



BOARD MEETING MINUTES

**Downtown Des Moines Marriott – Waterloo Room
700 Grand Avenue
Des Moines, Iowa**

September 9, 2009

Board Members Present

Roger Caudron, Chair	Heather Armstrong
Douglas Walter, Vice Chair	Darlys Baum
Carmela Brown, Treasurer	Virginia Bordwell
Steven Adams	Wilfred Johnson

Board Members Absent

David Erickson

Staff Members Present

Bret Mills, Executive Director	Joe O’Hern, Deputy Director/Director of HousingIowa
Lori Beary, Community Development Director	Carla Pope, Director of Affordable Rental Production
Eric Chatman, Chief Financial Officer	Mark Thompson, General Counsel
Steve Harvey, Director of Operations/ Comptroller	Rob Tietz, Financial Analyst
Jess Mort, Administrative Assistant	Nancy Wallis, Administrative Assistant
Loyd Ogle, Director of Title Guaranty Division	

Others Present

Kristi Boyce – Wells Fargo Bank Iowa, NA	Dick Murray – Morgan Keegan
Bob Burns – BurnsHousing.com	Kyle Rice – State Treasurer’s Office
Joni DeVries – Wells Fargo Bank Iowa, NA	James Smith – Dorsey & Whitney, LLP
Darla Giese – Dorsey & Whitney, LLP	James Stretz – George K. Baum Company
David Grossklaus – Dorsey & Whitney, LLP	John Keith Tully – George K. Baum Company
Cory Hoepfner – RBC Capital Markets	

Call To Order

Chair Caudron called to order the September 9, 2009, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 4:25 p.m. Roll call was taken and a quorum was established with the following Board members present: Adams, Armstrong, Baum, Bordwell, Brown, Caudron, Johnson and Walter.

Review of Minutes

August 5, 2009, Regular Monthly Board Meeting

Chair Caudron introduced the minutes of the August 5, 2009, regular monthly meeting of the IFA Board of Directors.

Ms. Bordwell noted two corrections, one on page three where she asked about the amount of the loan to Rumley Lofts being included in the motion, and another correction on page eight where she requested that the term "Time of Transfer" be added in reference to the TG Webinar. Ms. Wallis said she would make the requested additions.

Motion: Mr. Adams made a motion to approve the minutes of the August 5, 2009, as amended. On a second by Ms. Bordwell, the Board approved the minutes of the August 5, 2009, IFA Board meeting, as corrected, with Mr. Walter abstaining due to his absence from the meeting.

August 17, 2009, Special Telephonic Board Meeting

Chair Caudron introduced the minutes of the August 17, 2009, special telephonic meeting of the IFA Board of Directors.

Motion: On a motion by Mr. Walter and a second by Mr. Johnson, the Board approved the minutes of the August 17, 2009, special telephonic meeting of the IFA Board of Directors, with Ms. Armstrong abstaining due to not being present for the meeting.

August 28, 2009, Special Telephonic Board Meeting

Chair Caudron introduced the minutes of the August 28, 2009, special telephonic meeting of the IFA Board of Directors.

Motion: On a motion by Ms. Brown and a second by Ms. Baum, the Board approved the minutes of the August 28, 2009, special telephonic meeting of the IFA Board of Directors, with Chair Caudron abstaining due to not being present for the meeting.

Administration

SUMMARY & OVERVIEW

Mr. Mills gave a brief update of the federal stimulus money and I-JOBS money that IFA has been assigned and thanked the Board members for their attendance at the 2009 HousingIowa Conference.

ACCOUNTING & FINANCE

Review of Financial Statement

Mr. Harvey presented the July financial results, noting that as a housing agency, year-to-date operating income and operating expense are currently unfavorable to budget due primarily to fewer mortgages and earning lower interest rates than in previous years, making year-to-date net operating income \$133,703 unfavorable to budget.

Mr. Harvey reported that SRF year-to-date operating income is favorable to budget while year-to-date operating expense is on budget and net grant income is favorable to budget making the net operating income is \$99,342 favorable to budget.

Following comments and questions from the Board and a discussion about the interest rates and the possible need for a revision to the budget, Mr. Mills said it would be better to wait at least until the end of the first quarter of the fiscal year before making any assessment of the current budget.

Motion: On a motion by Ms. Brown and a second by Mr. Adams, the Board unanimously accepted the July financial statement.

Reimbursement Resolution for SRF

Ms. Beary introduced the resolution authorizing reimbursement of loan disbursements from future SRF bond issues. She explained that IFA has approximately \$26 million in reimbursement authority remaining from the Reimbursement Resolution the Board approved in November 2008, and that IFA's SRF finance team is seeking approval for another \$100 million with the current resolution.

Motion: Mr. Johnson made a motion to approve the resolution authorizing IFA to reimburse the SRF Program up to \$100 million from the proceeds of bonds issued under the Master Trust Agreement, for payments made from the Clean Water Program and from the Drinking Water Program for purchases of loans, including but not limited to payments made and costs incurred with respect to both programs, and authorizing the Executive Director or Chief Financial Officer to determine the timing of such reimbursement and from which subsequent bond issues under the Master Trust Agreement such reimbursement shall be made. On a second by Ms. Armstrong, the Board unanimously approved the Reimbursement Resolution for SRF.

