

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT - NENEDD**  
**BOARD OF DIRECTORS MEETING**  
**WEDNESDAY, AUGUST 28, 2019 - 7:15 P.M.**

City of Norfolk Offices – Training Room, 309 N 5th St, Norfolk, NE 68701

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 August 28, 2019 agenda and July 31, 2019 meeting minutes.
- V. Treasurer's Report**
  - A. Consideration for acceptance of the July 2019 treasurer's report as presented.
- VI. Action Items**
  - A. Consideration to approve the resolution with League Association of Risk Management (LARM)
  - B. Consideration for approval of a \$95,000 loan to Jonathon and Lora Schahrer to purchase the Sound Works business in Norfolk as presented and recommended by NENEDD staff and the Northeast RLF Committee.
- VII. Chairman/Board Comments**
- VIII. Next Meeting Date:** The Northeast Nebraska Economic Development District Board of Directors will meet on Wednesday September 25, 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
- IX. Adjournment**

Gary Jackson\_\_\_\_\_ Rich Jablonski\_\_\_\_\_ Glen Ellis\_\_\_\_\_

Troy Uhlir\_\_\_\_\_ Judy Mutzenberger\_\_\_\_\_ Dan Kathol\_\_\_\_\_ Tina Biteghe Bi Ndong\_\_\_\_\_ Loren Kucera\_\_\_\_\_

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

## NENEDD Board Agenda

---

**A. Object:** Consideration of approval of the August 28, 2019 agenda and July 31, 2019 meeting minutes

**Contact Person:** Thomas L. Higginbotham Jr, Executive Director

**For:** Action

---

**Explanation:** The August 28, 2019 agenda has been posted on the website. The July 31, 2019 meeting minutes have been posted on the website.

**Motion:** Consideration for approval of the August 28, 2019 meeting agenda and the July 31, 2019 board meeting minutes.

Gary Jackson \_\_\_\_\_ Rich Jablonski \_\_\_\_\_ Glen Ellis \_\_\_\_\_  
Troy Uhler \_\_\_\_\_ Judy Mutzenberger \_\_\_\_\_ Dan Kathol \_\_\_\_\_ Tina Biteghe Bi Ndong \_\_\_\_\_ Loren Kucera \_\_\_\_\_

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

**IV. Secretary Report**

## NENEDD Board Agenda

---

**Object:** Acceptance of the July 2019 Treasurer's Report

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

**For:** Action

---

**Background:**

Northeast Nebraska Economic Development District's (NENEDD) July 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) 2020 Budget for the nonaccrual accounts, July 1, 2019 through June 30, 2020 Actual, Budget Variance so far this fiscal year and Percent of the Fiscal Year 2020 Budget remaining.

**Explanation:**

**Additional Information:**

Business Loan Principal Received	16,339.57
Housing Rehabilitation Principal Received	-
Business Loan Disbursements	42,000.00

**Restate Net Income**

Year to date Non-Operating Revenue:	158,252.85
N/A	

**Year to date Non-Operating Expenditures:**

Donations (Loan Payments to Northeast Economic Development, Inc.)	-
Depreciation Expense	400.97
Loans Written Off	-
Loans Forgivable Portion	19.74
Actual Year to date Revenue Over (Under) Expenditures	<u>158,673.56</u>

Business Loan Disbursements:

#320001, Kool Katz Sanitation, Beemer, \$42,000

NENEDD Business Revolving Loan Funds Available for Lending (All Sources): \$908,307

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

Gary Jackson\_\_\_\_\_ Rich Jablonski\_\_\_\_\_ Glen Ellis\_\_\_\_\_

Troy Uhler\_\_\_\_\_ Judy Mutzenberger\_\_\_\_\_ Dan Kathol\_\_\_\_\_ Tina Biteghe Bi Ndong\_\_\_\_\_ Loren Kucera\_\_\_\_\_

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

V. Treasurers Report

**Northeast Nebraska Economic Development District**  
**Statement of Financial Position - Overall - Unposted Transactions Included In Report**  
**As of 07/31/2019**

