

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the November 12, 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  
Kentucky Exposition Center  
937 Phillips Lane in Louisville, KY  
November 12, 2021**

**Call to Order**

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFRC) regular business meeting to order at 10:00 a.m. (EST).

**Roll Call**

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

Members absent: David Rink, Larry Jagers, Doug Lawson and Linda Rumpke

**Notification of Media**

Commissioner Quarles received verification from Hannah Johnson, Board and Special Events Manager; that the media had been notified of the KAFRC board meeting.

**Welcome**

Commissioner Quarles welcomed everyone to the KAFRC 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 October 15, 2021 board meeting.

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

VOTE: Motion Passed; Unanimous.

**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 October 25, 2021.

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of October 25, 2021.

Mr. McCloskey reviewed the KAFRC Statement of Financial Position (*on file*) as of October 31, 2021.

<b>K AFC Statement of Financial Position</b>	
<b>As of October 31, 2021</b>	
<b>Assets</b>	
Cash K AFC Accounts	\$ 21,825,060
Loan Payments Due K AFC	
Category A	\$79,359,459
Category B	\$
Category C	\$
	\$ 79,359,459
<b>Total Assets</b>	<b>\$ 101,184,519</b>
<b>Liabilities</b>	
K AFC loans approved not closed	\$ 12,084,025
Principal Outstanding	\$ 79,359,459
	\$ 91,443,484
<b>Total Liabilities</b>	<b>\$ 91,443,484</b>
<b>Unobligated Assets</b>	<b>\$ 9,741,035</b>
<b>Total Liabilities &amp; Unobligated Assets</b>	<b>\$ 101,184,519</b>

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

VOTE: Motion Passed; Unanimous.

#### **Compliance Committee Report**

Commissioner Quarles called on Mr. Noe to give the Compliance Committee report. Mr. Noe reviewed 17 loans that closed April-June 2021 and 18 loans closed on July-September 2021. Mr. Noe reviewed 8 loans that were randomly selected by the Committee Chair. Mr. Noe informed the committee that files were as described on the Post-Disbursement checklist provided by staff. Mr. Noe informed the committee the next quarterly meeting will be held on January 2022.

Mr. Noe moved to accept the recommendations of the Compliance Committee report; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

#### **Loan Review Committee Report**

Commissioner Quarles called on Mr. Noe to give the Loan Review Committee report. Mr. Noe stated that on behalf of Mr. Chilton, the loan would be discussed in order of the agenda.

Mr. Penn moved to accept the recommendations of the of the Loan Review Committee report; Mr. Flanagan seconded the motion.

VOTE: Motion passed; Unanimous.

#### **New Business**

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

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**Agricultural Processing Loan Program (APLP)**

**AF21-0091 Welch, Clifford**

The applicant requested \$250,000 for the construction of a USDA inspected meat processing facility and purchase of equipment in Muhlenberg County. Old National Bank in Central City, KY is the participating lender.

Staff recommended approval of the request up to \$250,000, with combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

**Beginning Farmer Loan Program (BFLP)**

**AF21-0088 Walker, Luke**

The applicant requested for \$130,000 for the purchase of 60 acres in Mercer County, KY. Central Kentucky ACA in Danville, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe abstained.

**AF21-0089 Sturgeon, Clark**

The applicant requested \$150,000 for the purchase of 49 acres in Bourbon County, KY. Central Kentucky ACA in Paris, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Noe abstained.

**AF21-0090 Helm, Jared**

The applicant requested \$131,250 for the purchase of 39 acres in Marion County, KY. Central Kentucky ACA in Lebanon, KY is the participating lender.

Staff recommended approval, contingent upon the approval and obligation of a 95% 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. Penn seconded the motion.

VOTE: Motion Passed; Mr. Noe abstained.

