

Kentucky Agricultural Finance Corporation

Minutes of the December 4, 2009 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, December 4, 2009 at 10:10 a.m. EST at the Galt House, Wilson Room, 104 North 4th Street, Louisville, KY. Bruce Harper, presiding, called the meeting to order.

Notification of Press

Mr. Harper received verification that the media had been notified regarding the Kentucky Agricultural Finance Corporation (KAFC) monthly meeting.

Roll Call

Members Present

Bruce Harper (designee for Commissioner Farmer), George Begley, Kenneth Burdine, Bob Gaslin, Wayne Hunt, Larry Jagers, Doug Lawson, Tom Midkiff (designee for Secretary Miller), Frank Penn, Peggy Peterson

Members Absent

Bob Proffitt

Others Present

Staff – Roger Thomas, Angela Blank, Diane Fleming, Sandy Gardner, Cyndi Hall, Tim Hughes, Christi Marksbury, Bill McCloskey, Joel Neaveill

Guests – Jim Mahan, Kentucky Agricultural Development Board (KADB); Dr. Steven Webb; Logan Marcum, Cabbage, Inc.

Review and Approval of Minutes

Wayne Hunt moved to approve the minutes of the November 6, 2009 meeting, as presented, of the KAFC Board of Directors; Larry Jagers seconded the motion. The motion passed without dissent.

Executive Director's Report

Roger Thomas welcomed everyone to the KAFC Board Meeting. Mr. Thomas introduced the new Board Member, Charles "Westy" Adams. Introductions were made around the room.

Mr. Thomas noted that Kentucky Farm Bureau was celebrating its 90th Annual meeting and this year marks the 10th Anniversary of the Kentucky Agricultural Development Fund (KADF). This year the challenges are great and he hopes that the policy makers see the good that the KADF is making to Kentucky.

Mr. Thomas recognized Frank Penn, as the KAFC representative to the Agriculture Advisory Committee for the World Equestrian Games, along with Sam Moore, Dean Scott Smith and Sam Lawson.

No action was taken on the Executive Director's Report.

Director of Financial Services Report

Mr. Harper called on Bill McCloskey to give the Financial Services Director's Report.

Mr. McCloskey reviewed the financial position report (below) of KAFC, which reflected activity since the last meeting.

KAFC Statement of Financial Position	
As of October 30, 2009	
ASSETS:	
Interest Earned from Loans	\$1,420,630
Interest Earned from State Investment Commission	1,032,536
Interest Fund (2802 Acct.)	2,453,165
Principal/Loan Fund (2803 Acct.)	7,213,146
Loan Funds Disbursed	24,201,684
KADB Approved Loans not Transferred	0
Funds Held by State & not transferred to KAFC	2,000,000
Total Assets	\$35,867,996

Tom Midkiff moved to approve the financial report; Doug Lawson seconded the motion. The motion passed without dissent.

Angela Blank, notary, swore in the new Board Member, Charles Adams.

Mr. Harper called on Angela Blank to give a short presentation on the World Equestrian Games.

New Business

The following applications were received between October 17, 2009 and November 20, 2009.

Agricultural Infrastructure Loan Program - Discussion and Action

AF09-0040 Wade, Bruce – Applicant requested \$20,000 for the construction of a grain bin and a 30 X 90 hoop barn in Mercer County. Central Kentucky ACA in Danville is the participating lender. Staff recommended loan approval. **Frank Penn moved to approve the staff recommendation; Bob Gaslin seconded the motion. The motion passed without dissent.**

Old Business

AF09-0029 Webb, Steven – Applicant requested \$100,000 to purchase ownership interest in a veterinary clinic in Barren County. South Central Bank in Glasgow is the participating lender. The application was referred to the loan review committee for consideration. Dr. Webb was present to answer questions from the board. Mr. Lawson addressed some of the issues with this application. The committee recommended to approve contingent on the final contractual arrangement presented and approved by the loan review committee. **Mr. Lawson moved to take Application AF09-0029 out of pending; Mr. Gaslin seconded the motion. The**

motion passed without dissent. Mr. Penn moved to approve the loan review committee recommendation; Mr. Jagers seconded the motion. The motion passed without dissent.

AF07-0022 John's Custom Meats – Update

Mr. McCloskey presented a Memorandum on **Cabbage, Inc. (AF09-0041)** regarding the Terms and Conditions for an Agriculture Loan. **Mr. Hunt moved to approve the terms and Conditions presented to and amended by the loan review committee;** *Peggy Peterson seconded the motion. The motion passed without dissent.*

The following applications were presented for informational purposes only. No action was taken.

- AF09-0024 Turner, Matthew—Expired**
- AF07-0085 Wiley, Steve—Paid in Full**
- AF07-0091 Pritchett, Steven—Paid in Full**
- AF08-0083 Rogers, Clayton—Paid in Full**

Mr. McCloskey presented a Memorandum concerning the University of Kentucky Evaluation of the Agricultural Development Board Investments in Kentucky Agriculture 2001 to 2007. A short presentation was made on the recommendations regarding KAFC and the actions we have taken to meet the recommendations.

Closing Remarks

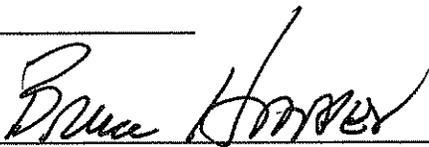
The next meeting of the KAFC Board will be Friday, February 5, 2010 at the Transportation Cabinet Office Building, 400 Mero Street, Frankfort, KY. The regular business meeting of KAFC will begin at 10:00 a.m. EST. The audit committee will meet after lunch.

Mr. Thomas thanked the members of the loan review committee for their work.

Mr. Hunt moved to adjourn; *George Begley seconded the motion. The motion passed without dissent.* The meeting adjourned at 12:10 p.m. EST.

APPROVED: _____

PRESIDING OFFICER:



SECRETARY:

