

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the February 14, 2020 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 (GOAP), 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

Commissioner Quarles presiding, called the Kentucky Agricultural Finance Corporation Board (KAFCC) regular business meeting to order at 10:05 a.m. (EST).

Roll Call

The following members were present: Commissioner Quarles, Westy Adams, Donna Amburgey, John Brady (designee for Secretary Holly M. Johnson), Dr. Kenneth Burdine, Wayne Hunt, Larry Jaggars, Jonathan Noe, Donald Mitchell, Linda Rumpke and Doug Lawson.

Members absent: Frank Penn.

Notification of Media

Commissioner Quarles received verification from Marielle McElmurray, Director of Public Affairs, that the media had been notified of the KAFCC board meeting.

Welcome

Commissioner Quarles welcomed everyone to the meeting.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the January 10, 2020 KAFCC board meeting.

Mr. Mitchell moved to approve the minutes; Mr. Jaggars seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Commissioner Quarles yielded the floor to Warren Beeler, GOAP Executive Director, to report to the board.

Mr. Beeler welcomed everyone to the meeting.

Mr. Beeler reviewed the 2020-2021 Master Settlement Agreement flowchart with the board.

Mr. Beeler reviewed his schedule since the last meeting.

Deputy Executive Director's Report

Commissioner Quarles called on Mr. McCloskey, GOAP Deputy Executive Director, to report to the board. Mr. McCloskey referenced the December 2019 Kentucky Broadcaster's Association, Public Education Partnership (PEP) Program (*on file*).

Mr. McCloskey reviewed the Kentucky Agricultural Development State Pool Status (*on file*) as of January 27, 2020.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund Cash Flow (*on file*) as of January 27, 2020.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of January 31, 2020.

Mr. McCloskey reviewed the K AFC Category B Loans (*on file*) as of January 21, 2020.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of January 22, 2020.

K AFC Statement of Financial Position	
As of January 31, 2020	
Assets	
Cash K AFC Accounts	\$ 15,311,877
Loan Payments Due K AFC	
Category A	\$ 72,248,989
Category B	\$ 1,019,290 (Foothills, Weekly Juicery, & Bevins, Sunstrand & Miracle)
Category C	\$ 0
	\$ 73,268,279
Total Assets	\$ 88,580,156
Liabilities	
K AFC loans approved not closed	\$ 10,693,250
Principal Outstanding	\$ 72,268,279
Total Liabilities	\$ 83,961,529
Unobligated Assets	\$ 4,618,627
Total Liabilities & Unobligated Assets	\$ 88,580,156

Mr. Adams moved to accept the K AFC financial report; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous

Compliance Committee Report

Commissioner Quarles called on Mr. Brady to give the Compliance Committee report.

Mr. Brady reported committee reviewed a sampling of loan files and found some final title exams were missing and that staff would follow up obtain the final title exams.

Mr. Noe moved to accept the Committee report, as presented, Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Commissioner Quarles called on Mr. Lawson to give the Loan Review Committee report.

AF20-0007 Dilliard, Logan

Applicants requesting \$250,000 for the construction of two Tush hog barns in Hickman County. First Community Bank of the Heartland in Clinton, KY is the participating lender.

Mr. Lawson stated the only reason this loan was in review was the lender had submitted the application after the applicant had already started construction.

The Loan Review Committee recommends approval.

Mr. Lawson moved to approve the committee recommendation, with an FSA guarantee and pending availability of funds; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF20-0005 Eblen, Gary (Triple E Farms)

Applicants requesting \$150,000 for the construction of a 193,957 bushel grain bin in Henderson County. Field & Main Bank in Henderson, KY is the participating lender.

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

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

VOTE: Motion Passed; Mr. Lawson disclosed a conflict of interest and abstained.

Agricultural Processing Loan Program (APLP)

AF20-0003 Schrock, David

Applicants requesting \$160,000 for the purchase of a processing facility and business in Garrard County. Central Kentucky Ag Credit in Stanford, KY is the participation lender.

