

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT - NENEDD**  
**BOARD OF DIRECTORS MEETING**  
**WEDNESDAY, FEBRUARY 27, 2019 - 7:15 P.M.**

*City of Columbus Offices – 1<sup>st</sup> Floor Mayor’s Office, 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*  
*Northeast Housing Initiative – 110 E. 2nd Street, Allen, NE 68710*

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 February 27, 2019, agenda and February 6, 2019, meeting minutes
- V. Treasurer’s Report**
  - A. Consideration for acceptance of the January 2019 treasurer’s report as presented
- VI. Action Items**
  - A. Consideration for approval of the appointment of Lori Schrader to replace Gene Rahn on the Northeast RLF Committee until the end of his term, June 2020, as recommended by the Northeast RLF Committee and NENEDD staff.
  - B. Consideration for approval of a loan subordination with Pinnacle Bank in Columbus for additional funds to Sunshine Rentals, LLC to expand the building in Columbus.
- VII. Discussion Items**
- VIII. Chairman/Board Comments**
- IX. Next Meeting Date:** The Northeast Nebraska Economic Development District Board of Directors will meet on Wednesday, March 27, 2019, at 7:15 pm or following the Northeast Economic Development, Inc. meeting. The meeting will be held via conference call at the following locations:

*City of Columbus Offices – 1<sup>st</sup> Floor Mayor’s Office, 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*  
*Northeast Housing Initiative – 110 E. 2nd Street, Allen, NE 68710*

- X. Adjournment**

## NENEDD Board Agenda

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**Object:** Approve the February 27, 2019, agenda and the February 6, 2019, meeting minutes with the corrections needed.

**Contact Person:** Brittany O'Brien, Administrative Assistant

**For:** Action

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**Explanation:** The February 27, 2019, agenda has been posted on the website. The February 6, 2019, meeting minutes posted on the website, with the corrections of Rich Jablonski's title as Vice Chairmen in the roll call section.

**Motion:** Consideration for approval of the February 27, 2019, meeting agenda and the February 6, 2019, board meeting minutes, with the corrections of Rich Jablonski's title as Vice Chairmen in the roll call section.

Dick Pfeil \_\_\_\_\_ Rich Jablonski \_\_\_\_\_ Glen Ellis \_\_\_\_\_ Nadine Hagedorn \_\_\_\_\_  
Christian Ohl \_\_\_\_\_ Judy Mutzenberger \_\_\_\_\_ Dan Kathol \_\_\_\_\_ Jim McCarville \_\_\_\_\_ Loren Kucera \_\_\_\_\_

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

## NENEDD Board Agenda

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

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

**For:** Action

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**Background:**

Northeast Nebraska Economic Development District's (NENEDD) January 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	14,156.06
Housing Rehabilitation Principal Received	145.00
Business Loan Disbursements	-

**Restate Net Income**

Year to date Non-Operating Revenue:	123,644.91
N/A	

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

Donations (Loan Payments to Northeast Economic Development, Inc.)	1,691.23
Depreciation Expense	3,031.09
Loans Written Off	15,021.04
Loans Forgivable Portion	138.18
Actual Year to date Revenue Over (Under) Expenditures	<u>143,526.45</u>

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

Dick Pfeil \_\_\_\_\_ Rich Jablonski \_\_\_\_\_ Glen Ellis \_\_\_\_\_ Nadine Hagedorn \_\_\_\_\_  
Christian Ohl \_\_\_\_\_ Judy Mutzenberger \_\_\_\_\_ Dan Kathol \_\_\_\_\_ Jim McCarville \_\_\_\_\_ Loren Kucera \_\_\_\_\_

