

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT - NENEDD
BOARD OF DIRECTORS MEETING
WEDNESDAY, AUGUST 29, 2018 - 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 Council of Officials Representatives**
- IV. Secretary’s Report**
 - A.** Consideration for approval of the August 29, 2018 Agenda & July 26, 2018 Meeting Minutes
- V. Treasurer’s Report**
 - A.** Consideration for acceptance the July, 2018 Treasurer’s Report
- VI. Action Items**
 - A.** Consideration for approval of a \$50,000 loan to Jim Swails, d/b/a L-Bar-B Steakhouse – Clearwater
 - B.** Consideration for approval of Shannon Stuchlik to represent NENEDD on League Association of Risk Management (LARM) board
- VII. Chairman/Board Comments**
- VIII. Next Meeting Date:** The Northeast Nebraska Economic Development District Board of Directors will meet on Wednesday, September 26, 2018, at 7:15 pm or following the Northeast Economic Development, Inc. meeting. The meeting will be held at City of Norfolk Offices – Training Room, 309 N 5th St, Norfolk, NE 68701
- IX. Adjournment**

Dick Pfeil_____ Rich Jablonski_____ Scott Schaller_____ 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

Object: Approve the August 29, 2018 meeting agenda and the July 26, 2018 meeting minutes

Contact Person: Brittany O'Brien, Administrative Assistant

For: Action

Explanation: The August 29, 2018 agenda has been posted on the website. The July 26, 2018 meeting minutes were mailed and posted on the website.

Motion: Consideration for approval of the August 29, 2018 meeting agenda and the July 26, 2018 board meeting minutes.

Dick Pfeil_____ Rich Jablonski_____ Scott Schaller_____ Nadine Hagedorn_____
Christian Ohl_____ Judy Mutzenberger_____ Dan Kathol_____ Jim McCarville_____ Loren Kucera_____

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

Secretary's Report Item IV. A

NENEDD Board Agenda

Object: Acceptance of the July 2018 Treasurer's Report

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background:

Northeast Nebraska Economic Development District's (NENEDD) July 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 (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	35,162.06
Housing Rehabilitation Principal Received	310.81
Business Loan Disbursements	

Restate Net Income 76,237.76

Year to date Non-Operating Revenue:
N/A

Year to date Non-Operating Expenditures:

Donations (Loan Payments to Northeast Economic Development, Inc.)	0
Depreciation Expense	0
Loans Written Off	0
Loans Forgivable Portion	19.74
Actual Year to date Revenue Over (Under) Expenditures	<u><u>76,257.50</u></u>

Business Loan Payoffs:
Client #0608, Zippy Lube LLC, Norfolk: \$19,444.32

Motion: Consideration for acceptance of the July 2018 treasurer's report as presented.

Dick Pfeil _____ Rich Jablonski _____ Scott Schaller _____ 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 Financial Position - Overall
As of 07/31/2018

	Current Period Balance
Assets	
General Cash	
Cash in Bank - Checking	16,327.41
Unrestricted CD-Stanton State Bank #2995	21,808.60
Unrestricted CD-BankFirst #34875	52,225.33
Unrestricted CD-Midwest #882523	26,908.56
Unrestricted CD-Midwest #881867	1,627.87
Unrestricted-BankFirst #1648078	400,455.03
Unrestricted-BankFirst #1648166	79,228.70
Business RLF Cash	
Security Reserve Account CD-EVB #20832	26,783.97
EDA RLF-BankFirst #1648089	671,591.41
NEF RLF-BankFirst #1648100	24,480.75
NE CDBG Regional RLF-BankFirst 1648111	233,144.63
IRP RLF-BankFirst #1648122	128,582.29
HUD Business RLF-BankFirst #1648133	91,659.92
IRP #1 Loan Loss Reserve-BankFirst #1648144	32,822.06
IRP #2 Loan Loss Reserve-BankFirst #1648177	27,690.48
Housing Cash	
Housing Construction-BankFirst #1648188	1,536.02
Accounts Receivable	
Accounts Receivable	218,842.31
Business RLF Loans Receivables	
EDA RLF Loans Receivable	1,282,423.30
CDBG Regional RLF Loans Receivable	51,961.13
IRP RLF Loans Receivable	1,273,137.36
HUD RLF Loans Receivable	145,502.14
Housing Notes Receivable	
Regional Rehab Notes Receivable	1,370.95
HUD Rehab Notes Receivable	838.72
Other Receivables	
Other Receivables	(4.43)
Prepaid Expenses	
Prepaid Expense	3,085.87
Allowances for Uncollectible Accounts	
Allowance for Uncollectible A/R	(13,000.00)
Allowance for Uncollectible Notes	(418,611.85)
Fixed Assets	
Furniture and Equipment	186,913.37
Accumulated Depreciation	(177,421.09)
Total Assets	4,391,910.81
Liabilities	
Accounts Payable	
Accounts Payable	15,060.57
Other Payables	
Other Payables	302.59
Lease Payable	1,172.48
Paryoll Payables	
ADD & Life Payable	70.00
Accrued FICA Payable	3,504.52
Federal Tax Withheld	1,790.81
State Tax Withheld	863.56