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

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

VOTE: Motion Passed; Mr. Noe disclosed a conflict of interest and abstained.

Beginning Farmer Loan Program (BFLP)

AF20-0001 Medley, Korey

Applicants requesting \$250,000 for the purchase of 88 acres in Meade County. Magnolia Bank in Elizabethtown, KY is the participating lender.

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

Mr. Mitchell made a motion to approve the staff recommendations; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0002 Wedel, Taylor

Applicant requesting \$250,000 for the purchase of 32 acres with three (3) Tyson broiler barns and two (2) super-mega broiler barns in Graves County. River Valley AgCredit in Clinton, KY is the participating lender.

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

Mr. Adams made a motion to approve the staff recommendations; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0004 Washington, Ashley

Applicants requesting \$74,000 for the purchase of 61 acres in Garrard County. Central Kentucky Ag Credit in Stanford, KY is the participating lender.

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

Mr. Adams made a motion to approve the staff recommendations; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Mr.Noel disclosed a conflict of interest and abstained.

AF20-0006 Epling, Caleb (C & L Livestock, LLC)

Applicants requesting \$164,900 for the purchase of 145 acres in Lincoln County. Central Kentucky Ag Credit in Stanford, KY is the participating lender.

Staff recommends approval, contingent upon the approval and obligation of a 95% FSA guarantee on Central Kentucky Ag Credit and KAFC funds, with C/LV no greater than 100%.

Dr. Burdine made a motion to approve the staff recommendations; Ms. Amburgey seconded the motion.

VOTE: Motion Passed; Mr.Noel disclosed a conflict of interest and abstained.

Old Business:

Extensions/Modifications

AF19-0111 Settles, Jess

This request is for a three (3) month extension to allow time for documents to be finalized. The new expiration date would be May 8, 2020.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF13-0046 Igleheart, Christopher

This request is for a sixty (60) day extension to allow time for documents to be finalized. The new expiration date should be March 8, 2020.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF19-0039 Ebelhar, Scott

This request is for a three (3) month extension to allow adequate time for the loan to be closed. The new expiration date will be May 12, 2020.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF18-0023 Smith, Roger

This request is for a sixty (60) day extension to allow time for the loan to be closed. The new expiration date will be April 15, 2020.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

AF18-0070 Ellegood, Seth

This request is for a thirty (30) day extension to allow time for construction to be completed and the loan to be closed. The new expiration date will be March 8, 2020.

Staff recommends approval.

Mr. Noe moved to amend the recommendation to a ninety (90) day extension, making the new expiration date May 8, 2020; pending availability of funds; Mr. Adams seconded the motion.

VOTE: Motion Passed; Unanimous.

AF19-0113 Hart, Samuel

This request is for a sixty (60) day extension to allow time for documents to be finalized. The new expiration date will be March 12, 2020.

Staff recommends approval.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Commissioner Quarles informed the board the next meeting would be a joint meeting with Kentucky Agricultural Development Board on March 20, 2020 at the Bracken County Extension Office.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:23 a.m. (EST)

APPROVED DATE: 4-27-2020

PRESIDING OFFICER: *Sam Quarles*

BOARDS COORDINATOR: *Tracey Park*
Tracey Park

Appendix A: Loan Review Committee Meeting Minutes



Meeting Date:	February 14, 2020
Meeting Location:	Franklin County Extension Office, Frankfort, KY Room C
Meeting Chair:	Doug Lawson
Attendees:	Jonathan Noe, John Brady, Larry Jagers, Linda Rumpke, Doug Lawson, Wayne Hunt, Westy Adams Staff: Shelby Wade, Ali Hulett, Bill McCloskey, Warren Beeler, Rob Goff Guests:
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	9:17 AM
Meeting Adjourned:	9:42 AM

Agenda Items:
New Business
1. Review of AF20-0007—Dillard, Logan
a. On behalf of Mr. Dillard, the loan officer requested the loan be considered for approval with exception to the construction commencement guideline.
b. Recommend approval, contingent upon the approval and obligation of a 90% FSA guarantee.