	Current Period Balance
<b>Assets</b>	
General Cash	
Cash in Bank - Checking	73,008.31
Unrestricted CD-Stanton State Bank #2995	21,808.60
Unrestricted CD-BankFirst #34875	53,372.84
Unrestricted CD-Midwest #882523	27,097.43
Unrestricted CD-Midwest #881867	1,663.22
Unrestricted-BankFirst #1648078	330,950.32
Unrestricted-BankFirst #1648166	79,976.67
Business RLF Cash	
Security Reserve Account CD-EVB #20832	27,329.48
EDA RLF-BankFirst #1648089	345,467.27
NE CDBG Regional RLF-BankFirst 1648111	240,496.64
IRP RLF-BankFirst #1648122	187,449.78
HUD Business RLF-BankFirst #1648133	107,564.37
IRP #1 Loan Loss Reserve-BankFirst #1648144	44,660.62
IRP #2 Loan Loss Reserve-BankFirst #1648177	27,929.58
Housing Cash	
Housing Construction-BankFirst #1648188	1,538.63
Accounts Receivable	
Accounts Receivable	130,601.22
Business RLF Loans Receivables	
EDA RLF Loans Receivable	1,667,382.31
CDBG Regional RLF Loans Receivable	44,938.53
IRP RLF Loans Receivable	1,182,849.44
HUD RLF Loans Receivable	137,994.15
Housing Notes Receivable	
Regional Rehab Notes Receivable	217.73
Prepaid Expenses	
Prepaid Expense	5,752.58
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	(183,059.33)
<b>Total Assets</b>	<b>4,293,967.91</b>
<b>Liabilities</b>	
Accounts Payable	
Accounts Payable	7,960.85
Other Payables	
Other Payables	302.59
NED, Inc. Loan Payments	(0.01)
Lease Payable	12,651.60
Paryoll Payables	
ADD & Life Payable	135.14
Accrued FICA Payable	3,406.94
Federal Tax Withheld	1,740.75
State Tax Withheld	886.06
457 Withheld	745.72
Health Insurance Payable	144.97
Cafeteria Premium Payable	565.20

**Northeast Nebraska Economic Development District**  
**Statement of Financial Position - Overall - Unposted Transactions Included In Report**  
**As of 07/31/2019**

	<b>Current Period Balance</b>
Unreimbursed Medical Payable	250.00
Dependent Care Payable	269.08
Child Support Payable	1,500.00
Annual Leave Payable	17,207.81
HSA Contributions	712.50
Accrued Salaries	15,768.49
NEF Loan Payable	
NEF Loan Payable	73,473.25
IRP Loan Payable	
IRP #1 Loan Payable	357,712.14
IRP #2 Loan Payable	<u>312,322.01</u>
Total Liabilities	<u>807,755.09</u>
 Net Assets	
Other	<u>3,486,212.82</u>
Total Net Assets	<u>3,486,212.82</u>
 Total Net Assets and Liabilities	<u><u>4,293,967.91</u></u>

**Northeast Nebraska Economic Development District**  
 Statement of Revenues and Expenditures - Unposted Transactions Included In Report  
 From 07/01/2019 Through 07/31/2019

