



IOWA AGRICULTURAL
DEVELOPMENT DIVISION

IADD BOARD MEETING MINUTES

**Iowa Finance Authority
2015 Grand Avenue
Des Moines, Iowa
September 25, 2013**

Board Members Present

Mark Leonard, Chair	Annette Townsley
Lyle Borg, Vice Chair	Via phone: John Fredrickson
Stacie Euken	

Board Members Absent

None

Staff Members Present

Lori Beary, Community Development Director	Tim Jansen, Accounting Manager
Steve Ferguson, IADD Program Specialist	Katie Kulisky, Administrative Assistant
Cindy Harris, Chief Financial Officer	Tammy Nebola, IADD Program Specialist
Steve Harvey, Controller	Mark Thompson, General Counsel
David Jamison, Executive Director	

Others Present

David Claypool—Dorsey & Whitney, LLP

Call to Order

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order on September 25, 2013 at 1:30 pm. Roll Call was taken and a quorum was established with the following Board Members present: Borg, Euken, Townsley, Leonard and Fredrickson (via phone).

Review of Minutes of August 28, 2013 Board Meeting

Mr. Leonard presented the minutes of the August 28, 2013 IADA Board Meeting. It was discussed that the Beginning Farmer Tax Credit due date change was omitted. The application due date was changed from January 2, 2014 to December 15, 2013.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley the Board unanimously tabled the acceptance of the August 28, 2013 minutes. A special telephonic board meeting will held on October 3, 2013 to approve the amended minutes with the addition of the Beginning Farmer Tax Credit due date change and to clarify whether a vote was taken on the recommendation for the MABSCO contract or not.

Review of August 2013 financial statement

Lori Beary presented a supplemental memo to help simplify the financials. Tim Jansen presented the August 2013 financials. He said that the year to date net operating income of \$1,366 is \$18,600 unfavorable to budget. It was noted that in the budget the net interest income was overestimated.

MOTION

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

Scheduling Future IADD Board meetings-IFA/IADD Joint Board workshop

Lori Beary commented that the last few Board meetings were not held at a consistent date and time and that the Board may want to establish a schedule of future meetings. A consensus was reached that the IADD Board meetings will be held on the fourth Wednesday of the month at 9:30 am at IFA. The October Board meeting will be held on Wednesday, October 23, 2013 at 9:30 am. Due to the Thanksgiving holiday, the November Board meeting will be held telephonically on Monday, November 25, 2013 at 8:30 am. Due to the Christmas holiday, the December Board meeting will be held telephonically on Friday December 20, 2013 at 8:30 am. Going forward to the extent possible IADD Board Meetings will be held on the 4th Wednesday of the month, with telephonic meetings beginning at 8:30 am and in-house meetings beginning at 9:30 am.

It was recommended that the IADD Board members attend the IFA/IADD Joint Board workshop. This is being held on November 18-19 in Dubuque, IA. This will be considered an open meeting.

Marketing/Outreach

Steve Ferguson presented an updated marketing calendar. He noted that the ISU Beginning Farmer panel held in Ames on September 17, 2013 was attended by over 125 students. The "Annie's Project" event in Ames on Sept 18, 2013 was attended by 75 people. He said they are excited about the upcoming Beginning Farmer Workshop at Kirkwood Community College on October 8, 2013 and the Iowa Veteran Coalition of Iowa Conference on December 14, 2013. At

these events they will continue to get the word out about the new Custom Farming Tax Credit Program

Ashley Jared in the IFA Communications Department has been working with staff on a press release for the Custom Farming Tax Credit Program. IADD will also begin sending out newsletters again. The IADD is also rotating ads in Iowa Banking with IFA. Mr. Leonard recommended that a press release be put out stating that the IADD has successfully been integrated with IFA, as well as identifying the Board members and IADD's new contact information (address, phone numbers, etc.).

Steve Ferguson suggested the idea of an annual board meeting held outside of Des Moines with the intent to have more members of the public attend. IADD has held these meetings before; always with an increase in applications from the area where the meeting was held. Ms. Townsley suggested that the annual meeting be held in the summer months.

