

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.**  
**BOARD OF DIRECTORS MEETING**  
**WEDNESDAY, JANUARY 31, 2018 - 7:00 P.M.**

*City of Columbus Offices – 1<sup>st</sup> Floor Conference Room, 2424 14th St, Columbus, NE 68601*  
*City of Hartington Offices – Conference Room, 107 W. State St., Hartington, NE 68739*  
*City of Norfolk Offices – Training Room, 309 N 5<sup>th</sup> St, Norfolk, NE 68701*  
*West Point Chamber of Commerce – 200 Anna Stalp Ave, West Point, NE 68788*  
*Wayne Chamber of Commerce – 108 W. 3<sup>rd</sup> 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 January 31, 2018 Agenda & January 10, 2018 Meeting Minutes (as posted)
- V. Treasurer’s Report**
  - A.** December 2017 Treasurer’s Report
- VI. Action Items**
  - A.** Recommendation to approve applicant # 101441 for owner occupied housing rehabilitation funds up to the amount of \$25,000.00 based upon Northeast Economic Development Inc.’s (NED, Inc.) Board of Directors initial approval.
  - B.** Approve a \$40,000 loan to Sheila Leetch & Brooke Stuhr, d/b/a The Shop - Albion
- 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, February 28, 2018. The meeting will be held by conference call. The call locations will be publicized February 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

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**Object:** To approve the January 31, 2018 meeting agenda and the January 10, 2018 meeting minutes.

**Contact Person:** Danielle Lammers, Administrative Assistant

**For:** Action

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**Explanation:** The January 31, 2018 agenda has been posted. The minutes from the January 10, 2018 meeting were posted.

**Motion:** To approve the January 31, 2018 meeting agenda and the January 10, 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

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**Object:** Approval of December 2017 Treasurer's Report

**Contact Person:** Kristen Rosner, Fiscal Officer

**For:** Action

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**Background:** Northeast Economic Development, Inc.'s (NED, Inc) December 2017 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	\$31,219.25
Housing Rehab Principal Received	5,124.35
Down Payment Assistance (DPA) Principal Received	295.54
New Construction Principal Received	-
Business Loan Disbursements	47,371.44
Housing Rehab Loan Disbursements	4,292.11
Down Payment Assistance (DPA) Loan Disbursements	-
New Construction Loan Disbursement	-

Business Loan Disbursements:

Client #618002, Brehmer Manufacturing, \$47,371.44

**Motion:** To approve the December 2017 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 12/31/2017**

	<b>Current Period Balance</b>
<b>Assets</b>	
General Cash	
Cash in Bank-BF #1695334	29,182.83
Business RLF Cash	
IRP Loan Fund-BankFirst 7884171	83,252.22
RLF-BankFirst 7884203	27,792.22
IRP Loan Loss Reserve-BankFirst 7884195	15,237.90
RBEG Loans-BankFirst 7884203	122,589.29
NDO Loan Fund-Security Bank 229970	707.41
RMAP Loan Fund-BankFirst #7898549	136,237.61
#88841889-Midwest Bank-NEF Loan Loss Reserve	12,354.06
IRP #2 Loan Fund-Bank First #7898560	316,074.63
RMAP LLR Fund-BankFirst #8571	25,410.31
NDO Loan Fund-Security Bank 833851	87,117.20
NE Micro Loan-BankFirst #7911287	167,994.34
BF NDO Defederalized	480,853.58
#7911287 - NE Micro Loan #2	7,350.69
Housing Cash	
Trust DPA - EVB 3035418	51,511.86
HOME Rehab-BankFirst 7858547	273,955.98
HOME Rehab - CD #882514-Midwest Bank	107,180.25
Trust Rehab CD #882516-Midwest Bank	107,634.16
Trust Rehab Pinnacle 4400292230	125,770.05
HOME DPA - EVBT 3067890	8,978.01
HOME Rehab Pinnacle 4400292249	116,616.66
Trust Rehab BF 7930372	121,598.42
HUD/NENEDD Rehab BankFirst 7930383	115,953.57
Trust New Construction EVBT 3035418	123,757.58
Receivables	
Grants Receivable	3,966.81
Business RLF Notes Receivable	
Business RLF Notes Receivable	48,509.71
Business IRP Notes Receivable	193,399.46
IRP #2 Notes Receivable	636,630.88
NDO Business Notes Receivables	2,380,036.74
RMAP Business Notes Receivable	230,008.16
NE Micro Loan Receivable	358,746.43
Housing Notes Receivable	
DPA Notes Receivable	2,073,259.10
NC Subsidy Notes Receivable	2,227.50
Regional Rehab Notes Receivable	1,193,251.89
Fixed Assets	
Furniture and Equipment	26,105.00
Accumulated Depreciation	(26,105.00)
Allowance for Uncollectibles	
Allowance for uncollectable losses	(2,921,837.09)
<b>Total Assets</b>	<b>6,863,310.42</b>
<b>Liabilities</b>	
Accounts Payable	
Accounts Payable	86,467.80
Notes Payable	
RMAP Loan Payable	387,412.79
NEF Loan Payable	125,057.81