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
<b>Revenues</b>							
400	5,833.33	0.00	(5,833.33)	70,000.00	0.00	(70,000.00)	(100.00)%
405	13,333.33	161,142.08	147,808.75	160,000.00	161,142.08	1,142.08	0.71%
406	1,180.00	14,320.00	13,140.00	14,160.00	14,320.00	160.00	1.13%
407	1,133.33	11,150.00	10,016.67	13,600.00	11,150.00	(2,450.00)	(18.01)%
410	8,416.66	0.00	(8,416.66)	101,000.00	0.00	(101,000.00)	(100.00)%
415	58.33	605.00	546.67	700.00	605.00	(95.00)	(13.57)%
418	16,666.66	20,298.41	3,631.75	200,000.00	20,298.41	(179,701.59)	(89.85)%
420	20,833.33	10,005.74	(10,827.59)	250,000.00	10,005.74	(239,994.26)	(96.00)%
425	1,500.00	5,130.00	3,630.00	18,000.00	5,130.00	(12,870.00)	(71.50)%
430	3,333.33	6,795.93	3,462.60	40,000.00	6,795.93	(33,204.07)	(83.01)%
433	2,500.00	2,008.02	(491.98)	30,000.00	2,008.02	(27,991.98)	(93.31)%
440	600.00	600.00	0.00	7,200.00	600.00	(6,600.00)	(91.67)%
444	104.16	524.00	419.84	1,250.00	524.00	(726.00)	(58.08)%
445	100.00	163.15	63.15	1,200.00	163.15	(1,036.85)	(86.40)%
451	13,333.33	12,208.09	(1,125.24)	160,000.00	12,208.09	(147,791.91)	(92.37)%
452	50.00	0.00	(50.00)	600.00	0.00	(600.00)	(100.00)%
453	291.66	1,225.00	933.34	3,500.00	1,225.00	(2,275.00)	(65.00)%
454	833.33	410.53	(422.80)	10,000.00	410.53	(9,589.47)	(95.89)%
460	416.66	363.75	(52.91)	5,000.00	363.75	(4,636.25)	(92.72)%
490	1,583.33	2,229.56	646.23	19,000.00	2,229.56	(16,770.44)	(88.27)%
495	1,250.00	1,250.00	0.00	15,000.00	1,250.00	(13,750.00)	(91.67)%
	<b>93,350.77</b>	<b>250,429.26</b>	<b>157,078.49</b>	<b>1,120,210.00</b>	<b>250,429.26</b>	<b>(869,780.74)</b>	<b>(77.64)%</b>
<b>Expenditures</b>							
500	51,583.33	50,914.38	668.95	619,000.00	50,914.38	568,085.62	91.77%
505	12,708.33	12,268.81	439.52	152,500.00	12,268.81	140,231.19	91.95%
520	1,250.00	1,250.00	0.00	15,000.00	1,250.00	13,750.00	91.67%
521	791.66	796.85	(5.19)	9,500.00	796.85	8,703.15	91.61%
522	333.33	717.34	(384.01)	4,000.00	717.34	3,282.66	82.07%
523	833.33	464.16	369.17	10,000.00	464.16	9,535.84	95.36%
524	833.33	484.00	349.33	10,000.00	484.00	9,516.00	95.16%
526	2,333.33	1,223.68	1,109.65	28,000.00	1,223.68	26,776.32	95.63%
530	183.33	0.00	183.33	2,200.00	0.00	2,200.00	100.00%
531	100.00	(5.44)	105.44	1,200.00	(5.44)	1,205.44	100.45%
536	416.67	0.00	416.67	5,000.00	0.00	5,000.00	100.00%
538	1,266.67	678.73	587.94	15,200.00	678.73	14,521.27	95.53%
539	1,500.00	5,845.00	(4,345.00)	18,000.00	5,845.00	12,155.00	67.53%
548	104.17	421.35	(317.18)	1,250.00	421.35	828.65	66.29%
550	287.50	536.00	(248.50)	3,450.00	536.00	2,914.00	84.46%

**Northeast Nebraska Economic Development District**  
Statement of Revenues and Expenditures - Unposted Transactions Included In Report  
From 07/01/2019 Through 07/31/2019

