

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT - NENEDD
BOARD OF DIRECTORS MEETING
WEDNESDAY JULY 31, 2019 - 7:15 P.M.**

Historic Hartington Hotel – 202 North Broadway, Hartington, NE 68739

The Chairman 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. Consideration of approval of the July 31, 2019 agenda and June 26, 2019 meeting minutes.
- V. Treasurer's Report**
 - A. Consideration for acceptance of the June 2019 treasurer's report as presented.
- VI. Discussion Items**
 - A. Quarterly Loan Review.
- VII. Action Items**
 - A. Consideration to approve certification that NENEDD is operating in accordance with its EDA approved RLF plan.
 - B. Consideration for approval of a \$122,500 loan to Sibert Fitness, LLC to purchase the Norfolk Anytime Fitness business as presented and recommended by NENEDD staff and the Northeast RLF Committee.
 - C. Consideration to approve the appointment of Aaron Gutz to a three-year term on the Northeast Revolving Loan Fund (RLF) Committee as recommended by the Northeast Loan Committee and NENEDD staff.
- VIII. Chairman/Board Comments**
- IX. Next Meeting Date:** The Northeast Nebraska Economic Development District Board of Directors will meet on Wednesday August 28, 2019, at 7:15 pm or following the Northeast Economic Development, Inc. meeting. The meeting will be held at the following location:

City of Norfolk Offices – Training Room, 309 N 5th St, Norfolk, NE 68701
- X. Adjournment**

NENEDD Board Agenda

A. Object: Consideration of approval of the July 31, 2019 agenda and June 26, 2019 meeting minutes

Contact Person: Thomas L. Higginbotham Jr, Executive Director

For: Action

Explanation: The July 31, 2019 agenda has been posted on the website. The June 26, 2019 meeting minutes have been posted on the website.

Motion: Consideration for approval of the July 31, 2019 meeting agenda and the June 26, 2019 board meeting minutes.

Troy Uhlir _____ Gary Jackson _____ Rich Jablonski _____ Glen Ellis _____
Judy Mutzenberger _____ Dan Kathol _____ Jim McCarville _____ Loren Kucera _____

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

Secretary's Report IV.A.

NENEDD Board Agenda

Object: Acceptance of the June 2019 Treasurer's Report

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background:

Northeast Nebraska Economic Development District's (NENEDD) June 2019 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 (FY) 2019 Budget for the nonaccrual accounts, July 1, 2018 through June 30, 2019 Actual, Budget Variance so far this fiscal year and Percent of the Fiscal Year 2019 Budget remaining.

Explanation:

Additional Information:

Business Loan Principal Received	13,719.92
Housing Rehabilitation Principal Received	-
Business Loan Disbursements	210,000.00

Restate Net Income

Year to date Non-Operating Revenue:	22,975.01
N/A	

Year to date Non-Operating Expenditures:

Donations (Loan Payments to Northeast Economic Development, Inc.)	1,868.49
Depreciation Expense	5,035.94
Loans Written Off	47,571.04
Loans Forgivable Portion	236.88
Actual Year to date Revenue Over (Under) Expenditures	<u>77,687.36</u>

Business Loan Disbursements:

#319007, Elgin Body & Glass, Elgin, \$70,000

#319006, District TT Hospitality, LLC, Norfolk, \$140,000

NENEDD Business Revolving Loan Funds Available for Lending (All Sources): \$906,172

Motion: Consideration for acceptance of the June 2019 treasurer's report as presented.

Gary Jackson _____ Rich Jablonski _____ Glen Ellis _____
Troy Uhlir _____ Judy Mutzenberger _____ Dan Kathol _____ Jim McCarville _____ Loren Kucera _____

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

Treasurer's Report V.A.

