



Farmers Protecting Farmers

To: Indiana Grain Indemnity Corporation Board

Subject: Board of Directors Meeting

When: Monday, July 18, 2016 at 10 a.m. (Eastern Daylight Time)

Where: Indiana Farm Bureau
Assembly Halls C & D
225 S East St
Indianapolis, IN 46202

Agenda:

- Welcome
- Roll Call – Determine Quorum
- Board Member Terms - Reappointments
- Minutes of the May 31, 2016 Meeting
- Treasurer’s Report & Collection Update
- IGBWLA Director’s Report
- Old Business
 - Petitions to Reenter
 - Clifton
 - Brooks
 - IGIC/IGBWLA Contract
 - Indiana Administrative Code Update
- New Business
 - Approval of Petition to Reenter Letter
 - Reust
 - Brooks
 - Certify Fund Amount & Reauthorize Producer Premium Collections
 - Cline Grain, Inc. Update
 - September Meeting
- Adjournment

INDIANA GRAIN INDEMNITY BOARD



OFFICIAL MEETING MINUTES

Chairman Sheldon called this meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 10:05 a.m. (EDT) on July 18, 2016. The meeting was held in Assembly Halls C & D at Indiana Farm Bureau located at 225 S East St, Indianapolis, Indiana 46202.

QUORUM: Chairman Sheldon did a roll call of the Board members, stated that there was a quorum present.

PRESENT: The following voting members were present:

Bob Bischoff	James Benham	Chris Cherry	Joe Kessie	Randy Kron
Mike Silver	Don Villwock	Grant Whaley		

The following nonvoting members or their representatives present were:

Matt Light, Deputy Attorney General, representative of the Attorney General
Vicki Pool, Chief Accountant, representative of the Treasurer of State
Ed Sheldon, Director, Indiana Grain Buyers & Warehouse Licensing Agency

RESOURCE: The following resource staffs present were:

Joe Basile, Staff Attorney, Office of Lt. Governor
David Bausman, ISDA Policy Director
Melissa Rekeweg, Deputy Director, Indiana State Department of Agriculture
Danae Schneck, IGBWLA Licensing Officer

MINUTES: Chairman Sheldon stated that the minutes from the May 31, 2016 meeting had been previously distributed to the board members and asked if there were any changes. **Mr. Whaley Motions, Mr. Silver Seconds to approve the minutes. Motion Carries.**

FINANCIAL: Vicki Pool read the financials as of June 30, 2016, see Appendix A. The fund contained \$24,557,982.15.

DIRECTOR'S REPORT: Chairman Sheldon gave a director's report, see Appendix B. Chairman Sheldon gave a brief update on Cline Grain, Inc., the Indemnity Fund collection, and software development for the Agency.

OLD BUSINESS: The meeting continued by rescinding the motion from May 31, 2016 that voted Curt Clifton was allowed to reenter the program. **Mr. Villwock motions, Mr. Silver seconds. Motion carries.** Curt Clifton had indicated that he did not intend to reenter the program. A motion was made to deny Curt Clifton's petition to reenter. **Mr. Whaley motions, Mr. Cherry seconds. Motion carries.** A motion was made to rescind Ron Brook's petition to reenter the program. **Mr. Villwock motions, Mr. Kessie seconds. Motion carries.** A

motion was made to deny Ron Brook's petition to reenter the program during the Cline Grain, Inc. failure. He can petition to reenter after the claims for Cline Grain, Inc. have been presented to the Board.

NEW BUSINESS: The letter notifying any producer who has been approved to reenter the program was presented to the Board. A motion was made to add more clarification as to what "coverage" means. **Mr. Whaley, Mr. Kessie seconds. Motion carries.** A motion was made to extend the premium collections another year due to the fund being below the \$25 million mark as of June 30, 2016. **Mr. Villwock motions, Mr. Kessie seconds. Motion carries.**

Chairman Sheldon gives an update on Cline Grain, Inc. All claims have been sent to the Administrative Law Judge. The Finding of Fact and Final Order (the Order) will come to the Agency for approval and then be distributed to all of the claimants and IGIC Board members. A motion was made to give the Agency Director authority to form a committee of one IGIC Board member and others from the industry to investigate the Cline Grain, Inc. situation. **Mr. Silver motions, Mr. Kessie seconds. Motion carries.** An IGIC Board meeting will be scheduled for early September 2016.

ADJOURNMENT: The Chairman adjourned the meeting around 12:00 p.m.

