

INDIANA GRAIN INDEMNITY BOARD



OFFICIAL MEETING MINUTES

Chairman Sheldon called this meeting of the Indiana Grain Indemnity Corporation Board of Directors to order at 1:15 p.m. (EST) on July 7, 2017. The meeting was held in Conference Rooms A & B 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. Everyone in the room went around and introduced themselves.

PRESENT: The following voting members were present:

Bob Bischoff	Randy Kron	Ron Reichart
Mike Shuter	Mike Silver	Mark Wolf

The following nonvoting members or their representatives present were:

Matt Light, Deputy Attorney General, representative of the Attorney General
Ed Sheldon, Director, Indiana Grain Buyers & Warehouse Licensing Agency

RESOURCE: The following resource staff were present:

Luke Britt, Indiana Public Access Counselor
Heather Crockett, Deputy Attorney General, Attorney General's Office
Jeff Cummins, 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 March 16, 2017 meeting had been previously distributed to the board members and asked if there were any changes. **Mr. Kron motions, Mr. Shuter seconds to approve the minutes. Motion carries.**

FINANCIAL: Chairman Sheldon read the financials as of May 31, 2017, see Appendix A. The fund contained \$35,058,543.20. Chairman Sheldon stated that the fund will be larger after the last quarter of remittances are submitted.

DIRECTOR'S REPORT: Chairman Sheldon gave a director's report, see Appendix B. Chairman Sheldon gave a brief update on staffing, software, audits, moisture meters, Cline Grain & Legislation.

OLD BUSINESS: Jeff Cummins gave a brief update on legislative changes that have taken place. Next, Heather Crockett gave an overview of the Cline Bankruptcy. All of the proof of claims have been filed and there have been no objections.

NEW BUSINESS: A motion was made to certify that as of June 30, 2017 the fund is greater than the statutory minimum of twenty-five million dollars (\$25,000,000). **Mr. Silver motions, Mr. Kron seconds. Motion carries.**

Per House Enrolled Act 1237 included retroactive language that would now allow claimant Ron Brook eligibility for payment through the Indemnity Fund. A motion was made to approve Mr. Brook's claim and process payment. **Mr. Reichart motions, Mr. Kron seconds. Motion carries.** A request was submitted for refund requests for Larry Timm that were over the twelve timeline per IC 26-4-5-1. A motion was made to deny the request for refunds over twelve months from the settlement date. **Mr. Shuter motions, Mr. Bischoff seconds. Motion carries.**

Danae Schneck presented a Petition to Reenter the Indiana Grain Indemnity Fund form for Warner Family Farms LLC. A motion to approve the reentry of Warner Family Farms LLC was made. As soon as a check for \$82.46 has been received, the petitioner will be considered back in the Indemnity program. **Mr. Silver motions, Mr. Shuter seconds. Motion carries.**

Indiana's Public Access Counselor, Luke Britt, gave the Board a brief review of open door law and public access law. Next, Matt Light with the Attorney General's Office explained how IC 26-3-7-6.5 now requires that the Board enter into a Confidentiality Agreement. An overview of the roles of the Board was also discussed. The Board must meet at least twice a year with one of those meetings taking place in July. The Board is responsible for collecting and depositing producer premiums into the fund along with approving and denying claims presented. The development of educational materials is also a responsibility of the Board.

Mr. Silver made a suggestion that a letter be sent to Mr. Joe Kessie from the Board thanking him for his years of service with the Indiana Grain Indemnity Corporation.

ADJOURNMENT: The Chairman adjourned the meeting around 2:50 p.m.

Travel vouchers for mileage were submitted by:

Bob Bischoff	\$21.28	Ron Reichart	\$49.40
Mike Shuter	\$38.00	Mike Silver	\$47.12
Mark Wolf	\$79.80		

INDIANA GRAIN INDEMNITY CORPORATION
BALANCE SHEET
5/31/2017

ASSETS

Cash	\$ 2,571,705.97
Investments	<u>32,486,837.23</u>
Total Assets	<u>\$ 35,058,543.20</u>

LIABILITIES AND FUND BALANCE

Fund Balance	<u>\$ 35,058,543.20</u>
Total Liabilities and Fund Balance	<u>\$ 35,058,543.20</u>

INDIANA GRAIN INDEMNITY CORPORATION
STATEMENT OF OPERATIONS
FOR THE ELEVEN MONTHS ENDING MAY 31, 2017

Revenues:

Investment Interest	\$ 186,008.35
Grain Failure Recoveries	76,117.01
Producer Premium Revenue	14,451,812.45
Producer Premium Refunds	(109,838.99)
Returned Check Expense	(14,965.28)
Total Revenues	<u>\$ 14,589,133.54</u>

