

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the July 12, 2019 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 Business Meeting
101 Lakeview Court
Frankfort, KY 40601**

Call to Order

John McCauley, (designee for Commissioner Quarles) presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:00 a.m. (EDT).

Roll Call

The following members were present: John McCauley (designee for Commissioner Quarles), Donna Amburgey, John Brady (designee for Secretary William M. Landrum III), Dr. Kenny Burdine, Wayne Hunt, Larry Jiggers, Doug Lawson, Frank Penn and Frank McAninch.

Members absent: Jonathan Noe, Westy Adams and Linda Rumpke.

Notification of Media

Mr. McCauley received verification from Marielle McElmurray, Director of Public Affairs, that the media had been notified of the KAFC board meeting.

Welcome

Mr. McCauley welcomed everyone to the meeting.

Mr. McCauley updated the board on recent activities of the Kentucky Department of Agriculture and the Commissioner.

Approval of Minutes

Mr. McCauley entertained a motion to approve the minutes of the June 14, 2019 KAFC board meeting.

Dr. Burdine moved to approve the minutes; Mr. McAninch 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 welcomed everyone to the meeting.

Mr. Beeler yielded the floor to Rob Goff, GOAP General Counsel who introduced himself to the board.

Mr. Beeler reviewed his schedule since the last meeting.

Deputy Executive Director's Report

Mr. McCauley called on Bill McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey addressed the update packet.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of June 30, 2019.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund Cash Flow (*on file*) as of July 3, 2019.

Mr. McCloskey referenced the Kentucky Agricultural Development Fund State Pool Tobacco Funds (*on file*) as of July 3, 2019.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of June 26, 2019.

K AFC Statement of Financial Position	
As of June 30, 2019	
Assets	
Cash K AFC Accounts	\$ 18,132,839
Loan Payments Due K AFC	
Category A	\$ 68,848,340
Category B	\$ 823,900 (Foothills, Monroe, Weekly Juicery, Ellis & Bevins)
Category C	\$
	\$ 69,672,240
Total Assets	\$ 87,805,079
Liabilities	
K AFC loans approved not closed	\$ 13,676,628
Principal Outstanding	\$ 69,672,240
Total Liabilities	\$ 83,348,868
Unobligated Assets	\$ 4,456,211
Total Liabilities & Unobligated Assets	\$ 87,805,079

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

VOTE: Motion Passed; Unanimous.

Compliance Review Committee Report

Mr. McCauley yielded the floor to John Brady to report to the board.

Mr. Brady explained that the committee randomly selected loans to review.

Mr. Brady stated there have been 53 loans disbursed from January 2019 to June 2019. He stated that the committee agreed the loans reviewed met compliance guidelines.

Loan Review Committee Report

Mr. McCauley yielded the floor to Doug Lawson to report to the board.

Mr. Lawson stated that the Committee reviewed two approved loans that had not been disbursed (See attached minutes).

New Business

Agricultural Infrastructure Loan Program (AILP)

AF19-0076 Griffith, Nathaniel

Applicants requested \$61,500 for the construction of an equipment storage building in Graves County. Community Financial Services Bank in Mayfield, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 85%.

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

VOTE: Motion Passed; Mr. McAninch abstained.

Beginning Farmer Loan Program (BFLP)

AF19-0074 Baston, John

Applicants requested \$88,000 for the purchase of 88 acres in Monroe County. South Central Bank of Barren County in Glasgow, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on the South Central Bank and KAFRC funds, with a C/LV no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF19-0075 Holland, Alexander

Applicant requested \$250,000 for the purchase of four (4) Tyson broiler barns in Graves County. River Valley AgCredit in Clinton, KY is the participating lender.

Staff recommends approval with a C/LV no greater than 85% and proof of Kentucky residency.

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

VOTE: Motion Passed; Unanimous.

AF19-0077 Wood, Brian

Applicants requested \$202,750 for the purchase of 62 acres in LaRue County. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 65%.

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

VOTE: Motion Passed; Unanimous.

AF19-0078 Nelson, Cole

Applicants requested \$250,000 for the purchase of four (4) Tyson broiler barns in Wayne County. Farm Credit Mid-America in Somerset, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on FCMA and KAFRC funds, with C/LV no greater than 70%.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on FCMA and KAFC funds, with C/LV no greater than 70%.

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

VOTE: Motion Passed; Unanimous.

