

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the February 10, 2023, 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 Ct Frankfort, KY
February 10, 2023**

Call to Order

Commissioner Ryan Quarles, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:09 a.m. (EST).

Roll Call

The following members were present: Commissioner Ryan Quarles, Billy Aldridge (designee for Secretary Holly M. Johnson), Dr. Kenny Burdine, Doug Lawson, Jonathan Noe, Wayne Hunt, Linda Rumpke, and David Rink.

Absent Members: Mac Stone, Frank Penn, Dan Flanagan, and Larry Jagers.

Notification of Media

Commissioner Ryan Quarles received verification from Hannah Sharp-Johnson, Board and Special Event Projects Manager; that the media had been notified of the KAFC board meeting.

Welcome

Commissioner Ryan 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 Ryan Quarles entertained a motion to approve the minutes of the January 13, 2023, board meeting.

Mr. Hunt moved to approve the minutes, as presented; Ms. Rumpke 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 January board meeting. Mr. Lacefield referenced upcoming CAIP training taking place this February 20, 2023, via Zoom.

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 January 31, 2023

Mr. McCloskey reviewed an updated version of the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of January 31, 2023

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of January 31, 2023

K AFC Statement of Financial Position	
As of January 31, 2023	
Assets	
Cash K AFC Accounts	\$ 26,177,821
Loan Payments Due K AFC	
Category A	\$82,956,879
Category B	\$
Category C	\$
	\$ 82,956,879
Total Assets	\$ 109,134,700
Liabilities	
K AFC loans approved not closed	\$ 17,894,046
Principal Outstanding	\$ 82,956,879
	\$ 100,850,925
Total Liabilities	\$ 100,850,925
Unobligated Assets	\$ 8,283,775
Total Liabilities & Unobligated Assets	\$ 109,134,700

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

VOTE: Motion Passed; Unanimous.

K AFC Loan Review Committee Report

Commissioner Quarles called on Ms. Rumpke to give the K AFC Loan Review Committee report. Ms. Rumpke stated the loans would be discussed in order of the agenda.

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

VOTE: Motion passed; Unanimous.

New Business

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

Agricultural Infrastructure Loan (AILP)

AF23-0014 Hurst, Thomas

The applicant requested \$450,000 for the construction of a separate mill operation in Nelson County. Town & Country Bank & Trust in Bardstown, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommends to approve Bardstown Mills for \$450,000 to relocate and expand feed mill contingent upon personal guarantee by owners with over 20% ownership.

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

VOTE: Motion Passed; Ms. Rumpke Abstained.

Beginning Farmer Loan Program (BFLP)

AF23-00012 Eblen, Jonathan

The applicant requested \$105,000 for the purchase of 42 acres with improvements in Henderson County. Independence Bank in Henderson, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend to approve contingent on 90% FSA guarantee on Independence Bank and KAFC funds, with combined loan-to-value of no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

AF23-0013 Rudnick, Jared

The applicant requested \$218,250 for purchase of 19 acres with 2 perdue broiler houses in Grayson County. Farm Credit in Hardinsburg, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0015 Dickerman, James

The applicant requested \$250,000 for purchase of 66 acres and 8 Tyson broiler barns with improvements to be constructed in Hopkins County. Field & Main Bank in Henderson, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on Field & Main Bank and KAFC funds, with combined loan-to-value of no greater than 100% and proof of residence with a Kentucky driver's license.

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

VOTE: Motion Passed; Mr. Lawson Abstained.

AF23-0016 Bontrager, Steve

The applicant requested \$202,500 for the purchase of 23 acres with 2 broiler barns in Wayne County. Farm Credit in Somerset, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF23-0017 Rankin, James

The applicant requested \$250,000 for the purchase of 167 acres in Bourbon County, KY. Central Kentucky ACA in Lexington, KY is the participating lender.

Staff recommends approval, combined loan-to-value no greater than 85%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0018 Hitch, Garrett

The applicant requested \$66,500 for the purchase of 60 acres in Bracken County, KY. Central Kentucky ACA in Paris, KY is the participating lender.

Staff recommends 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 85%.

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

VOTE: Motion Passed; Mr. Noe Abstained.

