

MINUTES
Iowa Agricultural Development Division of the
Iowa Finance Authority
Board Meeting
July 24, 2024
3:00 p.m.
1963 Bell Avenue, Suite 200 – Missouri Conference Room

BOARD MEMBERS PRESENT:

Gretchen McLain, Chair
Annette Townsley, Vice Chair
Kevin Boyle
Jayme Ungs

BOARD MEMBERS ABSENT:

Claire Masker-King

STAFF MEMBERS PRESENT:

Aaron Smith, IFA Chief Bond Programs Manager
Tammy Nebola, IFA IADD Program Specialist
Nicki Howell, IFA IADD Program Specialist
Becky Wu, IFA Accounting Manager
Rita Grimm, Chief Legal Counsel

OTHERS PRESENT:

Cris Kuhn, Dorsey & Whitney, LLP

I. ADMINISTRATION

A. ROLL CALL

The meeting of the Board of the Iowa Agricultural Development Division (IADD) of the Iowa Finance Authority (IFA) was called to order by Vice Chair Townsley on July 24, 2024 at 3:04 p.m. A quorum was established with the following Board Members present; McLain, Townsley, Boyle, and Ungs.

B. APPROVE MINUTES OF JUNE 21, 2024 BOARD MEETING

MOTION

On a motion by Mr. Boyle and a second by Mr. Ungs, the Board unanimously approved the minutes of the June 21, 2024 IADD Board meeting.

C. REVIEW JUNE 2024 FINANCIAL STATEMENT

Becky Wu presented the June 2024 financials. For FY24 year-to-date, IADD's operating income was \$762,000, its operating expense was \$347,000, and the net operating income was \$415,000.

II. PUBLIC COMMENT PERIOD

NONE

III. LOAN PARTICIPATION PROGRAM APPLICATIONS

Tammy Nebola presented information on the following loan participation application.

P0324 - Christopher and Andrea Kelderman applied for a \$70,500 loan participation as a down payment to purchase 4.04 acres including a 1,000 Hd Hog Building and repairs. Total project cost is \$235,000. The borrower has also applied for Beginning Farmer Loan AG 24-015. The bank is Premier Bank in Rock Valley.

MOTION

On a motion by Mr. Boyle and a second by Mr. Unga, the Board unanimously recommended that the Iowa Finance Authority Board approve the application for a \$70,500 LPP loan (P0324) contingent upon obtaining a 2nd mortgage on their existing 2,400 Hd Hog Building and an assignment of the feeding contract.

IV. BEGINNING FARMER LOAN PROGRAM APPLICATIONS

A. REVIEW AND APPROVE BFLP AMENDING RESOLUTION

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

Resolution AG 16-022M – Brandon D. Reinberg – Green Belt Bank & Trust in Grundy Center is the lender. The amendment will extend the maturity date from September 15, 2026, to July 15, 2029. The interest rate will remain the same at 3.00% until September 15, 2026, at which time the rate will adjust to the index of 75% of (3-Year US Treasury Index + 3.00%) and be adjustable every three years thereafter. Due to extending the maturity date the monthly payment amount will decrease from \$4,500.00 to \$2,400.00 beginning on August 15, 2024. This is a variable rate loan, and the payment amount may adjust when the rate adjusts to keep the note on a 13-year amortization. All other loan terms will remain the same.

MOTION

On a motion by Mr. Unga and a second by Mr. Boyle, the Board unanimously recommended that the Iowa Finance Authority Board approve the BFLP amending resolution.

B. REVIEW AND APPROVE BFLP LOAN APPLICATIONS

Tammy Nebola introduced the following applications for Beginning Farmer loans:

AG 24-015 – Christopher and Andrea Kelderman applied for a BFLP loan of \$164,500 to assist with the purchase of 4.04 acres including a 1,000 Hd Hog Building and repairs in Sioux County. The lender is Premier Bank in Rock Valley, IA. The lender's loan terms are: 15-year loan term and 5.75% variable (2.00% over the five year CMT) interest rate.

AG 24-031 – Kyle Arkfeld applied for a BFLP loan of \$282,458 to assist with the purchase of approximately 40 acres of agricultural land in Shelby County. The lender is Shelby County State Bank in Harlan, IA. The lender’s loan terms are: 30-year loan term and 6.24% variable (0.25% below the Wall Street Journal Prime) interest rate.

AG 24-033 – Jay C. and Mikayla Jaspers applied for a BFLP loan of \$299,560 to assist with the purchase of approximately 44.38 acres of agricultural land in Hardin County. The lender is Peoples Savings Bank in Wellsburg, IA. The lender’s loan terms are: 30-year loan term and 6.20% variable (80% of the 5 year PSB Agricultural Chattel Base Rate minus 3.35%) interest rate.

MOTION

On a motion by Mr. Boyle and a second by Mr. Ungs, the Board unanimously approved the BFLP applications.

Ungs recused himself to discuss the following application from his bank that he is the lender on. Mr. Ungs left the meeting at 3:32pm.

AG 24-032 – Gavin Cretsinger applied for a BFLP loan of \$226,350 to assist with the purchase of approximately 42.62 acres of agricultural land in Union County. The lender is Peoples Bank in Boone, IA. The lender’s loan terms are: 30-year loan term and 5.85% variable (80% of 3.00% over the 5 year Federal Home Loan Bank of Des Moines Advance Rate) interest rate.

MOTION

On a motion by Ms. McLain and a second by Mr. Boyle, the Board unanimously approved the BFLP application.

Mr. Ungs returned to the meeting at 3:37 p.m.

C. PUBLIC HEARING ON ISSUANCE OF BONDS FOR BEGINNING FARMER LOANS

A public hearing was held by the IADD Board on July 24, 2024 at 3:37 p.m. regarding issuance of bonds for the Beginning Farmer Loan Program. No members of the public attended the hearing, and no comments were received. The public hearing was closed at 3:38 p.m.

D. APPROVE BFLP BOND DOCUMENTS

MOTION

On a motion by Mr. Boyle and a second by Mr. Ungs, the Board unanimously recommended that the Iowa Finance Authority Board approve the BFLP Bond documents.

V. BEGINNING FARMER TAX CREDIT PROGRAM (BFTC) APPLICATIONS

Nicki Howell presented 15 new BFTC applications for approval, with an estimated aggregate total of \$422,883. Of the 15 applications, 10 are cash rent and five are crop share.

MOTION

On a motion by Mr. Ungs and a second by Mr. Boyle, the Board unanimously recommended that the Iowa Finance Authority Board approve the applications for BFTC tax credits as presented.

VI. MARKETING UPDATE

IADD staff reported on recent and upcoming events where they marketed IFA's programs to assist farmers.

VII. OTHER BUSINESS

A. IFA BOARD MEETING UPDATE

Aaron Smith presented the agenda from the July 3, 2024 IFA Board Meeting.

B. NARRC SPONSORSHIP REQUEST

IADD Staff and Board members discussed a sponsorship request for the 2025 NARRC conference.

C. NEXT IADD BOARD MEETING

The next IADD Board meeting will be held Wednesday, August 21, 2024.

VIII. ADJOURNMENT

Ms. Townsley adjourned the IADD Board meeting at 4:03 p.m.

Dated this 21st day of August 2024.

Respectfully submitted:

Approved as to form and content:



Aaron Smith
IFA Director's Designee/Board Secretary

Gretchen McLain, Chair
IADD Board