

NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, MARCH 28, 2018 - 7:00 P.M.

City of Columbus Offices – 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 5th St, Norfolk, NE 68701
West Point Chamber of Commerce – 200 Anna Stalp Ave, West Point, NE 68788
Wayne Chamber of Commerce – 108 W. 3rd St., Wayne, NE 68787

MINUTES

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 NED, Inc. President Loren Kucera. Loren Kucera 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 Administrative Assistant, Danielle Lammers, read roll call.

Board Members Present:

Loren Kucera, NED, Inc. President, Nebraska Business Development Center (NBDC),
Wayne (Norfolk)
Tina Biteghe Bi Ndong, NED, Inc. Vice President, West Point Chamber of Commerce (West
Point)
John F. Lohr, NED, Inc. Secretary/Treasurer, NeighborWorks, Northeast Nebraska,
Columbus (Columbus)
Megan Weaver, NED, Inc. Board Member, Wayne Community Housing Development
Corporation (Wayne)
Brad Albers, NED, Inc. Board Member, Pierce County Commissioner (Norfolk)
Jerry Engdahl, NED, Inc. Board Member, Platte County (Columbus)

Board Members Absent:

Others Present:

Dick Pfeil, NENEDD Vice Chairman, Norfolk City Council (Norfolk)
Nadine Hagedorn, NENEDD Board Member, BankFirst (West Point)
Scott Schaller, NENEDD Board Member, City of Fremont (West Point)
Dan Kathol, NENEDD Board Member, Hartington Community Development Corporation
(Hartington)
Jim McCarville, NENEDD Board Member, Northeast Community College (Norfolk)
Judy Mutzenberger, NENEDD Board Member, Cuming County (West Point)
Ron Schilling, NENEDD Council of Officials, City of Columbus (Columbus)
Thomas L. Higginbotham Jr., NENEDD (Norfolk)
Tina M. Engelbart, NENEDD (Norfolk)
Jeff Christensen, NENEDD (Norfolk)
Kristen Rosner, NENEDD (Norfolk)
Danielle Lammers, NENEDD (Norfolk)
Brittany O’Brien, NENEDD (Norfolk)
Judy Joy, NENEDD (Norfolk)

III. Introduction of Guests: NED, Inc. President Loren Kucera asked everyone attending the meeting to introduce themselves to the group.

IV. Secretary's Report

- A. Approval of March 28, 2018 Agenda & February 28, 2018 Meeting Minutes:** John Lohr made a motion to approve the March 28, 2018 agenda and February 28, 2018 meeting minutes. Tina Biteghe Bi Ndong seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

V. Treasurer's Report

- A. February 2018 Treasurer's Report:** NENEDD Fiscal Officer Kristen Rosner presented the report. Jerry Engdahl made a motion to approve the February 2018 Treasurer's Report as presented. Tina Biteghe Bi Ndong seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

VI. Discussion Items

- A. Quarterly Loan Review:** NENEDD Fiscal Officer Kristen Rosner presented the NED, Inc. Quarterly Loan Report to the board.

VII. Action Items

- A. Recommendation to approve down payment assistance applicant #101430:** NENEDD Housing Loan Specialist Judy Joy presented. NENEDD staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$26,300 for applicant #101430. Tina Biteghe Bi Ndong made a motion to approve applicant #101430 for down payment assistance in the amount of \$26,300. Brad Albers seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.
- B. Pierce/Hadar/Hoskins Owner-Occupied Rehab Loan # 6876715:** NENEDD Fiscal Officer Kristen Rosner presented. This is an owner-occupied rehabilitation housing client that was part of the Pierce/Hoskins/Hadar grant. The client owed more on the house than it was worth. The house sold for \$96,000, the loan with the local bank was for \$134,000. Staff would not recommend pursuing the issue further and is recommending writing off the loan at a balance of \$6,183.14. John Lohr made the motion to write-off Pierce/Hadar/Hoskins Loan # 6876715. Tina Biteghe Bi Ndong seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.
- C. Appoint a Budget Committee:** NENEDD Executive Director Thomas L. Higginbotham, Jr. presented. The 2017-2018 budget committee members were Nancy Braden, Nadine Hagedorn and John Lohr. On an annual basis, the budget committee reviews and recommends to the full Board of Directors the next fiscal year's budget as prepared by staff. Loren Kucera made a motion to appoint John Lohr, Tina Biteghe Bi Ndong and Loren Kucera to the budget committee for the 2018-2019 budget. Brad Albers seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.
- D. Appoint a Nominating Committee:** NENEDD Executive Director Thomas L. Higginbotham, Jr. presented. Last fiscal year the nominating committee consisted of Brad Albers and Megan Weaver representing the Northeast Economic Development, Inc. (NED, Inc.) board of directors and Mayor Shannon Stuchlik and Jim McCarville representing the

Northeast Nebraska Economic Development District (NENEDD) board of directors. On an annual basis, the nominating committee reviews and recommends to the full Board of Directors new board members and new officers. Tina Biteghe Bi Ndong made a motion to appoint Megan Weaver and Brad Albers to the nominating committee. John Lohr seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

