

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, APRIL 24, 2019 - 7:00 P.M.**

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

MINUTES

Ratification: A quorum was not available. All actions will be ratified at the May 29, 2019, meeting.

- I. Call to Order:** The Northeast Economic Development, Inc. (NED, Inc.) Board of Directors meeting was called to order at 7:00 p.m. by Vice-President John F. Lohr. John F. Lohr informed the public about the location of the Open Meetings Act LB 898 and that it is accessible to the public.
- II. Roll Call:** NENEDD Fiscal Officer Kristen Rosner read roll call.

Board Members Present:

John F. Lohr, Vice President, NeighborWorks, Northeast Nebraska
Brad Albers, Secretary/Treasurer, Business Owner
Jerry Engdahl, Platte County Commissioner

Board Members Absent:

Tina Biteghe Bi Ndong, President, West Point Chamber of Commerce
Megan Weaver, Wayne Community Housing Development Corporation
Shannon Stuchlik, Midwest Bank of Pierce
Mike Frank, Retired Northeast Community College

Others Present:

Thomas L. Higginbotham, NENEDD
Jeff Christensen, NENEDD
Kristen Rosner, NENEDD
Martin Griffith, NENEDD
Judy Joy, NENEDD
Dick Pfeil, NENEDD Chairman, Norfolk City Council
Rich Jablonski, NENEDD Vice Chairman, Columbus City Council
Glen Ellis, NENEDD Board Member, Fremont City Council
Judy Mutzenberger, NENEDD Board Member, Cuming County Commissioner
Doug Backens, Dodge County Supervisor

- III. Introduction of Guests:** Vice-President John F. Lohr asked everyone attending the meeting to introduce themselves to the group.
- IV. Secretary's Report**
- A. Consideration for approval of April 24, 2019 Agenda, and the February 27, 2019 Meeting Minutes:** NENEDD Fiscal Officer Kristen Rosner presented. Brad Albers made a motion to approve the April 24, 2019 agenda, and the February 27, 2019 meeting minutes. Jerry Engdahl seconded the motion. **AYES:** John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried.

V. Treasurer's Report

A. Consideration for acceptance of February & March 2019 Treasurer's Report:

NENEDD Fiscal Officer Kristen Rosner presented the report. Jerry Engdahl made a motion to accept the February & March 2019 Treasurer's Report. Brad Albers seconded the motion.

AYES: John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried.

VI. Action Item

A. Consideration for approval for down payment assistance applicant #101554 in the amount of \$30,000. NENEDD Housing Loan Specialist Judy Joy presented. NENEDD staff have reviewed the application and are recommending approval for down payment assistance in the amount of \$30,000 for applicant #101554. Brad Albers made a motion to approve applicant #101554 for down payment assistance in the amount of \$30,000. Jerry Engdahl seconded the motion. **AYES:** John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried.

B. Consideration for approval of applicant #101520 for housing rehabilitation funds up to the amount of \$25,000. NENEDD Housing Specialist Martin Griffith presented. The property is located in Genoa, 1360 square feet and cost of repairs per square foot is \$18.00. The house is structurally sound, in good condition, and, after repairs, will meet or exceed all of the required Minimum Rehabilitation Standards. The property is deemed economically feasible for the NED, Inc. Owner Occupied Housing Rehabilitation Program. Funding will be provided by NED, Inc. housing reuse funds. The loan will be 100% forgivable over 10 years. Brad Albers made a motion to approve applicant #101520 for housing rehabilitation funds up to the amount of \$25,000. Jerry Engdahl seconded the motion. **AYES:** John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried.

C. Consideration for denial of applicant #101553 for housing rehabilitation funds up to the amount of \$40,020. NENEDD Housing Specialist Martin Griffith presented. The property is located in Walthill, 950 square feet and the cost of repairs per square foot is \$42.00. The house under consideration is in considerable disrepair and is not structurally sound. The cost of repairs needed for this house to meet the required Minimum Rehabilitation Standards will greatly exceed the rehabilitation project cost limits listed in section 4.5 Economic Feasibility of the program guidelines. The funding source would be the Walthill OOR Housing Grant #16-HO-15069. Brad Albers made a motion to deny applicant #101553 for housing rehabilitation funds up to the amount of \$40,020. Jerry Engdahl seconded the motion. **AYES:** John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried.

