

INDIANA GRAIN INDEMNITY BOARD



OFFICIAL MEETING MINUTES

Chairman Ted A. McKinney called this meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 2:30 p.m. (EDT) on July 22, 2014. The meeting was held in Conference Room 110 on the first floor of Teachers Credit Union building located at One North Capitol, Indianapolis, Indiana.

QUORUM: Chairman McKinney did a roll call of the Board members and confirmed that there was a quorum present. Chairman McKinney stated that to meet statutory requirements, this is the first meeting scheduled for year.

PRESENT: The following voting members were present:

Bob Bischoff	Joseph Kressie	Randy Kron	Ron Reichart	Michael Shuter
Michael Silver	William Tudor	Don Villwork	Terry Vissing	D. Grant Whaley

The following nonvoting members or their representatives present were:

Ted A. McKinney, Director of Agriculture
Hudson E. Badskey, Interim Director, Indiana Grain Buyers & Warehouse Licensing Agency
Matt Light, Chief Attorney, representative of the Attorney General
Vicki Pool, Chief Accountant, representative of the Treasurer of State

RESOURCE The following resource staff were present:

Andres Meyer, Indiana Grain Buyers & Warehouse Licensing Agency
Tori Mills, Indiana Grain Buyers & Warehouse Licensing Agency
Danae D. Wise, Indiana Grain Buyers & Warehouse Licensing Agency
David Bausman, ISDA Program Director, Policy & Regulatory Affairs
Kyleen Welling, Chief Operating Officer and General, Office of Lt. Governor

The following guests were present:

Beth Bechdol, President, Agribusiness Council of Indiana
Amy Cornell, Policy Advisor and Council, Indiana Farm Bureau
Ben Kenney, Director of Communications, ISDA
Roz Leeck, Director of Grain Marketing, Indiana Soybean Alliance and Corn Marketing Council

MINUTES: Copies of the minutes of the previous meeting (December 05, 2013) were forwarded to board members to review. G. Whaley moved to approve the minutes as written. (Second from R. Kron) *The motion was carried and the minutes of the December 05, 2013 meeting were approved as written.*

FINANCIAL: Financial statements and investment listings had previously been distributed to the board. Chairman McKinney asked the board to review and any questions to be directed to V. Pool, representative for the Office of the Treasurer of State. The Board had no questions for V. Pool. Balance of the fund as of June 30, 2014 was \$14,048,757.56.

NEW BUSINESS: Chairman McKinney referred to Interim Director Hudson Badskey about the state of the Agency. He reported to the board that there are still a few concerning licensees but the Agency is in a good working relationship with these firms to correct the issues. He then reported that they hired three new staff members:

Danae Wise of Bargersville IN, Licensing Officer

Mark Scheumann of Fort Wayne, IN, Auditor

Jacob Frazier of Bargersville, IN, Auditor

Interim Director Badskey reminded the Board that the Agency is scheduled to host the 2015 Annual Conference for the Association of Grain Regulatory Officials.

Chairman McKinney asked Interim Director Badskey to discuss the legislative proposals in the folders distributed to the Board Members. The Board approved the legislative updates and amended the requirement for minimum net worth from \$50,000 to \$100,000. The board agreed that minimum net worth increase needs to be phased in over a three to five year period.

There was much discussion on the indemnity fund. Chairman McKinney suggested a subgroup to meet and discuss changes to the fund to be held on August 20, 2014.

OLD BUSINESS: Chairman McKinney referred to Interim Director Badskey about the Mentone Trial. He gave his recollection of the trial to the Board and then referred to Heather Crockett. She then went into further detail about how the Attorney General's Office will proceed.

The Board discussed the possibility of forcing a sale on the land owned by Dutchland & Lambright to recoup funds from the 2009 failure. After discussion, J. Kessie motioned that there be a forced sale of the land. (Second by G. Whaley). A motion was made by J. Kessie to have an appraisal of the land before the sale and was seconded by M. Silver.

Interim Director Badskey gave an overview of the New Energy situation to the Board.

ADJOURNMENT: It was motioned that the meeting adjourn by R. Kron. (Second by B. Bischoff) The meeting adjourned at 4:35 p.m.

Claim forms and travel vouchers for mileage and per diem submitted by:

Bob Bischoff	\$74.64	Ron Reichart	\$107.20
Joseph Kressie	\$113.52	Mike Shuter	\$98.40
Michael Silver	\$104.56	William Tudor	\$76.40
Terry Vissing	\$139.76		

Randy Kron and Don Villwock declined submitting a claim for mileage and per diem.

Respectfully submitted by Danae Wise on behalf of Hudson Badskey on the 11th day of August, 2014.

**INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
7/31/2014**

ASSETS

Cash	\$ 40,673.52
Investments	<u>14,008,897.12</u>
Total Assets	<u>\$ 14,049,570.64</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$ 14,049,570.64</u>
Total Liabilities and Fund Balance	<u>\$ 14,049,570.64</u>

**INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE ONE MONTH ENDING JULY 31, 2014**

Revenues:

Investment Interest	\$	838.45
Grain Failure Recoveries	\$	-
Producer Premium Revenue		-
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Total Revenues	\$	838.45

Expenses:

Failure Reimbursement	\$	-
Travel		-
Supplies		-
Bank Fees		25.37
Legal Fees		-
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Total Expenses	\$	25.37

Net Income/(Expense) **\$ 813.08**

Fund Balance, 7/01/14 **\$ 14,048,757.56**

Current Fund Balance **\$ 14,049,570.64**

Fund List: Type = TF
From 08/01/2014 thru 12/31/2075

Inv No	Investment # Institution	Cusip	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	TOS #
43440	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3133EDGC0	00	04/17/14	03/27/17	\$1,000,000.00 \$1,000,500.00	0.9000 .9000	\$26,875.00	75111	146
43445	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A14S4	00	04/21/14	06/24/16	\$1,000,000.00 \$1,000,412.50	0.5500 .5500	\$12,145.83	75111	146
43475	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A13V8	00	04/29/14	04/29/15	\$1,000,000.00 \$999,881.00	0.1250 .1400	\$1,267.36	75111	146
43557	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A1U97	00	06/17/14	07/01/15	\$1,000,000.00 \$1,000,000.00	0.1925 .2070	\$2,026.60	75111	146
43579	PRODUCER-PREMIUM FD. BANK OF NEW YORK	45905UPD0	00	06/23/14	03/23/16	\$1,000,000.00 \$999,250.00	0.4400 .4800	\$7,810.00	75111	146
	***** GOVT AGENCY COUPONS TOTAL *****	3133EDNY4				\$10,000,000.00 \$9,999,930.77	0.3448 0.3414	\$68,495.07		
	***** TOTAL FOR FUND CODE *****					\$14,010,000.00 \$14,008,897.12	0.2851 0.2829	\$71,449.84		

Fund List: Type = TF
From 08/01/2014 thru 12/31/2075

Inv No	Investment # Institution	Cusip	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	TOS #
63425	PRODUCER-PREMIUM FD. PROVIDENCE BANK		99	11/21/13	08/21/14	\$345,000.00 \$345,000.00	0.3000 .3000	\$784.88	75111	146
63454	PRODUCER-PREMIUM FD. HUNTINGTON NATIONAL BANK, THE		99	03/27/14	09/25/14	\$565,000.00 \$565,000.00	0.1500 .1500	\$428.46	75111	146
63491	PRODUCER-PREMIUM FD. MERCHANTS BANK OF INDIANA		68	07/31/14	01/29/15	\$400,000.00 \$400,000.00	0.3500 .3500	\$707.78	75111	146
	***** CERTIFICATE OF DEPOSIT TOTAL *****					\$1,310,000.00 \$1,310,000.00	0.2506 0.2506	\$1,921.12		
43389	PRODUCER-PREMIUM FD. BANK OF NEW YORK	313313M96	00	03/21/14	11/03/14	\$1,000,000.00 \$999,369.44	0.1000 .1010	\$630.56	75111	146
43459	PRODUCER-PREMIUM FD. BANK OF NEW YORK	313385J98	00	04/24/14	10/10/14	\$700,000.00 \$699,769.97	0.0700 .0710	\$230.03	75111	146
43601	PRODUCER-PREMIUM FD. BANK OF NEW YORK	313385G91	00	06/27/14	09/24/14	\$1,000,000.00 \$999,826.94	0.0700 .0710	\$173.06	75111	146
	***** GOVERNMENT AGY. DISCOUNT NOTES TOTAL *					\$2,700,000.00 \$2,698,966.35	0.0811 0.0821	\$1,033.65		
43205	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A0FT2	00	12/11/13	12/11/14	\$2,000,000.00 \$1,999,900.00	0.1700 .1750	\$3,447.22	75111	146
43229	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3135G0RY1	00	12/20/13	11/25/15	\$1,000,000.00 \$1,000,063.33	0.4800 .3700	\$9,400.00	75111	146
43245	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A03R9	00	12/30/13	09/30/14	\$1,000,000.00 \$1,000,000.00	0.1700 .1620	\$1,293.89	75111	146
43357	PRODUCER-PREMIUM FD. BANK OF NEW YORK		00	03/05/14	11/04/15	\$1,000,000.00 \$999,923.94	0.2500 .2550	\$4,229.17	75111	146