

The actions delineated below were taken in open session of the Kentucky Agricultural Finance Corporation Board at the November 13, 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
November 13, 2020
Frankfort, KY 40601**

Call to Order

Designee Tim Hughes, called the Kentucky Agricultural Finance Corporation Board (KAFC) regular business meeting to order at 9:05 a.m. (EST).

Roll Call

The following members were present: Tim Hughes (Commissioner of Agriculture Dr. Ryan Quarles designee), Dr. Kenneth Burdine, Billy Aldridge (Secretary Holly Johnson designee), Doug Lawson, Jonathan Noe, Larry Jagers, Frank Penn, Wayne Hunt, David Rink, Mac Stone, and Linda Rumpke.

Members absent: Donald Mitchell

Notification of Media

Mr. Hughes received verification from Marielle McElmurray, Director of Public Relations, that the media had been notified of the KAFC board meeting.

Welcome

Mr. Hughes welcomed everyone to the teleconference meeting.

Approval of Minutes

Mr. Hughes received entertained a motion to approve the minutes of the October 9, 2020 KAFC board meeting.

Ms. Rumpke moved to approve the minutes; Dr. Burdine seconded the motion.

VOTE: Motion Passed; Unanimous.

Executive Director's Report

Mr. Hughes yielded the floor to Dorsey Ridley, GOAP Executive Director, to report to the board.

Mr. Ridley welcomed everyone to the teleconference meeting and updated the board on his activities. Mr. Ridley discussed additional funding for meat processing through the CARES Act, a number of visits with funding recipients and meetings with industry leaders both virtual and in person. He also introduced AgriTech Project Manager Anne Marie Franklin.

Deputy Executive Director's Report

Mr. Hughes 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 October 19, 2020.

Mr. Stone asked if the CARES Act would provide funds for producers who are looking at infrastructure expansion due to COVID-19 increasing need. GOAP staff responded that processing had been the bigger issue but funds for producer expansion could be addressed.

Mr. McCloskey reviewed the Kentucky Agricultural Development Fund County Account Balances (*on file*) as of October 23, 2020.

Mr. McCloskey reviewed the KAFK Statement of Financial Position (*on file*) as of October 31, 2020.

Mr. McCloskey reviewed the COVID-19 payment deferrals (*on file*). Mr. Hughes asked if deferrals on the report were current according to the new due date. Ms. Bates responded she had received some payments and an update would be provided after the meeting.

Mr. McCloskey reviewed the Category B Loans (*on file*) as of October 28, 2020 and mentioned a potential buyer for Foothills and negotiations are ongoing.

KAFK Statement of Financial Position	
As of October 30, 2020	
Assets	
Cash KAFK Accounts	\$ 14,849,679
Loan Payments Due KAFK	
Category A	\$79,370,077
Category B	\$ 610,734 (Foothills, Bevins, Miracle, Goodlett & Four Hills)
Category C	\$
	\$ 79,980,811
Total Assets	\$ 94,830,490
Liabilities	
KAFK loans approved not closed	\$ 7,491,090
Principal Outstanding	\$ 79,980,811
Total Liabilities	\$ 87,471,901
Unobligated Assets	\$ 7,358,589
Total Liabilities & Unobligated Assets	\$ 94,830,490

Mr. Rink moved to accept the KAFK financial report; Mr. Hunt seconded the motion.

VOTE: Motion Passed; Unanimous.

Compliance Committee Report

Mr. Hughes called on Chairman Jonathan Noe to give the Compliance Committee report. Chairman Noe referenced everyone to copies of letters drafted concerning failure for loan recipients to send KAFK legal documents required to properly process loans for disbursement. The committee recommended sending out reminder letters to recipients in 60 and 90 day intervals. The 90 day letter would be sent from legal counsel and would outline how failure to comply would impact future funding requests.

Ms. Rumpke moved to accept the Compliance Committee report, Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

Loan Review Committee Report

Mr. Hughes called on Ms. Rumpke to give the Loan Review Committee report. Ms. Rumpke stated that the loans reviewed would be discussed in order of the agenda.

New Business

Mr. Hughes called on Mr. McCloskey, Ali Hulett and Lindsay Bates to present the following applications:

Agricultural Infrastructure Loan Program (AILP)

AF20-0079 Napier, Stanley

Applicants requested \$70,034 for the purchase of equipment to update poultry barns in Graves County. Community Financial Services Bank in Mayfield, KY is the participating lender.

