

## FARM PRODUCE INSURANCE AUTHORITY BOARD MEETING

Microsoft Teams Online Meeting  
June 16, 2021, Board Meeting Minutes

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**MEMBERS PRESENT:** Jason Haag, Stephen Ewald, Gerald Heck, James Howe, Nichole Wilcox, Mark Kies, and William Wilson

**MEMBERS ABSENT:** Gary McDowell, Rita Herford, and Terry Page

**PRESENT FOR MDARD:** Jamie Zmitko-Somers, Agriculture Development Division Director; Jeff Haarer, FPIA Administrator/Producer Security Services Section Manager; Dominic Perrone, Regulation Officer; and Johnathon Schweda, Administrative Technician/Moderator

**GUESTS:** Mark Beck, Comerica Bank; Tony Essenmacher, Comerica Bank; Steve Hinkle, Comerica Bank; and Theresa Sisung, Michigan Farm Bureau (MFB); Bradley DeVries, Yeo & Yeo CPAs; Jordan Hale, Yeo & Yeo CPAs; Melanie Marks, Office of the Auditor General; Chase Benson, Office of the Auditor General; McKinzie Kiggins, Office of the Auditor General; and Autumn Foreman, Office of the Auditor General

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### **Call to Order, Roll Call, and Approval of Agenda and Prior Minutes – Mark Kies**

Mr. Kies called the meeting to order at 9:02am and asked for introductions. Mr. Heck motioned to accept the agenda without edit; Mr. Ewald seconded and the motion passed unanimously. Mr. Haag motioned to accept the previous minutes without edit; Mr. Wilson seconded and the motion passed unanimously.

### **Comerica Report – Mark Beck and Tony Essenmacher**

- **Investment Fund** – Mr. Beck reviewed the Board’s investments and explained the investment fund is doing well in a volatile market after the pandemic. He discussed the breakdown of the investment report in detail. He went on to answer the Board’s questions.
- **Banking and Sweep Account** – Mr. Essenmacher reviewed the FPIA’s \$1 million line of credit. Mr. Hinkle reviewed the FPIA’s sweep account process.

### **Yeo & Yeo, CPA’s Report – Bradley DeVries**

Mr. DeVries reviewed the purpose of the financial audit, crosswalk, and Governance letter documents and their contained findings compiled by Yeo & Yeo, CPA. The audit’s timeframe was January 2020 through December 2020. Mr. DeVries further noted that the audit was clean and that there were no material internal control findings.

### **Michigan Farm Bureau (MFB) Report – Theresa Sisung**

Ms. Sisung discussed the development of a Farm Bill Taskforce within MFB. This taskforce has a focus on policy development. She also mentioned many commodity and district meetings will

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begin occurring in-person. MFB is actively working on the 2021 FPIA board nomination to reinstate Mr. Wilson after his first term's expiration, and to ensure the continued funding of the MEAEP programs.

### **Administrator's Report – Jeff Haarer**

- **Agribusiness Report** – Mr. Howe provided an update on various scenarios grain elevators are facing due to the previous year's growing season and the upcoming challenges the current drought Michigan is experiencing will bring.
- **MDARD Report** – Mrs. Zmitko-Somers provide an update on MDARD's return to in-person work beginning July 12, 2021.
- **Financial Report** – Mr. Haarer reviewed the balance sheet, with total liabilities and equity at \$ 11,165,955.55, and the Profit and Loss statement. Mr. Haarer explained the current status of the Program and the distribution of expenses.
- **Grain Dealer Status / Risk Analysis, Priorities, and Audit Review Process** – Mr. Haarer reviewed the grain dealers' volatility and discussed how risk is determined and facilities are prioritized. Mr. Perrone further explained in detail how the auditing team performs both working capital audits and internal control exams. Mr. Haarer and Mr. Perrone answered questions from the Board.
- **Administrative Assessment Status and Process** – Mr. Haarer reviewed the aggregate totals of program assessments collected by year.
- **AGRO** – Mr. Perrone explained the annual AGRO meeting was scheduled to be held in Minnesota in 2020 but has been rescheduled to October 2021 due to the pandemic.
- **Office of the Auditor General** – Mr. Haarer stated the FPIA Program has been selected for a process audit to be completed by the Office of the Auditor General. Ms. Marks, the supervisor of the audit, described their role and the process they'll be following to ensure the FPIA Program is operating in the appropriate manner. Mr. Haarer and Ms. Marks answered questions from the Board.
- **Producer Security Section and Staffing Updates** – Mr. Haarer discussed staffing as the Producer Security Team looks at other avenues for funding its staff salaries (i.e., commodity audits, grant reviews, feed tonnage audits, dairy securities, etc.). Mrs. Studders was funded at 50% for a half year while working on a tonnage project and Mr. Schweda is funded at 50% by the FPIA, Mr. Haarer is funded approximately 75% by the FPIA, and both Mr. Hall and Mr. Perrone are 95% funded by the FPIA.
- **Board Term & Elections Update** – Mr. Haarer reviewed the expiration dates for current board members and noted Mr. Wilson's term expires June 2021. MFB is working on a nomination for Mr. Wilson to be reinstated once reviewed and re-appointed by the Governor.

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Mr. Heck motioned to re-elect Mr. Kies as vice chair, Mr. Wilson as co-vice chair, and Ms. Wilcox as Treasurer and Mr. Ewald seconded the motion. Mr. Kies and Ms. Wilcox accepted the nominations; Mr. Wilson accepted pending his reinstatement by the Governor. The motion passed by unanimous vote.

### **Old Business – Jeff Haarer**

- **Approval of the Administrative Support Request** – Mr. Heck motioned to accept the proposed financial compensation under the Memorandum of Understanding for \$417,955.00; Mr. Ewald seconded and the motion passed unanimously.

### **New Business – Mark Kies & Jeff Haarer**

- **Next Board Meeting** – Mr. Schweda proposed to reconvene on December 15, 2021 at 9:00am with a location in Lansing, MI yet to be determined. The Board agreed to the meeting date pending the location availability.

### **Public Comment**

No members of the public were present for comment.

### **Adjournment**

A motion was made by Mr. Heck and supported by Mr. Wilson to adjourn the meeting. The motion passed by unanimous vote and the meeting adjourned at 11:06 am.