

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the June 9, 2017 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
June 9, 2017**

Call to Order

John McCauley, 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: Kenny Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Aaron Miller, Frank Penn, John Brady (designee for Secretary William M. Landrum III) and John McCauley (proxy for Commissioner Ryan Quarles).

Members absent: Westy Adams, George Begley, Frank McAninch, and Linda Rumpke.

Notification of Media

Mr. McCauley received verification from Emily Milam, GOAP Public Relations Officer, that the media had been notified of the KAFC board meeting.

Welcome

Mr. McCauley welcomed everyone to the meeting.

Mr. McCauley referenced a flyer (*on file*) for the KDA Linking Agriculture for Networking and Development meetings and invited board members to attend.

Mr. McCauley mentioned a series of round table discussions occurring across the state hosted by KDA, and announced that the next meeting will be on June 13, 2017 at the Greenup County Fairgrounds from 3:30 p.m.

Mr. McCauley yielded the floor to Ali Hulett, KDA intern and Nicole Howard, Morgan Askins, and Sadie Middleton, GOAP interns, to introduce themselves.

Approval of Minutes

Mr. McCauley entertained a motion to approve the minutes of the May 12, 2017 KAFC board meeting.

Mr. Penn moved to approve the minutes; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. McCauley yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler invited board members to attend the Kentucky Farm Bureau Country Ham Breakfast at the Kentucky State Fair on August 24.

Mr. Beeler introduced Marielle Manning, GOAP Communications and Special Events Manager.

Mr. Beeler mentioned that the GOAP interns will be working on success stories to highlight KADF and KAFC projects over the summer.

Mr. Beeler updated the board on his activities since the May 12, 2017 board meeting.

Deputy Executive Director's Report

Mr. McCauley yielded the floor to Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey referenced information from the ECM Insurance Group on Avian Influenza coverage (*on file*), as follow up to the discussion at the May 2017 KAFC meeting.

Mr. McCloskey referenced the GOAP press release regarding the transfer of funds from the KADB to KAFC (*on file*).

Mr. McCloskey referenced the Independent Accountant's Report from the Auditor of Public Accounts (*on file*).

Mr. McCloskey referenced the KY Agricultural Development Board State Pool Tobacco Funds (*on file*) as of June 5, 2017.

Mr. McCloskey reviewed KADF County Balances (*on file*) as of May 25, 2017.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of May 31, 2017.

Mr. McCloskey reviewed the update on Category B Loans (*on file*) as of June 1, 2017.

K AFC Statement of Financial Position	
As of May 31, 2017	
Assets	
Cash KAFC Accounts	\$ 21,502,572
Loan Payments Due KAFC	
Category A	\$ 47,016,887
Category B	\$ 600,973
Category C	\$
	\$ 47,617,860
Total Assets	\$ 69,120,432
Liabilities	
KAFC loans approved not closed	\$ 16,357,519
Loans Outstanding	\$ 47,617,860
Total Liabilities	\$ 63,975,379
Unobligated Assets	\$ 5,145,053
Total Liabilities & Unobligated Assets	\$ 69,120,432

Mr. Jagers moved to approve the KAFC Statement of Financial Position; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

Strategic Planning Committee Report

Mr. McCauley reported that the Strategic Planning Committee met at 9 a.m. in Room C of the Franklin County Extension Office to discuss.

Mr. McCauley stated that the committee will continue to meet with the objective of presenting a plan to the KADB and KAFC at the September 2017 joint meeting.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF17-0049 Curry, Stewart

Applicants requested \$150,000 for the construction of four Tyson broiler barns in Ohio County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

Staff recommended loan approval.

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

VOTE: Motion Passed; Unanimous.

AF17-0050 Logsdon III, Paul

Applicants requested \$150,000 for the construction of four Perdue broiler barns in McLean County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommended loan approval contingent on the C/LV being no worse than 85%.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF17-0034 Abrams, Kenton

Applicants requested \$84,353 for the purchase of 63 acres with improvements in Trimble County. Farm Credit Mid-America in Shelbyville, KY is the participating lender.

Staff recommended loan approval contingent on the personal guarantee of Sandy Abrams on the FCMA and KAFC funds and the C/LV being no worse than 90%.