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

James Benham	\$107.60	Bob Bischoff	\$ 70.16
Chris Cherry	\$65.84	Joe Kessie	\$92.88
Mike Silver	\$94.64	Don Villwock	\$122.00
Grant Whaley	\$118.40		

Randy Kron declined submitting a claim for per diem & had no claim for travel.

Joe Kessie declined submitting a claim for per diem.

**INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
6/30/2016**

ASSETS

Cash	\$ 108,171.15
Investments	<u>24,449,811.00</u>
Total Assets	<u>\$ 24,557,982.15</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$ 24,557,982.15</u>
Total Liabilities and Fund Balance	<u>\$ 24,557,982.15</u>

INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE TWELVE MONTHS ENDING JUNE 30th, 2016

Revenues:

Investment Interest	\$ 57,809.33
Grain Failure Recoveries	-
Producer Premium Revenue	10,295,573.89
Producer Premium Refund	<u>(82,307.61)</u>
Total Revenues	\$ 10,271,075.61

Expenses:

Failure Reimbursement	\$ -
Travel / Per Diem	1,837.68
Supplies	-
Bank Fees	732.59
Legal Fees	-
Total Expenses	<u>\$ 2,570.27</u>

Net Income/(Expense) \$ 10,268,505.34

Fund Balance, 7/01/15 \$ 14,289,476.81

Current Fund Balance \$ 24,557,982.15

Fund List: Type = TF
From 07/01/2016 thru 12/31/2075

Inv No	Investment # Institution	Cusip	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	TOS #
63637	PRODUCER-PREMIUM FD. MERCHANTS BANK OF INDIANA		68	01/28/16	07/28/16	\$500,000.00 \$500,000.00	0.4500 .4500	\$1,137.50	75111	146
63639	PRODUCER-PREMIUM FD. LAKE CITY BANK		43	02/18/16	08/18/16	\$1,000,000.00 \$1,000,000.00	0.8000 .8000	\$4,044.44	75111	146
63640	PRODUCER-PREMIUM FD. FARMERS BANK		12	02/25/16	08/25/16	\$700,000.00 \$700,000.00	0.5500 .5500	\$1,946.39	75111	146
63683	PRODUCER-PREMIUM FD. PROVIDENCE BANK		99	06/23/16	12/22/16	\$750,000.00 \$750,000.00	0.5000 .5000	\$1,895.83	75111	146
*****	CERTIFICATE OF DEPOSIT TOTAL *****					\$2,950,000.00 \$2,950,000.00	0.6051 0.6051	\$9,024.16		
44559	PRODUCER-PREMIUM FD. BANK OF NEW YORK	912796JF7	00	02/11/16	08/11/16	\$1,000,000.00 \$998,003.06	0.3950 .4010	\$1,996.94	75111	146
44696	PRODUCER-PREMIUM FD. BANK OF NEW YORK	912796JU4	00	05/19/16	11/17/16	\$1,000,000.00 \$998,078.89	0.3800 .3860	\$1,921.11	75111	146
*****	TREASURY BILL TOTAL *****					\$2,000,000.00 \$1,996,081.95	0.3875 0.3935	\$3,918.05		
44367	PRODUCER-PREMIUM FD. BANK OF NEW YORK	31315KYY6	00	10/02/15	07/01/16	\$1,000,000.00 \$997,649.17	0.3100 .3150	\$2,350.83	75111	146
44783	PRODUCER-PREMIUM FD. BANK OF NEW YORK	313384J59	00	06/30/16	10/05/16	\$1,000,000.00 \$999,056.94	0.3500 .3550	\$943.06	75111	146
*****	GOVERNMENT AGY. DISCOUNT NOTES TOTAL *					\$2,000,000.00 \$1,996,706.11	0.3300 0.3350	\$3,293.89		

