

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the September 10, 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
September 10, 2021**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:05 a.m. (EDT).

Roll Call

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

Members absent: David Rink, Frank Penn, and Mac Stone

Notification of Media

Commissioner Quarles received verification from Kelly Childers, Executive Staff Assistant; that the media had been notified of the KAFC board meeting.

Welcome

Commissioner Quarles welcomed everyone to the KAFC board meeting. Commissioner Quarles updated the board on activities of the Kentucky Department of Agriculture (KDA).

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the August 13, 2021 board meeting.

Jonathan Noe moved to approve the minutes, as presented; Mr. Flanagan seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Quarles 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.

Mr. Lacefield introduced Aleta Botts to give the board an update on the survey submitted following the KAFC/KADB joint meeting in July.

Deputy Executive Director's Report

Commissioner Quarles called on Mr. Bill 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 31, 2021.

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (on file) as of August 31, 2021.

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

K AFC Statement of Financial Position	
As of August 31, 2021	
Assets	
Cash K AFC Accounts	\$ 21,259,873
Loan Payments Due K AFC	
Category A	\$79,798,602
Category B	\$
Category C	\$
	\$ 79,798,602
Total Assets	\$ 100,996,996
Liabilities	
K AFC loans approved not closed	\$ 11,313,705
Principal Outstanding	\$ 79,798,602
	\$ 91,112,307
Total Liabilities	\$ 91,112,307
Unobligated Assets	\$ 9,946,168
Total Liabilities & Unobligated Assets	\$ 101,058,475

Dr. Burdine moved to accept the K AFC financial report, as presented; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

Guidelines Committee Report

Commissioner Quarles called on Mr. Hunt to give the Guidelines Committee report. Mr. Hunt stated that the committee discussed the subordination requests and is recommending future requests to include a balance sheet, cash flow report, credit report, and documentation of agriculture production.

Mr. Hunt moved to accept the recommendations of the Guidelines Committee report; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Commissioner Quarles 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.

Dr. Burdine moved to accept the recommendations of the of the Loan Review Committee report; Mr. Jagers seconded the motion.

VOTE: Motion passed; Unanimous.

New Business

Commissioner Quarles called on Mr. McCloskey, Ali Hulett, and Mr. Lacefield to present the following applications:

Agricultural Infrastructure Loan Program (A ILP)

AF21-0082 Bradley, Logan

The applicant requested \$91,000 for the renovation of a barn into a farm market and retail space in Nicholas County, KY. Central Kentucky ACA of Paris, KY is the participating lender.

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

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

VOTE Motion Passed; Mr. Noe abstained.

Beginning Farmer Loan Program (BFLP)

AF21-0072 Matthews, Jordan

The applicant requested \$198,000 for the purchase of 66 acres in Warren County, KY. Farm Credit Mid-America of Warren County in Bowling Green, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF21-0073 Grider, Kerrie

The applicant requested \$250,000,000 for the purchase of 280 acres in Boyle County, KY. Central KY ACA in Danville, KY is the participating lender.

Staff recommended approval, contingent upon the approval and obligation of a 90% FSA guarantee on CKACA 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. Aldridge seconded the motion

VOTE: Motion Passed; Mr. Noe abstained

AF21-0074 Chilton, John

The applicant requested \$230,500 for the purchase of 60 acres in Anderson County, KY. Central KY ACA in Frankfort, KY is the participating lender.

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

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.

AF21-0075 Watt, Perry "Thomas"

The applicant requested \$250,000 for the purchase of 35 acres with two (2) Tyson breeder barns in Warren County, KY. Farm Credit Mid-America of Warren county in Bowling Green, 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%.

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

VOTE: Motion Passed; Unanimous.

AF21-0076 Larimer, Bradley

The applicant requested \$72,500 for the purchase of 40 acres in Hardin County, KY. Farm Credit Mid America in Elizabethtown, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF21-0077 Lui, Cuai

The applicant requested \$250,000 for the purchase of 27 acres with four (4) Tyson broiler barns in Warren County, KY. Farm Credit Mid-America of Glasgow, KY is the participating lender.

Staff recommended approving 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%.

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

VOTE: Motion Passed; Unanimous.

AF21-0078 Atwell, Ryan

The applicant requested \$130,000 for the purchase of 64 acres in Hart County, KY. 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 South Central 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

AF21-0079 Chesher, Matthew

The applicant requested \$135,790 for the purchase of 59 acres in Henry County, KY. Citizens Union Bank in Shelbyville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous

AF21-0080 Chisholm, Chad

The applicant requested \$75,000 for the purchase of 40 acres in Mercer County, KY. Central KY ACA in Danville, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe abstained

AF21-0081 Staples, Mitchell

The applicant requested \$92,500 for the purchase of 55 acres in Barren County, KY. 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 90% FSA guarantee on South Central Bank and KAFC funds, with combined loan-to-value no greater than 100%.

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/KAFC 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 KAFC 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 KAFC meeting.

Adjournment

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

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

VOTE: Motion Passed; Unanimous.

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

APPROVED DATE: _____

11-29-21

PRESIDING OFFICER: _____

Ryan Quarles

Commissioner Ryan Quarles

BOARDS COORDINATOR: _____

Hannah Johnson
Hannah Johnson