



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

**IADD BOARD MEETING MINUTES**

**Iowa Finance Authority  
2015 Grand Avenue  
Des Moines, Iowa  
August 28, 2013**

**Board Members Present**

Mark Leonard, Chair  
Lyle Borg, Vice Chair  
Stacie Euken

John Fredrickson  
Via phone: Annette Townsley

**Board Members Absent**

None

**Staff Members Present**

Lori Beary, Community Development Director  
Steve Ferguson, IADD Program Specialist  
Tim Jansen, Accounting Manager

Katie Kulisky, Administrative Assistant  
Tammy Nebola, IADD Program Specialist  
Mark Thompson, General Counsel

**Others Present**

David Claypool—Dorsey & Whitney, LLP

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**Call to Order**

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order on August 28, 2013 at 3:29 pm. Roll Call was taken and a quorum was established with the following Board Members present: Borg, Euken, Fredrickson, Leonard and Townsley (via phone).

**Review of Minutes of July 24, 2013 Board Meeting Orientation**

Mark Leonard presented the minutes of the July 24, 2013 IADA Board Meeting Orientation.

**MOTION**

On a motion by Ms. Townsley and a second by Mr. Fredrickson the Board unanimously accepted the July 24, 2013 Board Meeting Orientation minutes.

**Review of Minutes of July 24, 2013 IADD Board Meeting**

Mark Leonard presented the minutes of the July 24, 2013 IADA Board meeting.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Euken the Board unanimously accepted the July 24, 2013 IADD Board Meeting minutes.

**Review of July 2013 financial statement**

Tim Jansen presented the July 2013 financials. He reported that there were revised reports added to today's board packets. The income from the NARRC-NCOSAFP Conference registration fees is now shown as unearned income for 2013 and income in 2014. Mr. Leonard added a suggestion to look at selling CDs to banks that have a shortage of deposits and are paying high CD interest.

**MOTION**

On a motion by Mr. Borg and a second by Ms. Euken, the Board unanimously accepted the July 2013 financial statement.

**Update on NARRC—NCOSAFP 2013 Joint Conference**

Steve Ferguson gave an update on the NARC—NCOSAFP Conference. He stated that there were 123 total attendees with \$36,115 in fees received and \$ 8,967 received from sponsors. With revenue of \$45,082 and \$34,204 in expenses, there was a little under \$11,000 in profit. Staff has received very good feedback from attendees. Mr. Leonard stated he had received very good feedback as well. Mr. Ferguson expressed his appreciation to all of the Board members and staff who assisted with the conference, especially Ms. Townsley and her husband Randy.

**BFLP Amending Resolutions**

Tammy Nebola presented the following resolutions to adjust terms and conditions on closed BFLP projects:

Resolution 4314 Steve and Tonia Westra—Lower the interest rate from 5.25% to 4.00% until July 8, 2018 at which time the rate will adjust to the original index. Decrease the rate floor from 5.25% to 4.00%. All other loan terms will remain the same. The bond purchaser is American State Bank in Hull, IA.

Resolution 4496 Shawn Sponheim—Lower the interest rate from 5.31% to 4.96% until March 15, 2023 at which time the rate will adjust to the original index. Due to the rate decrease, the annual payment amount will decrease from \$16,740.97 to \$16,326.20 beginning on March 15, 2014. Decrease the rate floor from 4.95% to 4.5%. All other loan terms will remain the same.

**MOTION**

On a motion by Ms. Euken and seconded by Mr. Fredrickson, the Board unanimously accepted the BFLP amending resolutions.

**Beginning Farmer Loan Applications**

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 13-002 Alvie and Alice Meyer—Beginning farmer loan of \$250,000 for the construction of a bedded cattle confinement in Lyon County with a 3.75% variable interest rate. The index will be 75% of 3.50% over the 5 year Treasury rate, at 20 years. The lender is Peoples Bank in Lester, IA.

AG 13-003 Brandon and Jessica Winter—Beginning farmer loan of \$501,000 for the purchase of approximately 170 acres of agricultural land in Hardin County with a 4.30% variable interest rate. The index will be 1 year Constant Maturity Treasury (CMT) plus 2%; 15/1 ARM at 30 years. The lender is Community Bank in Nevada, IA.

