



IOWA AGRICULTURAL
DEVELOPMENT DIVISION

IADD BOARD MEETING MINUTES

Iowa Finance Authority
2015 Grand Avenue, Des Moines, Iowa
May 25, 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	Debra VanRheenen, Accounting Manager
Austin Moore, IADD Intern	

Others Present

Dave Claypool, Dorsey & Whitney

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on May 25, 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 APRIL 27, 2016 BOARD MEETING

Mr. Leonard presented the minutes of the April 27, 2016 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. Euken, the Board unanimously approved the minutes of the April 27, 2016 IADD Board meeting.

REVIEW OF APRIL 2016 FINANCIAL STATEMENT

Debbie VanRheenen presented the April 2016 financials. She stated that for FY16 year-to-date, IADD had operating income of \$573,131 operating expense of \$425,492 and net operating income of \$147,640, net operating income after the STEM disbursement will be \$72,640.

MOTION

On a motion by Mr. Borg and a second by Mr Fredrickson, the Board unanimously approved the April 2016 financial statement as presented.

REVIEW OF FY17 BUDGET

The FY17 IADD budget was presented by Debbie VanRheenen. Income and expenses are anticipated to each increase slightly in FY17 with net operating income of \$23,732 at the end of the year. Debbie explained some of the changes from the previous fiscal year. Loan Participations are anticipated to increase and allocation of other IFA staff time on IADD programs will be charged to IADD.

MOTION

On a motion by Ms. Euken and a second by Ms. Townsley, the Board unanimously approved the FY17 IADD Budget.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation applications.

P0222 - Michael L. and Jennifer L Bosma. The LPP application is for \$105,000. The borrower will construct a 1,200 Hd Hog Finishing Building. Total project cost is \$350,000. The bank is First National Bank in Primghar.

MOTION

On a motion by Ms. Townsley and a second by Mr. Borg, the Board unanimously approved the loan participation for Michael L. and Jennifer L Bosma subject to receiving an assignment of the feeding contract.

P0223 - Ryan C. Persinger. The LPP application is for \$52,500. The borrower will purchase approximately 13 acres of agricultural land, house, out-buildings and cattle yard. Total project cost is \$175,000. The bank is Farm Credit Services of America in Sheldon. The loan committee was only comfortable recommending for approval an LPP amount not to exceed the appraised value of the feedlot.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. Townsley, the Board unanimously recommended to table the loan participation for Ryan C. Persinger until an appraisal is received and a LPP loan amount can be determined.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04722M – Ryan F. Langel – American Bank in Le Mars is the lender. The amendment will lower the interest rate from 4.10% to 3.70% until June 1, 2021 at which time the rate will adjust to the original index of 3.25% above the announced prime rate of 5 year Treasury Constant Maturity and be adjustable every five years thereafter. Decrease the rate floor from 4.00% to 3.70%. All other loan terms will remain the same.

MOTION

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

BEGINNING FARMER LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 16-027 – Michelle Euken and Steven L. Myers – Beginning farmer loan of \$442,000 to purchase approximately 149.9 acres of agricultural land and improvements (tiling, terracing, fencing, waterways, pond, pasture) in Cass County. The loan will have a 3.25% variable interest rate and a loan length of 30 years. The index will be 75% of bank's 10 year real estate rate. The lender is First Whitney Bank & Trust Co in Atlantic, Iowa.

AG 16-028 – Michael Van Beek – Beginning farmer loan of \$305,000 to purchase approximately 40 acres of agricultural land in Sioux County. The loan will have a 3.70% variable interest rate and a loan length of 30 years. The index will be 2.00% below 80% of American State Bank's base rate. The lender is American State Bank in Sioux Center, Iowa.

AG 16-029 – Kyle D. and Jamay L. Patten – Beginning farmer loan of \$171,250 to purchase approximately 40 acres of agricultural land in Clay County. The loan will have a 3.65% variable interest rate and a loan length of 30 years. The index will be 85% of 2.5% over the 5 year U.S. Treasury rate; fixed for 10 years; Rate floor 3.50%. The lender is U.S. Bank, N.A. in Boone, Iowa.

MOTION

On a motion by Mr. Borg and a second by Mr. Fredrickson, the Board recommended approval of the BFLP applications. AG 16-029 subject to receiving the signed and witnessed financial statement.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on May 25, 2016 at 9:03 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 9:04 am.

MOTION

On a motion by Ms. Townsley and a second by Mr. Borg, 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 29 new BFTC applications for an estimated tax credit amount of \$121,044.27. He noted that of those, 21 are cash rent 7 are crop share and 1 is a hybrid lease.

MOTION

On a motion by Ms. Euken and a second by Ms. Townsley, 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 9 requests to change tax credit projects, some to reduce the cash rent, some to decrease acres, some to increase acres and a couple asset owner changes due to death.

MOTION

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

MARKETING UPDATE

Included in the Board packet is the IADD marketing calendar. Mr. Ferguson reviewed some of the recent events he's attended and upcoming events.

OTHER BUSINESS

STEM

A summary was presented of the STEM SCALE-UP Program schools to be supported by designated IADD Funds. Mr. Leonard asked if anyone knew what the programs entailed. The Board was pleased with the rural schools that were awarded and would like to see more details about the curriculum of each program.

NARRC PLANNING MEETING

Steve attended the 2016 NARRC mid-year planning meeting in Tampa, Florida. He presented a trip report and discussed the scheduled tours for the conference. Mr. Leonard expressed his interest in attending the NARRC Conference in September 2016.

NCOSAFP MEETING

Ms. Townsley asked if the dates for the NCOSAFP Conference had been set yet. The conference is scheduled for early October in Columbus, OH, hosted by CDFA.

NEXT IADD BOARD MEETING

The June Regional IADD Board meeting will be Wednesday, June 22, 2016 at 9:00 with the Board Meeting beginning at 10:30 am, at the Washington Count Fairgrounds in Washington.

Mr. Leonard will not be able to attend so Mr. Borg will chair the meeting. 2015 BFLP top lenders of the year awards will be presented at the meeting.

ADJOURNMENT

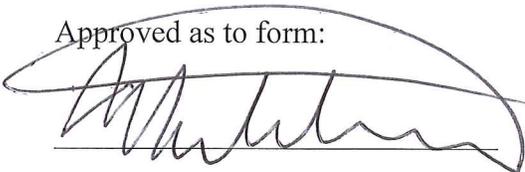
On a motion by Ms. Townsley and a second by Mr. Fredrickson, the May 25, 2016 meeting of the IADD Board of Directors adjourned at 9:40 am.

Dated this 22nd day of June, 2016.

Respectfully submitted:



Lori K. Beary
Director's Designee/Board Secretary

Approved as to form:


Mark W. Leonard, Chair
IADD Board