Northeast Nebraska Economic Development District
Statement of Financial Position - Overall
As of 07/31/2018

	Current Period Balance
457 Withheld	719.10
Health Insurance Payable	132.21
Cafeteria Premium Payable	173.57
Unreimbursed Medical Payable	(1,130.62)
Dependent Care Payable	166.02
Child Support Payable	1,500.00
Annual Leave Payable	14,455.12
HSA Contributions	440.00
Accrued Unemployment	22.04
Accrued Salaries	16,479.82
NEF Loan Payable	
NEF Loan Payable	134,948.46
IRP Loan Payable	
IRP #1 Loan Payable	385,692.71
IRP #2 Loan Payable	330,244.56
Total Liabilities	906,607.52
Net Assets	
Other	3,485,303.29
Total Net Assets	3,485,303.29
Total Net Assets and Liabilities	4,391,910.81

Northeast Nebraska Economic Development District
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 07/01/2018 Through 07/31/2018

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
Revenues							
400	5,833.33	0.00	(5,833.33)	70,000.00	0.00	(70,000.00)	(100.00)%
405	13,333.33	161,888.08	148,554.75	160,000.00	161,888.08	1,888.08	1.18%
406	1,173.33	13,350.00	12,176.67	14,080.00	13,350.00	(730.00)	(5.18)%
407	1,133.33	12,550.00	11,416.67	13,600.00	12,550.00	(1,050.00)	(7.72)%
410	5,833.33	0.00	(5,833.33)	70,000.00	0.00	(70,000.00)	(100.00)%
415	83.33	575.00	491.67	1,000.00	575.00	(425.00)	(42.50)%
418	14,583.33	16,966.01	2,382.68	175,000.00	16,966.01	(158,033.99)	(90.31)%
420	27,095.83	13,483.15	(13,612.68)	325,150.00	13,483.15	(311,666.85)	(95.85)%
425	1,500.00	760.00	(740.00)	18,000.00	760.00	(17,240.00)	(95.78)%
430	3,618.75	6,613.22	2,994.47	43,425.00	6,613.22	(36,811.78)	(84.77)%
433	3,916.25	2,933.97	(982.28)	46,995.00	2,933.97	(44,061.03)	(93.76)%
440	0.00	600.00	600.00	0.00	600.00	600.00	0.00%
444	104.16	48.00	(56.16)	1,250.00	48.00	(1,202.00)	(96.16)%
445	83.33	82.39	(0.94)	1,000.00	82.39	(917.61)	(91.76)%
451	13,333.33	11,257.52	(2,075.81)	160,000.00	11,257.52	(148,742.48)	(92.96)%
452	50.00	0.00	(50.00)	600.00	0.00	(600.00)	(100.00)%
453	291.66	0.00	(291.66)	3,500.00	0.00	(3,500.00)	(100.00)%
454	833.33	434.35	(398.98)	10,000.00	434.35	(9,565.65)	(95.66)%
481	6.66	2.47	(4.19)	80.00	2.47	(77.53)	(96.91)%
490	1,083.33	1,387.00	303.67	13,000.00	1,387.00	(11,613.00)	(89.33)%
495	1,250.00	1,250.00	0.00	15,000.00	1,250.00	(13,750.00)	(91.67)%
	<u>95,139.94</u>	<u>244,181.16</u>	<u>149,041.22</u>	<u>1,141,680.00</u>	<u>244,181.16</u>	<u>(897,498.84)</u>	<u>(78.61)%</u>
	Total Revenues						
Expenditures							
500	50,916.66	47,466.59	3,450.07	611,000.00	47,466.59	563,533.41	92.23%
505	12,333.33	10,673.77	1,659.56	148,000.00	10,673.77	137,326.23	92.79%
520	1,250.00	1,250.00	0.00	15,000.00	1,250.00	13,750.00	91.67%
521	750.00	401.95	348.05	9,000.00	401.95	8,598.05	95.53%
522	333.33	507.95	(174.62)	4,000.00	507.95	3,492.05	87.30%
523	833.33	600.38	232.95	10,000.00	600.38	9,399.62	94.00%
524	833.33	4,475.00	(3,641.67)	10,000.00	4,475.00	5,525.00	55.25%
526	2,333.33	1,218.38	1,114.95	28,000.00	1,218.38	26,781.62	95.65%
530	183.33	2,018.00	(1,834.67)	2,200.00	2,018.00	182.00	8.27%
531	400.00	36.33	363.67	4,800.00	36.33	4,763.67	99.24%
532	333.33	0.00	333.33	4,000.00	0.00	4,000.00	100.00%
535	250.00	400.15	(150.15)	3,000.00	400.15	2,599.85	86.66%
536	958.33	0.00	958.33	11,500.00	0.00	11,500.00	100.00%
538	1,016.66	534.00	482.66	12,200.00	534.00	11,666.00	95.62%
539	1,500.00	1,160.00	340.00	18,000.00	1,160.00	16,840.00	93.56%

