



IOWA AGRICULTURAL  
DEVELOPMENT DIVISION

**IADD BOARD MEETING MINUTES**

**Iowa Finance Authority  
2015 Grand Avenue, Des Moines, Iowa  
January 26, 2016**

**Board Members Present**

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

**Board Members Absent**

None

**Staff Members Present**

Lori Beary, Community Development Director      Tammy Nebola, IADD Program Specialist  
Steve Ferguson, IADD Program Specialist      Michelle Thomas, Accounting Manager

**Others Present**

Dave Claypool, Dorsey & Whitney

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**CALL TO ORDER**

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on January 26, 2016 at 8:31 am. A quorum was established with the following Board Members present: Leonard, Borg, Euken, Fredrickson and Townsley.

**REVIEW OF MINUTES OF DECEMBER 21, 2015 BOARD MEETING**

Mr. Leonard presented the minutes of the December 21, 2015 IADD Board Meeting. Mr. Leonard asked if there were any additions or corrections to the minutes.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously approved the minutes of the December 21, 2015 IADD Board meeting.

**REVIEW OF DECEMBER 2015 FINANCIAL STATEMENT**

Michelle Thomas presented the December 2015 financials. She stated that for FY16 year-to-date, IADD had operating income of \$335,452 operating expense of \$261,884 and net operating income of \$73,568.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the December 2015 financial statement as presented.

**LOAN PARTICIPATION PROGRAM**

Tammy Nebola presented information on the following loan participation applications.

P0210 - Devon M. and Trina R. Fluit. The LPP application is for \$150,000. The borrower will purchase approx. 22.93 acres, house and out-buildings including 4 cattle monoslope buildings with 1, 850 Hd capacity and purchase machinery. Total project cost is \$2,200,000. The bank is Minnwest Bank in Luverne.

**MOTION**

On a motion by Mr. Fredrickson and a second by Ms. Euken, the Board unanimously approved the loan participation for Devon M. and Trina R. Fluit subject to receiving an Assignment of Feeding Contract, receiving a joint signed and witnessed financial statement and Beginning Farmer's being Iowa residents at the time of closing.

**BEGINNING FARMER LOAN AMENDING RESOLUTIONS**

Tammy Nebola presented the following resolution to adjust the terms and conditions on a closed BFLP project:

Resolution 04485M – Ramon J. and Heather Gilroy – First Trust & Savings Bank in Lost Nation is the lender. The amendment will exchange farmland with a 1031 Exchange. Release mortgage dated February 11, 2010 in the amount of \$152,500 on approximately 94.86 acres of agricultural land and take a new mortgage dated December 17, 2015 in the amount of \$500,000 on approximately 76.58 acres of agricultural land. All other loan terms remain the same. Eff. 12/17/2015.

**MOTION**

On a motion by Mr. Borg and a second by Ms. Townsley, the Board unanimously approved the Beginning Farmer Loan Program Amending Resolutions.

**BEGINNING FARMER LOAN APPLICATIONS**

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 16-001 – Daniel W. and Lauren B. Welter – Beginning farmer loan of \$362,500 to purchase approximately 158 acres of agricultural land in Delaware County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 88% of current Farm Real Estate Rate. The lender is Farmers & Merchants Savings Bank in Manchester, Iowa.

AG 16-002 – Michael J. and Renee C. Telfer – Beginning farmer loan of \$279,000 to purchase approximately 40 acres of agricultural land and house in Keokuk County. The loan will have a 3.25% variable interest rate and a loan length of 30 years. The index will be Equal to Wall Street

Journal Prime Rate; Fixed for 10 years. The bond amount will be decreased per program rules according to the appraisal values. The lender is First National Bank in Fairfield, Iowa.

AG 16-003 – Jeffrey A. and Darian Graff – Beginning farmer loan of \$120,000 to purchase approximately 40 acres of agricultural land and out-buildings in Monroe County. The loan will have a 3.80% variable interest rate and a loan length of 25 years. The index will be 80% of Libertyville Savings Bank Base rate. The lender is Libertyville Savings Bank in Keota, Iowa.

**MOTION**

On a motion by Mr. Fredrickson and a second by Mr. Borg, the Board recommended approval of the BFLP applications.

**PUBLIC HEARING ON BEGINNING FARMER LOANS**

A public hearing was held by the IADD Board at the Iowa Finance Authority office on January 26, 2016 at 8:44 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 8:45 am.

**MOTION**

On a motion by Ms. Townsley and a second 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. There were 5 new BFTC applications for an estimated tax credit amount of \$18,728.72. He noted that of those, 4 are cash rent 1 is crop share.

Mr. Borg had a question on project 2298, he questioned why the cash rent amount is so low at \$175 per acre. His net worth is only \$313,211 with no equipment. Mr. Fredrickson pointed out that some of the land in Palo Alto County is not very high quality land. After discussion the Board was comfortable with the project.

**MOTION**

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

**BEGINNING FARMER TAX CREDIT CHANGES**

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested changes. There were 2 requests to reduce the cash rent.

**MOTION**

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

**COW/CALF CALCULATION GUIDELINE DISCUSSION**

Steve is looking for a consistent procedure to be able to calculate the cow/calf share agreements for the tax credit program. With some discussion it was decided that FSA planning prices would be a good consistent number to use for the cow/calf share tax credits. Steve will do some additional research to see if the planning prices are a practical number to use for the calculations. The asset owner and beginning farmer would determine the percentage amounts with the minimum of 33% going to the beginning farmer and use the FSA planning prices for the tax credit calculations.

**MARKETING UPDATE**

Included in the Board packet is the IADD marketing calendar. Mr. Ferguson reviewed some of the recent events he's attended. He also discussed some upcoming events. There is workshop that is not on the Marketing calendar in Burlington on Thursday, January 28<sup>th</sup>. Steve has had some discussions with Iowa Bankers Association and doing some joint workshops with FSA and Veterans in Agriculture (VIA).

**NEXT IADD BOARD MEETING**

The February IADD Board meeting will be Wednesday, February 24, 2016 at 8:30 am, via conference call.

**ADJOURNMENT**

On a motion by Ms. Townsley and a second by Mr. Borg, the January 26, 2016 meeting of the IADD Board of Directors adjourned at 9:13 am.

Dated this 24<sup>th</sup> day of February, 2016.

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