Northeast Nebraska Economic Development District
Statement of Financial Position - Overall - Unposted Transactions Included In Report
As of 06/30/2019

	Current Period Balance
Assets	
General Cash	
Cash in Bank - Checking	93,484.59
Unrestricted CD-Stanton State Bank #2995	21,808.60
Unrestricted CD-BankFirst #34875	52,313.38
Unrestricted CD-Midwest #882523	27,097.43
Unrestricted CD-Midwest #881867	1,663.22
Unrestricted-BankFirst #1648078	330,669.30
Unrestricted-BankFirst #1648166	79,908.76
Business RLF Cash	
Security Reserve Account CD-EVB #20832	27,329.48
EDA RLF-BankFirst #1648089	371,863.58
NE CDBG Regional RLF-BankFirst 1648111	248,709.04
IRP RLF-BankFirst #1648122	179,433.57
HUD Business RLF-BankFirst #1648133	106,165.64
IRP #1 Loan Loss Reserve-BankFirst #1648144	44,625.92
IRP #2 Loan Loss Reserve-BankFirst #1648177	27,907.88
Housing Cash	
Housing Construction-BankFirst #1648188	1,538.39
Accounts Receivable	
Accounts Receivable	157,767.16
Business RLF Loans Receivables	
EDA RLF Loans Receivable	1,632,421.49
CDBG Regional RLF Loans Receivable	45,552.17
IRP RLF Loans Receivable	1,190,850.29
HUD RLF Loans Receivable	138,680.05
Housing Notes Receivable	
Regional Rehab Notes Receivable	237.47
Prepaid Expenses	
Prepaid Expense	4,460.57
Allowances for Uncollectible Accounts	
Allowance for Uncollectible A/R	(17,600.00)
Allowance for Uncollectible Notes	(451,161.85)
Fixed Assets	
Furniture and Equipment	205,739.37
Accumulated Depreciation	(182,658.36)
Total Assets	4,338,807.14
Liabilities	
Accounts Payable	
Accounts Payable	6,140.83
Other Payables	
Other Payables	302.59
Knox County Loans	12,057.41
Lease Payable	12,894.90
Paryoll Payables	
ADD & Life Payable	70.00
Accrued FICA Payable	3,463.46
Federal Tax Withheld	1,742.36
State Tax Withheld	848.14
457 Withheld	719.10
Health Insurance Payable	144.96
Cafeteria Premium Payable	159.31

Northeast Nebraska Economic Development District
Statement of Financial Position - Overall - Unposted Transactions Included In Report
As of 06/30/2019

	Current Period Balance
Unreimbursed Medical Payable	150.00
Dependent Care Payable	405.08
Child Support Payable	1,500.00
Annual Leave Payable	16,504.74
HSA Contributions	737.50
Accrued Unemployment	18.23
Accrued Salaries	16,318.94
NEF Loan Payable	
NEF Loan Payable	78,666.83
IRP Loan Payable	
IRP #1 Loan Payable	357,712.14
IRP #2 Loan Payable	312,322.01
Deferred Revenue	
Deferred Revenue - Community	162,648.64
Deferred Revenue - County	14,320.00
Deferred Revenue - Associates	10,950.00
Deferred Revenue - General	50.00
Total Liabilities	1,010,847.17
Net Assets	
Other	3,327,959.97
Total Net Assets	3,327,959.97
Total Net Assets and Liabilities	4,338,807.14

Northeast Nebraska Economic Development District
 Statement of Revenues and Expenditures - Unposted Transactions Included In Report
 From 06/01/2019 Through 06/30/2019

		Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
Revenues								
400	Federal Grants-EDA	5,833.37	0.00	(5,833.37)	70,000.00	70,000.00	0.00	0.00%
405	Dues-Community	13,333.37	0.00	(13,333.37)	160,000.00	160,198.58	198.58	0.12%
406	Dues-Counties	1,173.37	0.00	(1,173.37)	14,080.00	13,572.50	(507.50)	(3.60)%
407	Dues-Associates	1,133.37	0.00	(1,133.37)	13,600.00	12,550.00	(1,050.00)	(7.72)%
410	State Funding NDED	5,833.37	0.00	(5,833.37)	70,000.00	69,569.96	(430.04)	(0.61)%
415	Meeting Income	83.37	0.00	(83.37)	1,000.00	655.00	(345.00)	(34.50)%
418	NED, Inc. Management	14,583.37	20,713.12	6,129.75	175,000.00	221,214.31	46,214.31	26.41%
420	General Administration Fees	27,095.87	11,578.44	(15,517.43)	325,150.00	128,478.35	(196,671.65)	(60.49)%
425	Lead Based Paint Inspection	1,500.00	45.00	(1,455.00)	18,000.00	13,013.50	(4,986.50)	(27.70)%
430	Housing Administration Fees	3,618.75	4,880.57	1,261.82	43,425.00	66,406.77	22,981.77	52.92%
433	Construction Management	3,916.25	2,160.00	(1,756.25)	46,995.00	18,328.80	(28,666.20)	(61.00)%
440	Local RLF Contributions	0.00	600.00	600.00	0.00	7,200.00	7,200.00	0.00%
444	Loan Closing Revenue	104.24	572.00	467.76	1,250.00	1,610.00	360.00	28.80%
445	NPAIT Investment Income	83.37	169.57	86.20	1,000.00	1,496.37	496.37	49.64%
451	Business Loan Interest	13,333.37	14,827.74	1,494.37	160,000.00	140,290.19	(19,709.81)	(12.32)%
452	Business Loan Late Fee	50.00	0.00	(50.00)	600.00	35.00	(565.00)	(94.17)%
453	Loan Processing Fee	291.74	1,120.00	828.26	3,500.00	8,220.00	4,720.00	134.86%
454	Annual Servicing Fees	833.37	3,031.30	2,197.93	10,000.00	12,059.91	2,059.91	20.60%
460	Special Projects	0.00	675.00	675.00	0.00	8,642.85	8,642.85	0.00%
481	Housing Rehab Interest	6.74	0.00	(6.74)	80.00	9.89	(70.11)	(87.64)%
489	Bad Debt Recovery	0.00	6,400.00	6,400.00	0.00	6,400.00	6,400.00	0.00%
490	Interest Income	1,083.37	1,067.06	(16.31)	13,000.00	17,938.08	4,938.08	37.99%
491	Miscellaneous Income	0.00	0.00	0.00	0.00	390.30	390.30	0.00%
495	In-Kind Contributions	1,250.00	1,250.00	0.00	15,000.00	15,000.00	0.00	0.00%
	Total Revenues	<u>95,140.66</u>	<u>69,089.80</u>	<u>(26,050.86)</u>	<u>1,141,680.00</u>	<u>993,280.36</u>	<u>(148,399.64)</u>	<u>(13.00)%</u>
Expenditures								
500	Salaries and Wages	50,916.74	45,766.91	5,149.83	611,000.00	593,152.40	17,847.60	2.92%
505	Fringe Benefits	12,333.37	11,553.97	779.40	148,000.00	140,511.88	7,488.12	5.06%
520	Rent In-Kind	1,250.00	1,250.00	0.00	15,000.00	15,000.00	0.00	0.00%
521	Telephone	750.00	612.02	137.98	9,000.00	9,685.21	(685.21)	(7.61)%
522	Postage	333.37	222.61	110.76	4,000.00	3,326.97	673.03	16.83%
523	Office Supplies	833.37	509.84	323.53	10,000.00	9,175.91	824.09	8.24%
524	Training	833.37	0.00	833.37	10,000.00	11,653.52	(1,653.52)	(16.54)%
526	Travel-Staff	2,333.37	2,227.21	106.16	28,000.00	24,729.23	3,270.77	11.68%
530	Printing/Publishing	183.37	0.00	183.37	2,200.00	2,018.00	182.00	8.27%
531	Copier Expense	400.00	960.25	(560.25)	4,800.00	2,911.69	1,888.31	39.34%
532	Donations	333.37	0.00	333.37	4,000.00	1,868.49	2,131.51	53.29%
535	Computer Maintenance/Software	250.00	75.00	175.00	3,000.00	6,104.90	(3,104.90)	(103.50)%

Northeast Nebraska Economic Development District
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 06/01/2019 Through 06/30/2019

		Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
536	Computer Equipment	958.37	48.16	910.21	11,500.00	7,521.84	3,978.16	34.59%
538	Software Maintenance	1,016.74	604.32	412.42	12,200.00	8,134.57	4,065.43	33.32%
539	Lead Testing Expense	1,500.00	0.00	1,500.00	18,000.00	13,920.00	4,080.00	22.67%
548	Loan Closing Expense	104.24	243.00	(138.76)	1,250.00	2,855.35	(1,605.35)	(128.43)%
550	Building Maintenance	287.50	291.00	(3.50)	3,450.00	3,648.68	(198.68)	(5.76)%
551	Utilities	600.00	620.42	(20.42)	7,200.00	6,988.00	212.00	2.94%
553	Dues/Memberships	750.00	1,302.40	(552.40)	9,000.00	9,668.66	(668.66)	(7.43)%
554	Subscriptions/Reference	250.00	0.00	250.00	3,000.00	3,620.00	(620.00)	(20.67)%
555	Advertising/Marketing	250.00	499.99	(249.99)	3,000.00	2,399.16	600.84	20.03%
556	Insurance	625.00	0.00	625.00	7,500.00	6,277.10	1,222.90	16.31%
560	Legal Services	166.74	0.00	166.74	2,000.00	1,988.33	11.67	0.58%
561	Audit Fees	633.37	0.00	633.37	7,600.00	7,280.00	320.00	4.21%
562	Other Professional Services	583.37	550.67	32.70	7,000.00	4,076.70	2,923.30	41.76%
563	Annual Staff Retreat Expense	41.74	0.00	41.74	500.00	325.52	174.48	34.90%
565	Depreciation Expense	500.00	400.97	99.03	6,000.00	5,035.94	964.06	16.07%
567	Annual Meeting Expense	208.37	237.50	(29.13)	2,500.00	3,667.00	(1,167.00)	(46.68)%
568	Board Meeting Expense	125.00	0.00	125.00	1,500.00	0.00	1,500.00	100.00%
572	USDA Interest Expense	600.00	0.00	600.00	7,200.00	7,159.38	40.62	0.56%
573	Microenterprise Interest Exp.	283.37	209.98	73.39	3,400.00	3,365.42	34.58	1.02%
574	RLF Management Contract	416.74	182.40	234.34	5,000.00	1,075.35	3,924.65	78.49%
577	Local RLF Contribution Expense	0.00	0.00	0.00	0.00	80.38	(80.38)	0.00%
580	Loans Written Off	2,083.37	32,550.00	(30,466.63)	25,000.00	47,571.04	(22,571.04)	(90.28)%
581	Loans Forgivable Portion	20.00	19.74	0.26	240.00	236.88	3.12	1.30%
590	Miscellaneous	41.74	0.00	41.74	500.00	25.00	475.00	95.00%
602	Vehicle Maintenance	500.00	12.00	488.00	6,000.00	3,246.85	2,753.15	45.89%
	Total Expenditures	<u>83,295.99</u>	<u>100,950.36</u>	<u>(17,654.37)</u>	<u>999,540.00</u>	<u>970,305.35</u>	<u>29,234.65</u>	<u>2.92%</u>
	Total Revenues Over (Under) Expenditures	<u>11,844.67</u>	<u>(31,860.56)</u>	<u>(43,705.23)</u>	<u>142,140.00</u>	<u>22,975.01</u>	<u>(119,164.99)</u>	<u>(83.84)%</u>

NENEDD Board Agenda

Object: Quarterly Loan Review

Contact Person: Kristen Rosner, Fiscal Officer/Jeff Christensen, Business Loan Specialist

For: Discussion

Background: Following are the loan receivables for all NENEDD funding sources on the loans that have been closed.