Northeast Nebraska Economic Development District
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 07/01/2018 Through 07/31/2018

		Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
548	Loan Closing Expense	104.16	159.30	(55.14)	1,250.00	159.30	1,090.70	87.26%
550	Building Maintenance	287.50	288.75	(1.25)	3,450.00	288.75	3,161.25	91.63%
551	Utilities	600.00	606.46	(6.46)	7,200.00	606.46	6,593.54	91.58%
553	Dues/Memberships	750.00	260.00	490.00	9,000.00	260.00	8,740.00	97.11%
554	Subscriptions/Reference	250.00	1,160.00	(910.00)	3,000.00	1,160.00	1,840.00	61.33%
555	Advertising/Marketing	250.00	65.99	184.01	3,000.00	65.99	2,934.01	97.80%
556	Insurance	625.00	0.00	625.00	7,500.00	0.00	7,500.00	100.00%
560	Legal Services	166.66	0.00	166.66	2,000.00	0.00	2,000.00	100.00%
561	Audit Fees	633.33	0.00	633.33	7,600.00	0.00	7,600.00	100.00%
562	Other Professional Services	583.33	134.00	449.33	7,000.00	134.00	6,866.00	98.09%
563	Annual Staff Retreat Expense	41.66	0.00	41.66	500.00	0.00	500.00	100.00%
565	Depreciation Expense	500.00	0.00	500.00	6,000.00	0.00	6,000.00	100.00%
567	Annual Meeting Expense	208.33	2,380.17	(2,171.84)	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	350.34	(67.01)	3,400.00	350.34	3,049.66	89.70%
574	RLF Management Contract	416.66	30.00	386.66	5,000.00	30.00	4,970.00	99.40%
577	Local RLF Contribution Expense	0.00	35.51	(35.51)	0.00	35.51	(35.51)	0.00%
580	Loans Written Off	2,083.33	0.00	2,083.33	25,000.00	0.00	25,000.00	100.00%
581	Loans Forgivable Portion	20.00	19.74	0.26	240.00	19.74	220.26	91.78%
590	Miscellaneous	41.66	5.00	36.66	500.00	5.00	495.00	99.00%
602	Vehicle Maintenance	500.00	0.00	500.00	6,000.00	0.00	6,000.00	100.00%
	Total Expenditures	<u>83,294.91</u>	<u>76,237.76</u>	<u>7,057.15</u>	<u>999,540.00</u>	<u>76,237.76</u>	<u>923,302.24</u>	<u>92.37%</u>
	Total Revenues Over (Under) Expenditures	<u>11,845.03</u>	<u>167,943.40</u>	<u>156,098.37</u>	<u>142,140.00</u>	<u>167,943.40</u>	<u>25,803.40</u>	<u>18.15%</u>

NENEDD Board Agenda

Object: Approve a \$50,000 loan to Jim Swails, d/b/a L-Bar-B Steakhouse - Clearwater

