

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the May 11, 2018 regular business meeting. This is provided in summary form; an official record of the meeting is available in the permanent records of the Governor's Office of Agricultural Policy, 404 Ann Street, Frankfort, Kentucky 40601.



**Kentucky Agricultural Finance Corporation Board
Summary Minutes of the Regular Business Meeting
Franklin County Extension Office
101 Lakeview Ct.
Frankfort, KY 40601**

Call to Order

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

Roll Call

The following members were present: Tim Hughes, chair, Westy Adams, John Brady (designee for Secretary William M. Landrum III), Kenny Burdine, Larry Jagers, Aaron Miller, Linda Rumpke and Frank Penn.

Members absent: Commissioner Quarles, Frank McAninch and Tonya Phillips.

Notification of Media

Mr. Hughes received verification from Tracey Park, Boards and Special Events Manager, that the media had been notified of the KAFC board meeting.

Welcome

Mr. Hughes welcomed everyone to the meeting.

Mr. Hughes gave an update on the Kentucky Department of Agriculture's participation in this year's Pegasus Parade. The history of KY Agriculture was the theme.

Mr. Hughes talked about the Kentucky Association of Manufacturers Conference that KDA hosted and mentioned the Kentucky Association of Economic Development conference next week.

Mr. Hughes stated this is an effort to build a better relationship between Agriculture and manufacturers.

Mr. Hughes discussed the KY Proud Wedding contest.

Approval of Minutes

Mr. Hughes entertained a motion to approve the minutes of the April 13, 2018 KAFC board meeting.

Mr. Jagers moved to approve the minutes; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Hughes yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler welcomed everyone to the meeting today.

Mr. Beeler discussed the state budget.

Mr. Beeler gave update on his activity since the last board meeting.

Deputy Executive Director's Report

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

Mr. McCloskey reminded everyone that there is an update packet.

Mr. McCloskey complimented Mr. Hughes on his contribution to the KAFC.

Mr. McCloskey reviewed KADF County Balances (*on file*) as of April 30, 2018.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of April 30, 2018.

Mr. McCloskey referenced the KY Agricultural Development Board State Pool Tobacco Funds (*on file*) as of April 30, 2018.

Mr. McCloskey referred to the KAFC Request for Transfer Memo (*on file*) that will be presented to KADB on 5/18/18.

KAFC Statement of Financial Position	
As of April 30, 2018	
Assets	
Cash KAFC Accounts	\$ 17,509,514
Loan Payments Due KAFC	
Category A	\$ 57,120,097
	(Foothills, Karsner, Monroe, Palmer & Weekly Juicery)
Category B	\$ 635,934
Category C	\$
	\$ 57,756,031
Total Assets	\$ 75,265,545
Liabilities	
KAFC loans approved not closed	\$ 12,482,495
Principal Outstanding	\$ 57,756,031
Total Liabilities	\$ 70,238,526
Unobligated Assets	\$ 5,027,019
Total Liabilities & Unobligated Assets	\$ 75,265,545

Mr. Adams moved to approve the KAFC Statement of Financial Position; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Mr. Hughes yielded the floor to Linda Rumpke to report to the board.

Ms. Rumpke reported that the Loan Review Committee met at 9:30 a.m. in Room C of the Franklin County Extension Office.

Ms. Rumpke requested that the reviewed loans be presented in the order of the agenda (*on file*).

New Business

Agricultural Infrastructure Loan Program (AILP)

AF18-0057 Humphrey, Ronda

Applicants requested \$150,000 for the construction of four (4) Perdue broiler barns in Ohio County. Farm Credit (Owensboro) in Owensboro, KY is the participating lender.

The Loan Review Committee recommended denying the application due to the applicant exceeding the new worth limit under the Agricultural Infrastructure Loan Program that went into effect January 1, 2018.

The Loan Review Committee requested that staff discuss other KAFC programs, specifically the Beginning Farmer Loan Program, with the applicants.

