

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the March 19, 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 3 p.m. (EDT).

Roll Call

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

Members absent: Westy Adams and Doug Lawson.

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 teleconference meeting. Commissioner Quarles updated the board on activities of the Kentucky Department of Agriculture (KDA) and updates on COVID-19.

Approval of Minutes

Commissioner Quarles entertained a motion to approve the minutes of the February 14, 2020 KAFCC board meeting.

Dr. Burdine moved to approve the minutes, with corrections; Mr. Noe 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 teleconference meeting and thanked board members for their cooperation and patience.

Deputy Executive Director's Report

Commissioner Quarles called on Mr. McCloskey, GOAP Deputy Executive Director, to report to the board.

Mr. McCloskey reviewed the Kentucky Agricultural Development State Pool Status (*on file*) as of March 5, 2020.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund Cash Flow (*on file*) as of March 5, 2020.

Mr. McCloskey reviewed Kentucky Agricultural Development Fund County Balances (*on file*) as of February 28, 2020.

Mr. McCloskey reviewed the K AFC Statement of Financial Position (*on file*) as of February 29, 2020.

Mr. McCloskey reviewed the K AFC Category B Loans (*on file*) as of March 10, 2020.

K AFC Statement of Financial Position	
As of February 29, 2020	
Assets	
Cash K AFC Accounts	\$ 15,348,738
Loan Payments Due K AFC	
Category A	\$ 72,508,546
Category B	\$ 1,017,947 (Foothills, Weekly Juicery, Bevins, Sunstrand & Miracle)
Category C	\$ 0
	\$ 73,526,493
Total Assets	\$ 88,875,231
Liabilities	
K AFC loans approved not closed	\$ 9,608,565
Principal Outstanding	\$ 73,526,493
Total Liabilities	\$ 83,135,058
Unobligated Assets	\$ 5,740,173
Total Liabilities & Unobligated Assets	\$ 88,875,231

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

VOTE: Motion Passed; Unanimous

Loan Review Committee Report

Commissioner Quarles called on Ms. Rumpke to give the Loan Review Committee report.

New Business

Agricultural Infrastructure Loan Program (AILP)

AF20-0019 Critchelov, Samuel

Applicants requested \$150,000 for the construction of two (2) Tyson mega-broiler barns in Breckinridge County. Farm Credit in Hardinsburg, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF20-0010 Wray, James "Jimmy" (Kentucky American Seeds, LLC)

Applicants requested \$500,000 for the purchase of equipment for a seed cleaning and treatment business in Christian County. Independence Bank in Murray, KY is the participating lender.

The Loan Review Committee recommended approval, with a C/LV no greater than 85%, with a contributory value of 75% for any equipment.

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

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF20-0008 Jantz, Carson

Applicants requested \$250,000 for the purchase of 43 acres and six (6) Tyson broiler barns in Barren County. Cecilian Bank in Hiseville, KY is the participating lender.

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

Dr. Burdine made a motion to approve the staff recommendation, as presented, pending availability of funds; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0009 Bragg, Jared

Applicants requested \$50,575 for the purchase of 48 acres in Metcalfe County. Cecilian Bank in Hiseville, KY is the participating lender.

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

Mr. Hunt made a motion to approve the staff recommendation, as presented, pending availability of funds; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0011 Hendren, Joshua

Applicants requested \$71,250 for the purchase of 31 acres in Washington County. Central Kentucky Ag Credit in Lebanon, KY is the participating lender.

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

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

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

AF20-0013 Dooley, Joel

Applicants requested \$172,500 for the purchase of 149 acres in Metcalfe County. South Central Bank of Barren County in Glasgow, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF20-0014 Daugherty, Nathaniel

Applicants requested \$20,900 for the purchase of new fans and cooling cells for two (2) Perdue broiler barns in Ohio County. Farm Credit Mid-America in Bowling Green, KY is the participating lender.

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

Mr. Noe made a motion to approve the staff recommendation, as presented, pending availability of funds; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0015 Miller, John (Ikigai Ventures, LLC)

Applicants requested \$48,195 for the purchase of a fully-functional shipping container to grow hydroponic produce in Jefferson County. Citizens Union Bank in Shelbyville, KY is the participating lender.

The Loan Review Committee recommended approval contingent on the borrowers obtaining no less than 75% guarantee by SBA or FSA. Prior to closing, applicant shall provide greater specificity on the markets applicant plans to utilize for distribution of products.

Ms. Rumpke made a motion to approve the committee recommendation, as presented, pending availability of funds; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0016 Sanford, David

Applicant requested \$184,000 for the purchase of 77 acres in Franklin County. Central Kentucky Ag Credit in Frankfort, KY is the participating lender.

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

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

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

AF20-0017 Medley, Dale

Applicants requested \$215,000 for the purchase of 202 acres in Washington County. Central Kentucky Ag Credit in Lebanon, KY is the participating lender.

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

Ms. Amburgey made a motion to approve the staff recommendation, as presented, pending availability of funds; Ms. Rumpke seconded the motion.

