IOWA AGRICULTURAL
DEVELOPMENT DIVISION

IADD BOARD MEETING MINUTES

Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
November 25, 2013

Board Members Present

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

Board Members Absent

None

Staff Members Present

Lori Beary, Community Development Director
Steve Ferguson, IADD Program Specialist
Steve Harvey, Chief Operating Officer
Dave Jamison, Executive Director
Tim Jansen, Accounting Manager
Tammy Nebola, IADD Program Specialist
Mark Thompson, General Counsel

Others Present

None

Call to Order

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order on November 25, 2013 at 8:39 am. Roll call was taken and a quorum was established with the following Board Members present: Leonard, Borg, Euken, Fredrickson and Townsley. All Board members participated via conference call.

Review of Minutes of October 23, 2013 Board Meeting

Mr. Leonard presented the minutes of the October 23, 2013 IADD Board Meeting. Ms. Townsley requested an amendment to the minutes to clarify that the certification form referenced in the last motion on page 4 was for the DNR lease program.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Euken the Board unanimously approved the amendment to the minutes of the October 23, 2013 IADD Board meeting.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson the Board unanimously approved the minutes of the October 23, 2013 IADD Board meeting.

Review of October 2013 financial statement

Tim Jansen presented the October 2013 financials. He said that the year to date net operating income is $24,698. Mr. Jansen discussed the fees received so far this fiscal year. The professional service expenses include the fees for MABSCO and Dorsey & Whitney. The marketing expense consists of conference exhibitor fees and marketing materials. Mr. Jansen explained any major changes from last month. There was also a discussion about the possible investment options for the assets.

MOTION

On a motion by Ms. Euken and a second by Mr. Borg, the Board unanimously approved the October 2013 financial statement as presented.

Review of final IADA FY2013 Audit

Tim Jansen presented the final IADA FY13 audit that was done by the State Auditor. Included in the Board packet was a spreadsheet noting the differences between the financial statement presented at the end of FY13 and the audited financials. Mr. Jansen discussed the audit results.

BFLP Amending Resolutions

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

Resolution 2580-I Tobin Hartman—Grant Citizens State Bank in Ryan, Iowa an Assignment of Owner's Equity in the real estate contract to secure additional financing for the beginning farmer.

Resolution 3822 Jerry Butt—Maintain the current interest rate of 4.5% until November 1, 2018 at which time the rate will adjust to the original index. Interest rate was originally going to change in 2013. All other loan terms will remain the same.

MOTION

On a motion by Ms. Townsley and a second by Ms. Euken, the Board unanimously accepted the BFLP amending resolutions.

Beginning Farmer Loan Applications

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 13-013 Clinton R. and Kelly M. Welsh—Beginning farmer loan of $250,000 to purchase approximately 100.66 acres of agricultural land, house and outbuildings in Allamakee County with a 2.95% variable interest rate and a loan length of 30 years. The index will be 70% of the bank's 5-year farm real estate loan rate. That rate is currently 4.25%. The lender is New Albin Savings Bank in New Albin, IA.

AG 13-014 Richard and Shari Schneider—Beginning farmer loan of $500,000 to purchase approximately 159 acres of agricultural land in Lucas County with a 4.65% variable interest rate and a loan length of 25 years. The index will be 1.2% below the ISSB 5-year real estate loan rate. The lender is Iowa State Savings Bank in Knoxville, IA.

MOTION

On a motion by Mr. Fredrickson and seconded by Mr. Borg, the Board unanimously approved the Beginning Farmer Loan Applications AG 13-013 and AG 13-014.

Public Hearing on Beginning Farmer Loans

A public hearing was held by the IADD Board at the Iowa Finance Authority office on November 25, 2013 at 9:14am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:15am.

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. Ms. Townsley asked for clarification on the equipment rental on project #1401. Mr. Ferguson explained how the tax credit was calculated.

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 1401, 1402, 1403, and 1404.

Mr. Ferguson updated the Board on the new Custom Farming Tax Credit program. He anticipates having some applications for the December IADD Board meeting. He also discussed the progress being made with MABSCO. He plans on having a report showing both current year and past year tax credit awards next meeting.

Marketing

Mr. Ferguson discussed the marketing calendar that was included in the board packet. He recently participated in workshops organized by a CPA firm. The workshops were well received and he would like to work with other CPA firms to do similar workshops with their clients. Other ideas for partnerships with organizations were discussed. There was a recent article in Wallace's Farmer about the IADD programs. A copy will be sent to all Board members.

Other Business

There was discussion about eligible uses of IADD assets. Staff will put together an outline for an interim loan program for banks that have beginning farmers loans approved by FSA but are waiting for funding.

Ms. Townsley announced that she would be participating via conference call for the January and February IADD Board meetings. Mr. Fredrickson stated that he would be unavailable for the currently scheduled February IADD meeting. He will be in Spain from February 21 to March 2, 2014.

Adjournment

There being no further business, on a motion by Mr. Fredrickson and a second by Ms. Townsley, the November 25, 2013 monthly meeting of the IADD Board of Directors adjourned at 9:47am.

Dated this 20th day of December 2013.

Respectfully submitted:

Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:

Mark W. Leonard, Chair
IADD Board