

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the September 15, 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
Clark County Extension Office
September 15, 2017**

Call to Order

John McCauley, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 9:49 a.m. (EDT).

Roll Call

The following members were present: John McCauley (designee for Commissioner Quarles), Westy Adams, Kenny Burdine, Wayne Hunt, Larry Jagers, Doug Lawson, Frank McAninch, Aaron Miller, Linda Rumpke, Tonya Phillips and John Brady (designee for Secretary William M. Landrum III).

Members absent: Frank Penn.

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 welcomed new KAFC board member, Tonya Phillips.

Mr. McCauley recapped the Kentucky Farm Bureau meeting on Thursday, September 14, that established priorities for the 2018 Farm Bill.

Approval of Minutes

Mr. McCauley entertained a motion to approve the minutes of the August 11, 2017 KAFC board meeting.

Mr. Jagers moved to approve the minutes; Ms. Rumpke 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 recognized Emily Milam, GOAP Public Information Officer, and presented her with a commemorative plaque for her service.

Mr. Beeler called on Aleta Botts, Executive Director, KCARD, to update the board on the activities of the organization.

Ms. Botts introduced Spencer Guinn, Business Development Specialist, KCARD.

Mr. Beeler called on Dr. Chad Lee, Director, UK Grain and Forage Center of Excellence, to update the board on the status of the center.

Mr. Beeler updated the board on his activities since the August 11, 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 the KY Agricultural Development Board State Pool Tobacco Funds (*on file*) as of September 1, 2017.

Mr. McCloskey reviewed KADF County Account Balances (*on file*) as of August 22, 2017.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of August 30, 2017.

KAFC Statement of Financial Position	
As of August 30, 2017	
Assets	
Cash KAFC Accounts	\$ 16,698,551
Loan Payments Due KAFC	
Category A	\$ 52,056,208
Category B	\$ 614,202
Category C	\$
	\$ 52,670,410
Total Assets	\$ 69,368,960
Liabilities	
KAFC loans approved not closed	\$ 13,438,255
Loans Outstanding	\$ 52,670,410
Total Liabilities	\$ 66,108,665
Unobligated Assets	\$ 3,260,296
Total Liabilities & Unobligated Assets	\$ 69,368,960

Mr. McAninch moved to approve the KAFC Statement of Financial Position; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Ms. Rumpke reported that the Loan Review Committee met at 8:00 a.m. in the Classroom of the Clark County Extension Office and requested the loan discussed be reviewed in order of the agenda (*on file*).

New Business

Beginning Farmer Loan Program (BFLP)

AF17-0074 Clifford, Lincoln

Applicant requested \$76,000 for the purchase of 60 acres in Harrison County. Central Kentucky ACA in Paris, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF17-0076 Linder, Patrick

Applicants requested \$250,000 for the construction of two Tosh finishing barns in Fulton County. The Citizens Bank of Hickman in Hickman, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF17-0077 Davis, Korey

Applicants requested \$67,650 for the purchase of 54 acres in Green County. Farm Credit Mid-America in Campbellsville, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Miller abstained.

AF17-0078 Dean, Corey

Applicants requested \$25,830 for the purchase of five acres with improvements in Scott County. Central Kentucky ACA in Lexington, KY is the participating lender.

Ms. Rumpke stated the Loan Review Committee had a very in-depth discussion on this application. The LRC members cited concerns with the repayment dependency on temporary employment, viability of operation given size and scale, and underdeveloped business plan with limited comprehensive start-up information.

The Loan Review Committee recommended denying the loan based on the above listed issues. The Loan Review Committee requested staff to introduce applicants to the Vet Loan Program.

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

VOTE: Motion Passed; Unanimous.

AF17-0079 Eshman, Clay

Applicants requested \$175,000 for the purchase of 107 acres in Pendleton County. Farm Credit Mid-America in Dry Ridge, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF17-0080 Werle, Nicholas

Applicants requested \$250,000 for the purchase of 71 acres with improvements in Madison County. Central Kentucky ACA in Richmond, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF17-0081 Goetzinger, George

Applicant requested \$60,000 for the purchase of 33 acres in Shelby County. Farm Credit Mid-America in Shelbyville, 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.

AF17-0082 Benton, Christopher

Applicant requested \$200,000 for the purchase of 102 acres with improvements in Boone County. Farm Credit Mid-America in Dry Ridge, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF17-0084 Figgins, Joshua

Applicant requested \$125,000 for the purchase of 90 acres in Bracken County. Farm Credit Mid-America in Dry Ridge, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Old Business

Extension Requests

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 December 4, 2017.

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

VOTE: Motion Passed; Unanimous.

AF16-0082 Denney, Dale

Ms. Mobley presented a memorandum *(on file)* regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for permanent financing to be in place. The new expiration date would be December 9, 2017

Approved by the Operations Committee on August 22, 2017.

No action necessary.

AF16-0087 Kough, Adam

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 March 9, 2018.

Approved by the Operations Committee on September 6, 2017.

No action necessary.

AF17-0034 Abrams, Kenton

Ms. Mobley presented a memorandum *(on file)* regarding the above referenced loan. The loan officer requested a 1-month extension to allow time for documents to be submitted and funds disbursed. The new expiration date would be October 9, 2017.

Approved by the Operations Committee on September 11, 2017.

No action necessary.

Closing Remarks

Ms. Milam thanked everyone and expressed her appreciation of her time at GOAP.

Mr. McCauley stated that the next K AFC Board meeting will be on Friday, October 6 beginning at 10:00 a.m. (EDT) at the UK Good Barn in Lexington.

Mr. McAninch asked if there would be action on items discussed during Thursday's meeting. Mr. McCloskey commented the recommendations would be brought back to K AFC's Strategic Planning Committee prior to requiring board action.

Adjournment

Mr. McCauley entertained a motion to adjourn.

Mr. Jagers moved to adjourn the K AFC board meeting; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

The K AFC board meeting adjourned at 10:39 a.m. (EDT)..

APPROVED DATE:

PRESIDING OFFICER:

BOARDS COORDINATOR:

10-6-17