E. Public Hearing related to Nebraska Affordable Housing Trust Fund Project 12-TFHP-5017 to provide updates to the public on the project: NENEDD Deputy Director Tina M. Engelbart presented. John Lohr made a motion to open the public hearing related to NED, Inc. housing project 12-TFHP-5017. Brad Albers seconded the motion. NED, Inc. was awarded \$365,800 of Nebraska Affordable Housing Trust funds to be used in the Northeast Investment Zone for the construction of 4 single family housing units with funds of \$300,000 being utilized for the new construction homebuyer activity; \$36,600 for housing management; and \$29,200 for general administration of the grant. NED, Inc. provided matching funds in the amount of \$110,000. During the grant one home was constructed expending \$98,999 of funds utilizing \$83,618 of Trust Funds and \$15,381 of matching funds. Due to the inability to find eligible applicants for the program a budget amendment was approved by the Nebraska Department of Economic Development to re-allocate \$215,531 of grant funds and \$84,469 of matching funds from new construction homebuyer activity to direct homebuyer assistance activity. A total of two low-to-moderate income (LMI) households have received funding in the amount of \$27,000 utilizing \$19,440 of Trust funds and \$7,560 of matching funds for direct homebuyer assistance. An additional budget amendment was requested to reallocate \$196,942 of down payment assistance funds for conversion of two upper story single family rental units. The property owner of these units provided a 1:1 match. The units are complete and have passed final lead inspection/clearance with one unit being occupied to an LMI individual. This grant benefited four LMI individuals/families and no persons were displaced because of the housing activities. Brad Albers made a motion to close the public hearing related to NED, Inc. housing project 12-TFHP-5017. Tina Biteghe Bi Ndong seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

F. Approve rescheduling agreement for loan #614004: NENEDD Business Loan Specialist Jeff Christensen presented. This business involved a \$40,000 NED, Inc. loan to start a family restaurant, offering quality food, drink and party rooms in September 2013. This was a start-up with no bank financing involved. In August 2014, the owners informed us that they were closing due to increasing expenses and a fire involving mostly equipment. Repairs were not completed with the insurance money. NED, Inc. deferred three regular monthly payments in January 2015. They were able to make payments through February 2018. March 2018 payment was returned for non-sufficient funds. The owners are experiencing a financial hardship and are requesting another three month deferral for March, April & May 2018. The payments will be reduced to \$325.00 at 0% interest. John Lohr made a motion to approve a rescheduling agreement for loan #614004 as outlined above and recommended by NENEDD staff and the Northeast Loan Committee. Brad Albers seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi

Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

G. Approve a \$50,000 loan to Bottom Line Holdings, LLC, Kelsey & Lance Morrow Members, Norfolk: NENEDD Business Loan Specialist Jeff Christensen presented. Bottom Line Bookkeeping and Payroll is a small successful, two-person bookkeeping and payroll preparation service and run by Kelsey Morrow in Norfolk. Her plans are to expand and purchase a building located in Norfolk. Total project costs are estimated to be \$233,000 which includes the purchase of the building/real estate, renovation, and equipment. BankFirst will be a lending partner on this project. Loren Kucera made a motion to approve a NED, Inc. loan of \$50,000 to Bottom Line Holdings, LLC in Norfolk, as presented and recommended by NENEDD staff and the Northeast RLF Committee. Brad Albers seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

H. Accept \$22,000 Community Development Block Grant (CDBG) funds from the City of Wayne for a loan to Greta Smith, d/b/a The Flower Cellar in Wayne: NENEDD Business Loan Specialist Jeff Christensen presented. Greta Smith is planning to purchase Flowers & Wine inventory, supplies, equipment and lease the building in order to open her own business, The Flower Cellar in Wayne. The location already functions as a floral and gift shop equipped with coolers, equipment and storage. BankFirst will be a lending partner on this project. This loan is being approved using Wayne's CDBG funds that will be sub-granted to NED, Inc. utilizing the NDO process (Non-Profit Development Organization) NED, Inc. will loan the funds to Greta Smith. Tina Biteghe Bi Ndong made a motion to accept the sub-granted \$22,000 CDBG funds from the City of Wayne utilizing the Non-Profit Development Organization (NDO) process. The \$22,000 will be loaned to Greta Smith to start the Flower Cellar in Wayne as presented and recommended by NENEDD staff and the Northeast RLF Committee. John Lohr seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried.

VIII. President/Board Comments: Loren Kucera thanked NENEDD Administrative Assistant Danielle Lammers on her time and work at NENEDD and wished her luck on her future endeavors.

IX. Next Meeting Date: The next Northeast Economic Development, Inc. Board of Directors meeting will be Wednesday, April 25, 2018 at 7:00 p.m. The meeting will be held at the City of Norfolk Office Building, 309 N. 5th St., Norfolk, Nebraska.

X. Adjournment: Tina Biteghe Bi Ndong made a motion to adjourn the meeting. Brad Albers seconded the motion. **AYES:** Brad Albers, Tina Biteghe Bi Ndong, Jerry Engdahl, Loren Kucera, John Lohr and Megan Weaver. **NAYS:** None. **ABSENT:** None. Motion carried. NED, Inc. President Loren Kucera adjourned the meeting at 7:43 p.m.