Expenses:

Grain Failure Payouts	\$ 4,086,464.09
Travel / Per Diem	1,439.12
Supplies	-
Bank Fees	669.28
Legal Fees	-
Total Expenses	<u>\$ 4,088,572.49</u>

Net Income/(Expense) \$ 10,500,561.05

Fund Balance, 7/01/16 \$ 24,557,982.15

Current Fund Balance \$ 35,058,543.20

Inv No	Investment # / Institution	CUSIP	CO	Purchase Date	Maturity Date	Par Book Value	Coupon Yield	Interest Amount	Fund	TOS #
63756	PRODUCER-PREMIUM FD. MERCHANTS BANK OF INDIANA		68	01/26/17	07/27/17	\$1,000,000.00 \$1,000,000.00	0.7000 .7000	\$3,538.89	75111	146
63761	PRODUCER-PREMIUM FD. LAKE CITY BANK		43	02/16/17	08/17/17	\$1,000,000.00 \$1,000,000.00	1.0500 1.0500	\$5,308.33	75111	146
63777	PRODUCER-PREMIUM FD. FIRST FEDERAL SAVINGS BANK		82	03/30/17	06/29/17	\$1,000,000.00 \$1,000,000.00	0.6500 .6500	\$1,643.06	75111	146
63788	PRODUCER-PREMIUM FD. FARMERS BANK		12	05/25/17	11/22/17	\$1,000,000.00 \$1,000,000.00	1.0000 1.0000	\$5,027.78	75111	146
*****	CERTIFICATE OF DEPOSIT TOTAL	*****				\$4,000,000.00 \$4,000,000.00	0.8500 0.8500	\$15,518.06		
44980	PRODUCER-PREMIUM FD. BANK OF NEW YORK		00	12/16/16	06/01/17	\$1,000,000.00 \$997,170.28	0.6100 .6200	\$2,829.72	75111	146
46004	PRODUCER-PREMIUM FD. BANK OF NEW YORK		00	03/30/17	09/28/17	\$1,500,000.00 \$1,493,326.67	0.8800 .8960	\$6,673.33	75111	146
46075	PRODUCER-PREMIUM FD. BANK OF NEW YORK		00	05/25/17	06/22/17	\$5,000,000.00 \$4,997,161.11	0.7300 .7410	\$2,838.89	75111	146
*****	TREASURY BILL TOTAL	*****				\$7,500,000.00 \$7,487,658.06	0.7440 0.7559	\$12,341.94		
44554	PRODUCER-PREMIUM FD. BANK OF NEW YORK 44554		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.		00	02/26/16	02/26/21	\$1,000,000.00	1.7300	\$87,797.50	75111	146

Fund List: Type = TF, All Funds
From 06/01/2017 thru 12/31/2075

Inv No	Investment # / Institution	CUSIP	CO	Purchase Date	Maturity Date	Par Book Value	Coupon Yield	Interest Amount	Fund	TOS #
44573	BANK OF NEW YORK		00	05/26/16	11/26/19	\$1,000,000.00	1.7300		75111	146
44716	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3136G3QD0	00	05/26/16	11/26/19	\$1,000,000.00	1.3000	\$46,186.11	75111	146
44716	BANK OF NEW YORK		00	05/26/16	11/26/19	\$1,000,000.00	1.3000		75111	146
44725	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3134G9NL7	00	05/31/16	05/24/19	\$1,000,000.00	1.1800	\$35,662.22	75111	146
44725	BANK OF NEW YORK		00	05/31/16	05/24/19	\$1,000,000.00	1.1800		75111	146
44738	PRODUCER-PREMIUM FD. BANK OF NEW YORK	313379FW4	00	06/03/16	06/09/17	\$1,000,000.00	1.0000	\$10,305.56	75111	146
44738	BANK OF NEW YORK		00	06/03/16	06/09/17	\$1,000,000.00	.7690		75111	146
44823	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3133EGNK7	00	07/27/16	07/27/20	\$1,000,000.00	1.3200	\$53,570.00	75111	146
44823	BANK OF NEW YORK		00	07/27/16	07/27/20	\$1,000,000.00	1.3200		75111	146
44831	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3134G9V38	00	07/29/16	07/27/21	\$1,000,000.00	1.0200	\$51,680.00	75111	146
44831	BANK OF NEW YORK		00	07/29/16	07/27/21	\$997,500.00	1.9800		75111	146
44833	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A8WC3	00	08/09/16	01/28/19	\$2,000,000.00	1.1500	\$57,627.78	75111	146
44833	BANK OF NEW YORK		00	08/09/16	01/28/19	\$2,000,000.00	1.1600		75111	146
44854	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3130A92C4	00	08/23/16	08/23/17	\$1,000,000.00	0.7500	\$7,604.17	75111	146
44854	BANK OF NEW YORK		00	08/23/16	08/23/17	\$500,000.00	.7500		75111	146
44856	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3135G0N58	00	08/24/16	08/16/19	\$1,000,000.00	1.2000	\$36,233.33	75111	146
44856	BANK OF NEW YORK		00	08/24/16	08/16/19	\$999,916.67	1.2100		75111	146
44916	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3134GAPQ1	00	09/30/16	09/28/18	\$1,000,000.00	1.0200	\$20,626.67	75111	146
44916	BANK OF NEW YORK		00	09/30/16	09/28/18	\$1,000,000.00	1.0200		75111	146
44916	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3133EGW84	00	02/10/17	12/19/18	\$1,500,000.00	1.2000	\$33,850.00	75111	146
45058	PRODUCER-PREMIUM FD. BANK OF NEW YORK		00	02/10/17	12/19/18	\$1,502,400.00	1.2050		75111	146

