

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the November 4, 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  
Franklin County Extension Office  
Frankfort, Kentucky  
November 4, 2016**

**Call to Order**

Angela Blank, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:13 a.m. (EDT).

**Roll Call**

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

Members absent: Westy Adams, Doug Lawson, Frank McAninch and Frank Penn.

**Notification of Media**

Ms. Blank received verification from Hannah Forte, GOAP Boards Coordinator, that the media had been notified of the KAFC board meeting.

**Welcome**

Ms. Blank welcomed everyone to the meeting.

Ms. Blank stated that the Commissioner was at a Hunger Initiative event in Murray.

Ms. Blank announced a Hunger Taskforce meeting at KDA on November 22, 2016 to review information from regional meetings, the meeting is open to the public.

Ms. Blank mentioned a partnership between KDA and the Cabinet for Economic Development to promote Kentucky agriculture.

Ms. Blank updated the board on the activities of the Kentucky Department of Agriculture and the Commissioner since the October 7, 2016 board meeting.

**Approval of Minutes**

Ms. Blank entertained a motion to approve the minutes of the October 7, 2016 KAFC board meeting.

Mr. Miller moved to approve the minutes, as presented; Ms. Rumpke 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 directed the board's attention to the 2016 KADF Annual Report (*on file*).

Mr. Beeler updated the board on his activities since the October 7, 2016 board meeting.

Mr. Beeler reviewed his upcoming schedule.

Ms. Blank mentioned the Kentucky/Tennessee Beginning Farmer Summit on November 11, 2016.

**Deputy Executive Director's Report**

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

Mr. McCloskey introduced Lowell Atchley, Agriculture and Natural Resource Committee Staff at the Legislative Research Commission.

Mr. McCloskey reviewed KADF County Balances as of October 26, 2016.

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

| <b>KAFAC Statement of Financial Position</b>      |                      |
|---|----------------------|
| <b>As of October 31, 2016</b>                     |                      |
| <b>Assets</b>                                     |                      |
| Cash KAFAC Accounts                               | \$ 15,340,596        |
| Loan Payments Due KAFAC                           |                      |
| Category A  | \$ 45,377,985        |
| Category B  | \$ 597,439           |
| Category C  | \$                   |
|   | \$ 45,975,424        |
| <b>Total Assets</b>                               | <b>\$ 61,316,020</b> |
| <b>Liabilities</b>                                |                      |
| KAFAC loans approved not closed                   | \$ 14,349,391        |
| Loans Outstanding                                 | \$ 45,975,424        |
| <b>Total Liabilities</b>                          | <b>\$ 60,324,815</b> |
| <b>Unobligated Assets</b>                         | <b>\$ 991,205</b>    |
| <b>Total Liabilities &amp; Unobligated Assets</b> | <b>\$ 61,316,020</b> |

Mr. McCloskey referenced the KY Agricultural Development Board State Pool Tobacco Funds (*on file*) as of November 2, 2016.

Dr. Burdine moved to approve the KAFAC Statement of Financial Position; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

**Loan Review Committee**

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

Ms. Rumpke reported that the Loan Review Committee met at 9 a.m. in Room C of the Franklin County Extension Office. Ms. Rumpke requested the reviewed loans to be presented in the order of the agenda (*on file*).

Ms. Rumpke moved to schedule a full board planning session to discuss KAFAC funding issues and opportunities; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

**New Business**

**Agricultural Infrastructure Loan Program (AILP)**

**AF16-0108 Warren, John**

Applicant requested \$64,080 for the upgrading of four Tyson pullet houses in Daviess County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommended loan approval, contingent on the aggregate balance of KAFC loans with the applicant not to exceed \$150,000.

Dr. Burdine made a motion to approve the staff recommendation, as presented, pending fund availability; Ms. Rumpke seconded the motion.

VOTE: Motion Passed, Unanimous.

**Agricultural Processing Loan Program (APLP)**

**AF16-0110 The Cattle Group**

Applicant requested \$1,000,000 for the reconstruction of Bluegrass Stockyards Lexington facility in Fayette County. Farm Credit Mid-America in Louisville, KY is the participating lender.

The Loan Review Committee recommended pending the application to allow additional time for internal business structure to be finalized/more defined and to ensure that KAFC supports this project in a manner most advantageous for KAFC and the applicant.

Ms. Rumpke made a motion to approve the committee recommendation, as presented; Mr. Hunt seconded the motion.

VOTE: Motion Passed, Unanimous.

**Beginning Farmer Loan Program (BFLP)**

**AF16-0086 Cowden, Eric**

Applicants requested \$250,000 for the purchase of 110 acres in Fayette County. Central Kentucky ACA in Lexington, KY is the participating lender.

The Loan Review Committee recommended declining the loan based on the liquidity and negative cash flow.

Ms. Rumpke moved to approve the committee recommendation, as presented; Mr. Miller seconded the motion.

VOTE: Motion Passed, Unanimous.

**Louisville Agribusiness Loan Program (METCO)**

**AF16-0107 Hurley, Sherry**

Applicant requested \$37,500 for the renovation and buildout of a facility and the purchase of additional equipment in Jefferson County. Metropolitan Business Development Corporation in Louisville, KY is the participating lender.

The Loan Review Committee recommended loan approval.

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

VOTE: Motion Passed, Unanimous.

## **Old Business**

### **Amendments**

#### **AF15-0029            Scott, Cody**

Ms. Herbert referenced a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a payment and maturity extension.

The Loan Review Committee recommended approval of the amendment

Ms. Rumpke moved to approve the committee recommendation, as presented; Mr. Jagers seconded.

VOTE: Motion Passed, Unanimous.

#### **AF16-0061            Puckett, Logan**

Ms. Herbert referenced a memorandum (*on file*) regarding the above referenced loan. The loan officer has requested an approval modification.

Staff recommended approval of the request.

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

VOTE: Motion Passed, Unanimous.

### **Extension Requests**

#### **AF15-0058            Vincent, Joshua**

Ms. Herbert 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, birds to be placed and to find permanent financing. The new expiration date would be February 7, 2017.

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

VOTE: Motion Passed, Unanimous.

#### **AF15-0072            Wheeldon, Martin**

Ms. Herbert presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to coincide with the current CKACA construction note maturity date, which would allow time for the remaining construction to be completed and permanent financing in place. The new expiration date would be May 6, 2017.

Approved by the Operations Committee on October 26, 2016.

No Action Necessary.

### **Closing Remarks**

Ms. Blank stated that the next KAFC Board meeting will be on Friday, December 9<sup>th</sup>, 2016 beginning at 10:00 a.m. (EST) at the Franklin County Extension Office in Frankfort.

### **Adjournment**

Ms. Blank entertained a motion to adjourn.

Ms. Rumpke moved to adjourn the KAFC board meeting; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 10:56 a.m. (EDT).

APPROVED DATE: 12-9-16

PRESIDING OFFICER: 

BOARDS COORDINATOR: 