



**IOWA AGRICULTURAL
DEVELOPMENT DIVISION**
A DIVISION OF IOWA FINANCE AUTHORITY

IADD BOARD MEETING MINUTES

**Iowa Finance Authority
1963 Bell Avenue, Suite 200, Des Moines, Iowa
April 27, 2022**

Board Members Present

Lyle Borg, Chair	Gretchen McLain
John Fredrickson, Vice Chair	Annette Townsley
Mark Leonard	

Board Members Absent

None

Staff Members Present

Debi Durham, Executive Director	Ashley Jared, Communications Director
Steve Ferguson, IADD Program Specialist	Tammy Nebola, IADD Program Specialist
Mike Hogan, IT	Aaron Smith, Chief Bond Programs Director
Nicki Howell, Office Assistant	Becky Wu, Accounting Manager

Others Present

Cris Kuhn, Dorsey & Whitney

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Borg on April 27, 2022 at 9:03 am. A quorum was established with the following Board Members present: Borg, Townsley, Fredrickson, Leonard and McLain.

STEVE FERGUSON RETIREMENT

Retirement gifts were presented to Steve Ferguson prior to calling the meeting to order. Director Durham on behalf of the Iowa Finance Authority presented Steve with a caricature congratulating him on his retirement and thanking him for all he has done for IADD. Mark Leonard on behalf of the IADD Board of Directors presented Steve with a portrait of a child "beginning farmer" thanking him for his years of service with IADD. Iowa Secretary of Agriculture, Mike Naig, FFA Director, Josh Remington and Jean Wunsch from MABSCO were also in attendance congratulating Steve and thanking him for his service and his dedication to agriculture for the state of Iowa throughout his career.

REVIEW OF MINUTES OF MARCH 23, 2022 BOARD MEETING

Mr. Borg presented the minutes of the March 23, 2022 IADD Board Meeting. Mr. Borg asked if there were any additions or corrections to the minutes. Ms. Townsley pointed out that Aaron Smith was not listed as an attendee for the March IADD Board Meeting, but he was in attendance remotely.

MOTION

On a motion by Ms. McLain and a second by Ms. Townsley, the Board unanimously approved the minutes of the March 23, 2022 IADD Board meeting with the noted correction.

REVIEW OF MARCH 2022 FINANCIAL STATEMENT

Becky Wu presented the March 2022 financials. She stated that for FY22 year-to-date, IADD had operating income of \$397,000 operating expense of \$292,000 and net operating income of \$105,000.

MOTION

On a motion by Ms. McLain and a second by Ms. Townsley, the Board unanimously approved the March 2022 financial statement as presented.

REVIEW OF FY23 BUDGET

The FY23 IADD budget was presented to the Board for review. The budget is created through a forecast comparison of the FY22 budget and then FY23 budget is compared to the forecast. Operating revenue is budgeted to increase due to increase in fee revenue and interest revenue. Employee expense is budgeted to decrease due to no longer paying for database development. There were no questions about the FY23 Budget. The Board asked to have the Budget emailed to them so they could have a chance to review it and then formally approve it at the May IADD Board meeting.

UPDATE ON DELINQUENT LPP P0275 FOR REINERT

Tammy Nebola gave an update on the delinquent LPP P0275 for Jacob and Brittany Reinert. The lender informed IFA that the property is listed for sale with Brock Auction Company, Inc as a private real estate sale. It is currently listed at \$595,000 and is not set to go to auction as of now. He mentioned they have had some interest in the property but no offers yet.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation applications.

P0310 - Brandon E. and Gail Ruden. The LPP application is for \$200,000. The borrower will construct a deep pit Cattle Confinement. Total project cost is \$850,000. The borrower has also applied for a Beginning Farmer Loan AG 22-022. The bank is Northwest Bank in Le Mars. The IADD Board would like to know who the builder of the facility is.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, the Board unanimously approved the loan participation for Brandon E. and Gail Ruden subject to obtaining a guaranty from Scott Ruden, an assignment of feeding contract and confirmation of who the builder is.