The staff recommended to approve the request up to \$70,034 with a CL/V no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

Agricultural Processing Loan Program (APLP)

AF20-0080 Emmert, Jorden

Applicants requested \$155,500 for the purchase of a meat processing facility in Monroe County. Farm Credit Mid-America in Glasgow, KY is the participating lender. Applicant also has a request of \$250,000 from the KADB as a forgivable loan.

Loan Committee recommended to approve the request up to \$155,500 with CL/V no greater than 80%.

Ms. Rumpke moved to approve the committee recommendation, as presented, pending approval of the KADB funding; Mr. Penn seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0087 Samutin, Valerie

Applicant requested \$135,000 for the purchase and renovation of an existing meat processing facility and purchase of equipment in Hardin County. Citizens Union Bank in Shelbyville, KY is the participating lender. Applicant also has a request of \$250,000 from the KADB as a forgivable loan.

Loan Committee recommended to approve approve the request up to \$135,000 with a CL/V no greater than 80%.

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

Mr. Stone praised Ms. Samutin for hard work and undertaking of this project.

VOTE: Motion Passed; Unanimous.

Beginning Farmer Loan Program (BFLP)

AF20-0077 Heppler, Matthew

Applicant requested \$250,000 for the purchase of 123 acres in McLean County. First United Bank and Trust in Madisonville, KY is the participating lender.

Staff recommended to approve the request up to \$250,000 with CL/V no greater than 85%.

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

VOTE: Motion Passed; Unanimous.

AF20-0078 Rice, William

Applicant requested \$120,000 for the purchase of 83 acres in Green 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 South Central Bank and KAFC funds, with C/LV no greater than 100%.

Mr. Rink moved to approve the staff recommendation, as presented, pending availability of funds and contingent on FSA guarantee; Mr. Lawson seconded the motion.

VOTE: Motion Passed; Unanimous.

AF20-0081 Brown, Carson

Applicant requested \$63,750 for the purchase of 25 acres in Carlisle County. River Valley AgCredit in Kevil, KY. This loan was referred to the loan committee due to the applicant currently living out-of-state.

The Loan Review Committee recommended to approve the request for up to \$63,750 since applicant is in the process of moving to Kentucky.

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

VOTE: Motion Passed; Unanimous.

AF20-0082 Culver, Luke

Applicant requested \$79,986 for the purchase of 145 acres in Nelson County. Farm Credit Mid-America in Elizabethtown, KY is the participating lender.

Staff recommended approval, with C/LV no greater than 55%.

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

VOTE: Motion Passed; Unanimous.

AF20-0085 Bennett, Zachary

Applicant requested \$250,000 for the purchase of 242 acres in Shelby County. Citizens Union Bank in Shelbyville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF20-0086 Merryman, Clay

Applicant requested \$250,000 for the purchase of 122 acres in Shelby County. Citizens Union Bank in Shelbyville, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

AF20-0088 Whitehouse, Jerry

Applicant requested \$250,000 for the purchase of 98 acres with four (4) Perdue broiler barns and upgrades in Muhlenberg County. Farm Credit Mid-America in Russellville, KY is the participating lender.

Staff recommended 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 the staff recommendation, as presented, pending availability of funds: Ms. Rumpke seconded the motion.

VOTE: Motion Passed; Unanimous.

Diversification through Entrepreneurship Loan Program (DEAL)

AF20-0083 Bidwell, Darmon

Applicant requested \$34,065 for the construction of a high tunnel greenhouse and purchase of equipment in Graves County. FNB Bank, Inc. in Mayfield, KY is the participating lender.

The Loan Review Committee recommended to approve the request up to \$34,065 with C/LV no greater than 90%.

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

VOTE: Motion Passed; Unanimous.

AF20-0084 Moore, Jimmy

Applicant requested \$125,000 for the purchase of three (3) acres with mechanic shop in Daviess County. Independence Bank in Livermore, KY is the participating lender.

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

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

VOTE: Motion Passed; Unanimous.

Old Business:

Mr. Hughes called on Ms. Hulett and Ms. Bates to present the following modifications, extensions and withdrawals.

Modifications

AF20-0005 Eblen, Garry

Ms. Hulett presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested an approval modification for KAFC to release the two acre tract that is collateral.

The Loan Review Committee recommended to approve the modification to remove the two acres as collateral. All documentation has been received.

Ms. Rumpke moved to approve the modification request, as presented; Mr. Noe seconded the motion.

VOTE: Motion Passed; Mr. Lawson abstained.

