

**ILLINOIS GRAIN INSURANCE CORPORATION  
BOARD OF DIRECTORS  
MINUTES**

**January 30, 2020**

**I. Welcome**

Jeremy Flynn, Acting Director of the Illinois Department of Agriculture (IDOA) and President of the Illinois Grain Insurance Corporation called to order the annual meeting at 10:03 a.m. in the FFA Conference Room at the IDOA on Thursday, January 30, 2020. The agenda was posted prior to the meeting and distributed to the Board members and attendees.

**II. Roll Call**

A. Secretary Designee Dylan Grady called the roll. Present were Jeremy Flynn, President of the Illinois Grain Insurance Corporation; Dylan Grady, secretary and designee for Attorney General Kwame Raoul; Keith Fanning, designee for the Director of the Department of Insurance; Elizabeth Turner, designee for State Treasurer Michael Frerichs; and Johanna Helm, Chief Fiscal Officer of the IDOA.

B. Others present include members of the Advisory Board, attendees and IDOA staff:

Joe Small – Chief of the Bureau of Warehouses  
David Ramsey – Illinois Farmers Union  
Mark Reichert – Illinois Farm Bureau  
David Gleason – IDOA Warehouse  
Jeff Adkisson – Grain & Feed Association of Illinois  
John Teefey – IDOA Assistant General Counsel  
Rae F. Payne – Illinois Farm Bureau  
Martin Marr – Illinois Corn Growers  
Amanda Daugherty – IDOA  
Chuck Cawley - IDOA

**III. Treasurer's Report**

A. Prior to the meeting, Elizabeth Turner, designee for the State Treasurer, distributed an investment report indicating the balance of the Illinois Grain Insurance Corporation's Illinois Fund's account as of December 31, 2019 was \$8,545,898.15. The average interest rate for the month of December 2019 was 1.720%.

- B. Dylan Grady moved to approve the treasurer's report, and Keith Fanning seconded the motion. There being no discussion, the report was approved.

#### **IV. Secretary's Report**

- A. The minutes of the March 21 2019, regular meeting were distributed prior to the meeting. There were no additions or corrections.
- B. Elizabeth Turner moved to approve the minutes, and Keith Fanning seconded the motion. There being no discussion, the minutes were approved.
- C. The minutes will be available on the IDOA website.

#### **V. New Business**

Joe Small, Chief of the Bureau of Warehouses provided the following information:

##### **A. Illinois Grain Insurance Fund Balance**

Cash: \$\$8,554,635.92  
Equity: \$8,582,985.42  
Difference: \$28,349.50

Joe Small indicated that the difference between these amounts and the Treasurer's report are due to some additional recent deposits. In addition, equity includes deposits owed.

##### **B. Regulatory Fund Account Update**

Balance: \$219,229.82

##### **C. Indemnity Trust Account Update**

Balance: \$1,017,007.71  
Includes Grain Asset Preservation Fund Balance: \$49,576.91

The balance in the Indemnity Trust Fund Account consist of various collateral posted to the Department by licensees along with the Grain Asset Preservation money. The \$784,171.29 account balance difference from last year is mainly due to a recent deposit of cash collateral by a licensee during fiscal year 2020.

**D. Update on Illinois Grain Insurance Fund Assessments**

| <b>IGIF Assessment Revenues</b>             | <b>7/1/18 to 6/30/19</b> | <b>7/1/19 to 12/31/19</b> | <b>Est. 7/1/19 to 6/30/20</b> |
|---------------------------------------------|--------------------------|---------------------------|-------------------------------|
| Newly Licensed – Grain Dealer Assessment    | \$26,543.00              | \$7,375.00                | \$7,443.00                    |
| Newly Licensed – Grain Warehouse Assessment | \$500.00                 | \$1,981.00                | \$1,981.00                    |
| Permanent Capacity Assessment               | \$65,895.31              | \$27,473.61               | \$32,036.61                   |
| Temporary Capacity Assessment               | \$76,879.21              | \$28,285.00               | \$41,189.50                   |
| Emergency Capacity Assessment               | \$18,065.77              | \$2,563.00                | \$3,316.00                    |
| Penalties                                   | \$1,000.00               | \$500.00                  | \$1,000.00                    |
| Printers Fees                               | \$2,400.00               | \$2,400.00                | \$2,400.00                    |
| Interest on Illinois Funds                  | \$186,895.08             | \$86,263.82               | \$161,000.00                  |
| Services in Kind From IDOA                  | \$15,302.00              | \$0.00                    | \$15,302.00                   |
| Recovery on Claims Paid                     | \$8,891.71               | \$5,067.13                | \$7,470.27                    |
| <b>Total</b>                                | <b>\$402,372.08</b>      | <b>\$161,908.56</b>       | <b>\$273,138.38</b>           |

