

INDIANA GRAIN INDEMNITY BOARD

OFFICIAL MINUTES

On May 26, 1999, at 9:01 a.m., Chairman Robert Benson, called the fourth annual meeting of the Indiana Grain Indemnity Board to order. The meeting was held in Hall D at the Indiana Farm Bureau Corporate headquarters located at 225 South East Street, Indianapolis, Indiana.

PRESENT: The following voting members were present:

John Colvin
Greg Noble
Jerry Rulon

Roger Hadley II
Atlee Oyler

William Tudor

Ken Klemme
Herman Rettinger, Jr.
Don Villwock

The nonvoting members or their representatives present were:

Robert Benson, Director of Indiana Grain Buyers and Warehouse Licensing Agency

Tim Berry, Treasurer of the State of Indiana

Mike Frick, Deputy Treasurer of the State of Indiana

J.D. Lux, Deputy Attorney General

RESOURCE The following resource people were present:

STAFF:

Dennis Henry
Mary McCory
Mark Thornburg

OTHERS: Valerie Tomlin, Indiana Agri-news
Allen Chesak

MINUTES: Since copies of the minutes of the previous meeting were mailed to board members, Greg Noble moved to dispense with the reading of the minutes and accept them as written. (Second from J. Colvin) **The minutes of the November 30, 1998, were approved as written.**

FINANCIAL The next order of business was a financial report presented by Mike Frick. He distributed a balance sheet and statement of operations as of April 30, 1999, (Exhibit A) revealing a fund balance of \$11,397,612.82. **The financial report was approved with a motion from Ken Klemme and a second from Herman Rettinger.**

D. Henry reported that there should not be requests for refunds after July 1, 1999, since July 1, 1998, was the date the withholdings ceased and producers had to request a refund within 12 months after a premium was withheld. He distributed two reports. One titled Producer Premium Refunds Processed (Exhibit B) showed the total amount of producer premiums refunded from the inception of the program to May 26, 1999, was \$96,281.47. The second report titled Grain Buyer Registration Fees Collected (Exhibit C) from the inception of the program to May 26, 1999, revealed the total amount collected was \$16,500.00. D. Henry also stated that since collections had ceased, the agency was not conducting indemnity fund audits.

J. Rulon moved the board certify the balance of \$11,397,612.82 as reported by M. Frick for the May 1, 1999 beginning balance (second from H. Rettinger). **Motion carried.**

M. Frick reported four petitions to reenter the Indiana Grain Indemnity Fund had been received. They were from Lyle R. Heath, Norm Stoner & Sons Farms, Lonnie Moore and Don Amos (see Exhibit D). **D. Villwock moved to allow the petitions to reenter the fund** (second from R. Hadley). **Motion carried.**

Chairman Benson stated D. Henry would follow up.

The next order of business was reappointments to the board. Chairman Benson stated that the organizations whose member's term expired in 1999 (Exhibit E) were Farm Bureau, Indiana Soybean Board and the Indiana Bankers Association. He had received letters regarding these expired terms from the respective organizations nominating the following:

Farm Bureau -- Don Villwock

Indiana Soybean Board -- Roger Hadley

Indiana Bankers Association -- Atlee Oyler

J. Colvin moved to accept the nominating committee's recommendation of: **Don Villwock for Vice President and Greg Noble for Secretary-Treasurer** (second by A. Oyler). J. Rulon moved nominations be closed (second by H. Rettinger) **Motion carried.**

The next item of business was the February 9, 1999, letter from Mr. Allen Chesak regarding his claim with the San Pierre Elevator that was addressed at the November 30, 1998, board meeting. Board members received a copy of that letter (Exhibit F) and the reply from Chairman Benson (Exhibit G). Mr. Chesak was to speak to the board. Since he was not present, it was decided to continue with the meeting until Mr. Chesak arrived.

Chairman Benson asked for the board's comments on the "FOR YOUR INFORMATION" sheet that was prepared at the Board's request and included in the agenda mailing (Exhibit H). He requested board members put any comments on the sheet and return to him. K. Klemme commented it was a good letter and J. Colvin thought it clarified the responsibilities of both the Indemnity Program and the Agency.

