

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the August 13, 2021 business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Kentucky Office of Agricultural Policy (KOAP), 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Business Meeting
Franklin County Extension Office
101 Lakeview Court in Frankfort, KY
August 13, 2021**

Call to Order

Tim Hughes, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFRC) regular business meeting to order at 10:08 a.m. (EDT).

Roll Call

The following members were present: Tim Hughes (designee for Commissioner Ryan Quarles), Dr. Kenny Burdine, Dan Flanagan, Larry Jagers, Jonathan Noe, Frank Penn and Linda Rumpke. The following participated by video conference: Wayne Hunt, Doug Lawson, Mac Stone and Billy Aldridge (designee for Secretary Holly M. Johnson).

Members absent: David Rink

Notification of Media

Mr. Hughes received verification from Milinda Sosby, Boards and Special Events Manager; the media had been notified of the KAFRC board meeting.

Welcome

Mr. Hughes welcomed everyone to the KAFRC board meeting. Mr. Hughes updated the board on activities of the Kentucky Department of Agriculture (KDA) and introduced new board member Dan Flanagan from Campbellsville, KY.

Approval of Minutes

Mr. Hughes entertained a motion to approve the minutes of July 16, 2021.

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

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Hughes called on Mr. Brian Lacefield, KOAP Executive Director, to report to the board.

Mr. Lacefield gave an overview of his activities since the previous board meeting and updated the board on changes in staff.

Deputy Executive Director's Report

Mr. Hughes called on Mr. McCloskey, KOAP Deputy Executive Director, to report to the board.

Mr. McCloskey reviewed the Kentucky Agricultural Development State Pool Status (*on file*) as of August 3, 2021.

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of August 3, 2021.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (on file) as of July 31, 2021.

K AFC Statement of Financial Position	
As of July 31, 2021	
Assets	
Cash K AFC Accounts	\$ 21,867,284
Loan Payments Due K AFC	
Category A	\$79,129,712
Category B	\$
Category C	\$
	\$ 79,129,712
Total Assets	\$ 100,996,996
Liabilities	
K AFC loans approved not closed	\$ 10,379,764
Principal Outstanding	\$ 79,129,712
Total Liabilities	\$ 89,509,476
Unobligated Assets	\$ 11,487,520
Total Liabilities & Unobligated Assets	\$ 100,996,996

Ms. Rumpke moved to accept the K AFC financial report, as presented; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Mr. Hughes called on Ms. Rumpke to give the Loan Review Committee report. Ms. Rumpke stated that the loans reviewed would be discussed in order of the agenda.

New Business

Mr. Hughes called on Mr. McCloskey, Ali Hulett, and Haley Nelson to present the following applications:

Agricultural Infrastructure Loan Program (AILP)

AF21-0063 Hegstrom, Samantha

The applicants requested \$100,000 for the construction of a 48x184 indoor arena in Shelby County. Citizens Union Bank of Shelbyville, KY is the participating lender.

Staff recommended approval of the request, with loan-to-value no greater than 85%.

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

VOTE Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF21-0062 Stivers, Susie

The applicant requested \$1,040,386 for the construction of a meat processing facility in Anderson County. Central Kentucky Ag Credit in Lexington, KY is the participating lender. This loan was referred to the Loan Review Committee.

The Loan Review Committee recommended approval of the request up to \$500,000, with combined loan-to-value no greater than 85%.

MS. Rumpke moved to approve the committee recommendation, as presented, Mr. Penn seconded the motion.

VOTE: Motion Passed; Mr. Noe abstained.

Beginning Farmer Loan Program (BFLP)

AF21-0061 Jackson, William

The applicant requested \$150,000 for the purchase of 87 acres in Barren County. South Central Bank of Barren County in Glasgow, KY is the participating lender.

Staff recommended approval of the request, contingent upon the approval and obligation of a 95% FSA guarantee on SCB and KAFC Funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF21-0064 Thang, Ceu

The applicants requested \$250,000 for the purchase of 75 acres with four (4) Tyson broiler barns in Barren County. Farm Credit Mid-America in Glasgow, KY is the participating lender.

Staff recommended approval, contingent upon the approval and obligation of a 90% FSA guarantee on FCMA and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF21-0066 Kham, Cung

The applicants requested \$250,000 for the purchase of 30 acres with (4) Tyson broiler barns in Barren County. Farm Credit of Mid-America in Glasgow, KY is the participating lender.