NENEDD Quarterly Loan Review

As of July 22, 2019

	Disbursed	Balance	Payment	1 Payment	Paymer	3 Payments	Over 3	Total Due	Lt Days
0313	59,500.00	23,704.42	427.79	0.00	0.00	0.00	0.00	0.00	0
0421	75,500.00	32,035.99	540.91	0.00	0.00	0.00	0.00	0.00	0
0607	75,000.00	11,714.49	632.89	0.00	0.00	0.00	0.00	0.00	0
0700	100,000.00	22,120.15	843.86	0.00	0.00	0.00	0.00	0.00	0
4011	8,409.88	217.73	19.74	0.00	0.00	0.00	0.00	0.00	0
301011	32,000.00	2,601.56	339.41	0.00	0.00	0.00	0.00	0.00	0
301014	65,000.00	31,291.40	514.02	0.00	0.00	0.00	0.00	0.00	0
307009	32,500.00	8,776.93	274.25	0.00	0.00	0.00	0.00	0.00	0
307010	35,000.00	9,365.18	295.35	0.00	0.00	0.00	0.00	0.00	0
307013	80,000.00	22,857.67	675.09	0.00	0.00	0.00	0.00	0.00	0
307014	35,000.00	11,129.09	295.35	0.00	0.00	0.00	0.00	0.00	0
309006	26,400.00	11,281.32	222.78	0.00	0.00	0.00	0.00	0.00	0
310001	100,000.00	44,938.53	790.79	0.00	0.00	0.00	0.00	0.00	0
310016	30,000.00	5,096.11	325.58	0.00	0.00	0.00	0.00	0.00	0
311007	100,000.00	58,683.46	843.86	0.00	0.00	0.00	0.00	0.00	0
312001	100,000.00	60,112.90	843.86	0.00	0.00	0.00	0.00	0.00	0
312002	39,600.00	11,804.67	429.76	0.00	0.00	0.00	0.00	0.00	0
312003	100,000.00	66,283.12	843.86	0.00	0.00	0.00	0.00	0.00	0
312004	30,000.00	11,011.80	325.58	0.00	0.00	0.00	0.00	0.00	0
314001	60,000.00	43,859.47	474.48	0.00	0.00	0.00	0.00	0.00	0
314002	141,000.00	120,543.43	979.09	0.00	0.00	0.00	0.00	0.00	0
314003	156,000.00	97,848.44	1,442.83	0.00	0.00	0.00	0.00	0.00	0
314005	140,000.00	118,589.43	963.04	0.00	0.00	0.00	0.00	0.00	0
314006	200,000.00	168,020.20	1,375.77	0.00	0.00	0.00	0.00	0.00	0
314007	175,000.00	147,872.93	1,203.80	0.00	0.00	0.00	0.00	0.00	0
314008	35,000.00	29,890.52	240.76	0.00	0.00	0.00	0.00	0.00	0
314009	250,000.00	211,815.57	1,719.72	0.00	0.00	0.00	0.00	0.00	0
314010	35,000.00	29,571.71	240.76	0.00	0.00	0.00	0.00	0.00	0
315002	15,000.00	10,150.19	155.46	0.00	0.00	0.00	0.00	0.00	0
315003	70,000.00	62,212.18	481.52	0.00	0.00	0.00	0.00	0.00	0
316001	40,000.00	35,886.39	275.15	0.00	0.00	0.00	0.00	0.00	0
316002	100,000.00	90,789.06	687.89	0.00	0.00	0.00	0.00	0.00	0
316004	29,000.00	24,821.13	229.33	0.00	0.00	0.00	0.00	0.00	0
316005	36,600.00	30,828.21	289.43	0.00	0.00	0.00	0.00	0.00	0
316006	120,000.00	88,783.26	1,243.66	0.00	0.00	0.00	0.00	0.00	0
316007	19,000.00	14,391.69	196.91	0.00	0.00	0.00	0.00	0.00	0
317002	32,400.00	28,650.16	256.22	0.00	0.00	0.00	0.00	0.00	0
317003	150,000.00	146,546.24	1,031.83	0.00	0.00	0.00	0.00	0.00	0

Discussion Item VI.A.

NENEDD Quarterly Loan Review

As of July 22, 2019

	Disbursed	Balance	Payment	1 Payment	Paymer	3 Payments	Over 3	Total Due	Lt Days
317004	60,000.00	57,127.22	412.73	0.00	0.00	0.00	0.00	0.00	0
317005	38,000.00	35,490.07	300.50	0.00	0.00	0.00	0.00	0.00	0
318001	140,000.00	134,249.90	963.04	0.00	0.00	0.00	0.00	0.00	0
318002	150,000.00	150,000.00	1,031.83	0.00	0.00	0.00	0.00	0.00	0
319001	50,000.00	49,410.34	343.94	0.00	0.00	0.00	0.00	0.00	0
319002	250,000.00	249,545.45	1,514.95	0.00	0.00	0.00	0.00	0.00	0
319004	130,000.00	129,462.45	1,028.03	0.00	0.00	0.00	0.00	0.00	0
319005	30,000.00	30,000.00	885.72	0.00	0.00	0.00	0.00	0.00	0
319006	140,000.00	140,000.00	1,946.02	0.00	0.00	0.00	0.00	0.00	0
319007	70,000.00	70,000.00	481.52	0.00	0.00	0.00	0.00	0.00	0
320001	42,000.00	42,000.00	288.91	0.00	0.00	0.00	0.00	0.00	0
	<u>4,027,909.88</u>	<u>3,033,382.16</u>	<u>32,169.57</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	

% of balance in default: 0.00%

Number of loans: 49

NENEDD Board Agenda

Object: Certify NENEDD is operating in accordance with its EDA approved RLF plan.