**NED, Inc.**  
**Statement of Financial Position**  
**As of 12/31/2017**

	<u>Current Period Balance</u>
IRP Loan Payable	191,476.37
IRP #2 Loan Payable	<u>649,358.07</u>
Total Liabilities	<u>1,439,772.84</u>
Net Assets	
Other	<u>5,423,537.58</u>
Total Net Assets	<u>5,423,537.58</u>
Total Net Assets and Liabilities	<u><u>6,863,310.42</u></u>

**NED, Inc.**  
**Statement of Revenues and Expenditures - Unposted Transactions Included In Report**  
**From 12/01/2017 Through 12/31/2017**

		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	0.00	0.00	0.00	35,000.00	35,000.00	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	0.00	(41,666.66)	500,000.00	52,383.00	(447,617.00)	(89.52)%
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	12,036.46	1,203.13	130,000.00	79,553.81	(50,446.19)	(38.80)%
452	Loan Late Fees	100.00	80.92	(19.08)	1,200.00	596.93	(603.07)	(50.26)%
453	Business Loan Processing Fee	500.00	250.00	(250.00)	6,000.00	1,450.00	(4,550.00)	(75.83)%
454	Annual Servicing Fees	1,000.00	649.54	(350.46)	12,000.00	4,546.01	(7,453.99)	(62.12)%
471	HO Rehab Interest	666.67	680.54	13.87	8,000.00	3,956.44	(4,043.56)	(50.54)%
490	Interest Income	1,166.67	1,681.29	514.62	14,000.00	10,310.72	(3,689.28)	(26.35)%
492	Contributions	458.33	1,303.58	845.25	5,500.00	2,607.16	(2,892.84)	(52.60)%
	<b>Total Revenues</b>	<u>86,102.24</u>	<u>16,682.33</u>	<u>(69,419.91)</u>	<u>1,033,227.00</u>	<u>445,884.16</u>	<u>(587,342.84)</u>	<u>(56.85)%</u>
Expenditures								
523	Office Supplies	16.67	0.00	16.67	200.00	0.00	200.00	100.00%
543	Bank Fees	8.33	20.00	(11.67)	100.00	167.00	(67.00)	(67.00)%
546	Lead Inspection Exp	41.67	0.00	41.67	500.00	0.00	500.00	100.00%
548	Loan Closing Expense	150.00	0.00	150.00	1,800.00	22.00	1,778.00	98.78%
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 12/01/2017 Through 12/31/2017**

		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	0.00	1,143.08	13,717.00	6,680.83	7,036.17	51.30%
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	7,506.13	(5,916.13)	19,080.00	14,078.45	5,001.55	26.21%
574	NENEDD Management Exp	15,750.00	9,420.11	6,329.89	189,000.00	73,018.74	115,981.26	61.37%
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	178.20	178.80	50.08%
584	Rehab Loans Forgiven	5,000.00	4,321.81	678.19	60,000.00	26,597.14	33,402.86	55.67%
589	Invest Nebraska NDO RLF Contributions	2,166.66	1,488.10	678.56	26,000.00	10,973.60	15,026.40	57.79%
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>22,785.85</u>	<u>16,910.06</u>	<u>476,351.00</u>	<u>1,001,565.96</u>	<u>(525,214.96)</u>	<u>(110.26)%</u>
	Total Revenues Over (Under) Expenditures	<u>46,406.33</u>	<u>(6,103.52)</u>	<u>(52,509.85)</u>	<u>556,876.00</u>	<u>(555,681.80)</u>	<u>(1,112,557.80)</u>	<u>(199.79)%</u>

## **Walthill Village Board Agenda Item**

**Object:** Recommendation to approve applicant # 101441 for owner occupied housing rehabilitation funds up to the amount of \$25,000.00 based upon Northeast Economic Development Inc.'s (NED, Inc.) Board of Directors initial approval.

**Contact Person:** Martin Griffith

**For:** Action

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**Background:** 100% Forgivable Loan over 10 years

Property Location:	Walthill
House Square Footage:	952
Cost of Repairs:	\$25,000.00
Cost per Square Foot:	\$26.00
Funding Source:	Walthill OOR Housing Grant #16-HO-15069

**Explanation:** The house under consideration is structurally sound, in good condition, and after repairs will meet or exceed all of the required Minimum Rehabilitation Standards. Therefore is deemed economically feasible for the Walthill Owner Occupied Housing Rehabilitation Program. Funding source will be the Walthill 16-HO-15069 Grant. The cost of repairs exceeds the \$25.00 per square foot limit due to the small size of the house, therefore the Housing Specialist requests the board waive the \$25.00 per square foot limit.  
See list of repairs below.

### **Repairs**

- Replace roof coverings.
- Install seamless gutters to entire house.
- Install total siding package.
- Replace five electrical outlets with ground fault circuit interrupter outlets.
- Fasten electrical panel cover.
- Replace nine windows with low E insulated glass units.
- Install termination cap and connect to bath vent fan.
- Install three smoke detectors.
- Install two combination smoke/carbon monoxide detectors.
- Stabilize all deteriorated paint on interior surfaces.