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
551	600.00	659.24	(59.24)	7,200.00	659.24	6,540.76	90.84%
553	750.00	270.00	480.00	9,000.00	270.00	8,730.00	97.00%
554	116.66	384.00	(267.34)	1,400.00	384.00	1,016.00	72.57%
555	250.00	500.00	(250.00)	3,000.00	500.00	2,500.00	83.33%
556	625.00	0.00	625.00	7,500.00	0.00	7,500.00	100.00%
560	166.67	467.73	(301.06)	2,000.00	467.73	1,532.27	76.61%
561	633.33	0.00	633.33	7,600.00	0.00	7,600.00	100.00%
562	416.67	825.67	(409.00)	5,000.00	825.67	4,174.33	83.49%
565	41.66	0.00	41.66	500.00	0.00	500.00	100.00%
566	500.00	400.97	99.03	6,000.00	400.97	5,599.03	93.32%
567	291.67	2,532.64	(2,240.97)	3,500.00	2,532.64	967.36	27.64%
568	41.67	425.58	(383.91)	500.00	425.58	74.42	14.88%
572	559.16	0.00	559.16	6,710.00	0.00	6,710.00	100.00%
573	125.00	197.03	(72.03)	1,500.00	197.03	1,302.97	86.86%
574	83.33	15.00	68.33	1,000.00	15.00	985.00	98.50%
577	833.33	9,795.88	(8,962.55)	10,000.00	9,795.88	204.12	2.04%
580	2,083.33	0.00	2,083.33	25,000.00	0.00	25,000.00	100.00%
581	20.00	19.74	0.26	240.00	19.74	220.26	91.78%
590	41.67	10.00	31.67	500.00	10.00	490.00	98.00%
602	500.00	78.07	421.93	6,000.00	78.07	5,921.93	98.70%
	83,204.13	92,176.41	(8,972.28)	998,450.00	92,176.41	906,273.59	90.77%
Total Revenues Over (Under) Expenditures	10,146.64	158,252.85	148,106.21	121,760.00	158,252.85	36,492.85	29.97%

## NENEDD Board Agenda

---

**Object:** Approval of the Resolution for League Association of Risk Management (LARM) Insurance

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

**For:** Action

---

**Background:** LARM has been approved since 2013 to provide NENEDD’s workers’ compensation, general liability, errors & omissions, auto liability, auto physical damage and commercial property insurance coverage.

NENEDD sent Request for proposals were mailed to 14 insurance providers in the area prior to the 2019-2020 pool year. There were several insurance providers that expressed interest. There were two companies that sent in quotes that would cover all of NENEDD’s insurance needs.

LARM quote for 2019/2020: \$4,076

INSPRO, Inc quote for 2019/2020: \$18,564

One company sent in a quote for worker’s compensation only.

Agri-City Insurance Agency LLC quote for 2019-2020: \$1,914

**Explanation:** The Renewal Coverage Proposal for the 2019-2020 Pool Year needs to be approved. The effective date is 10/1/2019 and includes a discount for a three-year commitment. Coverage and deductibles remain the same compared to the previous six years. The decrease in price is attributed to a history of minimal claims and low risk. LARM has also changed NENEDD’s account to small account pricing which groups NENEDD with villages under 350 population.

Premium Year	Annual Premium
2013-2014	\$6,916
2014-2015	\$8,031
2015-2016	\$8,058
2016-2017	\$6,254
2017-2018	\$5,760
2018-2019	\$5,704

**Motion:** Consideration to approve the resolution with League Association of Risk Management (LARM).

Gary Jackson \_\_\_\_\_ Rich Jablonski \_\_\_\_\_ Glen Ellis \_\_\_\_\_  
Troy Uhler \_\_\_\_\_ Judy Mutzenberger \_\_\_\_\_ Dan Kathol \_\_\_\_\_ Tina Biteghe Bi Ndong \_\_\_\_\_ Loren Kucera \_\_\_\_\_

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

VI. Action Items A.



## Resolution

WHEREAS, The Northeast Nebraska Economic Development District is a member of the League Association of Risk Management (LARM);

WHEREAS, section 8.10 of the Interlocal Agreement for the Establishment and Operation of the League Association of Risk Management provides that a member may voluntarily terminate its participation in LARM by written notice of termination given to LARM and the Nebraska Director of Insurance at least 90 days prior to the desired termination given to and that members may agree to extend the required termination notice beyond 90 days in order to realize reduced excess coverage costs, stability of contribution rates and efficiency in operation of LARM; and

WHEREAS, the Board of Directors of LARM has adopted a plan to provide contribution credits in consideration of certain agreements by members of LARM as provided in the attached letter.