Contact Person: Jeff Christensen/Kristen Rosner

For: Action

Background: NENEDD submits an annual report to the Economic Development Administration (EDA) relating to its Revolving Loan Fund (RLF) and certifies that the RLF Plan is consistent with and supportive of the area's current economic adjustment strategy; the revolving loan fund is being operated in accordance with the policies and procedures contained in the revolving loan fund plan; and the loan portfolio meets the standards contained therein. There were six EDA loans closed during the last 12 month period, 7-1-18 thru 6-30-19.

Standards of the RLF are as follows:

At least one (1) job must be created or retained for each \$35,000 in individual loans, while striving to maintain a \$15,000/job ratio in the RLF portfolio. The lower the number the better.

- **Past 12 months - \$19,143/job**
- **Overall performance – \$8,681/job**

Generally, RLF funding may not represent more than 40% of the total costs

- **Past 12 months – 11.03% of total costs**
- **Overall performance – 14.85% of total costs**

The RLF portfolio will comprise at least 50% in fixed asset loans

- **Past 12 months – 91.95%**
- **Overall performance – 85.87%**

Private investment leveraging ratio of at least 2-1 for the loan portfolio as a whole

- **Past 12 months – 7.25:1 private investment**
- **Overall performance – 5.67:1 private investment**

10% minimum equity injection from business owner

- **Past 12 months – 11.90% equity injection**
- **Overall performance – 15.59% equity injection**

Motion: Consideration to approve certification that NENEDD is operating in accordance with its EDA approved RLF plan.

Gary Jackson _____ Rich Jablonski _____ Glen Ellis _____
Troy Uhler _____ Judy Mutzenberger _____ Dan Kathol _____ Jim McCarville _____ Loren Kucera _____

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

Action Item VII.A.

NENEDD Board Agenda

Object: Approve a \$122,500 loan to Sibert Fitness, LLC, d/b/a Anytime Fitness – Norfolk
Brian & Silver Sibert, Members

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Brian & Silver Sibert are planning the purchase of the Anytime Fitness business located at 2118 Market Lane in Norfolk. This is on the north side of Hwy 275 between Big Red Keno and Culver’s Restaurant. Brian has been working there for the past two years as the Club Manager and Director of Training. Brian has a background and training in the fitness industry and the Siberts see this as an opportunity to own their own business.

I’m sure everyone is familiar with the Anytime Fitness business. It was *Entrepreneur Magazine’s* #1 ranked global franchise in 2016 and has had a spot on both the “Top 500 Franchises” and “Fastest-Growing Franchises” lists for more than ten consecutive years, among many other accolades. The facility is and will continue to feature state-of-the-art cardio and resistance equipment in a clean, safe, and convenient gym. Their customers will be at the forefront of their business. Because of this, a large factor in choosing staff will be focused on their ability to provide outstanding customer service. The franchisor provides an all-encompassing set of resources to support them in executing brand strategy and daily operations. In addition to the 3-year proforma provided by the franchisor, the Siberts have also had Loren Kucera, Director of the Wayne Nebraska Business Development Center, complete an analysis of their financial position and their future projections and obligations.

The total project costs are \$585,363. This includes \$550,000 to purchase the business and equipment, \$25,000 for working capital, and \$10,363 for SBA & NENEDD Fees. The Siberts and BankFirst are requesting that NENEDD provide a loan in the amount of \$122,500 for the purchase of the Anytime Fitness in Norfolk. The Bank is considering a loan of up to \$400,000 (plus SBA fees) for business purchase including a \$25,000 operating line of credit. The Siberts will inject \$31,475 in cash and the owner will carry back a loan of \$27,500. As part of SBA requirement, the owner has agreed he will receive no payments until the bank loan has been paid in full. The project will maintain 1.5 FTE in addition to the owners for a total of 3.5 jobs.