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

VOTE: Motion Passed; Unanimous.

AF18-0058 Hill, Jason

Applicants requested \$21,802 for the construction of a multi-use barn in Calloway County. Community Financial Services Bank in Murray, KY is the participating lender.

Staff approved this loan on 5/1/18.

No Action Necessary.

AF18-0059 Hendrick, Anthony

Applicants requested \$35,350 for the purchase of poultry equipment and fixtures for two (2) Perdue breeder houses in Warren County. Farm Credit in Bowling Green, KY is the participating lender.

Staff approved this loan on 5/1/18.

No Action Necessary.

AF18-0064 Tucker, Jr. Gilbert Ray

Applicants requested \$150,000 for the construction of a grain facility and dryer in Shelby County. Citizens Union Bank in Shelbyville, KY is the participating lender.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF18-0065 Goode, Greg

Applicants requested \$62,500 for the construction of a milking parlor and purchase of livestock in Casey County. Casey County Bank in Liberty, KY is the participating lender.

Staff recommends approval.

Ms. Forte called on Brian Johnson, the loan officer from Casey County Bank, to speak.

Mr. Johnson stated this applicant is a lifelong dairy farmer and plans to milk and board show cows for a fee.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF18-0040 Parham, Robbie

Applicants requested \$250,000 for the purchase of 46 acres and construction of four (4) Perdue broiler barns in McLean County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

The Loan Review Committee recommended approving this request under the Agricultural Infrastructure Loan Program up to \$100,000; contingent on the C/LV being no worse than 100 % and the approval and obligation of a 90 % FSA guarantee on the SDB and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0049 Clark, Gerry

Applicants requested \$250,000 for the purchase of twenty-four (24) acres with four (4) Perdue broiler barns in Daviess County. Sacramento Deposit Bank in Sacramento, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of a 90% FSA guarantee on the Sacramento Deposit Bank and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0053 Hackworth, Timothy

Applicants requested \$109,250 for the purchase of 146 acres in Nicholas County. Central Kentucky Ag Credit Association in Richmond, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of a 90% FSA guarantee on the Central ACA and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0060 Goodlett, David

Applicants requested \$161,700 for the purchase of (60) acres in Mercer County. Central Kentucky Ag Credit Association in Danville, KY is the participating lender.

Staff recommends approval contingent on the approval and obligation of a 90% FSA guarantee on the Central Kentucky Ag Credit Association and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0061 Williamson, Tyler

Applicant requested \$230,000 for the purchase of 100 acres in Mercer County. Central Kentucky Ag Credit Association in Danville, KY is the participating lender.

Staff recommends approval contingent on the approval and obligation of a 90% FSA guarantee on the Central Kentucky Ag Credit Association and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0062 Williamson, Tyler

Applicant requested \$20,000 for the purchase of breeding livestock in Mercer County. Central Kentucky Ag Credit Association in Danville, KY is the participating lender.

Staff recommends approval contingent on the approval and obligation of a 90% FSA guarantee on the Central Kentucky Ag Credit Association and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0063 Stamenkovic, Namanja

Applicants requested \$95,000 for the purchase of 31 acres in Henry County. United Citizens Bank and Trust in New Castle, KY is the participating lender.

Staff recommends approval, contingent on FSA guarantee.

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

VOTE: Motion Passed; Unanimous.

AF18-0066 Coombs, Benjamin

Applicant requested \$71,250 for the purchase of 46.64 acres in Montgomery County. Central Kentucky Ag Credit Association in Paris, KY is the participating lender.

Staff recommends approval, contingent on the approval and obligation of a 90% FSA guarantee on Central Kentucky Ag Credit Association and KAFC funds.

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

VOTE: Motion Passed; Unanimous.