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

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

		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	Federal Grants-EDA	5,833.33	17,500.00	11,666.67	70,000.00	52,500.00	(17,500.00)	(25.00)%
405	Dues-Community	13,333.33	0.00	(13,333.33)	160,000.00	161,248.08	1,248.08	0.78%
406	Dues-Counties	1,173.33	0.00	(1,173.33)	14,080.00	13,350.00	(730.00)	(5.18)%
407	Dues-Associates	1,133.33	0.00	(1,133.33)	13,600.00	12,550.00	(1,050.00)	(7.72)%
410	State Funding NDED	5,833.33	0.00	(5,833.33)	70,000.00	69,569.96	(430.04)	(0.61)%
415	Meeting Income	83.33	0.00	(83.33)	1,000.00	655.00	(345.00)	(34.50)%
418	NED, Inc. Management	14,583.33	20,666.88	6,083.55	175,000.00	123,266.46	(51,733.54)	(29.56)%
420	General Administration Fees	27,095.83	16,867.99	(10,227.84)	325,150.00	85,622.45	(239,527.55)	(73.67)%
425	Lead Based Paint Inspection	1,500.00	2,655.00	1,155.00	18,000.00	10,718.50	(7,281.50)	(40.45)%
430	Housing Administration Fees	3,618.75	5,973.00	2,354.25	43,425.00	39,117.50	(4,307.50)	(9.92)%
433	Construction Management	3,916.25	585.00	(3,331.25)	46,995.00	12,560.68	(34,434.32)	(73.27)%
440	Local RLF Contributions	0.00	600.00	600.00	0.00	4,200.00	4,200.00	0.00%
444	Loan Closing Revenue	104.16	72.00	(32.16)	1,250.00	490.00	(760.00)	(60.80)%
445	NPAIT Investment Income	83.33	129.71	46.38	1,000.00	913.36	(86.64)	(8.66)%
451	Business Loan Interest	13,333.33	11,523.04	(1,810.29)	160,000.00	79,580.93	(80,419.07)	(50.26)%
452	Business Loan Late Fee	50.00	0.00	(50.00)	600.00	35.00	(565.00)	(94.17)%
453	Loan Processing Fee	291.66	3,500.00	3,208.34	3,500.00	5,400.00	1,900.00	54.29%
454	Annual Servicing Fees	833.33	626.76	(206.57)	10,000.00	3,831.29	(6,168.71)	(61.69)%
460	Special Projects	0.00	1,410.00	1,410.00	0.00	1,650.00	1,650.00	0.00%
481	Housing Rehab Interest	6.66	0.41	(6.25)	80.00	9.78	(70.22)	(87.78)%
490	Interest Income	1,083.33	1,596.89	513.56	13,000.00	11,269.78	(1,730.22)	(13.31)%
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	8,750.00	(6,250.00)	(41.67)%
	<b>Total Revenues</b>	<u>95,139.94</u>	<u>84,956.68</u>	<u>(10,183.26)</u>	<u>1,141,680.00</u>	<u>697,679.07</u>	<u>(444,000.93)</u>	<u>(38.89)%</u>
<b>Expenditures</b>								
500	Salaries and Wages	50,916.66	46,681.53	4,235.13	611,000.00	355,003.00	255,997.00	41.90%
505	Fringe Benefits	12,333.33	11,927.03	406.30	148,000.00	82,789.35	65,210.65	44.06%
520	Rent In-Kind	1,250.00	1,250.00	0.00	15,000.00	8,750.00	6,250.00	41.67%
521	Telephone	750.00	774.14	(24.14)	9,000.00	5,603.08	3,396.92	37.74%
522	Postage	333.33	520.31	(186.98)	4,000.00	1,897.63	2,102.37	52.56%
523	Office Supplies	833.33	1,011.31	(177.98)	10,000.00	6,849.48	3,150.52	31.51%
524	Training	833.33	400.00	433.33	10,000.00	9,205.52	794.48	7.94%
526	Travel-Staff	2,333.33	409.55	1,923.78	28,000.00	11,408.18	16,591.82	59.26%
530	Printing/Publishing	183.33	0.00	183.33	2,200.00	2,018.00	182.00	8.27%
531	Copier Expense	400.00	0.00	400.00	4,800.00	1,708.62	3,091.38	64.40%
532	Donations	333.33	0.00	333.33	4,000.00	1,691.23	2,308.77	57.72%
535	Computer Maintenance/Software	250.00	1,049.80	(799.80)	3,000.00	2,992.19	7.81	0.26%
536	Computer Equipment	958.33	4,559.26	(3,600.93)	11,500.00	7,329.20	4,170.80	36.27%