On the Open Door Law, Chairman Benson reported that Article II of the By-laws states that any or all directors may participate in a meeting of the Board or committee of the Board by any means of communication by which all directors participating may simultaneously hear each other during the meeting. According to legal advice, he stated, it is believed that as long as there is public notice and an area is designated where the public can gather, hear the proceedings, make comments, that teleconferencing or video conferencing could be done with no changes in the statute. He stated that it was important that the board meet two times a year and to make plans to attend. K. Klemme reminded that the board must comply with the notice requirements when and if a telephone conference is scheduled.

Next, Chairman Benson disclosed that when an agency auditor arrived at Stone Bluff Grain Co., Inc., on March 23, 1999, the auditor learned the firm had closed their doors the previous day. Chairman Benson reported:

-the agency had loaded grain out of the facilities and sold it;

-a claims hearing was held on April 30, 1999, and there were 39 claims;

-J.D. Lux was working on the Findings of Fact and Final Order;

-He had reserved a meeting room for August 4 and August 25, 1999, as there is potentially a claim to the fund of over \$200,000. Since there is a 15 day period for judicial review after the Findings are mailed, it could be later in August that the meeting would take place. He requested board members keep both days open until they were notified.

The Chairman distributed rough draft copies of changes to the Indiana Grain Indemnity Fund that were passed during the 1999 legislative session. July 1, 1999, is the effective date for these changes. He stated that the Indiana Seed Trade Association had been contacted to have someone attend today's meeting. K. Klemme asked if the rules had been reviewed with these changes in mind to see if any of the rules were affected. Chairman Benson stated the brochures would need to be revised also.

Chairman Benson then discussed the changes to the Indiana Grain Buyers and Warehouse Licensing Law which also has an effective date of July 1, 1999. A rough draft copy of the changes to this law was disseminated also. D. Villwock moved, "The Grain Indemnity Board asks that the Director not require the notice pertaining to seed ownership not be issued until further review of this board" (second from Jerry Rulon). After discussion, D. Villwock moved (second from K. Klemme) that **the motion be withdrawn. Motion carried.**

Mr. Chesak arrived and Chairman Benson stated that copies of his letter had been distributed to the board. Mr. Chesak apologize for his lateness and described his business relationship with San Pierre Elevator, Inc. He made an agreement to deliver corn and San Pierre Elevator paid him the next day. He was unaware that there would be any difference to him if he allowed the payments to be applied to the latest deliveries rather than the deliveries prior to the July 1, 1996, effective date of the Indemnity Program. He felt he had paid into the fund and the accounts on the books of the elevator at the effective date of the Indemnity statute should be covered by the fund. He stated because of the statute of limitations, he filed a judgement on April 27, 1998. He stated his situation was not like the others and he felt he was not being treated fairly. Two other farmers involved with San Pierre Elevator were no longer able to farm and he was fighting to keep his farm and need assistance. He thanked the board for their time.

Chairman Benson stated the board reviewed A. Chesak's letter and after consideration made no different decision than the one they made on November 30, 1998.

A. Chesak requested copies of the minutes and charter or instructions regarding the Indiana Grain Indemnity Program. Chairman Benson and J.D. Lux stated those documents would be provided to him.

Chairman Benson stated the grain buyer definition would be discussed at the next meeting and reminded board members that they would be contacted with the date, either August 4 or August 25, 1999, for the meeting on the Stone Bluff Grain Co., Inc. failure.

The meeting was adjourned at 11:27 a.m.

Claim forms and travel vouchers were submitted by:

John Colvin Herman Rettinger Don Villwock

Roger Hadley Jerry Rulon

Atlee Oyler William Tudor

Greg Noble and Ken Klemme did not want to make claims for reimbursement of their expenses.

Respectfully submitted by Mary McCory and forwarded to Greg Noble on July 21, 1999.

Note:

Mary McCory mailed to Mr. Chesak the documents he requested. (See Exhibit I).