Fund List: Type = TF, All Funds
 From 06/01/2017 thru 12/31/2075

Inv No	Investment # / Institution	CUSIP	CO	Purchase Date	Maturity Date	Par Book Value	Coupon Yield	Interest Amount	Fund	TOS #	
45059	PRODUCER-PREMIUM FD. BANK OF NEW YORK 45059	3134G9JD0	00	02/10/17	05/11/18	\$1,500,000.00 \$1,500,000.00	1.0000 1.0000	\$18,958.33	75111	146	
45072	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3134GA2W3	00	02/28/17	02/28/20	\$1,500,000.00 \$1,499,250.00	1.1250 1.8600	\$51,328.13	75111	146	
45093	PRODUCER-PREMIUM FD. BANK OF NEW YORK	3133EHDQ3	00	03/27/17	06/27/18	\$1,500,000.00 \$1,499,625.00	1.1800 1.2000	\$22,469.17	75111	146	
45097	PRODUCER-PREMIUM FD. BANK OF NEW YORK	45905UD92	00	03/28/17	03/15/22	\$1,000,000.00 \$1,000,487.50	1.3500 2.6460	\$67,987.50	75111	146	
46054	PRODUCER-PREMIUM FD. BANK OF NEW YORK 46054	3130ABCL8	00	05/03/17	12/13/17	\$2,500,000.00 \$2,500,000.00	0.9700 .9700	\$15,088.89	75111	146	
***** GOVT AGENCY COUPONS TOTAL *****											
							1.1192	\$629,262.30			
							1.2724				
***** TOTAL FOR FUND CODE *****											
							1.0013	\$657,122.30			
							1.1038				

IGBWLA Director's Report

July 7, 2017

- Staffing
 - Ross Newton – Central Office/Field Auditor started May 8
 - Bloomington, Indiana
 - B.S. Agriculture, Western Illinois University
 - Chelsea Duvall – Southeast Indiana Auditor started May 30
 - Vevay, Indiana
 - B.S. Animal Agribusiness, Purdue University
- Software
 - Phase 1 Licensing nearing testing phase.
 - Phase 2 Auditing – staff currently working with Level Up to begin development
- Audits – field staff continue to conduct regular audits at licensed facilities
 - IGIF and ICMC/SPARC checkoff audits usually completed concurrently with regular state audits
- Moisture Meter Inspections
 - Approximately 580 meters inspected March – May
 - Similar to 2016. Prior years' numbers before fee increase were higher (~800)
- Cline Grain
 - Appeals to Findings of Fact and Final Order
 - Ultimate Authority (Kyleen Welling) upheld the administrative law judge's recommendation in both cases in favor of the Agency
 - Dick Sears has filed for judicial review in Putnam County. The Attorney General's office will be representing the agency through the proceedings.
 - IGIF Payments to Producers
 - All eligible claimants submitted subrogation agreement for payment and have been issued check from IGIF
 - Upon final conclusion of appeals, additional small distribution to all claimants will be made
 - Bankruptcy
 - Cline Grain Inc. and related entities filed for bankruptcy January 3, 2017
 - Attorney General's office handling for IGIC & IGBWLA
 - On behalf of IGIC, claims were filed for expenditures already made from the fund, and for projected expenses resulting from HEA 1237.
 - "Retroactive" Claims Process per HEA 1237
 - Currently accepting "Proof of Loss" forms (due July 12)
 - Claims hearing held June 27
 - Administrative Law Judge will develop Findings of Fact and Final Order. Projected completion August 1.
 - Goal – present all non-appealed claims to the board by September 1.