

NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 28, 2018 - 7:00 P.M.

City of Columbus Offices – 1st Floor Conference Room, 2424 14th St, Columbus, NE 68601
City of Norfolk Offices – Training Room, 309 N 5th St, Norfolk, NE 68701
West Point Chamber of Commerce – 200 Anna Stalp Ave, West Point, NE 68788
Wayne Chamber of Commerce – 108 W. 3rd St., Wayne, NE 68787

The President and Board of Directors reserve the right to adjourn into closed session as per Section 84-1410 of the Nebraska Open Meetings Act.

AGENDA

- I. Call to Order:** Inform the public about the location of the Open Meetings Act and that it is accessible to the public (LB 898).
- II. Roll Call**
- III. Introduction of Guests**
- IV. Secretary’s Report**
 - A.** Approval of February 28, 2018 Agenda & January 31, 2018 Meeting Minutes (as posted)
- V. Treasurer’s Report**
 - A.** January 2017 Treasurer’s Report
- VI. Action Items**
 - A.** Recommendation to approve down payment assistance applicant #101459
 - B.** Recommendation to approve down payment assistance applicant #101460
- VII. President/Board Comments**
- VIII. Next Meeting Date:** The next Northeast Economic Development, Inc. Board of Directors meeting will be at 7:00 p.m. on Wednesday, March 28, 2018. The meeting will be held by conference call. The call locations will be publicized March 14, 2018.
- IX. Adjournment**

Brad Albers_____ Tina Biteghe Bi Ndong_____ Jerry Engdahl_____

Loren Kucera_____ John Lohr_____ Megan Weaver_____

Y (In Favor of Motion) N (Against Motion) **ABS** (Abstain) **A** (Absent)

NED, Inc Board Agenda

Object: To approve the February 28, 2018 meeting agenda and the January 31, 2018 meeting minutes.

Contact Person: Danielle Lammers, Administrative Assistant

For: Action

Explanation: The February 28, 2018 agenda has been posted. The minutes from the January 31, 2018 meeting were posted.

Motion: To approve the February 28, 2018 meeting agenda and the January 31, 2018 meeting minutes.

Brad Albers _____ Tina Biteghe Bi Ndong _____ Jerry Engdahl _____
Loren Kucera _____ John Lohr _____ Megan Weaver _____

Y (In Favor of Motion) **N** (Against Motion) **ABS** (Abstain) **A** (Absent)

NED, Inc Board Agenda

Object: Approval of January 2018 Treasurer's Report

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background: Northeast Economic Development, Inc.'s (NED, Inc) January 2018 Statement of Financial Position and the Statement of Revenues and Expenditures that reflect the monthly Budget, Actual and Budget Variance. Also stated is the Fiscal Year 2018 Budget for the nonaccrual accounts, July 1, 2017, through June 30, 2018, Actual, Budget Variance so far this fiscal year and Percent of the fiscal year 2018 Budget remaining.

Explanation:

Additional Information:

Business Loan Principal Received	\$30,574.54
Housing Rehab Principal Received	5,077.78
Down Payment Assistance (DPA) Principal Received	295.54
New Construction Principal Received	-
Business Loan Disbursements	-
Housing Rehab Loan Disbursements	10,239.67
Down Payment Assistance (DPA) Loan Disbursements	-
New Construction Loan Disbursement	-

Motion: To approve the January 2018 Treasurer's Report as presented.

Brad Albers _____ Tina Biteghe Bi Ndong _____ Jerry Engdahl _____
Loren Kucera _____ John Lohr _____ Megan Weaver _____

Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

Treasurer's Report Item V. A

NED, Inc.
Statement of Financial Position
As of 01/31/2018

	Current Period Balance
Assets	
General Cash	
Cash in Bank-BF #1695334	116,547.27
Business RLF Cash	
IRP Loan Fund-BankFirst 7884171	85,295.82
RLF-BankFirst 7884203	27,773.37
IRP Loan Loss Reserve-BankFirst 7884195	15,248.37
RBEG Loans-BankFirst 7884203	122,820.30
NDO Loan Fund-Security Bank 229970	707.41
RMAP Loan Fund-BankFirst #7898549	136,516.75
#88841889-Midwest Bank-NEF Loan Loss Reserve	12,362.12
IRP #2 Loan Fund-Bank First #7898560	321,407.63
RMAP LLR Fund-BankFirst #8571	25,432.36
NDO Loan Fund-Security Bank 833851	87,840.70
NE Micro Loan-BankFirst #7911287	170,686.09
BF NDO Defederalized	504,307.56
#7911287 - NE Micro Loan #2	8,280.06
NED, Inc. Micro Funds #3 - 2018 Grant BF#7911287	132.00
Housing Cash	
Trust DPA - EVB 3035418	50,727.14
HOME Rehab-BankFirst 7858547	277,897.29
HOME Rehab - CD #882514-Midwest Bank	107,180.25
Trust Rehab CD #882516-Midwest Bank	107,634.16
Trust Rehab Pinnacle 4400292230	125,940.61
HOME DPA - EVBT 3067890	8,538.23
HOME Rehab Pinnacle 4400292249	116,774.81
Trust Rehab BF 7930372	108,297.99
HUD/NENEDD Rehab BankFirst 7930383	115,831.42
Trust New Construction EVBT 3035418	123,849.66
Receivables	
Grants Receivable	3,966.81
Business RLF Notes Receivable	
Business RLF Notes Receivable	47,817.42
Business IRP Notes Receivable	191,916.25
IRP #2 Notes Receivable	630,187.58
NDO Business Notes Receivables	2,363,085.53
RMAP Business Notes Receivable	227,467.48
NE Micro Loan Receivable	356,282.58
Housing Notes Receivable	
DPA Notes Receivable	2,072,963.56
NC Subsidy Notes Receivable	2,197.80
Regional Rehab Notes Receivable	1,194,092.80
Fixed Assets	
Furniture and Equipment	26,105.00
Accumulated Depreciation	(26,105.00)
Allowance for Uncollectibles	
Allowance for uncollectable losses	(2,921,837.09)
Total Assets	6,946,170.09
Liabilities	
Accounts Payable	
Accounts Payable	105,544.85
Notes Payable	
RMAP Loan Payable	385,307.56

NED, Inc.
Statement of Financial Position
As of 01/31/2018

	<u>Current Period Balance</u>
NEF Loan Payable	121,673.38
IRP Loan Payable	191,476.37
IRP #2 Loan Payable	<u>649,358.07</u>
Total Liabilities	<u>1,453,360.23</u>
Net Assets	
Other	<u>5,492,809.86</u>
Total Net Assets	<u>5,492,809.86</u>
Total Net Assets and Liabilities	<u><u>6,946,170.09</u></u>

NED, Inc.
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 01/01/2018 Through 01/31/2018

		Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget - Original	Current Year Actual	Total Budget Variance	Percent Total Budget Remaining
Revenues								
405	Bad Debt Recovery	3,916.67	0.00	(3,916.67)	47,000.00	39,270.00	(7,730.00)	(16.45)%
421	Housing Mgmt Rev	903.50	0.00	(903.50)	10,842.00	150.00	(10,692.00)	(98.62)%
427	General Admin Rev	1,143.08	0.00	(1,143.08)	13,717.00	4,595.83	(9,121.17)	(66.50)%
428	Down Payment Assistance Loan Processing Fee	79.67	0.00	(79.67)	956.00	2,390.00	1,434.00	150.00%
432	NE Micro Loan Fund Revenue	0.00	40,000.00	40,000.00	0.00	75,000.00	75,000.00	0.00%
436	Microenterprise Management Revenue	779.58	0.00	(779.58)	9,355.00	0.00	(9,355.00)	(100.00)%
439	CDBG ED NDO RLF Contributions	41,666.66	47,371.44	5,704.78	500,000.00	99,754.44	(400,245.56)	(80.05)%
442	Microenterprise Lending Program Contributions	5,983.33	0.00	(5,983.33)	71,800.00	0.00	(71,800.00)	(100.00)%
443	USDA RMAP TA Funds	940.83	0.00	(940.83)	11,290.00	20,257.26	8,967.26	79.43%
444	Business Loan Closing Revenue	250.00	0.00	(250.00)	3,000.00	250.00	(2,750.00)	(91.67)%
447	Housing Rehab Contributions	15,713.92	0.00	(15,713.92)	188,567.00	188,567.00	0.00	0.00%
451	Business Loan Interest	10,833.33	12,706.17	1,872.84	130,000.00	92,259.98	(37,740.02)	(29.03)%
452	Loan Late Fees	100.00	35.92	(64.08)	1,200.00	632.85	(567.15)	(47.26)%
453	Business Loan Processing Fee	500.00	400.00	(100.00)	6,000.00	1,850.00	(4,150.00)	(69.17)%
454	Annual Servicing Fees	1,000.00	2,739.87	1,739.87	12,000.00	7,285.88	(4,714.12)	(39.28)%
471	HO Rehab Interest	666.67	633.75	(32.92)	8,000.00	4,590.19	(3,409.81)	(42.62)%
490	Interest Income	1,166.67	2,226.06	1,059.39	14,000.00	12,536.78	(1,463.22)	(10.45)%
492	Contributions	458.33	0.00	(458.33)	5,500.00	2,607.16	(2,892.84)	(52.60)%
	Total Revenues	<u>86,102.24</u>	<u>106,113.21</u>	<u>20,010.97</u>	<u>1,033,227.00</u>	<u>551,997.37</u>	<u>(481,229.63)</u>	<u>(46.58)%</u>
Expenditures								
523	Office Supplies	16.67	0.00	16.67	200.00	0.00	200.00	100.00%
543	Bank Fees	8.33	30.00	(21.67)	100.00	197.00	(97.00)	(97.00)%
546	Lead Inspection Exp	41.67	0.00	41.67	500.00	0.00	500.00	100.00%
548	Loan Closing Expense	150.00	7.00	143.00	1,800.00	29.00	1,771.00	98.39%
549	Housing Admin	903.50	0.00	903.50	10,842.00	345.00	10,497.00	96.82%

NED, Inc.

**Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 01/01/2018 Through 01/31/2018**

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget - Original	Current Year Actual	Total Budget Variance	Percent Total Budget Remaining	
553	General Admin	1,143.08	1,007.00	136.08	13,717.00	7,687.83	6,029.17	43.95%
560	Legal Services	100.00	0.00	100.00	1,200.00	0.00	1,200.00	100.00%
561	Audit Fees	487.92	0.00	487.92	5,855.00	5,625.00	230.00	3.93%
569	Other Professional Services	225.00	0.00	225.00	2,700.00	0.00	2,700.00	100.00%
573	Loan Interest Expense	1,590.00	944.74	645.26	19,080.00	15,023.19	4,056.81	21.26%
574	NENEDD Management Exp	15,750.00	15,301.29	448.71	189,000.00	88,320.03	100,679.97	53.27%
577	Local RLF Contribution Expense	0.00	0.00	0.00	0.00	16,914.17	(16,914.17)	0.00%
580	Loans Written Off	12,083.33	0.00	12,083.33	145,000.00	111,880.00	33,120.00	22.84%
583	NC Subsidy Loans Forgiven	29.75	29.70	0.05	357.00	207.90	149.10	41.76%
584	Rehab Loans Forgiven	5,000.00	4,320.98	679.02	60,000.00	30,918.12	29,081.88	48.47%
589	Invest Nebraska NDO RLF Contributions	2,166.66	1,488.10	678.56	26,000.00	12,461.70	13,538.30	52.07%
594	Grant Contribution	0.00	0.00	0.00	0.00	735,085.83	(735,085.83)	0.00%
	Total Expenditures	<u>39,695.91</u>	<u>23,128.81</u>	<u>16,567.10</u>	<u>476,351.00</u>	<u>1,024,694.77</u>	<u>(548,343.77)</u>	<u>(115.11)%</u>
	Total Revenues Over (Under) Expenditures	<u>46,406.33</u>	<u>82,984.40</u>	<u>36,578.07</u>	<u>556,876.00</u>	<u>(472,697.40)</u>	<u>(1,029,573.40)</u>	<u>(184.88)%</u>

