



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
June 27, 2023

Board Members Present

Mark Leonard, Chair
Annette Townsley, Vice Chair

Kevin Boyle
Gretchen McLain

Board Members Absent

None

Staff Members Present

Beau Hanson, IT
Nicki Howell, IADD Program Specialist
Tammy Nebola, IADD Program Specialist

Aaron Smith, Chief Bond Programs Director
Becky Wu, Accounting Manager
Ashley Jared, Communications Director

Others Present

John Fredrickson
Kurt Konek, IDR

CALL TO ORDER

The meeting of the Iowa Agricultural Development Division (IADD) Board of Directors was called to order by Chair Leonard on June 27, 3 at 9:38 am. A quorum was established with the following Board Members present; Leonard, Townsley, Boyle, and McLain.

THANK YOU TO JOHN FREDRICKSON

Board members and staff thanked former board member, John Fredrickson, for his many years and contributions to the IADD board and presented him with a gift that was picked out by Director Durham.

ELECTION OF OFFICERS

Chair

Mrs. Townsley nominated Mark Leonard as the new board Chair.

MOTION

On a motion by Mrs. Townsley and a second by Mr. Boyle, the Board unanimously elected Mark Leonard as Chair.

Vice-Chair

Mrs. Townsley nominated Gretchen McLain as the new Vice-Chair.

MOTION

On a motion by Mrs. Townsley and a second by Mr. Boyle, the Board unanimously elected Gretchen McLain as Vice-Chair.

REVIEW OF MINUTES OF MAY 24, 2023 BOARD MEETING

Mr. Leonard presented the minutes of the May 24, 2023 IADD Board Meeting. Mr. Leonard asked if there were any additions or corrections to the minutes.

MOTION

On a motion by Mr. Boyle and a second by Mrs. McLain, the Board unanimously approved the minutes of the May 24, 2023 IADD Board meeting.

REVIEW OF MAY 2023 FINANCIAL STATEMENT

Becky Wu presented the May 2023 financials. She stated that for FY23 year-to-date, IADD had operating income of \$567,000 operating expense of \$298,000 and net operating income of \$270,000.

MOTION

The Board unanimously accepted the May 2023 financial statement as presented.

LOAN PARTICIPATION PROGRAM

Tammy Nebola presented information on the following loan participation application.

P0318 - Brady A. and Stacy R. Reinke. The LPP application is for \$180,000. The borrower will purchase approximately 3 acres of land and a 2,400 Hd Hog Finisher. Total project cost is \$600,000. The borrower has also applied for a Beginning Farmer Loan AG 23-032. The bank is Minnwest Bank in Luverne, MN.

MOTION

On a motion by Mr. Boyle and a second by Mrs. McLain, the Board unanimously approved the loan participation for Brady A. and Stacy R. Reinke subject to running the projected cash flow projections with the application stated FSA planning prices to ensure they still have a positive cash flow, if so, the project will be subject to the bank loan of \$112,878 being in 3rd lien position behind the LPP, obtaining an Assignment of the Feeding Contract, and obtaining an Assignment of a 10-year term life insurance plan of at least \$500,000.

KURT KONEK – IDR 2023 INDIVIDUAL INCOME TAX UPDATE PRESENTATION

Kurt Konek, Iowa Department of Revenue, presented the Board and staff with an update on the 2023 Individual Income Tax changes and how they will affect the Beginning Farmer Programs.

BEGINNING FARMER LOAN AMENDING RESOLUTIONS

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

Resolution 04261M – Christopher Richard and Pamela Ann Deutmeyer – Citizens State Bank in Manchester is the lender. The amendment will fix the current interest rate of 6.00% for the remainder of the loan term from a variable rate adjustable every five years to be equal to the Wall Street Journal Prime Rate minus 2.00%. Due to fixing the rate and re-amortizing the remaining balance the annual payment amount will increase from \$14,461.74 to \$16,115.40 beginning on April 7, 2024. All other loan terms will remain the same.

MOTION

On a motion by Mrs. Townsley and a second by Mrs. McLain, 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 23-032 – Brady A. and Stacy R. Reinke – Beginning farmer loan of \$307,122 to purchase approximately 3 acres of land and a 2,400 Hd Hog Finisher in Lyon County. The loan will have a 6.86% variable interest rate and a loan length of 12 years. The index will be 85% of the Federal Prime Rate. The lender is Minnwest Bank in Luverne, Minnesota.

AG 23-033 – Nathan G. and Jacklyn Nieuwendorp – Beginning farmer loan of \$366,100 to purchase approximately 74.36 acres of agricultural land in Lyon County. The loan will have a 5.30% variable interest rate and a loan length of 30 years. The index will be equal to 2.60% above the 5 year USTN Index. The lender is Northwestern Bank in Orange City, Iowa.

MOTION

On a motion by Mrs. McLain and a second by Mrs. Townsley, the Board unanimously approved 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 June 27, 2023 at 11:41 am. There were no comments received regarding the Beginning Farmer Loan applications. The public hearing was closed at 11:42 am.

MOTION

On a motion by Mrs. Townsley and a second by Mrs. McLain, the Board unanimously recommended approval of the BFLP Bond documents.

BEGINNING FARMER TAX CREDIT APPLICATIONS

Nicki Howell presented a summary of the Beginning Farmer Tax Credit applications. There were 18 new BFTC applications for an estimated tax credit amount of \$772,413. She noted that of those 18; three are cash rent and 15 are crop share.

MOTION

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

OTHER BUSINESS

DISCUSS BOARD MEETING TIMES & IN-PERSON MEETINGS

All future IADD board meetings will be held at 9:30 a.m. All board members are encouraged to attend the meetings in-person with the option to attend virtually if it is impossible or impractical to attend in-person.

ASHLEY JARED – HOUSING PROGRAMS OVERVIEW

Due to time constraints, Ms. Jared's presentation was rescheduled for a future board meeting.

NAARC CONFERENCE AGENDA

Tammy Nebola shared that the NAARC conference will be in Wichita, Kansas from September 15th through September 20th.

NCOSAFP CONFERENCE AGENDA

Tammy Nebola shared that the National Council of State Agricultural Finance Programs conference will be in Raleigh, North Carolina from October 1st through October 4th.

MAMBA PRESS RELEASE

Tammy Nebola gave a brief update on the MAMBA press release which was included in the board packet. The bill was reintroduced in the House but has not been introduced to the Senate yet.

JUNE 7, 2023 IFA BOARD MEETING AGENDA AND UPDATE

The June 7, 2023 IFA board meeting agenda was included in the board meeting packet. Aaron Smith gave a brief update of the items discussed at the meeting.

NEXT IADD BOARD MEETING

The next IADD Board meeting will be Wednesday, July 26, 2023 at 9:30 a.m.

ADJOURNMENT

On a motion by Mr. Boyle and a second by Mrs. McLain, the June 27, 2023 meeting of the IADD Board of Directors adjourned at 11:56 a.m.

Dated this 26th day of July 2023.

Respectfully submitted:

A handwritten signature in blue ink that reads "Aaron Smith". The signature is written in a cursive style and is positioned above a horizontal line.

Aaron Smith
Director's Designee/Board Secretary

Approved as to form:

A handwritten signature in blue ink that reads "Mark Leonard". The signature is written in a cursive style and is positioned above a horizontal line.

Mark Leonard, Chair
IADD Board