D. Consideration for approval to write-off NED, Inc. loan #612017 in the amount of \$85,521.57. NENEDD Business Loan Specialist Jeff Christensen presented. Loan #612017 was closed December 19, 2011, for \$100,000 to a trailer manufacturing business. The business closed in mid-2016 and was sold to another company from South Dakota in mid-2017. No payments have been made since January 2017. All real estate collateral has been foreclosed on by the bank (business and personal residence) and business personal property was sold to the SD company. As part of the sale it was understood that a royalty payment for each trailer sold would be paid towards all past due amounts owed to the IRS (\$34,000),

Cedar Security Bank (\$1,137,00), Cedar Knox Public Power District (\$10,879), NED, Inc. (\$85,252), and the Nebraska Department of Economic Development (\$498,686). The only remaining collateral is a personal guaranty by the two members of the LLC. There have been numerous rescheduling agreements documented over the past 5 ½ years. NENEDD staff will attempt to collect the debt if royalty payments are ever paid. NENEDD staff and the Northeast RLF committee recommend writing off NED, Inc. loan #612017 in the amount of \$85,521.57. Brad Albers made a motion to write-off NED, Inc. loan #612017 in the amount of \$85,521.57. Jerry Engdahl seconded. **AYES:** John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried.

E. Consideration for approval of a \$13,850 loan to CK Grill & Bar, LLC to purchase equipment damaged in the March 2019 flood and associated fees as presented and recommended by the NENEDD staff and the Northeast RLF Committee. NENEDD Business Loan Specialist Jeff Christensen presented. In 2008, NED, Inc. received \$200,000 in disaster relief funds from USDA for 0.00% loans. Due to the recent flooding in our area, we will once again offer interest free funding for businesses that qualify. NED, Inc. recently closed a \$36,000 loan in December 2018 with CK Grill & Bar, LLC. Some major pieces of equipment were damaged in the flood. Jerry Engdahl made a motion to approve a \$13,850 loan to CK Grill & Bar, LLC to purchase equipment damaged in the March 2019 flood and associated fees as presented and recommended by NENEDD staff and the Northeast RLF Committee. Brad Albers seconded the motion. **AYES:** John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried.

F. Consideration for approval to appoint a 2019-2020 budget/nominating committee. On an annual basis a budget committee are appointed to review and recommend to the full board the next fiscal year's budget as prepared by staff. On an annual basis a nominating committee is appointed to recommend new board members and new officers. Staff would like to combine these two committee's. Last fiscal year the budget committee consisted of John F. Lohr, Tina Biteghe Bi Ndong and Loren Kucera. The nominating committee consisted of Megan Weaver and Brad Albers. Jerry Engdahl, Brad Albers and John F. Lohr volunteered to serve on the budget/nominating committee. Brad Albers made a motion to appoint Jerry Engdahl, Brad Albers and John F. Lohr to the budget/nominating committee. Jerry Engdahl seconded the motion. **AYES:** John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried.

VIII. Discussion Items

A. NENEDD Fiscal Officer Kristen Rosner and Business Loan Specialist Jeff Christensen presented the quarterly loan review. All loan receivables for NED, Inc. funding sources on loans that have been closed were presented.

IX. President/Board Comments: None.

X. Next Meeting Date: The next Northeast Economic Development, Inc. Board of Directors meeting will be Wednesday, May 29, 2019, at 7:00 p.m. The meeting will be held at the following location:

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

Adjournment: Jerry Engdahl made a motion to adjourn the meeting. Brad Albers seconded the motion. **AYES:** John F. Lohr, Brad Albers, Jerry Engdahl, **NAYS:** None. **ABSENT:** Shannon Stuchlik, Tina Biteghe Bi Ndong, Megan Weaver, and Mike Frank. Motion carried. NED, Inc. Vice-President John F. Lohr adjourned the meeting at 7:45 p.m.