

**INDIANA GRAIN INDEMNITY BOARD  
OFFICIAL MINUTES**

Chairperson Joseph Pearson called the 1997 annual meeting of the Indiana Grain Indemnity Board to order at 9:00 a.m. on May 27, 1997, in conference room C at the Indiana Farm Bureau corporate headquarters.

PRESENT: The following voting members were present:

Don Villwock	Jerry Rulon	Roger Hadley
John Colvin	Herman Rettinger, Jr.	Greg Noble
Ken Klemme	William Tutor	Atlee Oyler

The nonvoting members or their representatives present were:

Joseph R. Pearson, Acting Director of Commodity Warehouse Licensing Agency; Joyce Brinkman, Indiana State Treasurer;  
Mike Frick, Deputy State Treasurer.

ABSENT: The nonvoting member representing the Attorney General of Indiana was not present.

RESOURCE The following resource staff was present:

STAFF: Joe Miller	Mary McCory	Stephanie Melloh
Cresswell Hizer	John Steinhart	Dennis Henry

MINUTES: **The minutes of the November 19, 1996, board meeting were approved as written (motion from Villwock, second from Colvin).**

The next order of business was a report from the state treasurer=s office. Mike Frick, deputy treasurer, presented copies of balance sheets and statements of operations for the periods ending April 30 and May 20, 1997. See attached copies A, B, C, D.

Pursuant to IC26-4-4-9(a), Pearson asked the Board to certify the amount of money in the fund on May 1, 1997. Roger Hadley moved to **certify the \$4,546,370.60 amount on the April 30, 1997**, balance sheet submitted by Frick (second from Klemme). **MOTION PASSED.**

Chairperson Pearson stated a follow up on stragglers was being done.

Steinhart related that there are 422 reporting business with 663 facilities.

Villwock moved to accept Frick=s proposal for the method to calculate the interest to be remitted by producers who want readmitted to the fund after they have received a refund of their premiums (second from Rulon). See attachment E. Noble suggested an amendment to insert a due date. Hadley suggested 30 days ( second from Klemme). The amended motion: **a producer who has opted out of the fund by requesting and receiving a refund of the premium and wants back into the fund has 30 days to submit the refund plus the interest which is to be calculated as follows:**

**Number of days from date of refund thru date of annual meeting/365  
x weighted average rate of return during the FY=s refund outstanding  
x the amount of refund**

**=interest amount due**  
**AMENDMENT AND MOTION PASSED.**

Frick=s handouts also included reports on:

- Grain Buyer Registrations (F);
- Treasure of State analysis of actual expenditures compared to what was budgeted (G);
- Producer Premium Fund spreadsheet (H);
- Appropriation/administration accounting (I);
- Close out of start up expense account (J) (K).

The next order of business was **reentry requests (see attached L, M) from Marshall Tague, Dinah Cooper and Robert Grishaw**. Klemme moved to accept with a second from Colvin. **MOTION PASSED.**

Pearson declared he had another request for readmittance. Voris-Voris has requested to be readmitted. When Voris received his refund check and the information stating he was out of the fund forever, he called Pearson to say he did not realize this when he requested the refund. Pearson told Voris to return the IGIC check, which was done. **Villwock moved to accept Voris-Voris into the fund** (second by Rulon). **MOTION CARRIED.**

**Klemme moved that the reentry date be decided by the date good funds are received by IGIC but within 30 days (second by Hadley). MOTION PASSED.**

McCory reported that Commodity Warehouse Licensing Agency field auditors were conducting IGIC audits. The IGIC procedures required 47 audits and 49 compliance checks of firms who did not respond, 60 audits had been conducted since November 6, 1996. She also stated the State Board of Accounts (SBA) had conducted an audit of the Indiana Grain Indemnity Corporation for the period July 1, 1996 to June 30, 1996. The Agency was also audited by State Board of Accounts. There were no exceptions filed in the SBA reports and they certified that the records and accountability for cash and other assets were satisfactory. McCory also reported that because of the new Indiana Grain Buyer law, the agency had a new name--Indiana Grain Buyers and Warehouse Licensing Agency which necessitated changing the definition of Agency@ in the Grain Indemnity Program section 26-4-1-3 which had occurred.

State Treasurer Brinkman reported that she visited grain elevators around the state and wanted to share the following concerns (see attachment N):

- several knew about the program and had received information; there were isolated instances where people were not aware of the program
- a toll free telephone number for assistance would be helpful
- firms had to bear administrative costs of the program
- confusion on the exemption section
- how the \$10,000,000 cap was determined
- some said the \$10,000,000 cap was not adequate
- one grain dealer purchased another facility that had not been remitting the premium; what is the liability for the purchaser?
- would a farmer be covered if he sold to an elevator and sold under the exemption?

In response to the query of how the \$10,000,000 figure was picked, Miller stated that the Merchants Grain loss figure was doubled and that other states said their fund was set to low.

Pearson said that new producers are coming into the fund especially with partnerships breaking apart. A committee was needed to address this situation. Rulon suggested going with the federal ID number as one criteria. The committee will consist of Villwock (chairman), Noble and Rulon. Miller to set in as an extra. Rulon to prepare a report of the areas that need to be addressed.

McCory related that the agency was following the audit procedures as stated in 825 IAC 1-3-2. Pearson stated the **board should reaffirm the written audit procedure**. Klemme moved with a second from Hadley. **MOTION PASSED.**

The next order of business was the election of the vice-chair and secretary-treasurer. After proper nominations, seconds and motions to close nominations, **Villwock was elected vice-chair and Noble was elected secretary-treasurer.**

Chairperson Pearson brought up the subject of the executive committee. Rulon (second from Hadley) moved to **continue the designation of the vice chair and the secretary-treasurer as the executive committee.** **MOTION PASSED.**

Board members brought up several issues to discuss at the next meeting.

The next meeting will be November 25, 1997, at 9:30 a.m. The agenda to include:

- Staggered board member terms--either by statute change or voluntary
- Confidentially--freedom of information and the buyer list
- New Committee to address new producers
- Obtain legal council

Klemme requested monthly financial statements to the board. Dennis Henry to provide.

Villwock suggested a thank you letter to the President of Indiana Farm Bureau for Joe Miller=s time.

There being no other business, the meeting was adjourned at 10:25 a.m. (motion from Oyler and a second from Hadley).

Submitted by Mary McCory  
September 24, 1997

Mailed to Greg Noble