AF23-0019 Arnall, Joshua

The applicant requested \$26,250 for the purchase of 4 acres with improvements in Christian County, KY. United Southern Bank in Elkton, KY is the participating lender. This application was referred to the Loan Review Committee.

The Loan Review Committee recommend to approve up to \$26,250 to purchase 4 acres with improvements.

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

VOTE: Motion Passed; Mr. Hunt Abstained.

Old Business:

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

Modifications

AF20-0079 Napier, Stanley

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The K AFC Board approved Mr. Napier's request for \$70,0034 for the purchase of equipment to update a poultry barn in Graves County with a combined loan-to-value of no greater than 85% at the November 13, 2020 meeting. The loan officer indicated that Mr. Napier has recently refinanced all Community Financial Services Bank (CFSB) debt, with the exception of his K AFC loan, with River Valley Ag Credit and has requested that the blind mortgage, on the property held as collateral, be released. K AFC will still hold security in all of poultry barn equipment and a blind mortgage. If approved, this modification will release CFSB's blind mortgage and River Valley Ag Credit can adequately file their new mortgage.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Unanimous.

AF11-0037 McLean, John

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The K AFC Board approved Mr. McLeans's request for \$250,000 for the construction of an anaerobic digester in Taylor County a combined loan-to-value of no greater than 75% at the October 14, 2011, meeting. The loan officer indicated that Mr. McLean wishes to build an underground irrigation system and has requested K AFC subordination. The Project's combined loan-to-value was 58% at the time of approval. After several years of repayments, if this subordination request is approved the new combined loan-to-value would be 65%.

The Loan Review Committee recommended approval as presented.

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

VOTE: Motion Passed; Unanimous.

AF20-0026 Crume, Charles

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The K AFC Board approved Mr. Crumes's request for \$84,514 for the purchase of 36 acres in Mercer County with combined loan-to-value of no greater than 85% at the April 10, 202 meeting. The loan officer indicated that Mr. Crume wishes to build a residence on the property that was purchased and has requested K AFC subordination. The project's combined loan-to-value was 83% at the time of approval. After two years of repayments, if this subordination request is approved the new combined loan-to-value would be 79%.

The Loan Review Committee recommended to pend the application for more information.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Extension

AF19-0009 Jones, Gerald

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The loan officer indicated that there have been more delays due to construction, supply issues, and a personal injury. This request is for a six-month time extension to allow time for construction to be completed. The new expiration date would be July 14, 2023.

Ms. Rumpke moved to approve the staff recommendation, as presented; Mr. Rink seconded the motion.

VOTE: Motion Passed; Mr. Noe Abstained.

AF20-0058 Miller, Rustin

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The officer indicated that there have been delays in closing the loan due to filing and paperwork issues regarding the FSA guarantee. Additionally, he is wanting to allow time to reappraise the property. This requested is for a three-month extension to allow time for property surveying and title services to be completed and loan to be closed. The new expiration date would be May 11, 2023.

Mr. Rink moved to approve staff recommendation, as presented; Mr. Lawson the motion.

VOTE: Motion Passed; Unanimous.

AF20-0037 Pennington, Chad

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The officer indicated that there have been more delays in construction and installation process of the equipment. This request is for a three-month extension to allow time for construction and installation to be completed. The new expiration date would be May 11, 2023.

Mr. Noe moved to approve staff recommendation, as presented; Mr. Rink the motion.

VOTE: Motion Passed; Unanimous.

AF22-0093 Benton, Clayton

Ms. Randolph presented a memorandum (*on file*) regarding the above referenced loan. The officer indicated that there have been delays in closing the loan due to title issues. This requested is for a three-month extension to allow time for title services to be completed and the loan to be closed. The new expiration date would be May 18, 2023.

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

VOTE: Motion Passed; Mr. Noe Abstained.

Closing Remarks

Commissioner Quarles stated the KAFC Guidelines Committee would meet thirty minutes upon adjournment of the KAFC business meeting.

Commissioner Quarles informed the board the next KAFC meeting will be at the Franklin County Extension Office on Friday, March 10, 2023, at 10:00 a.m. EST.