**AF21-0092 Kee, Joshua**

The applicant requested \$250,000 for the purchase of 15 acres with (4) Pilgrims Pride broiler barns in Marshall County, KY. First Kentucky Bank in Mayfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

**Modification**

**AF21-0074**            **Chilton, John**

Ms. Hulett presented a memorandum regarding the above referenced loan. The loan was approved in September 10, 2021 with a combined loan-to-value of 85% without an FSA guarantee. The appraisal completed on September 15, 2021 loan-to-value of 97%. The request is to add a 95% FSA guarantee on both CKACA and KAFC funds, with loan-to-value no greater than 100%.

Referred to Loan Review Committee

Mr. Hunt moved to approve the committee 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 at the Franklin County Extension Office in Frankfort on Friday, December 10, 2021 at 10:00 a.m. EST.

**Adjournment**

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

Mr. Aldridge moved to adjourn the November KAFC board meeting; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

Meeting adjourned at 10:26 a.m. EST.

APPROVED DATE:            12-10-2021

PRESIDING OFFICER:          
Commissioner Ryan Quarles

BOARDS COORDINATOR:      
Hannah Johnson

# Compliance Committee Meeting Minutes



<b>Meeting Date:</b>	November 12, 2021
<b>Meeting Location:</b>	Zoom Conference, Meeting ID: 837 0183 1195
<b>Meeting Chair:</b>	Jonathan Noe
<b>Attendees:</b>	Jonathan Noe, Kenny Burdine, Frank Penn, Wayne Hunt Tim Hughes (Proxy) Staff: Bill McCloskey, Ali Hulett, Brian Murphy, Brian Lacefield, Hannah Johnson, Lane Ryan, Martin Williams, Nick Van Over
<b>Minutes Issued By:</b>	Ali Hulett, Loan Programs Manager
<b>Meeting Call to Order:</b>	9:30 AM EDT
<b>Meeting Adjourned:</b>	9:39 AM EDT

## Agenda Items:

1. Review loan disbursements
  - a. 17 loans closed April-June 2021
  - b. 18 loans closed July-September 2021
  
2. Report of 8 reviewed loans randomly selected by the Committee Chair
  - a. AF20-0075 Ryan Weldon
  - b. AF21-0015 Joseph Peterson
  - c. AF20-0093 Wesley Elam
  - d. AF21-0022 Adam Shewmaker
  - e. AF21-0009 Rylan Overholt
  - f. AF18-0056 Brent Brockman
  - g. AF21-0007 Charles Gossett
  - h. AF21-0006 Jacob Byler

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

3. Questions, comments, suggestions
  - a. The next quarterly meeting will be in January 2022.
  
4. Motion to Adjourn

# Loan Review Committee

## Meeting Minutes



<b>Meeting Date:</b>	November 12, 2021
<b>Meeting Location:</b>	Kentucky Exposition Center, Louisville, KY, Hybrid Zoom Conference, Meeting ID: 837 0183 1195
<b>Meeting Chair:</b>	Jonathan Noe
<b>Attendees:</b>	Jonathan Noe, Tim Hughes, Wayne Hunt, Kenny Burdine, Frank Penn, Billy Aldridge Staff: Ali Hulett, Bill McCloskey, Brian Murphy, Brian Lacefield, Sandy Gardner, Kelly Childers, Hannah Johnson, Lane Ryan, Martin Williams, Nick Van Over, Kara Keeton Guests: Carol Jo Welch
<b>Minutes Issued By:</b>	Ali Hulett, Loan Programs Manager
<b>Meeting Call to Order:</b>	9:48 AM EDT
<b>Meeting Adjourned:</b>	9:56 AM EDT

<b>Agenda Items:</b>
<p>Old Business</p> <ol style="list-style-type: none"> <li>1. Review of AF21-0074—Chilton, John             <ol style="list-style-type: none"> <li>a. On behalf of Mr. Chilton, the loan officer requested the addition of an FSA guarantee with combined loan-to-value no greater 100%.</li> <li>b. Recommended approval.</li> <li>c. Motion passed unanimously.</li> </ol> </li> </ol>