

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the September 4, 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
September 4, 2015**

Call to Order

Steve Kelly, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:09 a.m. (EDT)

Roll Call

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

Members absent: Wayne Hunt, Doug Lawson, Aaron Miller.

Notification of Media

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

Welcome

Mr. Kelly welcomed everyone to the meeting.

Mr. Kelly stated that this would be his final meeting, as a result of his new job. He expressed appreciation for having the opportunity to serve as the proxy for the Commissioner of Agriculture.

Approval of Minutes

Mr. Kelly entertained a motion to approve the minutes of the August 7, 2015 KAFC board meeting.

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

VOTE: Motion Passed; Unanimous.

Mr. Kelly yielded the chair to Commissioner James R. Comer for the remainder of the meeting.

Director of Financial Services Report

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

Mr. McCloskey recognized Tim Hughes, Director for the Division of Biofuels at the Kentucky Department for Energy Development & Independence, and asked that he update the board regarding an upcoming event.

Mr. McCloskey briefed the board regarding his attendance at the National Council of State Agricultural Finance Programs conference recently held in North Dakota.

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

K AFC Statement of Financial Position	
As of August 31, 2015	
Assets	
Cash K AFC Accounts	\$ 17,054,131
Loan Payments Due K AFC	
Category A	\$ 37,174,669
Category B	\$ 653,137
Category C	\$
	\$ 37,827,807
Total Assets	\$ 54,881,938
Liabilities	
K AFC loans approved not closed	\$ 8,221,262
Loans Outstanding	\$ 37,827,807
Total Liabilities	\$ 46,049,069
Unobligated Assets	\$ 8,832,869
Total Liabilities & Unobligated Assets	\$ 54,881,938

Commissioner Comer entertained a motion to approve the K AFC Statement of Financial Position.

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

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Commissioner Comer 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 September 4, 2015 to discuss the following loans:

AF15-0063 O'Neal, Ricky and Holly

Applicants requested \$250,000 for the purchase of 145 acres in Carlisle County. Citizens Deposit Bank in Arlington, Kentucky is the participating lender.

The Loan Review Committee pended the application to allow time for the applicant to submit additional documentation.

No action necessary.

AF15-0069 Ortiz, Javier and Margarita

Applicants requested \$250,000 for the purchase of 20 acres with four (4) Tyson broiler houses in Graves County. River Valley AgCredit in Clinton, Kentucky is the participating lender.

The Loan Review Committee recommended approval.

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

VOTE: Motion Passed; Unanimous.

Agricultural Infrastructure Loan Program (AILP)

AF15-0067 Quinn, Kenneth and Jacqueline

Applicants requested \$150,000 for the construction of two (2) Equity mega houses in Adair County. Farm Credit Mid-America in Campbellsville, Kentucky is the participating lender.

Staff recommended loan approval, contingent on CL/V being no worse than 83%.

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF15-0064 Drennan, Ronald and Elizabeth

Applicants requested \$50,000 for the purchase of commercial vacuuming equipment and labeling systems in Lyon County. Fredonia Valley Bank in Fredonia, Kentucky is the participating lender.

Staff recommended loan approval.

Mr. Adams 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)

AF15-0066 Alexander, Jonathan and Erin

Applicants requested \$115,000 for the purchase of 150 acres in Owen 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%.

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

VOTE: Motion Passed; Unanimous.

AF15-0068 Leveronne, Travis and Leslie

Applicants requested \$80,000 for the purchase of 90 acres with two (2) Perdue poultry houses and the upgrading of poultry facilities in Grayson County. Wilson & Muir Bank & Trust Company in Leitchfield, Kentucky is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Old Business

Amendments

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 term modification on the behalf of Mr. Spurrier to change the initially approved 10-year term on the K AFC loan to 15 years for cash flow purposes.

Staff recommends approving the request.

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

VOTE: Motion Passed; Unanimous.

AF14-0065 Pobst, David

Mr. McCloskey presented a memorandum (on file with the Boards Coordinator) regarding the above referenced loan. The loan officer requested a term modification on the behalf of Mr. Pobst to amend the payment due date, the payment amount, and extend the loan's maturity by one year to 2030, as a result of unforeseen events.

Staff recommends approving the request.

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

VOTE: Motion Passed; Unanimous.

Extension Requests

AF14-0067 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 no-cost time extension on the behalf of Ms. Hood to give time for remaining invoices to be gathered and paid. The new expiration date would be November 1, 2015.

This extension request was approved by the Operations Committee on August 20, 2015.

No Action Necessary.

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 no-cost time extension on the behalf of Mr. House due to construction delays. The new expiration date would be December 7, 2015.

Staff recommends approving the request.

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

VOTE: Motion Passed; Unanimous.

Paid in Full

- AF10-0015 Todd, BG
- AF06-0045 Debord, Jack
- AF07-0074 Morris, Mark

AF07-0113 Tucker, Gilbert Ray

No action necessary.

Withdrawn Application

AF15-0041 Broyles, Walter

No action necessary.

Expired Applications

AF14-0026 Long, Wayne

AF15-0024 Smith, Chris

Pending Application

AF15-0065 Hayden, David

No action necessary.

Closing Remarks

Commissioner Comer recognized the departure of Steve Kelly from the Kentucky Department of Agriculture and thanked him for his years of service.

Commissioner Comer stated that the next KAFC Board meeting will be Friday, October 2, 2015, at 10:00 a.m. (EDT) at the University of Kentucky E. S. Good Barn in the Culton Suite.

Adjournment

Commissioner Comer entertained a motion to adjourn.

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

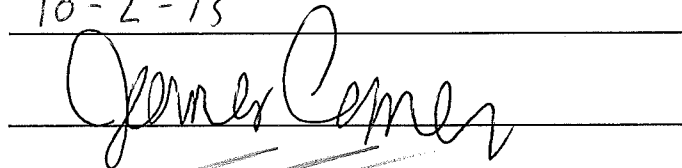
VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:01 a.m. (EDT).

APPROVED DATE:

10-2-15

PRESIDING OFFICER:



BOARD SECRETARY:



Ray Arnold