BE IT RESOLVED that the governing body of The Northeast Nebraska Economic Development District, Nebraska, in consideration of the contribution credits provided under the LARM Board's plan, agrees to:

Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2022. **(180 day and 3 year commitment; 5% discount)**

Adopted this 28th day of August, 2019.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

ATTEST: \_\_\_\_\_ Title: \_\_\_\_\_

VI. Action Items A.



## NENEDD Board Agenda

---

**Object:** Approve a \$95,000 loan to Jonathon & Lora Schahrer, d/b/a Sound Works - Norfolk

**Contact Person:** Jeff Christensen, Business Loan Specialist

**For:** Action

---

**Background:** Jonathon & Lora Schahrer, owners of JCS Audioworkz, are planning the purchase of Sound Works. Sound Works has been in business for over 25 years located at 904 Riverside Blvd., Suite C, in Norfolk. They specialize in mobile electronics and vehicle restyling. Products include new radios, rear seat entertainment, heated seats, window tinting, remote vehicle starters, and collision avoidance systems. They also carry installation accessories consisting of harnesses, mounting adapters, subwoofer enclosures, and wire for the those who enjoy installing their own equipment. Installation accounts for approximately 25-30% of total sales. With the complexity of modern vehicles, their installers receive regular training and they plan on leveraging their ability to perform installations that others cannot.

The location is in a small strip mall with five other businesses across the street from the Norfolk Senior High School. The space they will continue to rent includes the storeroom floor and front counter waiting area, public restrooms, office, two vehicle bays for installing the product in customer vehicles, a warehouse for storing product, and a wood/tool room.

The total project costs are \$237,500. This includes \$200,000 to purchase the business and equipment, \$30,000 for working capital, and \$7,500 for existing equipment owned by Jonathon. The Schahrers and BankFirst are requesting that NENEDD provide a loan in the amount of \$95,000 for the purchase of Sound Works in Norfolk. The Bank has approved a loan of up to \$119,500 for the business purchase. The Schahrers will inject \$18,000 of which \$10,500 is cash and \$7,500 of equipment Jonathon will be using in the business. The owner will carry back a loan of \$5,000. The project will maintain one FTE in addition to themselves for a total of three jobs.

<b>Sources→ Uses ↓</b>	<b>Bank</b>	<b>NENEDD</b>	<b>Equity</b>	<b>Owner Carryback</b>	<b>Total</b>
<b>Business Acquisition</b>	<b>\$119,500</b>	<b>\$75,500</b>	<b>-0-</b>	<b>\$5,000</b>	<b>\$200,000</b>
<b>Working capital</b>	<b>-0-</b>	<b>\$19,500</b>	<b>\$10,500</b>	<b>-0-</b>	<b>\$30,000</b>
<b>Existing equipment</b>	<b>-0-</b>	<b>-0-</b>	<b>\$7,500</b>	<b>-0-</b>	<b>\$7,500</b>
<b>TOTAL</b>	<b>\$119,500</b>	<b>\$95,000</b>	<b>\$18,000</b>	<b>\$5,000</b>	<b>\$237,500</b>

**Explanation:**

BankFirst in Norfolk has approved a loan of up to \$119,500 for this project. The loan will be set up as a regular commercial 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 Jon & Lora Schahrer. The bank will also file a deed of trust on their personal residence in Norfolk.

NENEDD will lend Jonathon & Lora Schahrer \$95,000 to purchase Sound Works in Norfolk. This loan will have a term of 10 years at an interest rate of 4.50% (fixed). NENEDD will have a subordinate (2<sup>nd</sup>) lien position on the business personal property and personal guaranty from Jonathon & Lora Schahrer. NENEDD will also file a Deed of Trust on the Schahrer’s personal residences in Norfolk and require an assignment of life insurance from Jonathon for the amount of the loan for the life of the loan.

The owner carryback loan will have no payments nor interest for the first year, and then will be 7 years at 7.50% starting in October 2020.

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 \$95,000 loan to Jonathon and Lora Schahrer to purchase the Sound Works business in Norfolk as presented and recommended by NENEDD staff and the Northeast RLF Committee.

Gary Jackson\_\_\_\_\_ Rich Jablonski\_\_\_\_\_ Glen Ellis\_\_\_\_\_
Troy Uhler\_\_\_\_\_ Judy Mutzenberger\_\_\_\_\_ Dan Kathol\_\_\_\_\_ Tina Biteghe Bi Ndong\_\_\_\_\_ Loren Kucera\_\_\_\_\_

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

VI. Action Items B.