Unanimous.

AF15-0041 Broyles, Walter and Arlene

Applicants requested \$138,125 for the purchase of 55 acres at auction in Pulaski County. Farm Credit Mid-America in Somerset, Kentucky is the participating lender.

Staff recommended loan approval, contingent on L/TV being no worse than 85%.

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

VOTE: Motion Passed; Unanimous.

Old Business

AF14-0008 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 September 7, 2015. This is the third extension request for this applicant.

Ms. Rumpke moved to approve the staff recommendation; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF14-0049 Spurrier, Wes

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 Dr. Spurrier due to construction delays. The new expiration date would be September 6, 2015.

Staff recommends approval of this request.

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

VOTE: Motion Passed; Unanimous.

Extensions

- AF14-0013 Dunn, Warren
- AF14-0026 Long, Wayne
- AF14-0030 Underwood, Nathan

No action necessary.

Paid in Full

AF07-0046 Clark, Jamison
AF09-0030 Clark, Jamison
AF07-0077 Dame, Charles

No action necessary.

Closing Remarks

Mr. Kelly stated that the next KAFC Board meeting, held in conjunction with the Kentucky Agricultural Development Board will be Friday, July 17, 2015 at 10:00 a.m. (CDT) at the Lake Barkley State Resort Park Convention Center in Cadiz, Kentucky.

Adjournment

Mr. Kelly entertained a motion to adjourn.

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

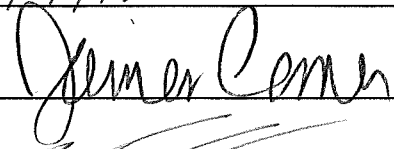
VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:04 a.m. (EDT).

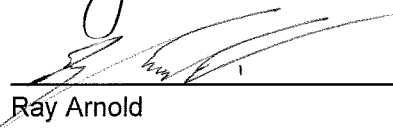
APPROVED DATE:

7/17/15

PRESIDING OFFICER:



BOARD SECRETARY:


Ray Arnold