AF18-0067 Gardner, James

Applicants requested \$187,500 for the purchase of 150 acres in Hart County. Magnolia Bank in Elizabethtown, KY is the participating lender.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

Amendments

AF13-0014 Knight, Jonathan

Ms. Forte presented a memorandum (*on file*) regarding the request for an approval modification for the loan. The request is to extend the term 10-years, aggregating in a 15-year term with a 20-year amortization.

Staff recommends approving the request.

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

VOTE: Motion Passed; Unanimous.

AF18-0021

Smith, Roy

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification to allow the C/LV to be no worse than 87%.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous.

Extensions

AF16-0074

Hill, Virginia

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. This request is for a three (3)-month extension, to allow time for construction to be completed. The new expiration date would be August 12, 2018.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous.

AF16-0087

Kough, Adam

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. This request is for a three (3)-month extension, to allow time for construction to be completed and permanent financing in place. The new expiration date would be September 9, 2018.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous.

AF17-0035

Hunter, Eric

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a six (6)-month extension to allow time for construction to be completed. The new expiration date would be November 12, 2018.

Approved by the operations committee on May 2, 2018

No action necessary.

AF17-0042

Gross, Brent

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for the project to be completed. The new expiration date would be August 12, 2018

Approved by the operations committee on May 2, 2018.

No action necessary.

AF17-0045

Boone, Mark

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 3-month extension to allow time for all construction to be completed. The new expiration date would be August 12, 2018.

Approved by the operations committee on May 2, 2018.

No action necessary.

AF17-0051

Pirtle, Dalton

Ms. Forte presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a 6-month extension to allow time for construction. The new expiration date would be December 9, 2018.

Approved by the operations committee on May 2, 2018.

No action necessary.

Closing Remarks

Mr. Hughes invited board members to attend any of the KDA meetings with manufacturers or economic development and gave the dates they will meet.

Adjournment

Mr. Hughes entertained a motion to adjourn.

Mr. Penn moved to adjourn the KAFC board meeting; Mr. Adams seconded the motion.

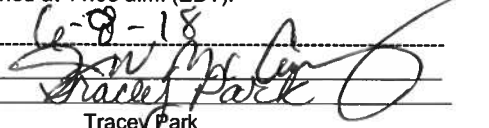
VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:08 a.m. (EDT).

APPROVED DATE:

PRESIDING OFFICER:

BOARDS COORDINATOR:

6-8-18

Tracey Park

Loan Review Committee

Meeting Minutes



Meeting Date:	April 13, 2018
Meeting Location:	Franklin Co. Extension Office, Frankfort
Meeting Chair:	Linda Rumpke
Attendees:	John Brady (OFM Proxy), Kenny Burdine, Hannah Forte (staff), Bill McCloskey (staff), Aaron Miller, Linda Rumpke, Dana White (SBA), Allen Johnson (Kentucky Bank), RT Case (applicant), Jacob and Beckham Sharpe (applicants), Jeremy Graham (Sacramento Deposit Bank).
Minutes Issued By:	Hannah Forte
Meeting Call to Order:	8:30 am
Meeting Adjourned:	10:02 am

Agenda Items:

1. Review AF18-0019—Russell Case / South Fork Malthouse LLC
 - a. Presentation from Dana White on SBA guarantees;
 - b. Applicant discussed the project;
 - c. Recommend approval.
2. Review AF18-0036—Lance Johnson
 - a. Recommend approval contingent on FSA guarantee.
3. Review AF18-0040—Robbie Parham
 - a. Jeremy Graham, loan officer, explained his request for exception to the off-farm income cap;
 - b. Recommend approval for \$100,000 under AILP.
4. Review AF18-0045—Cory Ellegood
 - a. Discussion of collateral position structure and the FSA guarantee;
 - b. Recommend approval contingent on FSA guarantee.
5. Review AF18-0045—HomeGrown Direct, LLC
 - a. Discussion of credit score;
 - b. Applicants discussed the project;
 - c. Recommend approval contingent on FSA guarantee and satisfaction of prior tax lien.
6. Motion to Adjourn