Staff recommended approval of the request, contingent upon the approval and obligation of a 90% FSA guarantee on FCMA and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF21-0067 Rankin, John

The applicants requested \$200,000 for the purchase of 126 acres in Bourbon County. Central Kentucky ACA in Lexington, KY is the participating lender.

Staff recommended approval of the request, with combined loan-to-value no greater than 65%.

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

VOTE: Motion Passed; Mr. Noe abstained.

AF21-0068 Koehn, Tyler

The applicant requested \$250,000 for the purchase of 55 acres with four (4) Tyson broiler barns in Hickman County. River Valley AgCredit in Clinton, KY is the participating lender.

Staff recommended approval of the request, contingent upon the approval and obligation of a 95% FSA guarantee on RVACA and KAFC funds, with combined loan-to-value no greater than 100%

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

Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF21-0069 Jenkins, Talon

The applicants requested \$250,000 for the purchase of 54 acres with two (2) Perdue layer barns in Hart County. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommended approving the request, contingent upon the approval and obligation of a 90% FSA guarantee Magnolia Bank and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF21-0070 Vung, Thawng

The applicants requested \$250,000 for the purchase of 23 acres with eight (8) Tyson broiler barns in Webster County. Field and Main Bank in Henderson, KY is the participating lender.

Staff recommended approval of the request, contingent upon the approval and obligation of a 95% FSA guarantee on Field and Main Bank and KAFC funds, with combined loan-to-value no greater than 100%.

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

VOTE: Motion Passed; Mr. Lawson abstained.

AF21-0071 Massey, Carlos "Kent"

The applicants requested \$250,000 for the construction of six (6) Pilgrim's Pride mega-broiler barns in Graves County. River Valley AgCredit in Mayfield, KY is the participating lender.

Staff recommended approval of the request, contingent upon the approval and obligation of a 95% FSA guarantee on RVAC and KAFC funds, with combined loan-to-value no greater than 50%.

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

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship in Agribusiness Loan Program (DEAL)

AF21-0065 Barnett, Ally

The applicant requested \$250,000 for the construction of agri-tourism facilities, high tunnel, and orchard in Bourbon County. Central Kentucky AgCredit in Lexington, KY is the participating lender.

Staff recommended approving the request, with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Mr. Hughes called on Ms. Huiett and Ms. Nelson to present the following modifications and extensions.

Modification

AF12-0037 Olt, Angela

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request to subordinate to the new Limestone Bank home debt for a home construction loan. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended approval of the request, with combined loan-to-value no greater than 60%.

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

Guidelines committee is recommended to meet to discuss future subordination requests.

VOTE: Motion Passed; Unanimous.

AF18-0162 Schneider, Joseph

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request to subordinate to the new Ag Credit debt for a home construction loan. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended approval of the request, with combined loan-to-value no greater than 60%.

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

VOTE: Motion Passed; Mr. Noe abstained.

Extension

AF20-0040 Sulfridge, Travis

Ms. Nelson presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a three (3) month extension to allow time for documents to be finalized. The new expiration date would be December 13, 2021.

Staff recommend approval of the time extension request.

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

VOTE: Motion Passed; Unanimous.

AF21-0034 Davis, William

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a three (3) month extension to allow time for documents to be finalized. The new expiration date would be December 12, 2021.

Staff recommend approval of the time extension request.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Mr. Hughes informed the board the next KAFC meeting will be Friday, September 10, 2021 at 10:00 a.m. EDT.

Mr. Hughes encouraged board members to attend one of the remaining LAND forums scheduled around the state and noted the meetings were being streamed on Facebook Live.

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

VOTE: Motion Passed; Unanimous.

Old Business:

Commissioner Quarles called on Ms. Hulett to present the following modifications and extensions.

Modification

AF17-0055 Flounders, Jeanne

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. Jeanne and Thomas Flounders are recently divorced. The loan officer made a request to release Thomas Flounders from all indebtedness regarding the Citizens Union Bank/K AFC participation loan. This request was referred to the Loan Review Committee.

The Loan Review Committee recommended approval of the request.

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

VOTE: Motion Passed; Unanimous.

Extension

AF19-0102 Bradley, Kimberly

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a twelve (12) month extension to allow time to complete construction and close the loan. The new expiration date would be September 20, 2022.