Beginning Farmer Loan Applications

Tammy Nebola introduced the following application for Beginning Farmer loans:

AG 13-006 Shane R. and Windi K. Weirather—Beginning farmer loan of \$193,100 to purchase approximately 78.5 acres of agriculture and, house and out-buildings in Lee County with a 4.68% variable interest rate and a loan length of 30 years. The index will be 75% of Pilot Grove Savings Bank lending rate fixed for 10 years. The lender is Pilot Grove Savings Bank in Donnellson, IA.

Mr. Leonard recommended that the applicants be advised that the approximate 48 acres of pasture could have alternate uses i.e. livestock.

It was noted that all essential documents were signed and presented in the application.

MOTION

On a motion by Mr. Borg and seconded by Mr. Fredrickson, the Board unanimously approved the Beginning Farmer Loan Application AG 13-006.

Public Hearing on Beginning Farmer Loans

A public hearing was held by the IADD Board at the Iowa Finance Authority office on September 25, 2013 at 2:40 pm. There were no comments received regarding the Beginning Farmer Loan applications.

MOTION

On a motion by Ms. Townsley and seconded by Ms. Euken, 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. He noted that staff has been flexible on the application due dates due to the IADD change of address. He also stated that any notes in the summaries have been taken care of and all applications are complete.

There was discussion on the Board's role pertaining to the IADD's different programs.

Mr. Leonard recommended that the essential financial documents (net worth documents, financial statements, etc.) be provided with future application summaries.

MOTION

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

Custom Farming Update

Steve Ferguson presented a draft application form for the Custom Farming Tax Credit Program. Ms. Townsley requested a copy of the program summary and a copy of the draft application. The application is close to being ready for distribution. The application due date is December 15, 2013.

MABSCO Proposal to contract for assistance with the Tax Credit Programs

Lori Beary stated that Director Jamison signed the contract with MABSCO for data management for the two tax credit programs. The terms for the first year will stay the same as proposed in the attached contract. It will be a one-year contract with two possible one-year extensions that can be re-negotiated. Director Jamison stated that we do have perpetual rights to the software and we can find an alternate vendor after year one, if need be.

Ms. Townsley stated, with Mr. Borg and Mr. Leonard in agreement, that the IADD Board would like to be advised before future contracts are signed.

Loan Participation consideration

Lori Beary stated that staff needed some specifics on the updated Loan Participation interest rate. A consensus was reached that the new interest rate will go into effect on October 1, 2013 and will only apply towards new loans. The new LPP rate is 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.

MOTION

On a motion by Ms. Euken and seconded by Mr. Borg, the Board accepted that the new Loan Participation Rate will go into effect on October 1, 2013 and will only apply towards new loans.

Review of Proposed Rules

Lori Beary presented to the Board a draft of the proposed IADD rules. The Notice of Intended Action for the rules was presented and accepted by the Iowa Finance Authority Board at their September 4, 2013 meeting. Any changes the Board would like to make can be incorporated during the public comment period. The proposed IADD rules will go before the Administrative Rules Review Committee in November.

Mr. Fredrickson left the meeting at 3:21 pm.

Other Business

Mr. Leonard requested that the board keep aware of the option to have banks that have a shortage of deposits and are paying a high CD interest, bid on our maturing CDs. IADD does not have any CDs maturing until February.

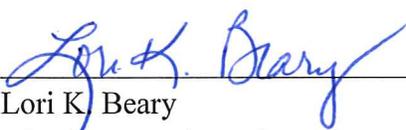
The Board members also requested board packet materials be mailed out rather than just posted online.

Adjournment

There being no further business, on a motion by Ms. Townsley and a second by Mr. Borg, the September 25, 2013 monthly meeting of the IADD Board of Directors adjourned at 3:45pm.

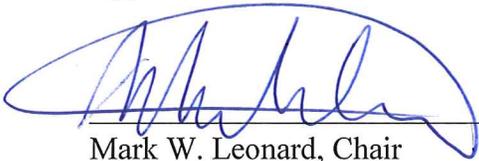
Dated this 23rd day of October 2013.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:



Mark W. Leonard, Chair
IADD Board