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

		Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
538	Software Maintenance	1,016.66	1,046.88	(30.22)	12,200.00	5,262.73	6,937.27	56.86%
539	Lead Testing Expense	1,500.00	2,360.00	(860.00)	18,000.00	10,955.00	7,045.00	39.14%
548	Loan Closing Expense	104.16	460.30	(356.14)	1,250.00	1,603.80	(353.80)	(28.30)%
550	Building Maintenance	287.50	87.50	200.00	3,450.00	2,200.43	1,249.57	36.22%
551	Utilities	600.00	600.45	(0.45)	7,200.00	3,498.31	3,701.69	51.41%
553	Dues/Memberships	750.00	1,326.67	(576.67)	9,000.00	5,345.34	3,654.66	40.61%
554	Subscriptions/Reference	250.00	750.00	(500.00)	3,000.00	3,520.00	(520.00)	(17.33)%
555	Advertising/Marketing	250.00	250.00	0.00	3,000.00	1,279.17	1,720.83	57.36%
556	Insurance	625.00	(50.00)	675.00	7,500.00	6,285.64	1,214.36	16.19%
560	Legal Services	166.66	0.00	166.66	2,000.00	1,727.78	272.22	13.61%
561	Audit Fees	633.33	0.00	633.33	7,600.00	7,280.00	320.00	4.21%
562	Other Professional Services	583.33	187.67	395.66	7,000.00	2,084.17	4,915.83	70.23%
563	Annual Staff Retreat Expense	41.66	0.00	41.66	500.00	325.52	174.48	34.90%
565	Depreciation Expense	500.00	400.97	99.03	6,000.00	3,031.09	2,968.91	49.48%
567	Annual Meeting Expense	208.33	0.00	208.33	2,500.00	2,380.17	119.83	4.79%
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	0.00	7,200.00	100.00%
573	Microenterprise Interest Exp.	283.33	274.26	9.07	3,400.00	2,186.64	1,213.36	35.69%
574	RLF Management Contract	416.66	30.00	386.66	5,000.00	405.00	4,595.00	91.90%
577	Local RLF Contribution Expense	0.00	44.87	(44.87)	0.00	80.38	(80.38)	0.00%
580	Loans Written Off	2,083.33	0.00	2,083.33	25,000.00	15,021.04	9,978.96	39.92%
581	Loans Forgivable Portion	20.00	19.74	0.26	240.00	138.18	101.82	42.42%
590	Miscellaneous	41.66	0.00	41.66	500.00	15.00	485.00	97.00%
602	Vehicle Maintenance	500.00	0.00	500.00	6,000.00	2,163.29	3,836.71	63.95%
	Total Expenditures	<u>83,294.91</u>	<u>76,372.24</u>	<u>6,922.67</u>	<u>999,540.00</u>	<u>574,034.16</u>	<u>425,505.84</u>	<u>42.57%</u>
	Total Revenues Over (Under) Expenditures	<u>11,845.03</u>	<u>8,584.44</u>	<u>(3,260.59)</u>	<u>142,140.00</u>	<u>123,644.91</u>	<u>(18,495.09)</u>	<u>(13.01)%</u>

**Northeast Nebraska Economic Development District**  
**Statement of Financial Position - Overall - Unposted Transactions Included In Report**  
**As of 01/31/2019**

	Current Period Balance
<b>Assets</b>	
General Cash	
Cash in Bank - Checking	17,255.97
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	1,646.74
Unrestricted-BankFirst #1648078	390,313.28
Unrestricted-BankFirst #1648166	79,604.88
Business RLF Cash	
Security Reserve Account CD-EVB #20832	27,132.17
EDA RLF-BankFirst #1648089	932,397.82
NE CDBG Regional RLF-BankFirst 1648111	242,370.39
IRP RLF-BankFirst #1648122	185,049.92
HUD Business RLF-BankFirst #1648133	99,663.17
IRP #1 Loan Loss Reserve-BankFirst #1648144	48,420.95
IRP #2 Loan Loss Reserve-BankFirst #1648177	27,810.75
Housing Cash	
Housing Construction-BankFirst #1648188	1,537.33
Accounts Receivable	
Accounts Receivable	109,936.60
Business RLF Loans Receivables	
EDA RLF Loans Receivable	1,039,816.31
CDBG Regional RLF Loans Receivable	48,507.79
IRP RLF Loans Receivable	1,229,252.65
HUD RLF Loans Receivable	141,835.66
Housing Notes Receivable	
Regional Rehab Notes Receivable	336.17
HUD Rehab Notes Receivable	51.44
Prepaid Expenses	
Prepaid Expense	9,211.58
Allowances for Uncollectible Accounts	
Allowance for Uncollectible A/R	(24,000.00)
Allowance for Uncollectible Notes	(418,611.85)
Fixed Assets	
Furniture and Equipment	205,739.37
Accumulated Depreciation	(180,653.51)
<b>Total Assets</b>	<b>4,315,844.99</b>
<b>Liabilities</b>	
Accounts Payable	
Accounts Payable	10,374.57
Other Payables	
Other Payables	302.59
Lease Payable	13,868.10
Paryoll Payables	
ADD & Life Payable	70.00
Accrued FICA Payable	3,442.62
Federal Tax Withheld	1,726.16
State Tax Withheld	841.71
457 Withheld	719.10
Miscellaneous	12.46
Health Insurance Payable	123.84