Fund List: Type = TF
From 07/01/2016 thru 12/31/2075

Inv No	Investment # Institution	Cusip	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	TOS #
44184	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A3J70	00	06/12/15	11/23/16	\$1,000,000.00 \$1,000,000.00	0.6750 .5600	\$9,937.50	75111	146
44189	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A5FK0	00	06/17/15	11/28/16	\$1,000,000.00 \$999,750.00	0.6000 .7300	\$8,833.33	75111	146
44229	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3132Z0AZ4	00	07/01/15	07/01/16	\$1,000,000.00 \$1,000,000.00	0.4000 .4000	\$4,066.67	75111	146
44283	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A2T97	00	07/27/15	09/28/16	\$1,000,000.00 \$1,000,000.00	0.5000 .4400	\$5,958.33	75111	146
44408	PRODUCER-PREMIUM FD. BANK OF NEW YORK	459058DS9	00	11/04/15	10/14/16	\$2,000,000.00 \$2,000,000.00	0.6250 .5400	\$11,979.17	75111	146
44412	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A6ZZ9	00	11/04/15	07/28/17	\$1,500,000.00 \$1,504,505.00	1.2500 .9100	\$32,916.67	75111	146
44434	PRODUCER-PREMIUM FD. BANK OF NEW YORK		00	11/13/15	11/15/16	\$1,000,000.00 \$1,000,598.61	1.3750 .6200	\$14,055.56	75111	146
44538	PRODUCER-PREMIUM FD. BANK OF NEW YORK		00	01/26/16	12/06/18	\$1,000,000.00 \$1,000,000.00	1.0000 1.6200	\$29,027.78	75111	146
44539	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3136G06J5	00	01/26/16	05/25/18	\$1,000,000.00 \$1,000,000.00	1.2500 1.2500	\$29,513.89	75111	146
44554	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3134G62E2	00	02/05/16	10/20/17	\$1,000,000.00 \$1,000,000.00	0.7100 .8100	\$12,286.94	75111	146
44573	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3133EFKM8	00	02/26/16	02/26/21	\$1,000,000.00 \$1,000,000.00	1.7300 1.7300	\$87,797.50	75111	146
44577	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A7BT1	00	02/26/16	02/26/19	\$1,000,000.00 \$1,000,000.00	0.5000 1.8620	\$15,222.22	75111	146
44713	PRODUCER-PREMIUM FD.	3134G8LN7	00	05/24/16	08/24/18	\$1,000,000.00	0.7500	\$17,125.00	75111	146

Fund List: Type = TF
From 07/01/2016 thru 12/31/2075

Inv No	Investment # Institution	Cusip	CO	Purchase Date	Maturity Date	Par Original Cost	Coupon Yield	Interest Amount	Fund	TOS #
	BANK OF NEW YORK	3134G9MV6				\$1,000,000.00	1.1800			
44716	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3136G3QD0	00	05/26/16	11/26/19	\$1,000,000.00 \$1,000,000.00	1.3000 1.3000	\$46,186.11	75111	146
44725	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3134G9NL7	00	05/31/16	05/24/19	\$1,000,000.00 \$1,000,000.00	1.1800 1.1800	\$35,662.22	75111	146
44738	PRODUCER-PREMIUM FD. BANK OF NEW YORK	313379FW4	00	06/03/16	06/09/17	\$1,000,000.00 \$1,002,169.33	1.0000 .7690	\$10,305.56	75111	146
*****	GOVT AGENCY COUPONS TOTAL	*****				\$17,500,000.00 \$17,507,022.94	0.9197 0.9655	<u>\$370,874.45</u>		
*****	TOTAL FOR FUND CODE	*****				\$24,450,000.00 \$24,449,811.00	0.7900 0.8236	<u>\$387,110.55</u>		

IGBWLA Director's Report

July 18, 2016

- Cline Grain
 - Fact & Final Order nearly complete
 - Has involved detailed review of every claim by IGBWLA staff and Administrative Law Judge
 - Considerable staff time devoted to the issue (all IGBWLA staff, ISDA, LG, Attorney General's Office)
 - Projected final approval at September board meeting, depending on possible appeals
- Moisture Meters – over 550 meters tested over past 2-3 months
- Audits – with moisture meter season essentially complete, field staff is focusing on audits and schedules are full
- IGBWLA Resources
 - Software Development
 - Level Up Development has been selected to develop new software for the licensing and auditing processes
 - Rapid Improvement Event (RIE) held June 6-10 to analyze the current auditing process and develop efficiencies
 - Licensing process under review to identify priorities and improvement opportunities
 - Phase 1 of software development will be for licensing, with the second phase being the development of new auditing software
 - Level Up staff participated in RIE and licensing process review to gain understanding of needs
- Indemnity Fund Collection
 - Collection is proceeding well with few significant issues
 - IGIF compliance audits have generally been conducted during regular audits
 - Auditors have assisted licensees in making corrections when needed
- Association of Grain Regulatory Officials (AGRO)
 - National conference July 24-27 in St. Louis, MO
 - All IGBWLA staff will be in attendance