

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the October 2, 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  
E.S. Good Barn  
University of Kentucky  
Lexington, Kentucky  
October 2, 2015**

**Call to Order**

Commissioner James R. Comer, 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: Larry Jagers; Dr. Kenneth Burdine; Frank McAninch; Frank Penn; Aaron Miller; John Brady (designee for Secretary Lori Flanery) and Commissioner James R. Comer.

Members absent: Doug Lawson, Linda Rumpke, Wayne Hunt, George Begley, and Westy Adams.

**Notification of Media**

Commissioner Comer received verification from Beth Herbert, Loans Program Coordinator, that the media had been notified of the October KAFC board meeting.

**Welcome**

Commissioner Comer welcomed everyone to the meeting.

**Approval of Minutes**

Commissioner Comer entertained a motion to approve the minutes of the September 4, 2015 KAFC board meeting.

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

VOTE: Motion Passed; Unanimous.

**Executive Director's Report**

Commissioner Comer yielded the floor to Roger Thomas, Executive Director, Governor's Office of Agricultural Policy (GOAP) to give his report to the board.

Mr. Thomas updated the board on the preparation of GOAP's biannual budget request.

Mr. Thomas notified the board that copies of the 2015 GOAP Annual Report were included with their update material. *(On file with the Boards Coordinator)*

### **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 an updated KAFC Statement of Financial Position would be reviewed at the November KAFC meeting.

Mr. McCloskey updated the board on his activities since the September KAFC meeting.

### **New Business**

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

##### **AF15-0070                      Murdock, Kyle and Musser, Nathan**

Applicants requested \$22,100 for the purchase and installation of a grain bin in Calloway County. FNB Bank, Inc, in Mayfield, Kentucky, is the participating lender.

The loan was approved by staff on September 23, 2015, based upon the loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

No action necessary.

##### **AF15-0073                      Carman, Jimmy**

Applicant requested \$22,500 for the construction of a storage building in Casey County. Central Kentucky ACA in Stanford, Kentucky, is the participating lender.

The loan was approved by staff on September 23, 2015, contingent on CL/V being no worse than 80%, based upon the loan size and credit score per Agricultural Infrastructure Loan Program policy adopted June 24, 2005.

No action necessary.

##### **AF15-0074                      Revlett, John and Rodney**

Applicants requested \$150,000 for the construction of six (6) Tyson broiler houses in McLean County. Farm Credit Mid-America in Henderson, Kentucky, is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

**Beginning Farmer Loan Program (BFLP)**

**AF15-0065                      Hayden, Davis**

Applicant requested \$152,500 for the purchase of 30 acres with improvements in Mercer County. AgriFinancial Services in Louisville, Kentucky, is the participating lender.

Staff recommended loan approval, contingent on the approval and obligation of a 90% FSA guarantee on AFS and KAFC funds. KAFC funds not to exceed 50% of the eligible project cost or \$152,500, whichever is less. CLV shall not exceed 100%.

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

VOTE: Motion Passed; Unanimous.

**AF15-0071                      Jones, Brian and Smallwood, Julie**

Applicants requested \$135,000 for the purchase of 67.3 acres with improvements in Woodford County. Farm Credit Mid-America in Lexington, Kentucky, 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.

**Old Business**

**Amendment**

**AF15-0032                      Schlabach, Norman**

Mr. McCloskey presented a memorandum (*on file with the Boards Coordinator*) regarding the above referenced loan. The loan officer requested to amend the original approval on the behalf of Mr. Schlabach to transfer the original approval from AgriFinancial Services to South Central Bank in Glasgow, Kentucky. The original contingency of 90% FSA guarantees on Lender and KAFC funds will remain in place.

Staff recommended approval of the request.

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

VOTE: Motion Passed; Unanimous.

**Pending Applications**

AF15-0063            O'Neal, Ricky  
AF15-0072            Wheeldon, Martin  
AF15-0075            Lemberger, Audrey

No action necessary.

**Paid in Full**

AF07-0104            Rucker, James

No action necessary.

**Withdrawn Application**

AF14-0086            Gingerich, Lester

No action necessary.

**Closing Remarks**

Commissioner Comer stated that the next KAFC Board meeting will be Friday, November 6, 2015, at 10:00 a.m. (EDT) at the Transportation Cabinet Office Building, 200 Mero Street, in room C-109.

**Adjournment**

Commissioner Comer entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:12 a.m. (EDT).

APPROVED DATE: 11-6-15

PRESIDING OFFICER: Kristen R. Brangum

BOARD SECRETARY: Ray Arnold