Extensions

AF20-0065 Schroeder, Jacob

Ms. Bates presented a memorandum (*on file*) regarding the above referenced loan. The loan officer requested a ninety (90) day time extension to allow for documents to be finalized. The new expiration date would be February 14, 2021.

Staff recommended to approve extension as presented.

Ms. Rumpke moved to approve the modification, as presented; Mr. Stone seconded the motion.

VOTE: Motion Passed; Unanimous.

Withdrawn

AF19-0063 Lewis, Travis

Ms. Hulett indicated the application for Travis Lewis had been withdrawn. No action is needed.

Closing Remarks

Mr. Ridley thanked everyone for adjusting schedules for today's meeting and for serving on the board.

Mr. Hughes informed the board the next meeting will be Friday, December 11 at 10 a.m. EST.

Adjournment

There being no additional business or discussion, Mr. Hughes asked for a motion to adjourn.

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

VOTE: Motion Passed; Unanimous.

The KAFC Board meeting adjourned at 10:00 a.m. (EST).

APPROVED DATE: December 11, 2020

PRESIDING OFFICER: Tim Hughes proxy for Commissioner Dr. Ryan Quarles
Tim Hughes

BOARDS COORDINATOR: Milinda Sosby
Milinda Sosby

Compliance Committee Meeting Minutes



Meeting Date:	November 11, 2020
Meeting Location:	Zoom Conference, Meeting ID: 910 3681 9149
Meeting Chair:	Jonathan Noe
Attendees:	Jonathan Noe, Linda Rumpke, Doug Lawson, Wayne Hunt, David Rink, Billy Aldridge, Tim Hughes (Proxy) Staff: Bill McCloskey, Dorsey Ridley, Ali Hulett, Lindsay Bates, Milinda Sosby, Marielle McElmurray, Kelty Carlson
Minutes Issued By:	Lindsay Bates, Administrative Loan Manager
Meeting Call to Order:	8:00 AM EDT
Meeting Adjourned:	8:15 AM EDT

Agenda Items:
<ol style="list-style-type: none">1. Discussion on GOAP staff loan closing procedure.2. Questions, comments, suggestions<ol style="list-style-type: none">a. The next quarterly meeting will be January 8, 2021.b. Recommendation to express closing procedure expectations to new participating lenders.3. Motion to Adjourn

Loan Review Committee

Meeting Minutes



Meeting Date:	November 13, 2020
Meeting Location:	Zoom Conference, Meeting ID: 910 3681 9149
Meeting Chair:	Linda Rumpke
Attendees:	Dr. Kenny Burdine, Wayne Hunt, David Rink, Tim Hughes, Linda Rumpke, Jonathan Noe, Doug Lawson, Billy Aldridge Staff: Ali Hulett, Bill McCloskey, Dorsey Ridley, Lindsay Bates, Milinda Sosby, Marielle McElmurray, Anne Marie Franklin Guests: Kelty Carlson, Carson Brown, Lori Noel, Daniel Smith, Steve Hornback
Minutes Issued By:	Ali Hulett, Loan Programs Manager
Meeting Call to Order:	8:15 AM EST
Meeting Adjourned:	9:07 AM EST

Agenda Items:	
New Business	
1.	Review of AF20-0080—Emmert, Jorden <ul style="list-style-type: none"> a. On behalf of Ms. Emmert, the loan officer requested the loan be considered for approval. b. Recommend approval of \$160,000 with a combined loan-to-value no greater than 80%. c. Recommend approval, contingent upon receiving approval from the KADB for \$250,000 in the form of a forgivable loan.
2.	Review of AF20-0087—Samutin, Valerie <ul style="list-style-type: none"> a. On behalf of Mrs. Samutin, the loan officer requested the loan be considered for approval. b. Recommend approval as presented with a combined loan-to-value no greater than 80%.
3.	Review of AF20-0081—Brown, Carson <ul style="list-style-type: none"> a. On behalf of Ms. Brown, the loan officer requested the loan be considered for approval. b. Recommend approval.
4.	Review of AF20-0083—Bidwell, Darmon <ul style="list-style-type: none"> a. On behalf of Mr. Galloway, the loan officer requested the loan be considered for approval. b. Recommend approval, with a combined loan-to-value no greater than 90%.
Old Business	
5.	Review of AF20-0005—Eblen, Garry <ul style="list-style-type: none"> a. On behalf of Mr. Eblen, the loan officer requested to release the two acres as collateral. b. Recommended approval.