

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the November 9, 2018 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 Business Meeting  
101 Lakeview Court  
Frankfort, KY 40601**

**Call to Order**

John McCauley, presiding, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 10:12 a.m. (EST).

**Roll Call**

The following members were present: John McCauley (designee for Commissioner Quarles), Westy Adams, Donna Amburgey, John Brady (designee for Secretary William M. Landrum III), Kenny Burdine, Wayne Hunt, Doug Lawson, Jonathan Noe, Frank Penn and Linda Rumpke.

Members absent: Larry Jaggars and Frank McAninch.

**Notification of Media**

Mr. McCauley received verification from Marielle McElmurray, Public Affairs Manager, that the media had been notified of the KAFC board meeting.

**Welcome**

**Approval of Minutes**

Mr. McCauley entertained a motion to approve the minutes of the October 12, 2018 KAFC board meeting.

Mr. Penn moved to approve the minutes; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

**Executive Director's Report**

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

Mr. Beeler welcomed everyone to the meeting today.

Mr. Beeler reviewed his schedule since the last meeting.

**Deputy Executive Director's Report**

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

Mr. McCloskey addressed the update packet.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of October 31, 2018.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund Cash Flow (*on file*) as of October 31, 2018.

Mr. McCloskey referenced the KY Agricultural Development Board State Pool Tobacco Funds (*on file*) as of November 7, 2018.

Mr. McCloskey reviewed KADF County Balances (*on file*) as of October 23, 2018.

<b>K AFC Statement of Financial Position</b>	
<b>As of October 31, 2018</b>	
<b>Assets</b>	
Cash K AFC Accounts	\$ 18,419,789
Loan Payments Due K AFC	
Category A	\$ 61,838,931
Category B	\$ 644,013 (Foothills, Karsner, Monroe, Palmer, Weekly Juicery & Ellis)
Category C	\$
	\$ 62,482,944
<b>Total Assets</b>	<b>\$ 80,902,733</b>
<b>Liabilities</b>	
K AFC loans approved not closed	\$ 14,641,899
Principal Outstanding	\$ 62,482,944
<b>Total Liabilities</b>	<b>\$ 77,124,843</b>
<b>Unobligated Assets</b>	<b>\$ 3,777,890</b>
<b>Total Liabilities &amp; Unobligated Assets</b>	<b>\$ 80,902,733</b>

Mr. Lawson moved to approve the K AFC Statement of Financial Position; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

**Loan Review Committee Report**

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

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

**New Business**

**Agricultural Infrastructure Loan Program (AILP)**

**AF18-0153 Jones, Kevin (Kevin Jones Custom Applications)**

Applicant requested \$100,000 for the construction of a fertilizer shop building in Graves County. River Valley AgCredit in Kevil, KY is the participating lender.

Staff recommends approval, contingent on the C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

**AF18-0155 Birge, Tony**

Applicants requested \$150,000 for upgrades to eight (8) Keystone broiler houses in Barren County. Farm Credit Mid-America in Glasgow, KY is the participating Lender.

The Loan Review Committee recommends approval subject to obtaining detailed explanation of taxes and fees as described in the application.

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

VOTE: Motion Passed; Unanimous.

**Agricultural Processing Loan Program (APLP)**

**AF18-0149 K.L. Woodland Management, Inc.**

Applicant requested \$270,000 for the purchase of a sawmill, large drill and loader in Metcalfe County. Farm Credit Mid-America in Hopkinsville, KY is the participating lender.

The Loan Review Committee recommends approval; with C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

**Beginning Farmer Loan Program (BFLP)**

**AF18-0136 Eigsti, Derik**

Applicant requested \$250,000 for the construction of one (1) Handsome Brook layer barn in Logan County. The Citizens Bank of Hickman in Hickman, KY is the participating lender.

The Loan Review Committee recommends pending this loan until December 14, 2018, for further review, recommends GOAP General Counsel research feasibility of a tri-party agreement.

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

VOTE: Motion Passed; Unanimous.

**AF18-0137 Eigsti, Dustin**

Applicant requested \$250,000 for the construction of one (1) Handsome Brook layer barn in Logan County. The Citizens Bank of Hickman in Hickman, KY is the participating lender.

The Loan Review Committee recommends pending this loan until December 14, 2018, for further review, recommends GOAP General Counsel research feasibility of a tri-party agreement.

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

VOTE: Motion Passed; Unanimous.

**AF18-0140 Byler, Wesley**

Applicant requested \$250,000 for the purchase of 107 acres and the construction of one (1) Handsome Brook layer barn in Logan County. The Citizens Bank of Hickman in Hickman, KY is the participating lender.

The Loan Review Committee recommends pending this loan until December 14, 2018, for further review, recommends GOAP General Counsel research feasibility of a tri-party agreement.

Mr. Lawson moved to approve committee recommendation; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous

**AF18-0150            Wengerd, Jason, Bobby and Nathaniel**

Applicants requested \$180,000 for the purchase of 66.37 acres in Hart County. South Central Bank in Glasgow, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on the South Central Bank and KAFC funds, with C/LV no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

**AF18-0151            Murray, James**

Applicant requested \$50,000 for the purchase of 75 head of cattle in McLean County. Independence Bank in Livermore, KY is the participating lender.

The Loan Review Committee recommends pending this loan to give applicant more time to develop a business plan.