Adjournment

There being no further business, Commissioner Quarles entertained a motion to adjourn the meeting at 11:27 a.m. (EST).

Mr. Noe moved to adjourn the February KAFC board meeting; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

APPROVED DATE: March 10, 2023

PRESIDING OFFICER: Tim Hagler Pray for Dr. Ryan Quarles
Commissioner Ryan Quarles

BOARDS COORDINATOR: Hannah Sharp-Johnson
Hannah Sharp-Johnson, Board Secretary

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1. A copy of the Guidelines Committee meeting minutes is attached as Appendix A.
 2. A copy of the Loan Review Committee meeting minutes is attached as Appendix B.

APPENDIX A: Guidelines Committee Meeting Minutes



Meeting Date:	March 10, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Doug Lawson
Attendees:	<p>Committee Members: Jonathan Noe, Doug Lawson, Kenny Burdine, Wayne Hunt, Tim Hughes,</p> <p>Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph, Martin Williams, Hannah Johnson, Jesslyn Watson, Nick Van Over, Diana Carrier</p> <p>Guests: Austin and Andrea Sexton</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	12:15 PM EDT
Meeting Adjourned:	1:11 PM EDT

Agenda Items:
<ol style="list-style-type: none"> 1. Review of request from lender in regards to terms on FSA Down Payment Program loans. <ol style="list-style-type: none"> a. Guidelines Committee recommends no change be made. 2. Review of request to change Large and Food Animal Veterinary Loan Program guidelines. <ol style="list-style-type: none"> a. Guidelines Committee recommends to approve request.

APPENDIX B: Loan Review Committee Meeting Minutes



Meeting Date:	March 10, 2023
Meeting Location:	Franklin County Extension Office
Meeting Chair:	Linda Rumpke
Attendees:	<p>Committee Members: Doug Lawson, Jonathan Noe, Billy Aldridge, Kenny Burdine, Linda Rumpke, Tim Hughes, Wayne Hunt</p> <p>Staff: Brian Lacefield, Bill McCloskey, Olivia Randolph</p> <p>Guests: Lisa Yeager</p>
Minutes Issued By:	Olivia Randolph, Loan Programs Manager
Meeting Call to Order:	9:04 AM EDT
Meeting Adjourned:	9:59 AM EDT

Agenda Items

New Business

1. Review of AF23-0014 – Thomas Hurst
 - a. On behalf of Thomas Hurst, loan officer Raffo Wimsett of Town and Country Bank & Trust requested KAFC Agricultural Processing Loan Program funding in the amount of \$400,000. Loan Review Committee met to discuss loan amount
 - b. The Loan Review Committee recommends approval of \$400,000 contingent upon a personal guarantee at the time of closing.
2. Review of AF23-0012 – Jonathan Eblen
 - a. On behalf of Jonathan Eblen, loan officer Cory Bridges of Independence Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$105,000. Loan Review Committee met to discuss low credit score.
 - b. The Loan Review Committee recommends approval contingent upon a FSA guarantee.
3. Review of AF-0019 – Joshua Arnall
 - a. On behalf of Joshua Arnall, loan officer Jonathan Zordel of United Southern Bank requested KAFC Beginning Farmer Loan Program funding in the amount of \$26,250. Loan Review Committee met to discuss loan amount.
 - b. The Loan Review Committee recommends approval as submitted.

Old Business

1. AF20-0079 – Stanley Napier
 - a. On behalf of Stanley Napier, loan officer Kane McCord of Community Financial Services Bank requested a subordination of mortgages to River Valley Ag Credit.
 - b. The Loan Review Committee recommend approval of the request as submitted.
2. AF11-0037 – John McLean

APPENDIX B: Loan Review Committee Meeting Minutes



- a. On behalf John McLean, loan officer Brad Hodges of First & Farmers National Bank requested a subordination of KAFC funds to First & Farmers National Bank.
 - b. The Loan Review Committee recommend approval contingent upon reconciliation of a balance sheet.
3. AF20-0026 – Charles Crume
- a. On behalf of Charles Crume, loan officer Lisa Yeager of Central KY Ag Credit requested a subordination of KAFC funds to CKACA.
 - b. The Loan Review Committee recommends to pend to allow for more documentation of agriculture production.