

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the January 14, 2022 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 Cattlemen's Convention- Hyatt Regency
401 West High Street in Lexington, KY
January 14, 2022**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:01 a.m. (EST).

Roll Call

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

Members absent: David Rink

Notification of Media

Commissioner Quarles received verification from Hannah Johnson, Board and Special Events Manager, 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 December 10, 2021 board meeting.

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

VOTE: Motion Passed, Unanimous.

Executive Director's Report

Commissioner Quarles called on Brian Lacefield, KOAP Executive Director, to present the KOAP Executive Director's report to the board.

Mr. Lacefield gave an overview of his activities since the previous board meeting. Mr. Lacefield referenced the catastrophic tornado that hit Western Kentucky in December. Mr. Lacefield congratulated Al Pedigo for receiving the Thomas Poe Cooper Farm Leader Award. Mr. Lacefield recognized Ali Hulett for her services to the KAFC.

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 December 29, 2021.

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of December 29, 2021.

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

K AFC Statement of Financial Position	
As of December 31, 2021	
Assets	
Cash K AFC Accounts	\$ 21,161,231
Loan Payments Due K AFC	
Category A	\$80,221,107
Category B	\$
Category C	\$
	\$ 80,221,107
Total Assets	\$ 101,382,338
Liabilities	
K AFC loans approved not closed	\$ 12,292,254
Principal Outstanding	\$ 80,221,107
	\$ 92,513,361
Total Liabilities	\$ 92,513,361
Unobligated Assets	\$ 8,868,977
Total Liabilities & Unobligated Assets	\$ 101,382,338

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

VOTE: Motion Passed; Unanimous.

Compliance Committee Report

Commissioner Quarles called on Mr. Noe to give the Compliance Committee report. Mr. Noe stated that 18 loans closed July-September 2021 and 17 loans closed October-December 2021. Mr. Noe reported that 8 loans were reviewed at random. The files were as described on the Post-Disbursement checklist provided by staff.

Mr. Noe moved to accept the recommendations of the of the Compliance Review Committee report. Dr. Brudine seconded the motion.

VOTE: Motion passed, Unanimous.

New Business

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

Beginning Farmer Loan Program (BFLP)

AF22-0001 Bray, Nathaniel

The applicant requested for \$250,000 for the purchase of a farm in Mercer County, KY. Central Kentucky 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. Flanagan seconded the motion.

VOTE: Motion Passed; Mr. Noe abstained.

AF22-0002 Hayes, Timothy

The applicant requested \$135,000 for the purchase of 60 acres in Grayson County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommended approval, contingent upon the approval and obligation of a 90% FSA guarantee on Magnolia 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.

AF22-0003 Howard, Christopher

The applicant requested \$250,000 for the purchase of 24 acres with two (2) Perdue layer houses in Grayson County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

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

Dr. Burdine moved to approve the committee recommendation, as presented; Mr. Aldridge seconded the motion.

VOTE: Motion Passed; Unanimous.

AF22-0004 Johnson, Lance

The applicant requested \$140,000 for the purchase of 66 acres in Grayson County, KY. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommended approval, contingent upon the approval and obligation of a 90% FSA guarantee on Magnolia Bank 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. lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

Extension

AF19-0009 Jones, Gerald

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a six (6) month extension to allow time to complete construction. The new expiration date would be July 14, 2022.

AF21-0084 Thaing, San

Ms. Ryan presented a memorandum (*on file*) regarding the above referenced loan. The loan officer made a request for a sixty (60) day extension to allow time for the documents to be completed and the loan to be closed. The new expiration date would be March 14, 2022.

Staff recommend approval of the time extension request.

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

VOTE: Motion Passed; Mr. Noe Abstained

Closing Remarks

Commissioner Quarles informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, February 11, 2022 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. Noe moved to adjourn the January KAFC board meeting; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Meeting adjourned at 12:00 p.m.

APPROVED DATE:

2/11/2022

PRESIDING OFFICER:

Timothy D. Hughes, Proxy for Commissioner, Dr. Ryan Quarles
Commissioner Ryan Quarles

BOARDS COORDINATOR:

Hannah Johnson
Hannah Johnson

Compliance Committee Meeting Minutes



Meeting Date:	January 14, 2022
Meeting Location:	Hyatt Regency Lexington, Hybrid Zoom Conference, Meeting ID: 897 8704 8911
Meeting Chair:	Jonathan Noe
Attendees:	Jonathan Noe, Linda Rumpke, Billy Aldridge, Larry Jagers, Tim Hughes (Proxy) Staff: Bill McCloskey, Ali Hulett, Brian Murphy, Brian Lacefield, Hannah Johnson, Lane Ryan, Martin Williams, Nick Van Over, Sarah Bryant, Diana Carrier
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	9:32 AM EDT
Meeting Adjourned:	9:44 AM EDT

Agenda Items:

1. Review loan disbursements
 - a. 18 loans closed July-September 2021
 - b. 17 loans closed October-December 2021
2. Report of 8 reviewed loans randomly selected by the Committee Chair
 - a. AF21-0028 Wesley Dyer
 - b. AF21-0036 Robert Johnson
 - c. AF20-0048 Barbara Chisholm
 - d. AF21-0005 Jennifer Winchester
 - e. AF19-0073 John Halcomb
 - f. AF21-0029 Daniel Noorani
 - g. AF21-0051 John Dismang
 - h. AF21-0011 Sui Kung

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 April 2022.
4. Motion to Adjourn