Ms. Rumpke moved to approve committee recommendation; Ms. Amburgey seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0152            Blevins, Dustin**

Applicant requested \$250,000 for the construction of two (2) Cobb-Vantress layer barns. Farm Credit Mid-America in Somerset, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 90% FSA guarantee on Farm Credit Mid-America and KAFC funds, with C/LV no greater than 100%.

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

VOTE: Motion Passed; Unanimous.

**AF18-0154            Hodskins, Nicholas**

Applicants requested \$105,000 for the purchase of 105 acres for in Hancock County. Independence Bank in Owensboro, KY is the participating lender.

Staff recommends approval, with C/LV no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

**Old Business:**

**Extensions**

**AF17-0051            Pirtle, Dalton**

This request is for a six (6) month extension to allow time for construction. The new expiration date will be June 9, 2019.

Staff recommends approving this request.

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

VOTE: Motion Passed; Unanimous.

**AF17-0102            Woolf, Earl Lee “Sonny”**

This request is for a 30 day extension to ensure adequate time for the loan to close. The new expiration date will be January 8, 2019.

Approved by Operations Committee.

No Action Necessary.

**AF18-0118            Miller, Katherine**

This request is for a six (6) month extension to ensure adequate time for the farm to sell and closing to be complete. The new expiration date will be June 14, 2019.

Approved by Operations Committee.

No Action Necessary.

**AF18-0122            Brockman, Allison**

This request is for a three (3) month extension to ensure adequate time for closing to be complete. The new expiration date will be March 14, 2019.

Approved by Operations Committee.

No Action Necessary.

**AF18-0132            Bennett, Joshua “Trey”**

This request is for a 60 day extension to ensure adequate time for FSA and bank closing to be complete. The new expiration date will be February 14, 2019.

Approved by Operations Committee.

No Action Necessary.

**Requests**

**AF18-0013            Schlabach, Nathan**

This request is to wave the FSA guarantee requirement.

The Loan Review Committee recommended not approving this request.

Ms. Rumpke moved to approve committee recommendation; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

**AF18-0134            Nordheim, John**

This request is to waive the FSA guarantee requirement.

Mr. Burdine moved to approve the request to waive FSA Guarantee requirement, contingent on C/LV being no greater than 85%; Mr. Brady seconded the motion.

VOTE: Motion Passed; Unanimous.

**Adjournment**

Mr. McCauley 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 11:05 a.m. (EST).

APPROVED DATE: 12-14-0

PRESIDING OFFICER: 

BOARDS COORDINATOR: 

Tracey Park

# APPENDIX A: Loan Review Committee Meeting Minutes



<b>Meeting Date:</b>	November 9, 2018
<b>Meeting Location:</b>	Franklin County Extension Office, Frankfort
<b>Meeting Chair:</b>	Linda Rumpke
<b>Attendees:</b>	Wayne Hunt, Linda Rumpke, John Brady, Jonathan Noe, Doug Lawson, John McCauley (KDA), Warren Beeler (staff), Bill McCloskey (staff) Sadie Middleton (staff), Steve Doan (staff). Guests: Earl Reynolds (FSA), Mike Hoyt (FSA), Ken Wareham (Handsome Brook Farms), Wallace Ward (Citizens Bank of Hickman), Kellie Padgett (KCARD).
<b>Minutes Issued By:</b>	Sadie Middleton
<b>Meeting Call to Order:</b>	9:02 AM EST
<b>Meeting Adjourned:</b>	10:05 AM EST

<b>Agenda Items:</b>	
<p>I. Discussion of Handsome Brook Farms business with Ken Wareham and Wallace Ward</p> <p>II. Old Business- Mr. Wareham and Mr. Ward excused.</p> <ol style="list-style-type: none"> <li>1. Review AF18-0013—Schlabach, Nathan—Request to Waive FSA Guarantee             <ol style="list-style-type: none"> <li>a. Recommend denial of request.</li> </ol> </li> <li>2. Review AF18-0136—Eigsti, Derik             <ol style="list-style-type: none"> <li>a. Recommend pending for further information.</li> <li>b. Recommend GOAP General Counsel research feasibility of a tri-party agreement for all Handsome Brook Farms construction projects.</li> </ol> </li> <li>3. Review AF18-0137—Eigsti, Dustin             <ol style="list-style-type: none"> <li>a. Recommend pending for further information.</li> <li>b. Recommend GOAP General Counsel research feasibility of a tri-party agreement for all Handsome Brook Farms construction projects.</li> </ol> </li> <li>4. Review AF18-0140—Byler, Wesley             <ol style="list-style-type: none"> <li>a. Recommend pending for further information.</li> <li>b. Recommend GOAP General Counsel research feasibility of a tri-party agreement for all Handsome Brook Farms construction projects.</li> </ol> </li> </ol> <p>III. New Business</p> <ol style="list-style-type: none"> <li>1. AF18-0155—Birge, Tony             <ol style="list-style-type: none"> <li>a. Recommend approval, contingent upon receipt of satisfactory explanation of taxes and fees.</li> </ol> </li> <li>2. AF18-0149—Schultz, Brett             <ol style="list-style-type: none"> <li>a. Recommend approval of application submitted 11/8/18.</li> </ol> </li> <li>3. AF18-0151—Murray, James             <ol style="list-style-type: none"> <li>a. Recommend pending for further information and recommend applicant to develop business plan with KCARD.</li> </ol> </li> </ol>	