Mr. Jagers moved to approve staff recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0048 Hunt, Michael

Applicant requested \$30,000 for the purchase of breeding livestock in Hopkins County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

Staff recommended loan approval.

Mr. Lawson moved to approve staff recommendation, as presented, pending availability of funds; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0051 Pirtle, John D.

Applicant requested \$250,000 for the construction of two Tosh finishing barns in Graves County. River Valley AgCredit in Clinton, KY is the participating lender.

Staff recommended loan approval contingent on the approval and obligation of 90% FSA guarantees on the RVACA and KAFC funds and the C/LV being no worse than 100%.

Mr. Jagers moved to approve staff recommendation, as presented, pending availability of funds; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0052 Duncan, Jason

Applicants requested \$125,000 for the purchase of 80 acres in Hopkins County. Independence Bank in Madisonville, KY is the participating lender.

Staff recommended loan approval contingent on the C/LV being no worse than 85%.

Mr. Hunt moved to approve staff recommendation, as presented, pending availability of funds; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0053 Edge, Dakota

Applicant requested \$127,000 for the purchase of 83 acres in Daviess County. Farm Credit Mid-America in Owensboro, KY is the participating lender.

Staff recommended loan approval contingent on the C/LV being no worse than 85%.

Dr. Burdine moved to approve staff recommendation, as presented, pending availability of funds; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0054 Greenwell, Issac

Applicants requested \$250,000 for the purchase of 175+/- acres with improvements in Union County. Farm Credit Mid-America in Henderson, KY is the participating lender.

Staff recommended loan approval contingent on the C/LV being no worse than 85%.

Mr. Penn moved to approve staff recommendation, as presented, pending availability of funds; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

AF17-0055 Flounders, Jeanne

Applicants requested \$215,000 for the purchase of 86 acres with improvements in Shelby County. Citizens Union Bank in Shelbyville, KY is the participating lender.

Staff recommended loan approval contingent on the C/LV being no worse than 85% and documentation of Kentucky residency, as evidenced by driver's licenses.

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

VOTE: Motion Passed; Unanimous.

AF17-0056 Williams, James R.

Applicants requested \$123,050 for the purchase of 71 acres with improvements in Barren County.

Staff recommended loan approval contingent on the approval and obligation of 90% FSA guarantees on the Magnolia Bank and KAFC funds and the C/LV being no worse than 100%.

Mr. Brady moved to approve staff recommendation, as presented, pending availability of funds; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Old Business

Extension Requests

AF15-0010 Smith, David

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 1-month extension to allow time for closing to be completed and KAFC funds disbursed. The new expiration date would be July 10, 2017

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

VOTE: Motion Passed; Unanimous.

AF15-0091 Mehr, Joseph

Ms. Mobley 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 and permanent financing in place. The new expiration date would be September 4, 2017.

Mr. Jagers moved to approve the staff recommendation, as presented; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

AF15-0096 Johnson, Charles

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for remaining funds to be disbursed and permanent financing in place. The new expiration date would be September 4, 2017.

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

VOTE: Motion Passed; Unanimous.

AF16-0047 Beiler, Menno

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to allow time for all construction to be completed, all necessary equipment to be installed and permanent financing in place. The new expiration date would be December 10, 2017.

Approved by the Operations Committee on June 1, 2017.

No action necessary.

AF16-0049 Gooch, Evan

Ms. Mobley presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to allow time for construction to be completed and permanent financing in place. The new expiration date would be December 10, 2017.

Approved by the Operations Committee on June 2, 2017.

No action necessary.

Closing Remarks

Mr. Penn commented on the construction of the Bluegrass Stockyards and the Kentucky Cattlemen's Association classrooms constructed as an opportunity for agricultural education.

Mr. McCauley invited board members to attend the Kentucky Agricultural Council meeting on August 17, 2017 at the Kentucky State Fair.

Mr. McCauley stated that the next KAFC Board meeting will be on Friday, July 14, 2017 beginning at 10:00 a.m. (EDT) at the Franklin County Extension Office in Frankfort.

Adjournment

Mr. McCauley entertained a motion to adjourn.

Mr. Lawson moved to adjourn the KAFC board meeting; Mr. Miller seconded the motion.

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:08 a.m. (EDT).

APPROVED DATE:

PRESIDING OFFICER:

BOARDS COORDINATOR:

7/14/2017