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

AF20-0018 Cissell, Colin

Applicants requested \$250,000 for the purchase of 341 acres in Nelson County. Central Kentucky Ag Credit in Lebanon, KY is the participating lender.

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

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

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

AF20-0020 Ramsey, Adam

Applicants requested to restructure existing KAFC loan in the amount of \$86,000 as part of restructure with Farm Credit Mid-America that excluded FSA guarantee. Farm Credit Mid-America in Lexington, KY is the participating lender.

The Loan Review Committee recommended approval, with a C/LV no greater than 85%, without an FSA guarantee. The Loan Review Committee also recommended approving the release of property needed for the applicants to construct a residence.

Ms. Rumpke made a motion to approve the committee recommendation, as presented, pending availability of funds; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0021 Wedel, Taylor

Applicant requested \$250,000 for the purchase of 32 acres with three (3) Tyson broiler barns and two (2) super-mega broiler barns in Graves County. Community Financial Services Bank in Mayfield, KY is the participating lender.

Staff recommended approval with C/LV no greater than 65%.

Ms. Amburgey made a motion to approve the staff recommendation, as presented, pending availability of funds; Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Large Animal Veterinary Loan Program (VET)

AF20-0012 Jones, Timothy (Badger and Jones, LLC)

Applicants requested \$150,000 for the construction of a new veterinary clinic in Graves County. Community Financial Services Bank in Mayfield, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Old Business:

Extensions/Modifications

AF14-0039 Conrad, Trent

Trent Conrad requested a transfer of loan servicing from U.S. Bank to United Bank and Trust in Madisonville, KY, and the reamortization and restructuring of his KAFC participated loan to \$250,000.

The Loan Review Committee recommended approval.

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

VOTE: Motion Passed; Unanimous.

AF14-0049 Spurrier, Wesley

This request is to convert the loan to an interest only obligation for three (3) month period. The business has been closed since February 11, 2020 after fire damage. The applicant has filed a claim with insurance company to rebuild business.

The Loan Review Committee recommended approval of the modification request, up to six (6) months interest only. The Loan Review Committee also requested that the loan be identified on the Category B list until six (6) months of principal and interest payments have been paid.

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

VOTE: Motion Passed; Unanimous.

Closing Remarks

Commissioner Quarles informed the board the next meeting will be Friday, April 10 at the Franklin County Extension Office, located at 101 Lakeview Court, Frankfort, KY.

Mr. Penn updated the board on the equine industry.

Mr. Hunt explained that the farm supply industry experiencing difficulties as a result of COVID-19 as well.

Adjournment

Commissioner Quarles entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 3:56 p.m. (EDT)

APPROVED DATE: 4-10-2020

PRESIDING OFFICER: *Ben Spurrier*

BOARDS COORDINATOR: *Marielle McElmurray*
Marielle McElmurray

Loan Review Committee

Meeting Minutes



Meeting Date:	March 19, 2020
Meeting Location:	Franklin County Extension Office, Frankfort, KY
Meeting Chair:	Linda Rumpke
Attendees:	Jonathan Noe, John Brady, Larry Jagers, Linda Rumpke, Kenny Burdine, Wayne Hunt, Keith Rogers Staff: Shelby Wade, Ali Hulett, Bill McCloskey, Warren Beeler, Rob Goff, Sandy Gardner, Bill Hearn, Stefanie Osterman, Lindsay Bates, Marielle McElmurray, Danielle Milbern, Renee Carrico Guests: Debra Riggs
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	2:02 PM
Meeting Adjourned:	2:54 PM

Agenda Items:

Old Business

1. Review of AF14-0039—Conrad, Trent
 - a. On behalf of Mr. Conrad, the loan officer requested the loan be re-amortized, reset existing debt back to \$250,000, and transferred to First United Bank and Trust in Madisonville for loan servicing.
 - b. Recommend approval.
2. Review of AF14-0049—Spurrier, Wesley
 - a. On behalf of Mr. Spurrier, the loan officer requested the loan be converted to an interest only obligation for three months.
 - b. Recommend approval of a six (6) month interest only obligation.
 - c. Recommend moving loan to Category B. Six (6) months of principal and interest payments must be made before being removed from Category B.

New Business

3. Review of AF20-0010—Wray, James
 - a. On behalf of Mr. Wray, the loan officer requested the loan be considered for approval with purchase price as the collateral value.
 - b. Recommend approval, with a C/LV on equipment no greater than 75% and total C/LV not to exceed 85%.
4. Review of AF20-0015—Miller, James
 - a. On behalf of Mr. Miller, the loan officer requested the loan be considered for approval with purchase price as the collateral value.
 - b. Recommend approval, contingent on the borrowers obtaining no less than 75% guarantee by SBA or FSA. Prior to closing, greater specificity on the markets they plan to use and sell to and contracts.
5. Review of AF20-0020—Ramsey, Adam
 - a. On behalf of Mr. Ramsey, the loan officer requested the loan be considered for restructure and remove the FSA guarantee in place.
 - b. Recommend approval, contingent upon home property be deeded off separately and C/LV no greater than 85%.