Source	Bank/SBA	NENEDD	Equity	Owner Carryback	Total
Business Purchase	\$370,000	\$122,500	\$30,000	\$27,500	\$550,000
Working Capital	\$25,000	-0-	-0-	-0-	\$25,000
SBA/NENEDD Fees	\$8,888	-0-	\$1,475	-0-	\$10,363
Total	\$403,888	\$122,500	\$31,475	\$27,500	\$585,363

Explanation:

BankFirst in Norfolk has approved a loan of up to \$400,000 for this project (plus SBA fees) and a \$25,000 line of credit. The loan will be set up as a regular commercial operating loan fully amortized over a 10 year term at an interest rate of 6.50% (3 year variable). The bank will require a first lien position Security Agreement/UCC and personal guaranties from each member. The bank will also require an assignment of life insurance and a lien on their personal residence.

NENEDD will lend Sibert Fitness, LLC \$122,500 to purchase The Norfolk Anytime Fitness business. This loan will have a term of 10 years at an interest rate of 4.50% (fixed). NENEDD will have a subordinate (2nd) lien position on the business personal property and personal guaranty from Silver & Brian Sibert. NENEDD will also file a Deed of Trust on the Sibert’s personal residences in Tilden and require an assignment of life insurance from Silver & Brian 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 and recommends this loan for approval.

Motion: Consideration for approval of a \$122,500 loan to Sibert Fitness, LLC to purchase the Norfolk Anytime Fitness business as presented and recommended by NENEDD staff and the Northeast RLF Committee.

Troy Uhler _____ Gary Jackson _____ Rich Jablonski _____ Glen Ellis _____
Judy Mutzenberger _____ Dan Kathol _____ Jim McCarville _____ Loren Kucera _____

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

NENEDD Board Agenda

Object: Appoint Aaron Gutz to a three-year term on the Northeast Revolving Loan Fund (RLF) Committee.

Contact Person: Jeff Christensen

For: Action

Explanation: The Northeast RLF Loan Committee is a 9-member group that reviews NENEDD, NED, Inc.'s and local community's business loans and makes recommendations for approval. It consists of three bankers, three business owners representing service, retail, and manufacturing, a city administrator, local economic development professional, and small business consultant. Each term is three years. The term Scott Gonsior was due for renewal. Unfortunately, Scott, with Fullerton National Bank, has other commitments and has decided not to continue.

Aaron Gutz has agreed to serve on the Northeast Loan Committee for a three year term ending 6-30-22. Aaron began his career at Security Bank in Osmond as a Loan Officer in May of 2011. However, he has been a part of the banking team since the May of 2010, where he got his start with Security Bank as an intern and has since transitioned to his current title of Osmond Branch President.

Aaron grew up on his family's farm Southwest of Osmond and is a 2007 graduate from Osmond High School. He received his Bachelor of Science Degree in Agri-Business – Banking & Finance from the University of Nebraska-Lincoln in May of 2011. While attending college, he completed an internship with Security Bank through the NBA Ag-Banking program at UNL in the Summer of 2010. After college, Aaron accepted a Loan Officer position in Osmond and in January 2014 transitioned to Osmond Branch President. Over the years, Aaron has furthered his lending education through the Schools of Banking - graduating from the School of Lending Principals, Commercial Lending School, and Advanced Schools of Banking and Attending NBA Ag-Banking Seminars.

Aaron and his wife Blake have called Osmond home and enjoy being a part of the community he grew up in. Aaron is currently involved in things such as helping coach the Osmond Boys Basketball team, Community Club, Osmond Venture Resources, H.O.M.E. Team of Osmond, Immanuel Lutheran Church, and the Osmond Summer Volleyball League. Outside of banking, Aaron enjoys farming with his father and brother, playing basketball, sand volleyball, and golf, and spending time with his family and friends!

The Northeast Loan Committee and NENEDD staff recommend Aaron to become a member of the Loan Committee.

Motion: Consideration to approve the appointment of Aaron Gutz to a three-year term on the Northeast Revolving Loan Fund (RLF) Committee as recommended by the Northeast Loan Committee and NENEDD staff.

Gary Jackson _____ Rich Jablonski _____ Glen Ellis _____
Troy Uhler _____ Judy Mutzenberger _____ Dan Kathol _____ Jim McCarville _____ Loren Kucera _____

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

Action Item VII.C.