**E. Update on Grain Dealer and Warehouse Licensure**

As of 1/17/20:

Total Permanent Storage Capacity in Bushels: 1,578,980,000

Number of Licensed Companies: 238

Number of Licensed Locations: 1,062

Number of Grain Dealers: 234

State Licensed Warehouses: 189

Federal Licensed Warehouses: 19

**F. Grain Reserve Fund Audit Update**

The \$2.0 million IL Grain Insurance Reserve Fund was not funded as required in statute. We have two options for compliance which are: request a \$2.0 million GRF

appropriation or seek legislative approval to remove this language from the IL Grain Code. Without the success of one of these options, I suspect that this audit finding will continue, as in the past.

Discussion regarding this audit finding and possible options discussed amongst the Board. Elizabeth Turner makes a motion to request an appropriation from the GRF. Dylan Grady seconded the motion. Mark Reichert voiced support for the motion. None opposed and the motion passed.

John Teefey explained that a request does not mean that the audit finding will go away.

#### **G. Bureau of Warehouses staffing level**

The Bureau of Warehouses has a current staff of 14.

WHS has 3 office staff consisting of the Administrative Assistant, the Acting Warehouse Examiner Supervisor, and the Bureau Chief.

WHS currently has 11 Warehouse examiners in the field.

WHS is currently waiting to interview qualified candidates for a position in Grundy County.

WHS had four examiners retire during calendar year 2018 with an average of 35 years of service. In addition, WHS had one examiner transfer to another Agriculture Bureau on 2/1/19.

#### **H. Mandatory Training for Board Members**

John Teefey, General Counsel at the Illinois Department of Agriculture, spoke about the mandatory ethics training and sexual harassment training. He stated that he is required to ensure compliance of all Board members.

Assistant General Counsel Tess Little will be sending training materials by electronic mail to all Board members who have not taken this training. Members were reminded that failure to complete the ethics training may result in removal from the Illinois Grain Insurance Corporation Board.

Questions about the ethics training should be directed to Ethics Officer Tess Little. She can be contacted via electronic mail at [Tess.Little@illinois.gov](mailto:Tess.Little@illinois.gov)

## **VI. Old Business**

### **A. Update on claimant cases associated with SGI Agri-Marketing and Keller Grain**

SGI Agri-Marketing LLC, a grain dealer in Gibson City (Ford County), had its license revoked at an administrative hearing on 11/9/16 for financial deficiencies and failure occurred on 11/1/16 which was the date the license was denied. The producer claim deadline was 1/29/17. WHS had five requests for claim hearings in which two are still outstanding. The total value of the two outstanding claims is \$141,744.04 or \$120,482.43 at the statutory 85% coverage rate.

The two outstanding claims are proceeding through Circuit Court.

Keller Grain Company, a grain dealer and grain warehouse with locations in Ware and Anna (Union County), had its license revoked at an administrative hearing on 1/9/17 for non payment of grain with failure occurring on 12/29/16 which was the date the license was suspended. The producer claim deadline was 3/29/17.

WHS had one request for hearing which has led to a settlement agreement in the amount of \$50,000. WHS is requesting board approval of \$50,000 to be transferred from the Illinois Grain Insurance Fund to the Grain Indemnity Trust Fund for payment of the settlement agreement amount.

Dylan Grady asked whether there was any conflict in voting to approve the settlement because the Attorney General's Office represents the Department in the litigation. John Teefey advised he did not believe any conflict existed.

Keith Fanning made a motion to approve the settlement and transfer of the funds. Elizabeth Turner seconded the motion. None were opposed and the motion passed.

## **VII. Additional Discussion**

None

### **VIII. Adjournment**

There being no further business, Keith Fanning made a motion to adjourn. Elizabeth Turner seconded the motion. The meeting was adjourned at 10:17 a.m. on January 30, 2020.

Respectfully submitted,

Dated: January 30, 2020

s/ Dylan P. Grady  
Dylan P. Grady  
Assistant Attorney General  
Secretary, Illinois Grain Insurance Corp.