NED Inc. Board Agenda

Object: Recommendation to approve down payment assistance applicant #101459

Contact Person: Judy Joy

For: Action

Background: Property Location: Columbus - Primary Lender –Charter West Bank

Down Payment Assistance \$30,000

Purchase Price: \$157,500

Terms of Loan: 30 year USDA NIFA– 3.625 Interest Rate

Ratios: Housing Debt to Income – 21%

Total Debt to Income – 33%

Credit Score: 688 Appraised Value: \$159,000

Explanation: Recommendation for approval is based on the following information

Purchase Price	\$157,500.00
Primary Lender and NED Inc. Closing Costs	\$6,597.02
Subtotal	\$164,097.02
Maximum Bank Loan	\$133,097.00
NED, Inc. Down Payment Assistance	\$30,000.00
Buyer Cash Requirement at Closing	\$1,000.02
Estimated Loan to Value Ratio	85%
Monthly Gross Income	\$4,336.33
Monthly Housing Expense (Includes Principal, Interest, Taxes & Insurance)	\$920.85
Housing Debt to Income Ratio (Ratio Criteria Per Guidelines: Maximum 28%)	21%
Other Monthly Debts	
Automobile Payment	\$120.00
Credit Cards	\$66.00
Other Debt	\$0.00
Student Loans	\$324.00
Total Housing Expense Plus Other Debt	\$1,430.85
Total Debt to Income Ratio (Ratio Criteria Per Guidelines: Maximum 40%)	33%

Notes: Staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$30,000 for applicant #101459.

Motion: Move to approve applicant #101459 for down payment assistance in the amount of \$30,000.

Brad Albers_____ Tina Biteghe Bi Ndong_____ Jerry Engdahl_____

Loren Kucera_____ John Lohr_____ Megan Weaver_____

Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

Action Items VI. A

NED Inc. Board Agenda

Object: Recommendation to approve down payment assistance applicant #101460

Contact Person: Judy Joy

For: Action

Background: Property Location: Columbus - Primary Lender –Charter West Bank

Down Payment Assistance \$22,200.00

Purchase Price: \$111,000

Terms of Loan: 30 year USDA NIFA– 3.625 Interest Rate

Ratios: Housing Debt to Income – 20%

Total Debt to Income – 24%

Credit Score: 700 Appraised Value: \$111,000

Explanation: Recommendation for approval is based on the following information

Purchase Price	\$111,000.00
Primary Lender and NED Inc. Closing Costs	\$7,303.20
Subtotal	\$118,303.20
Maximum Bank Loan	\$95,103.00
NED, Inc. Down Payment Assistance	\$22,200.00
Buyer Cash Requirement at Closing	\$1000.20
Estimated Loan to Value Ratio	85%
Monthly Gross Income	\$3,579.80
Monthly Housing Expense (Includes Principal, Interest, Taxes & Insurance)	\$711.67
Housing Debt to Income Ratio (Ratio Criteria Per Guidelines: Maximum 28%)	20%
Other Monthly Debts	
Automobile Payment	\$0.00
Credit Cards	\$35.00
Other Debt	\$0.00
Student Loans	\$109.00
Total Housing Expense Plus Other Debt	\$855.67
Total Debt to Income Ratio (Ratio Criteria Per Guidelines: Maximum 40%)	24%

Notes: Staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$22,200 for applicant #101460 contingent upon repairs begin completed. The City of Columbus Community Development Block Grant Reuse Funds will be utilized for the down payment assistance.

Motion: Move to approve applicant #101460 for down payment assistance in the amount of \$22,200 contingent upon completion of repairs.

Brad Albers _____ Tina Biteghe Bi Ndong _____ Jerry Engdahl _____
Loren Kucera _____ John Lohr _____ Megan Weaver _____

Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

Action Items VI. B