P0311 - Cody Schillerstrom. The LPP application is for \$200,000. The borrower will purchase approximately 77 acres of agricultural land with house and out-buildings. Total project cost is \$810,000. The borrower has also applied for a Beginning Farmer Loan AG 22-023. The bank is Hills Bank & Trust Company in Kalona.

MOTION

On a motion by Ms. McLain and a second by Mr. Leonard, the Board unanimously approved the loan participation for Cody Schillerstrom with no subject to conditions.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04130M – Mark Allen and Ellen Louise Janssen – Shelby County State Bank fka First State Bank in Battle Creek is the lender. The amendment will lower the interest rate from 5.45% to 4.40% until March 1, 2028 at which time the rate will adjust to the original index of equal to the announced prime rate of the Wall Street Journal and be adjustable annually thereafter. Change the bank name to Shelby County State Bank fka First State Bank. Decrease the rate floor from 5.45% to 4.40%. All other loan terms will remain the same.

Resolution AG 20-016M – Jeremy Dean and Sydnie Farron Johnson – Fidelity Bank & Trust in Waverly is the lender. The amendment will lower the interest rate from 3.65% to 3.50% until May 15, 2032 at which time the rate will adjust to the original index of 80% of the Bank's rate for 5 year fixed agricultural real estate loans and be adjustable every five years thereafter. Due to the rate decrease the annual payment amount will decrease from \$7,768.51 to \$7,600.00 beginning on May 15, 2022. All other loan terms will remain the same.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, 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 22-014 – Ty Grant Schillerstrom – Beginning farmer loan of \$562,500 to purchase approximately 125 acres of agricultural land in Johnson County. The loan will have a 3.83% variable interest rate and a loan length of 30 years. The index will be 90% of the Bank's interest rate. The lender is Libertyville Savings Bank in Fairfield, Iowa.

AG 22-015 – Clint and Collete McConnell – Beginning farmer loan of \$376,605 to purchase approximately 83.69 acres of agricultural land in Emmet County. The loan will have a 3.10% variable interest rate and a loan length of 30 years. The index will be 50 bp below Bank's 5 year Ag RE rate. The lender is Bank Midwest in Armstrong, Iowa.

AG 22-016 – Caleb R. and Sarah McConnell – Beginning farmer loan of \$360,225 to purchase approximately 76.41 acres of agricultural land in Emmet County. The loan will have a 3.10% variable interest rate and a loan length of 30 years. The index will be 50 bp below Bank's 5 year Ag RE rate. The lender is Bank Midwest in Armstrong, Iowa.

AG 22-017 – Cody L. and Matison J. Mothershead – Beginning farmer loan of \$191,630 to purchase approximately 40 acres of agricultural land in Decatur County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be equal to First National Bank's RE Base Rate. The lender is First National Bank in Primghar, Iowa. The beginning farmer lives a couple hours from the subject property, board would like clarification on how the beginning farmer will perform the labor.

AG 22-020-I – Benjamin H. Lehman – Beginning farmer contract of \$356,362 to purchase approximately 38.63 acres of agricultural land in Polk County. The contract will have a 3.25% fixed interest rate and a contract length of 30 years. The contract sellers are Barbara Ruth Anderson in Edina Minnesota, Pamela K. Anderson Revocable Living Trust in Lexington, Kentucky, Barbara Renee Anderson in Tempe, Arizona and Jane M. Anderson in Lexington, Kentucky.

AG 22-021 – Lucas and Cody Goehring – Beginning farmer loan of \$575,400 to purchase approximately 167.38 acres of agricultural land, house and out-buildings in Van Buren County. The loan will have a 3.75% variable interest rate and a loan length of 30 years. The index will be 90% of the banks 5 year Ag RE rate. The lender is Libertyville Savings Bank in Keosauqua, Iowa.

