

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the May 8, 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  
May 8, 2020  
Frankfort, KY 40601**

**Call to Order**

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

**Roll Call**

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

Members absent: Donald Mitchell and Linda Rumpke.

**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 April 10, 2020 KAFCC board meeting.

Mr. Hunt moved to approve the minutes; Ms. Amburgey 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.

Mr. Beeler updated the board on the KADB's Meat Processing Expansion Committee and guideline changes as a result of COVID-19.

Mr. Beeler stated that KAFCC's request to transfer \$5 million from the Kentucky Agricultural Development Board (KADB) will be presented at the May meeting.

Mr. Hunt, Mr. Penn and Dr. Burdine commented on the work of the Processing Expansion Committee.

**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 April 28, 2020.

Mr. McCloskey reviewed the KAFC Statement of Financial Position (*on file*) as of April 30, 2020.

Mr. McCloskey reviewed the KAFC COVID-19 Payment Deferral List (*on file*) as of April 30, 2020.

<b>KAFC Statement of Financial Position</b>		
<b>As of April 30, 2020</b>		
<b>Assets</b>		
Cash KAFC Accounts	\$	13,596,558
Loan Payments Due KAFC		
Category A	\$	74,687,842
Category B	\$	708,618 (Foothills, Weekly Juicery, Bevins, Miracle & Godlett)
Category C	\$	301,500 (Sunstrand)
		\$ 75,679,960
<b>Total Assets</b>		<b>\$ 89,294,518</b>
<b>Liabilities</b>		
KAFC loans approved not closed	\$	9,466,828
Principal Outstanding	\$	75,697,960
<b>Total Liabilities</b>		<b>\$ 85,164,788</b>
<b>Unobligated Assets</b>		<b>\$ 4,129,730</b>
<b>Total Liabilities &amp; Unobligated Assets</b>		<b>\$ 89,294,518</b>

Mr. Penn moved to accept the KAFC financial report; Mr. Noe seconded the motion.

VOTE: Motion Passed; Unanimous

**Loan Review Committee Report**

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

**New Business**

Commissioner Quarles called on Ali Hulett and Mr. McCloskey to present the following applications.

**Agricultural Infrastructure Loan Program (AILP)**

**AF20-0031 Hobbs, Charles**

Applicants requested \$14,250 for the purchase and installation of a field drain tile in Graves County. River Valley AgCredit in Mayfield, KY is the participating lender.

The Loan Review Committee recommended approval.

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

VOTE: Motion Passed; Unanimous.

**Beginning Farmer Loan Program (BFLP)**

**AF20-0030          Young, Justin**

Applicants requested \$250,000 for the purchase of 18 acres with six (6) Tyson broiler barns in Fulton County. River Valley AgCredit (RVAC) in Clinton, KY is the participating lender.

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

Mr. Lawson 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:**

Commissioner Quarles called on Ms. Hulett, Mr. McCloskey, Shelby Wade and Lindsay Bates to present the following extensions/modifications.

**Extensions/Modifications**

**AF18-0065          Goode, Greg**

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification for the combined loan-to-value limit be increased to 65%.

The Loan Review Committee recommended approval of the modification request.

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

VOTE: Motion Passed; Unanimous.

**AF14-0074          McCarty, Christian**

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification for the first mortgage with Traditional Bank to be refinanced and \$72,000 from Mr. McCarty's lines of credit to be termed out into long-term debt for a total of \$295,000 in Traditional Bank debt. KAFC is in a second position and combined loan-to-value would be 75%.

The Loan Review Committee recommended approval of the modification request with C/LV no greater than 75%.

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

VOTE: Motion Passed; Unanimous.

**AF19-0019          Fink, Stefan**

Staff reported the request for the above referenced loan was withdrawn. No action required.

**AF18-0019          Case, Russell**

Mr. McCloskey presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification for the \$150,000 loan to be disbursed, as the loan commitment has expired.

The Loan Review Committee recommended to table the modification request until further information has been acquired.

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

VOTE: Motion Passed; Unanimous.

**AF17-0103 Bowen, Jason**

Ms. Wade presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a three (3) month time extension to ensure adequate time for construction to be completed. The new expiration date would be July 8, 2020.

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

VOTE: Motion Passed; Unanimous.

**AF18-0056 Brockman, Brent**

Ms. Bates presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a six (6) month time extension to allow time for construction to be completed. The new expiration date would be October 13, 2020.

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

VOTE: Motion Passed; Unanimous.

**AF18-0152 Blevins, Dustin**

Ms. Wade presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a six (6) month time extension to allow time for construction to be completed. The new expiration date would be November 9, 2020.

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

VOTE: Motion Passed; Unanimous.

**AF20-0004 Washington, Ashley**

Ms. Bates presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a ninety (90) day time extension to allow time for documents to be finalized. The new expiration date would be August 14, 2020.

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

VOTE: Motion Passed; Unanimous.

**Closing Remarks**

Commissioner Quarles mentioned the budget cuts across state government and the impact on KDA.

In response to a question from Mr. Lawson, Mr. Beeler updated the board on the status of GOAP legal counsel.

Commissioner Quarles mentioned an uptick in theft on farms and stated KDA works closely with local police and urged board members to keep close and updated records on their farm inventory and assets.

Commissioner Quarles updated the board on the Kentucky Hunger Initiative.

Commissioner Quarles informed the board the next meeting will be Friday, June 12.

**Adjournment**

Commissioner Quarles entertained a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC board meeting adjourned at 11:12 a.m. (EDT)

APPROVED DATE: 6-15-2020

PRESIDING OFFICER: *Ron Quarles*

BOARDS COORDINATOR: *Marielle McElmurray*  
Marielle McElmurray

# Loan Review Committee

## Meeting Minutes



<b>Meeting Date:</b>	May 8, 2020
<b>Meeting Location:</b>	Governor's Office of Agricultural Policy, Frankfort, KY
<b>Meeting Chair:</b>	Doug Lawson
<b>Attendees:</b>	Jonathan Noe, John Brady, Larry Jagers, Kenny Burdine, Wayne Hunt, Frank Penn, Westy Adams, Doug Lawson, Tim Hughes, Donna Amburgey Staff: Shelby Wade, Ali Hulett, Bill McCloskey, Warren Beeler, Sandy Gardner, Lindsay Bates, Marielle McElmurray Guests: Amanda Robertson
<b>Minutes Issued By:</b>	Ali Hulett, Loan Programs Manager
<b>Meeting Call to Order:</b>	9:06 AM
<b>Meeting Adjourned:</b>	9:58 AM

### Agenda Items:

#### New Business

1. Review of AF20-0031—Hobbs, Charles
  - a. On behalf of Mr. Hobbs, the loan officer requested the loan be considered for approval with an exception to the construction commencement guideline.
  - b. Recommend approval.

#### Old Business

2. Review of AF18-0065—Goode, Greg
  - a. On behalf of Mr. Goode, the loan officer requested the combined loan-to-value limit be increased to 65%
  - b. Recommend approval.
3. Review of AF14-0074—McCarty, Christian
  - c. On behalf of Mr. McCarty, the loan officer requested the first lien with Traditional Bank be restructured.
  - d. Recommend approval.
4. Review of AF19-0019—Fink, Stefan
  - e. The loan modification request was withdrawn.
  - f. No action necessary.
5. Review of AF18-0019—Case, Russell
  - g. On behalf of Mr. Case, the loan officer requested the loan be removed from expired status and funds be disbursed.
  - h. Recommend to table the modification request until further information has been acquired.