Contact Persons: Jeff Christensen

For: Action

Loan Applicant: Jim Swails, d/b/a L-Bar-B Steakhouse - Clearwater

Project Overview and Description:

Jim Swails wants to purchase the L-Bar-B Steakhouse in Clearwater. The current owner, Francis Hanslik, opened the business in 1982. All the business property (furniture, fixtures, equipment, inventory, etc.) is included in the purchase. The building is a one-story structure on the north side of Hwy 275. The steakhouse currently opens at 5:00 each afternoon. According to the local patrons, L-Bar-B is known for its excellent food (steaks & salad bar) and quite atmosphere. There is also a bar and alcohol is served. Approximately 10% of the business is from catering.

Jim currently lives in Arizona and is an Executive Chef at Cal-Am Resorts in Mesa. With the purchase of the L-Bar-B, Jim and his son would move back to Nebraska to own and operate the steakhouse. Jim's plan is to continue to operate the steakhouse just about the same as it has been operating in the past. With a minimum amount of overhead anticipated, noon lunches may be added in the future to improve sales and the menu expanded somewhat to boast Jim's culinary talents.

The total project costs are estimated to be \$175,000. This includes \$150,000 for the purchase of the L-Bar-B and \$25,000 operating line of credit. Mr. Swails and Tilden Bank in Clearwater are requesting that NENEDD provide a loan in the amount of \$50,000 for the purchase of the L-Bar-B Steakhouse in Clearwater. The Bank has approved a loan of up to \$80,000 for business purchase and operating line of credit. Mr. Swails is providing equity of \$15,000 cash and \$30,000 from Clearwater LB840 funds. Besides Jim, the project will maintain 5 other FTE jobs (6 total).

Sources and Uses

Uses ↓	Sources →	Bank	NENEDD	LB840	Equity	Total
Business Purchase		\$55,000	\$50,000	\$30,000	\$15,000	\$150,000
Line of Credit		\$25,000	-0-	-0-	-0-	-0-
Total		\$80,000	\$50,000	\$30,000	\$15,000	\$175,000

Proposed Loan Package and Related Collateral:

Tilden Bank in Clearwater has approved a loan of up to \$80,000 for this project. There will be a \$55,000 loan setup as a regular real estate loan fully amortized over a 20-year term at an interest rate of 6.50% (variable). Tilden Bank will also offer a \$25,000 operating loan.

NENEDD will lend Jim Swails \$50,000 for the purchase of L-Bar-B Steakhouse. This loan will have a term of 20 years at an interest rate of 5.50% (fixed). NENEDD will have a subordinate (2nd) lien position on the business personal property and real estate being purchased. NENEDD will also file a Deed of Trust on Sharon Swails', (Jim's Mother) personal residences in Ewing. In the event that Jim buys his own house, NENEDD will file a Deed of Trust on Jim's new residence and release its lien on Sharon's home. NENEDD will require an assignment of life insurance from Jim Swails for the amount of the loan for the life of the loan. If an LLC is formed to own the business, a personal guaranty will be required from Jim.

The Village of Clearwater, using its LB840 funds, is considering a \$30,000 loan at 3.50% for 20 years.

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: Consideration for approval of a NENEDD loan of \$50,000 to Jim Swails to purchase the L-Bar-B Steakhouse in Clearwater as presented and recommended by NENEDD staff and the Northeast RLF Committee.

Dick Pfeil _____ Rich Jablonski _____ Scott Schaller _____ 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

Object: Approve appointing Shannon Stuchlik to represent NENEDD on League Association of Risk Management (LARM) board

Contact Person: Thomas L. Higginbotham Jr

For: Action

Background: Shannon has served as NENEDD's representative on the LARM board since the move to LARM in November 6, 2013.

Explanation: Since Shannon has moved to the NED, Inc board of directors starting July 1, 2018 NENEDD needs to officially appoint him to finish out his term on the LARM board as the NENEDD representative. His term ends December 31, 2020.

Motion: Consideration for approval to appoint Shannon Stuchlik as the NENEDD LARM representative until December 31, 2020.

Dick Pfeil_____ Rich Jablonski_____ Scott Schaller_____ Nadine Hagedorn_____
Christian Ohl_____ Judy Mutzenberger_____ Dan Kathol_____ Jim McCarville_____ Loren Kucera_____

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