

# Kentucky Agricultural Finance Corporation

Minutes of the December 3, 2010 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board of Directors was held Friday, December 3, 2010 in the Wilson Room, at the Galt House, 104 North 4<sup>th</sup> Street, Louisville, Kentucky. Bruce Harper, designee for Commissioner Richie Farmer, presiding, called the meeting to order at 10:07 a.m. EST.

## **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), Kenneth Burdine, Larry Jagers, Wayne Hunt, Doug Lawson, Joel Oney, Frank Penn, Peggy Peterson, Bob Proffitt

### ***Members Absent***

Westy Adams, George Begley, Tom Midkiff (designee for Secretary Miller)

### ***Others Present***

**Staff** – Roger Thomas, Diane Fleming, Cyndi Hall, Tim Hughes, Amanda Kachler, Bill McCloskey

**Guests** – Kenneth Kidd, PBI Bank; Rebecca and Stephen Copelin; Jim Mahan

## **Welcome/Introduction of Guests**

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

## **Review and Approval of Minutes**

**Peggy Peterson moved to approve the minutes of the November 5, 2010 KAFC Board of Directors meeting, as presented;** Kenny Burdine seconded the motion. *The motion passed without dissent.*

## **Reports**

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

Mr. Harper called on Roger Thomas to give the Executive Director's Report. Mr. Thomas reported on the activities and meetings of the Governor's Office of Agricultural Policy (GOAP) staff.

Mr. Thomas recognized Jim Mahan, a Kentucky Agricultural Development Board (KADB) Member, and Amanda Kachler, new GOAP employee.

Mr. Thomas called on Angela Blank. Ms. Blank discussed the 2011 GOAP Conference to be held on February 10, 2011 in Bowling Green, KY. She gave KAFC Board members ballots to vote for KAFC Distinguished Agriculture Entrepreneur. Ms. Blank also discussed the new KADB logo, which will be revealed at the 2011 GOAP Conference.

### **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 10/31/ 2010):</b>	
Interest Earned from Loans	\$ 1,866,822
Interest Earned from State Investment Commission	1,059,012
Interest Fund (2802 Acct.)	2,925,835
Principal/Loan Fund (2803 Acct.)	2,602,154
Loan Funds Disbursed	30,059,283
KADB Approved Loans not Transferred	
Funds Held by State & not transferred to KAFC	2,000,000
<b>Total Assets</b>	<b>\$37,587,272</b>

**Ms. Peterson moved to approve the financial report;** Joel Oney seconded the motion. *The motion passed without dissent.*

### **New Business**

The following applications were received between November 2, 2010 and November 15, 2010.

#### **Agricultural Infrastructure Loan Program – Discussion and Action**

**AF10-0042 Eads, III, Robert G.** -- Applicant requested \$30,000 for the construction of an 80' by 50' shop in Fayette County. Central Kentucky ACA in Lexington is the participating lender. Staff recommended loan approval. **Wayne Hunt moved to approve AF10-0042, based on staff's recommendation, pending fund availability;** Mr. Burdine seconded the motion. *The motion passed without dissent.*

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

**AF10-0043 Jenkins, Thomas and Heather** -- Applicants requested \$65,637 for the purchase of 59 acres in Henderson County. Independence Bank in Henderson is the participating lender. Staff recommended loan approval. **Doug Lawson moved to approve AF10-0043, based on staff's recommendation, pending fund availability;** Kenny Burdine seconded the motion. *The motion passed without dissent.*

#### **Diversification through Entrepreneurship in Agribusiness Loan Program -- Discussion and Action**

**AF10-0041 Copelin, Stephen and Rebecca** – Applicants requested \$47,500 for the construction of a USDA meat processing facility and purchase of equipment in Grayson County. PBI Bank in Munfordville is the participating lender. Staff recommended loan approval. **Mr. Hunt moved to approve AF10-0041, based**

on staff's recommendation, pending fund availability; Larry Jagers seconded the motion. *The motion passed with dissent.*

## **Old Business**

### **Agricultural Processing Loan Program – Additional Funds Request**

**AF10-0020 Dame, Shawn** – Applicant requested an additional \$12,929 for the installation of an energy efficient grain dryer due to higher than expected costs for electrical installation. This brought the total KAFC commitment to \$57,929. Staff recommended approval of the additional funds. **Frank Penn moved to approve the additional funds request for AF10-0020, based on staff's recommendation, pending fund availability;** Mr. Burdine seconded the motion. *The motion passed without dissent.*

### **Extension Requests**

**AF09-0029 Webb DMV, Steven** – Applicants requested an extension for this loan. The extension is for the purposes of finalizing the details of the purchase agreement. Staff recommended approval of the extension to March 4, 2011. **Mr. Lawson moved to approve the extension request of AF09-0029, based on staff's recommendation;** Ms. Peterson seconded the motion. *The motion passed without dissent.*

### **Withdrawals -- No Action Necessary**

**AF09-0045 Pleasants, George**  
**AF10-0007 Marksbury Farm Foods**

### **Paid in Full – No Action Necessary**

**AF05-0021 Gibson, Brady/Ed-Mar Farms, LLC**  
**AF07-0040 Knott, Kenny/Knott Brothers Farms, Inc.**  
**AF07-0043 Ross, Ryan David**  
**AF07-0044 Ross, David Michael**  
**AF08-0013 Holloway, Jerald**  
**AF08-0061 Wade, Robert**  
**AF09-0037 Sidebottom, Jonah**  
**AF09-0038 Sidebottom, Larkin**

**Mr. Penn moved to go into closed session pursuant to KRS 61.810 (1) (b) & (c) at 11:25 a.m. EST.** Mr. Jagers seconded the motion. *The motion passed without dissent.*

**Mr. Burdine moved to reconvene the meeting at 11:32 a.m. EST.** Mr. Lawson seconded the motion. *The motion passed without dissent.*

## **Closing Remarks**

The next meeting of the KAFC Board will be Friday, January 7, 2011 at the Transportation Cabinet Office Building, 200 Mero Street, Frankfort, KY. The regular business meeting of KAFC will begin at 10:00 a.m. EST.

**Mr. Oney moved to adjourn;** Ms. Peterson seconded the motion. *The motion passed without dissent.* The meeting adjourned at 11:35 a.m. EST.

**APPROVED:** \_\_\_\_\_

**PRESIDING OFFICER:** \_\_\_\_\_

**SECRETARY:** \_\_\_\_\_