LEGAL

Notice of Intended Action – Amendments to Chapter 26, Water Pollution Control Works and Drinking Water Facilities Financing

Ms. Beary explained that the proposed amendments relate primarily to non-point source programs and would eliminate the minimum loan amounts for infrastructure projects, cap the maximum loan amount per borrower for the Livestock Water Quality Program to \$500,000, and reduce the maximum loan term to ten years for the Livestock Water Quality Program. She said that the Iowa Department of Natural Resources is also proposing rule changes to Chapters 90-93 to complement the changes to Chapter 26. Ms. Beary announced that IFA will hold three public hearings at the end of October and will accept public comments until November 6, 2009.

Motion: On a motion by Ms. Bordwell and a second by Mr. Walter, the Board unanimously approved the Notice of Intended Action for amendments to Chapter 26.

Notice of Termination Re: Chapter 32, Iowa Jobs Program

Mr. Thompson explained that in August the IFA Board approved the emergency adoption of revisions to the Iowa Jobs Program, which had originally been adopted and filed emergency with a Notice of Intended Action (NOIA). He noted, however, that because the most recent revisions were adopted before the end of the 35-day period and supersede the original NOIA, IFA needs to terminate that original NOIA, published as ARC 7942B.

Motion: Ms. Armstrong made a motion to approve the Notice of Termination of ARC 7942B because it has been superseded by the subsequent amendment to Chapter 32 adopted emergency as ARC 8103 and noticed as ARC 8108B. On a second by Mr. Johnson, the Board unanimously approved the Notice of Termination of ARC 7942B.

Community Development Programs

ECONOMIC DEVELOPMENT LOAN PROGRAM

Resolution ED 09-20, Cornerstone BRAD Project

Ms. Beary introduced the application and inducement resolution for \$35,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds for the Cornerstone BRAD, LLC Project in Hull, located in Sioux County. She said the bonds will be used to construct a facility that will convert agricultural and food processing waste into bio-gas which will fuel cogeneration units to produce electricity. Ms. Beary noted that the project will require Private Activity Bond Cap.

Motion: Ms. Baum made a motion to adopt the resolution approving an application for \$35,000,000 of Iowa Finance Authority Solid Waste Facility Revenue Bonds (The Cornerstone BRAD, LLC Project), Series 2009, for The Cornerstone BRAD, LLC (the “Borrower”), and evidencing the intent to proceed with the issuance of \$35,000,000 of Solid Waste Facility Revenue Bonds. On a second by Ms. Armstrong, the Board unanimously approved Resolution ED 09-20.

Resolution ED 01-14B-1, Interwest, LC Project

Ms. Beary introduced the amending resolution regarding \$5,000,000 of Iowa Finance Authority Variable Rate Demand Industrial Revenue Bonds for Interwest, LC Project. She explained that the bonds were issued in 2001 and were used to construct a soy methyl ester facility in Ralston, located in Carroll County. Ms. Beary said this resolution authorizes amendments to the Indenture and Loan Agreement in order to clarify the requirements for credit, amend provisions related to moneys available to pay Trustee fees, to change the definition of “mandatory tender date” and to add a rating agency rating to the bonds.

Motion: Mr. Adams made a motion to approve the resolution amending Resolution No. 01-14B regarding \$5,000,000 of Iowa Finance Authority Variable Rate Demand Industrial Development Revenue Bonds (Interwest, LC Project) Series 2001. On a second by Mr. Johnson, the Board unanimously approved Resolution No. 01-14B-1.

WATER QUALITY PROGRAMS

Resolution WQ 09-06, Planning & Design Loans

Ms. Beary introduced the resolution approving Planning & Design Loans for the cities of Cresco, Corydon, Cumming, Wheatland, Lewis, New London and Wayland, as well as Buena Vista County and DNR Parks for a total of \$2,152,134

Motion: On a motion by Ms. Bordwell and a second by Ms. Brown, the Board unanimously approved Resolution WQ 09-06.

Title Guaranty Division (TG)

Mr. Ogle reported that the TG Board met on September 1, 2009, and approved a transfer of \$396,000 from TG to IFA’s housing programs.

Motion: On a motion by Mr. Adams and a second by Ms. Armstrong, the Board unanimously accepted the transfer of funds, expressing appreciation to TG.

Mr. Ogle then reported that although revenues in June were the highest in more than three years, July revenue was even higher and August revenue hit \$511,000, the best in five years. He also noted that September revenue is already outpacing August figures. Mr. Ogle said TG is recruiting new lenders regularly while their current lenders are remaining active, mostly due to the marketing efforts of the department.

Mr. Ogle announced that the TG Board approved a recommendation to notice rules, which the IFA Board will probably be presented in October for consideration.

Miscellaneous Items

Receive Comments from General Public

Chair Caudron opened the public comment period and asked if anyone in the audience would like to address the Board.

Mr. Bob Burns of BurnsHousing.com spoke to the Board about Jefferson Point, a service-enriched tax credit project in Iowa City, which has recently been in the news. He said the issues have been resolved.

There being no other audience members wishing to address the Board, Chair Caudron closed the public comment period.

Next Meeting

Chair Caudron announced that the next regular monthly meeting would be held at 10:45 a.m. on Wednesday, October 7, 2009, in IFA's Presentation Room.

Adjournment

There being no further business, on a motion by Mr. Walter and a second by Ms. Armstrong, the September 9, 2009, meeting of the IFA Board of Directors adjourned at 5:06 p.m.

Dated this 7th day of October 2009.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director/Board Secretary
Iowa Finance Authority

Roger J. Caudron, Chair
Iowa Finance Authority