**Northeast Nebraska Economic Development District**  
**Statement of Financial Position - Overall - Unposted Transactions Included In Report**  
**As of 01/31/2019**

	<b>Current Period Balance</b>
Cafeteria Premium Payable	173.51
Unreimbursed Medical Payable	(230.62)
Dependent Care Payable	757.52
Child Support Payable	1,500.00
Annual Leave Payable	16,017.63
HSA Contributions	702.50
Accrued Unemployment	351.25
Accrued Salaries	16,083.81
NEF Loan Payable	
NEF Loan Payable	104,441.10
IRP Loan Payable	
IRP #1 Loan Payable	385,692.71
IRP #2 Loan Payable	330,244.56
Total Liabilities	887,215.12
Net Assets	
Other	3,428,629.87
Total Net Assets	3,428,629.87
Total Net Assets and Liabilities	4,315,844.99

## NENEDD Board Agenda

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**Object:** Appoint Lori Schrader to replace Gene Rahn on the Northeast Revolving Loan Fund (RLF) Committee until the end of his term June 2020.

**Contact Person:** Jeff Christensen

**For:** Action

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**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.

As the Rural Enterprise Assistance Project's (REAP) Senior Lending Specialist, Gene Rahn has been a member of this committee since August 1999. Gene recently retired and will no longer be on the committee. Lori Schrader started in October 2018 as REAP's Northeast Nebraska Loan Specialist. As per our guidelines we are required to have a small business consultant as one of the members of this committee. Based on Gene's recommendation, I have asked Lori to represent REAP in Gene's place. She has a background in lending, and I believe will be a great fit. NENEDD Staff and the Northeast RLF Committee recommend Lori to serve until the end of June 2020.

**Motion:** Consideration for approval of the appointment of Lori Schrader to replace Gene Rahn on the Northeast RLF Committee until the end of his term, June 2020, as recommended by the Northeast RLF Committee and NENEDD staff.

Dick Pfeil \_\_\_\_\_ Rich Jablonski \_\_\_\_\_ Glen Ellis \_\_\_\_\_ Nadine Hagedorn \_\_\_\_\_  
Christian Ohl \_\_\_\_\_ Judy Mutzenberger \_\_\_\_\_ Dan Kathol \_\_\_\_\_ Jim McCarville \_\_\_\_\_ Loren Kucera \_\_\_\_\_

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

Action Item IV. A



## NENEDD Board Agenda

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**Object:** Approve loan subordination for Sunshine Rentals, LLC in Columbus

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

**For:** Action

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**Background:** NENEDD approved and closed a \$70,000 loan to Sunshine Rentals, LLC (Linda & Jim Price, Members) in June 2015, to purchase and renovate a building to expand her tax preparation business, Linda K. Price, CPA, P.C. Linda's husband, Jim, is in the construction business and be the general contractor. The building is located at 4215 23<sup>rd</sup> Street in Columbus. This has been a very good move for her as her business has grown to where she needs additional space for additional employees. She will nearly double the size of her building from 1,233 sq. ft. to approximately 2,300 sq. ft. This expansion is needed for additional employees including another part time accounting/bookkeeping position. She hired someone a little over a year ago at 10-15 hours a week and now she's working double that and more. They've increased their payroll accounts to almost 80 and one person can no longer handle the work load. She doesn't want to get to the point where she has to turn away clients simply because they don't have time to service them. She was originally going to add 66 feet and would move into that side and rent out her current office. She's downsized that to only 40 feet, and she will occupy it all. Adding 66 feet was going to create a parking issue and she didn't want to be tied to finding a tenant.

All payments have been made on time as promised.

**Explanation:** Linda and Pinnacle Bank are requesting that NENEDD subordinate an additional \$100,000 the bank will lend for her expansion.

**Motion:** Consideration for approval of a loan subordination with Pinnacle Bank in Columbus for additional funds to Sunshine Rentals, LLC to expand the building in Columbus.

Dick Pfeil \_\_\_\_\_ Rich Jablonski \_\_\_\_\_ Glen Ellis \_\_\_\_\_ Nadine Hagedorn \_\_\_\_\_  
Christian Ohl \_\_\_\_\_ Judy Mutzenberger \_\_\_\_\_ Dan Kathol \_\_\_\_\_ Jim McCarville \_\_\_\_\_ Loren Kucera \_\_\_\_\_

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