AG 13-004 Jerry and Pamela Dunbar—Beginning farmer loan of \$130,000 for the purchase of approximately 78 acres of agricultural land and build a machine shed in Washington County with a 3.75% variable interest rate. The index will be the Wall Street Journal Prime plus 0.50% on 10/5 ARM at 30 years. The lender is Federations Bank in Wellman, IA.

AG 13-005 Aaron Lorch—Beginning farmer loan of \$500,000 for the purchase of approximately 86.7 acres of agricultural land in Osceola County at 3.81% variable interest rate. The index will be 1.8% of the 5-year cost of funds based off of the Federal Home Loan Bank cost of funds. The lender is Northwest Bank in Spencer, IA.

Mark Leonard recommended that all financial statements be witnessed prior to the IADD Board meetings.

**MOTION**

On a motion by Mr. Borg and seconded by Ms. Euken, the Board unanimously approved AG 13-002, AG 13-003 subject to receiving a witnessed financial statement, AG 13-004 and AG 13-005 subject to receiving a witnessed financial statement.

### **Public Hearing on Beginning Farmer Loans**

A public hearing was held by staff at the Iowa Finance Authority office on August 28, 2013 at 10 am. There were no comments received regarding the Beginning Farmers Loan applications.

### **MOTION**

On a motion by Ms. Townsley and seconded by Mr. Fredrickson the Board unanimously recommended approval of the BFLP Bond documents.

### **Beginning Farmer Tax Credit Applications**

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit Applications. It was suggested by that the IADD Board members be given key eligibility information on the Beginning Farmer Tax Credit applications prior to IADD Board meetings.

The Beginning Farmer Tax Credit application due date was moved from January 2, 2014 to December 15, 2013 so that the certifications can be sent out by the end of January.

### **MOTION**

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications.

### **MABSCO Proposal to contract for assistance with the Tax Credit Programs**

Lori Beary presented the Board with a proposal from MABSCO to develop new software to handle the increased data entry and reporting requirements of the IADD. After much discussion, it was suggested by Mark Leonard that the IADD try and re-negotiate the terms with MABSCO for a lower cost.

### **Loan Participation interest rate**

Tammy Nebola presented to the Board a proposal to adjust the Loan Participation interest rate. After discussion, it was proposed to make the LPP rate a fixed rate at 1.00% over the FSA Direct Farm Ownership Down Payment Loan Program rate for the first five years, and then re-adjust using the same index for the final five years.

### **MOTION**

On a motion by Mr. Borg and seconded by Ms. Townsley, the Board unanimously accepted the change to the Loan Participation rate making the LPP rate a fixed rate at 1.00% over the FSA Direct Farm Ownership Down Payment Loan Program rate for the first five years, then re-adjusting using the same index for the final five years

### **Review of Proposed Rules**

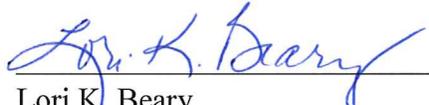
Lori Beary presented the Board with a summary of proposed changes to the IADA rules. The changes remove unnecessary sections, make change to comply with recent legislation, rearrange the definitions and remove items that limit the IADD Board's ability to make program changes. The Notice of Intended Action for the rules will be presented to the Iowa Finance Authority Board at their September 4, 2013 meeting.

**Adjournment**

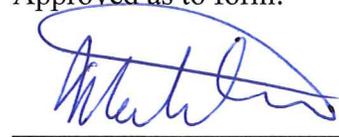
There being no further business, on a motion by Mr. Fredrickson and a second by Mr. Borg, the August 28, 2013 monthly meeting of the IADD Board of Directors adjourned at 5:35pm.

Dated this 3<sup>rd</sup> day of October 2013.

Respectfully submitted:

  
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Lori K. Beary  
Director's Designee/Board Secretary

Approved as to form:

  
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Mark W. Leonard, Chair  
IADD Board