AF19-0079 Williams, James "Drew" (Homestead Hill Farms, LLC)

Applicant requested \$211,000 for the purchase of 84 acres in Henderson County. Field & Main Bank in Henderson, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 65%.

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

VOTE: Motion Passed; Mr. Lawson abstained.

AF19-0080 Chisolm, Chad

Applicants requested \$40,375 for the purchase of 40 acres in Mercer County. Central Kentucky AgCredit in Danville, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF19-0081 Stoltzfoos, John

Applicant requested \$175,000 for the purchase of 30 acres in Christian County. Farm Credit Mid-America in Hopkinsville, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 70%.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Extensions

AF17-0042 Gross, David "Brent"

This request is for a 3-month extension to allow time for the project to be completed. The new expiration date will be November 25, 2019.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF18-0019 Case, Russell

This request is for a 30-day extension to allow time to buy a truck. The new expiration date will be August 13, 2019.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. McCauley invited everyone to attend the Kentucky Agricultural Council meeting at the Kentucky State Fair on August 15, 2019.

Adjournment

Mr. McCauley entertained a motion to adjourn.

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

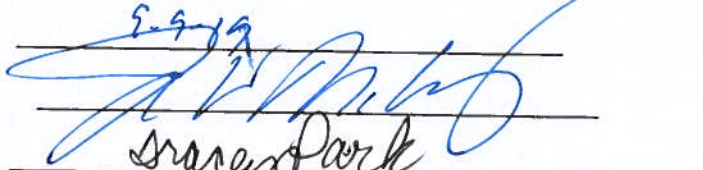
VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:22 a.m. (EDT)

APPROVED DATE:

PRESIDING OFFICER:

BOARDS COORDINATOR:

8-9-19

Tracey Park

Appendix A: Compliance Committee Meeting Minutes



Meeting Date:	July 12, 2019
Meeting Location:	Franklin Co. Extension Office; 101 Lakeview Ct. Frankfort, KY 40601
Meeting Chair:	John Brady
Attendees:	John Brady (OFM Proxy), Wayne Hunt, Larry Jagers, Kenny Burdine, Doug Lawson, John McCauley, Fletcher Lyon, Emma Lawson, Jacob Patterson. Staff: Bill McCloskey, Warren Beeler, Rob Goff, Sadie Middleton, Ali Hulett, Bill Hearn, Lindsay Bates.
Minutes Issued By:	Ali Hulett
Meeting Call to Order:	9:03 AM EST
Meeting Adjourned:	9:28 PM EST

Agenda Items:

1. Review Loan Disbursement Checklists
 - a. 23 loans disbursed 2019 Q1
 - b. 30 loans disbursed 2019 Q2

2. Review loans randomly selected by Committee Chair
 - a. AF17-0102 Sonny Woolf
 - b. AF18-0015 Justin Edwards
 - c. AF18-0016 David Zimmerman
 - d. AF18-0159 Junior Young
 - e. AF19-0042 Egan Latham

3. Committee reviewed and reported no incorrect or missing loan documents.

4. Motion to Adjourn

APPENDIX B: Loan Review Committee Meeting Minutes



Meeting Date:	July 12, 2019
Meeting Location:	Franklin County Extension Office, Frankfort, KY
Meeting Chair:	Doug Lawson
Attendees:	Wayne Hunt, Larry Jagers, , Kenny Burdine, John Brady, John McCauley Staff: Sadie Middleton, Warren Beeler, Bill McCloskey, Ali Hulett, Lindsay Bates, Bill Hearn, Rob Goff Guests: Jacob Patterson, Emma Lawson, Fletcher Lyon
Minutes Issued By:	Sadie Middleton, Loan Programs Manager
Meeting Call to Order:	9:28 AM EDT
Meeting Adjourned:	9:55 AM EDT

Agenda Items:
<p>Old Business</p> <ol style="list-style-type: none"> 1. Review of AF19-0034—Unruh, Philip <ol style="list-style-type: none"> a. Loan officer requests an exception to the executed integrator contract requirement for disbursement. b. Recommend staff obtain letter of intent, legal counsel verify lien positions and determine if language is acceptable for disbursement, and email a recommendation to the Committee. 2. Review of AF18-0031—White House Lodge <ol style="list-style-type: none"> a. Loan officer requests disbursement of funds, with available proof of tobacco dependency. b. Discussion of how staff can define “tobacco dependency.” c. Recommend the Guidelines Committee convene in August to clarify and define “tobacco dependency.” d. No action necessary. <p>Adjourn</p>