Staff recommend approval of the time extension request.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Commissioner Quarles informed the board the next K AFC meeting will be a joint meeting with the KADB in Frankfort on Friday, October 15, 2021 at 10:00 a.m. EDT.

Commissioner Quarles informed the board that it was just shy of approving \$1.8 million in today's K AFC meeting.

Adjournment

There being no additional business or discussion, Commissioner Quarles entertained a motion to adjourn the K AFC Board meeting.

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

VOTE: Motion Passed; Unanimous.

Meeting adjourned at 11:17 a.m. EDT.

APPROVED DATE: 10-21-21

PRESIDING OFFICER: Ryan Quarles

Commissioner Ryan Quarles

BOARDS COORDINATOR: Hannah Johnson

Hannah Johnson

Loan Review Committee Meeting Minutes



Meeting Date:	July 16, 2021
Meeting Location:	Sloan Convention Center, Bowling Green, KY, Hybrid Zoom Conference, Meeting ID: 865 9685 0890
Meeting Chair:	Linda Rumpke
Attendees:	Jonathan Noe, Larry Jagers, Tim Hughes, Wayne Hunt, Doug Lawson, Linda Rumpke, Kenny Burdine, David Rink Staff: Ali Hulett, Bill McCloskey, Brian Murphy, Brian Lacefield, Lindsay Bates, Kara Keeton, Haley Nelson Guests: Steve Morris, Ben Wilburn, Brandon Gentry, Matthew Bucklew, Jesse Clark, Zac Banta
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	8:01 AM CDT
Meeting Adjourned:	9:07 AM CDT

Agenda Items:

New Business

1. Review of AF21-0023—Haseotes, Demetrios
 - a. On behalf of Mr. Haseotes, the loan officer requested consideration of \$2,500,000 in additional funds.
 - b. Recommended denial.
 - c. Motion passed unanimously.
2. Review of AF21-0049—Howard, Jack
 - a. On behalf of Mr. Howard, the loan officer requested consideration of the \$160,000 beginning farmer loan request.
 - b. Recommended approval as presented, contingent upon receiving an updated balance sheet and a FSA guarantee in place with loan-to-value no greater than 100%.
 - c. Motion passed unanimously.
3. Review of AF21-0056—Sanders, Gabriel
 - a. On behalf of Mr. Sanders, the loan officer requested consideration of the \$175,000 DEAL loan request.
 - b. Recommended denial.
 - c. Motion passed unanimously.
4. Review of AF21-0058—Rowlett, Sharon
 - a. On behalf of Ms. Rowlett, the loan officer requested consideration to refinance the \$225,000 Ag Processing loan request.
 - b. Recommended denial.
 - c. Motion passed.
 - d. Larry Jagers abstained from the vote.

Compliance Committee Meeting Minutes



Meeting Date:	July 12, 2021
Meeting Location:	Zoom Conference, Meeting ID: 946 7416 1254
Meeting Chair:	Jonathan Noe
Attendees:	Jonathan Noe, Billy Aldridge, Larry Jagers, David Rink, Tim Hughes (Proxy) Staff: Bill McCloskey, Ali Hulett, Lindsay Bates, Brian Murphy, Brian Lacefield
Minutes Issued By:	Lindsay Bates, Administrative Loan Manager
Meeting Call to Order:	1:30 PM EDT
Meeting Adjourned:	2:00 PM EDT

Agenda Items:

1. Review loan disbursements
 - a. 20 loans closed January-March 2021
 - b. 17 loans closed April-June 2021

2. Report of reviewed loans randomly selected by the Committee Chair
 - a. AF20-0019 Samuel Critchelow
 - b. AF20-0027 Thomas Logsdon
 - c. AF20-0071 Dustin Marcum
 - d. AF20-0085 Zachary Bennett
 - e. AF20-0023 Erik Brewick
 - f. AF19-0046 Todd Greer
 - g. AF21-0014 John Boarman
 - h. AF21-0012 Joseph Sorrell

Jonathan Noe informed the committee that files were as described on the Post-Disbursement checklist provided by staff.

3. Questions, comments, suggestions
 - a. Update that additional contact information request has been added to KAFC applications.
 - b. The next quarterly meeting will be in October 2021 at the Joint meeting.
4. Motion to Adjourn