This property is currently valued at \$6,585.00  
After rehabilitation property value \$25,335.00  
Current mortgage balance - None  
Village of Walthill Lien Position – 1st

**After Rehab Property Value Calculation:**

**County: Thurston**

<b>Tax Valuation:</b>	<b>\$6,585.00</b>	
<b>% of Value:</b>	<b>100%</b>	(Based on tax roll year) 2016
<b>100% RE Tax Valuation:</b>	<b>\$6,585.00</b>	(Pre Rehab value)
<b>Total Rehab Spent:</b>	<b>\$25,000.00</b>	
<b>75% of Rehab Spent:</b>	<b>\$18,750.00</b>	
<b>After Rehab Value:</b>	<b>\$25,335.00</b>	

Recommendation based on the size of house, condition of the house, cost of repairs, (as per Section 4.5 Economic Feasibility for Rehabilitation of the Housing Rehabilitation Guidelines), after rehabilitation value of house, no current mortgage, and the lien position of The Village of Walthill.

**Motion: To waive the \$25.00 per square foot limit and approve applicant #101441 for housing rehabilitation funds up to the amount of \$25,000.00.**

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

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**Object:** Approve a \$40,000 loan to Sheila Leetch & Brooke Stuhr, d/b/a The Shop - Albion

Contact Persons: Jeff Christensen

**For:** Action

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**Loan Applicant:** – Sheila Leetch & Brooke Stuhr, d/b/a The Shop - Albion

### **I. Project Overview and Description:**

Sheila Leetch & Brooke Stuhr are expanding their beauty salon, Heads and Beds to 141 S. 4<sup>th</sup> Street in Albion. It will now be called The Shop. The Shop is a full service beauty salon offering cuts, colors, perms, waxes, and tanning. The business was originally started by Sheila after she graduated from Joseph's Beauty College in Norfolk. She currently has two part time stylists and works full time herself. Brooke joined Sheila in 2007, but left in 2011 to start a family and pursue a job with benefits. She never left the industry completely and kept up all of her education hours to stay certified. In 2016 she returned to work at the salon.

When Brooke returned to the salon, they decided to update their existing location; however since it was leased, they decided to get their own location rather than spend the money to renovate someone else's property. When the Boot Rack property was available, they decided to buy it in mid-2017. They purchased the building for \$41,240 and estimated their renovation costs to be \$41,000. They obtained a bank loan of \$65,000 and invested \$16,000 of their own cash. However, during the renovation and an inspection by the state fire marshal, there were major updates that needed to be done to meet code; which doubled their cost of renovation. Thus they are asking for a \$40,000 NED, Inc. loan to complete their project.

Besides the beauty salon, the renovation includes a 1,300 sq. ft. commercial space to be rented (est. \$800/mo) for a service &/or retail store next door. There is also a residential apartment on the 2<sup>nd</sup> floor which is occupied and currently brings in \$500/mo. The upstairs also has space for another three apartments in the future.

Total project costs are estimated to be \$124,000 which includes the purchase of the building/real estate and renovation. Great Plains State Bank (GPS), Sheila and Brooke are requesting that NED, Inc. provide a loan in the amount of \$40,000 towards the project. GPS has provided a loan of \$65,000 and Sheila & Brook (and their spouses) have injected \$19,000 in cash and 175-200 hours of sweat equity for the project. After the renovation, they will be able to employ four full time stylists, including Sheila and Brooke, and one full time esthetician.

### **II. Sources and Uses:**

Source	Bank	NED, Inc.	Equity	Total
Real Estate	\$41,240	-0-	-0-	\$41,240
Renovation	\$23,760	\$40,000	\$19,000	\$82,760
<b>Total</b>	<b>\$65,000</b>	<b>\$40,000</b>	<b>\$19,000</b>	<b>\$124,000</b>

### **III. Proposed Loan Package and Related Collateral:**

Great Plains State Bank in Albion has provided a loan of \$65,000. The loan is set up as a regular real estate/commercial loan fully amortized over 20 years at an interest rate of 5.65%. (5 year-variable) In addition to a first deed of trust on the building at 141 S. 4<sup>th</sup> Street in Albion, they required an assignment of rents.

NED, Inc. will lend \$40,000 for renovation of the same property. The \$40,000 loan will have a term of 20 years at an interest rate of 5.50% (fixed). NED, Inc. will have a subordinate Deed of Trust on the renovated real estate and a UCC lien on the business personal property of Sheila Leetch and Brooke Stuhr, d/b/a The Shop. NED, Inc. will also file a Deed of Trust on Leetch's personal residence in Albion and require life insurance assignments from Sheila & Brooke each for the amount of the loan for the life of the loan.

The Northeast Revolving Loan Fund (RLF) committee was presented information on credit scores, net worth, collateral, and financial information as part of the loan summary discussion and recommends this loan for approval.

**Motion:** To approve a NED, Inc. loan of \$40,000 to Sheila Leetch & Brooke Stuhr, to expand their business now called The Shop in Albion, as presented and recommended by NENEDD staff and the Northeast RLF Committee.

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 Item VI. B