AG 22-022 – Brandon E. and Gail Ruden – Beginning farmer loan of \$250,000 to construct a deep pit Cattle Confinement in Plymouth County. The loan will have a 4.25% variable interest rate and a loan length of 20 years. The index will be 0.75% above Prime. The lender is Northwest Bank in Le Mars, Iowa.

AG 22-023 – Cody Schillerstrom – Beginning farmer loan of \$540,000 to purchase approximately 77 acres of agricultural land with house and out-buildings in Johnson County. The loan will have a 3.95% variable interest rate and a loan length of 25 years. The index will be 80% of Hills Bank 5-year Ag RE rate. The lender is Hills Bank & Trust Company in Kalona, Iowa.

AG 22-024 – Samuel and Kelsey Beenken – Beginning farmer loan of \$212,000 to purchase approximately 42.4 acres of agricultural land in Winnebago County. The loan will have a 3.45% variable interest rate and a loan length of 30 years. The index will be equal to the FTSB 5 Year Ag RE Rate. The lender is Farmers Trust & Savings Bank in Buffalo Center, Iowa.

AG 22-025 – Glenn T. and Dorothy Faye Bontrager – Beginning farmer loan of \$450,000 to purchase approximately 53.78 acres of agricultural land in Johnson County. The loan will have a 3.30% variable interest rate and a loan length of 25 years. The index will be 80% of the five year Treasury plus 3.00%. The lender is Hills Bank & Trust Company in Kalona, Iowa.

MOTION

On a motion by Mr. Leonard and a second by Ms. Townsley, the Board unanimously approved the BFLP applications. AG 22-017 is subject to clarification on how the beginning farmer will perform the labor. Ms. McLain abstained on approval of AG 22-014 and AG 22-021 due to the applications being from the bank where she is employed.

PUBLIC HEARING ON BEGINNING FARMER LOANS

A public hearing was held by the IADD Board at the Iowa Finance Authority office on April 27, 2022 at 10:14 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing includes project AG 21-048 which is requesting to increase their bond amount to \$328,500. The public hearing was closed at 10:15 am.

MOTION

On a motion by Ms. Townsley and a second by Mr. Fredrickson, the Board unanimously recommended approval of the BFLP Bond documents, including the increased amount for project AG 21-048.

BEGINNING FARMER TAX CREDIT APPLICATIONS

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit applications. There were 25 new BFTC applications for an estimated tax credit amount of \$784,172. He noted that of those 25; 6 are cash rent, 18 are crop share, and one is a hybrid lease.

MOTION

On a motion by Mr. Fredrickson and a second by Ms. McLain, the Board unanimously recommended approval of the Beginning Farmer Tax Credit applications as presented. Mr. Leonard abstained on approval of 4645 and 4668 due to the applications being from his relation.

BEGINNING FARMER TAX CREDIT CHANGES

Steve Ferguson presented a summary of the Beginning Farmer Tax Credit requested change. There was one change request to increase the number of acres.

MOTION

On a motion by Ms. Townsley and a second by Ms. McLain, 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. Steve Ferguson reviewed some of the recent events he has attended. He also discussed some upcoming events.

OTHER BUSINESS

IFA BOARD MEETING UPDATE

Director Durham gave the IADD Board a brief update of the items discussed at the April 6, 2022 IFA Board Meeting. Several programs through the ARPA funds are doing well. The Water Infrastructure Fund has helped around 800 families update their water systems. A new Destination Iowa grant program and the "This Is Iowa" campaign are working to bring more people to Iowa.

NEXT IADD BOARD MEETING

The May IADD Board meeting will be Wednesday, May 25, 2022 at 8:30 am, via conference call.

ADJOURNMENT

On a motion by Mr. Fredrickson and a second by Mr. Leonard, the April 27, 2022 meeting of the IADD Board of Directors adjourned at 10:44 am.

Dated this 25th day of May 2022.

Respectfully submitted:



Aaron Smith
Director's Designee/Board Secretary

Approved as to form:



Lyle Borg, Chair
IADD Board