

# Kentucky Agricultural Finance Corporation

Minutes of the November 5, 2010 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board of Directors was held Friday, November 5, 2010 at the Transportation Cabinet Office Building, 200 Mero Street, Room C109A & B, in Frankfort, Kentucky. Bruce Harper, designee for Commissioner Richie Farmer, presiding, called the meeting to order at 10:07a.m. EDT.

## **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), Westy Adams, George Begley, Kenny Burdine, Larry Jaggars, Tom Midkiff (designee for Secretary Miller), Bob Proffitt

### ***Members Absent***

Wayne Hunt, Doug Lawson, Joel Oney, Frank Penn, Peggy Peterson

### ***Others Present***

**Staff** –Bill McCloskey, Diane Fleming, Sandra Gardner, Cyndi Hall, Tim Hughes

**Guests** –Tony Ferguson, Performance Feed, LLC; Nathan Mick, Garrard County Economic Development Director

## **Welcome/Introduction of Guests**

Mr. Harper welcomed the Board and guests to the meeting.

## **Review and Approval of Minutes**

**Westy Adams moved to approve the minutes of the September 2, 2010 KAFC Board of Directors meeting, as presented;** Kenny Burdine seconded the motion. **Tom Midkiff amended the motion to correct the action taken by the board concerning Citizen's Commerce National Bank;** Mr. Burdine seconded the motion. *The amended motion passed without dissent.*

## **Reports**

### **Executive Director's Report**

Mr. Harper noted that Roger Thomas was not at the Board Meeting because he was presenting to the Tobacco Settlement Agreement Fund Oversight Committee Meeting.

### **The Director of Financial Services Report**

Mr. Harper asked Mr. McCloskey to give the Director of Financial Services Report.

Mr. McCloskey reviewed the financial position report (below) of KAFC.

<b>KAFC Statement of Financial Position</b>	
<b>ASSETS (as of 09/30/ 2010):</b>	
Interest Earned from Loans	\$ 1,818,545
Interest Earned from State Investment Commission	1,057,595
Interest Fund (2802 Acct.)	2,876,141
Principal/Loan Fund (2803 Acct.)	3,133,233
Loan Funds Disbursed	29,495,509
KADB Approved Loans not Transferred	86,470
Funds Held by State & not transferred to KAFC	2,000,000
<b>Total Assets</b>	<b>\$37,591,352</b>

**Mr. Midkiff moved to approve the financial report;** Mr. Adams seconded the motion. *The motion passed without dissent.*

### **New Business**

The following applications were received between September 11, 2010 and November 1, 2010.

#### **Beginning Farmer Loan Program - Discussion and Action**

**AF10-0039 Elliott, Jason and Amber** -- Applicants requested \$250,000 for the purchase of 68.5 acres with six (6) Tyson poultry houses and equipment in Fulton County. Jackson Purchase ACA in Hickman is the participating lender. Staff recommended loan approval contingent on a FSA guarantee, 95% loan-to-value and that KAFC staff be notified of lenders annual visit to the farm with an option to attend. **Bob Proffitt moved to approve AF10-0039, based on staff's recommendation, pending fund availability;** Mr. Burdine seconded the motion. *The motion passed without dissent.*

#### **Large/Food Animal Veterinary Loan Program—Discussion and Action**

**AF10-0040 Beckley DVM, L.W. (Mountain View Veterinarian Services, PLLC** – Applicant requested \$80,000 for the purchase and remodel of a commercial building to enhance his large animal services in Estill County. Citizen's Guarantee Bank in Irvine is the participating lender. Staff recommended loan approval. **George Begley moved to approve AF10-0039, based on staff's recommendation, pending fund availability;** Larry Jagers seconded the motion. *The motion passed without dissent.*

**Old Business**

**Agricultural Processing Loan Program - Discussion and Action**

**AF10-0037**      **Ferguson, Tony (Performance Feeds, LLC)** – Applicant requested \$350,000 to complete construction of a feed mix plant and to provide blending and bagging equipment in Garrard County. Staff recommended loan approval in the amount of \$226,582. **Mr. Begley moved to approve AF10-0037 for \$226,582, based on staff's recommendation, pending fund availability;** Mr. Jagers seconded the motion. *The motion passed without dissent.*

The meeting recessed at 11:08 a.m. and reconvened at 11:20 a.m.

**Extension Requests**

**AF08-0077**      **Jones, Stewart and Mary** – Applicants requested an extension for this loan. The extension is for the purposes of completing the final barn. Staff recommended approval of the extension to August 6, 2011. **Mr. Jagers moved to approve the extension request for AF08-0077, based on staff's recommendation;** Mr. Adams seconded the motion. *The motion passed without dissent.*

**Closing Remarks**

The next meeting of the KAFC Board will be Friday, December 3, 2010 in the Wilson Room of the Galt House in Louisville, KY during the Kentucky Farm Bureau Annual Meeting. The regular business meeting of KAFC will begin at 10:00 a.m. EDT.

**Mr. Begley moved to adjourn;** *Mr. Burdine seconded the motion. The motion passed without dissent.* The meeting adjourned at 11:55 a.m. EST.

APPROVED: 12-3-2010

PRESIDING OFFICER: Bruce Hopper

SECRETARY: Cyndi Heel