

**NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING VIA ZOOM
WEDNESDAY, JANUARY 27, 2021 – 7 P.M.**

MINUTES

I. Call to Order: The Northeast Economic Development, Inc. (NED, Inc.) Board of Directors meeting was called to order at 7:01 p.m. by NENEDD Executive Director Thomas L. Higginbotham, Jr. who informed the public about the location of the Open Meetings Act and that it was accessible to the public. All board members attended the meeting via conference call as per Gov. Pete Ricketts' Executive Order No. 20-36.

II. Roll Call: NENEDD Administrative Assistant, Grace Petersen, read roll call.

Board Members Present:

Shannon Stuchlik, Secretary/Treasurer, Midwest Bank of Pierce
Rich Jablonski, City of Columbus
Jerry Engdahl, Platte County
Mike Frank, retired Northeast Community College
Megan Weaver, Wakefield Progressive, Inc.

Board Members Absent:

Jim McCarville, President, Northeast Community College
Brad Albers, Vice President, Business Owner

NENEDD Board Members Present:

Loren Kucera, Nebraska Business Development Center (NBDC) of Wayne; Charlie Bahr, City of Columbus; Dan Kathol, Hartington Community Development Center; Tina Biteghe Bi Ndong, West Point Chamber of Commerce; Judy Mutzenberger, Cuming County; Troy Uhler, Madison County; and Gary Jackson, City of Norfolk.

NENEDD Staff Present:

Thomas L. Higginbotham, Jr., Tina M. Engelbart, Jeff Christensen, Mandy Gear, Kristen Rosner, and Grace Petersen.

III. Introduction of Guests: NENEDD Executive Director Thomas L. Higginbotham, Jr. introduced guests. The following guests were present: Blake Denton, BankFirst-West Point; Larry Temme, Boone County; and David Branch, Cuming County Economic Development.

IV. Secretary's Report

A. Consideration for approval of the January 27, 2021, agenda and December 16, 2020, meeting minutes. Jerry Engdahl made a motion to approve the January 27, 2021, agenda and December 16, 2020, meeting minutes. Megan Weaver seconded that motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Rich Jablonski, and Jerry Engdahl. **NAYS:** None. **ABSENT:** Jim McCarville and Brad Albers. Motion carried.

V. Treasurer's Report

A. Consideration for acceptance of the December 2020 Treasurer's Report as presented. Fiscal Officer Kristen Rosner presented the report. Mike Frank made a motion to accept the December 2020 Treasurer's Report as presented. Shannon Stuchlik seconded the motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Rich Jablonski, and Jerry Engdahl. **NAYS:** None.

ABSENT: Jim McCarville and Brad Albers. Motion carried.

VI. Action Items

A. Consideration to approve down payment assistance applicant #101646. NENEDD Housing Loan Specialist Mandy Gear presented. NENEDD staff have reviewed the application and are recommending approval for down payment assistance in the amount of \$28,000 for applicant #101646. Rich Jablonski made a motion to approve down payment assistance applicant #101646. Shannon Stuchlik seconded that motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Rich Jablonski, and Jerry Engdahl. **NAYS:** None. **ABSENT:** Jim McCarville and Brad Albers. Motion carried.

B. Consideration to approve accepting \$200,000 CDBG RLF funds from Knox County for a loan to Camp Missouri, LLC, d/b/a CJ's at the Lake in rural Knox County. NENEDD Business Loan Specialist Jeff Christensen presented. Tony and Amy Hoffman lease property on which they own and operate CJ's at the Lake (CJ's) located at 54882 897 Road on the south side of Lewis and Clark Lake in northern Knox County. They are planning the purchase of real estate, which includes the building of CJ's, and a 53-pad campground. CJ's is a bar/restaurant business with a small convenience store at the front of the business. The total project costs are estimated to be \$877,000 for the purchase of the real estate. Knox County was to meet on January 28, 2021, and anticipated to approve the requested \$200,000 for this project. These funds will be sub-granted to NED, Inc., as a Non-profit Development Organization (NDO), who will in turn lend the \$200,000 to Camp Missouri, LLC, for this project. The \$200,000 NDO loan will have a 20-year term at 4.50% (fixed). Payments will be made to NED, Inc. This is the process approved by the Nebraska Department of Economic Development (DED) to de-federalize CDBG fund in our local communities. NED, Inc. will file a subordinate deed of trust on the business real estate at 54882 897 Road, Crofton, have a subordinate UCC lien on the business personal property of CJ's at the Lake, require personal guarantees from all members of Camp Missouri, LLC, and will require a life insurance assignment from Tony and Amy Hoffman, each for the amount of the loan for the life of the loan. NED, Inc. also will file a deed of trust on the Hoffman's personal residence in Knox County. Megan Weaver made a motion to approve accepting \$200,000 CDBG RLF funds from Knox County for a loan to Camp Missouri, LLC, d/b/a CJ's at the Lake in rural Knox County. Rich Jablonski seconded that motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Rich Jablonski, and Jerry Engdahl. **NAYS:** None. **ABSENT:** Jim McCarville and Brad Albers. Motion carried.

C. Consideration to approve additional financing for ASQ Promotional Products, Inc. to pay off Stanton County Public Power District loan #6877901 as of January 28, 2021. NENEDD Business Loan Specialist Jeff Christensen presented. NED, Inc. approved a \$55,000 loan (#620011) and Stanton County Public Power District (SCPPD) approved a \$50,000 loan (#6877901) to Josh and Kayla Dinesen to purchase Norfolk-based ASQ Promotional Products, Inc. (ASQ) in January 2020. Josh and Kayla have an opportunity to expand their business and are in the process of purchasing a printing business in Florida, First Impressions Printing (FIP). With the purchase of FIP, the Dinesens will be selling their house in Norfolk and are moving to Florida, but will maintain ownership of ASQ. They requested that NED, Inc. and SCPPD release its deed of trust on their Norfolk residence, allowing them to sell and move to Florida. In exchange for releasing the lien on their home in Norfolk, the Dinesens have agreed to allow NED, Inc. and SCPPD to file deeds of trust on their new residence and UCC liens on FIP, both in Florida. NED, Inc. honored the request, but SCPPD did not, stating they are not comfortable with having collateral outside the state of Nebraska. NED, Inc. will provide additional financing to pay off SCPPD loan #6877901, which has a loan balance estimated to be \$48,477.32, plus an estimated \$4,847.73 pre-payment penalty, for an estimated total of \$53,325.05 as of January 28,

2021. This will be combined with the current NED, Inc. loan #620011, (estimated balance \$53,481.74) for a new loan balance estimated to be \$105,806.79. The exact payoff amount may differ slightly due to timing of loan payoff, but expected to take place on Thursday, January 28, 2021. Megan Weaver made a motion to approve additional financing for ASQ Promotional Products, Inc. to pay off Stanton County Public Power District loan #6788901 as of January 28, 2021. Mike Frank seconded that motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Rich Jablonski, and Jerry Engdahl. **NAYS:** None. **ABSENT:** Jim McCarville and Brad Albers. Motion carried.

D. Consideration to approve write-off of loan #100042. NENEDD Fiscal Officer Kristen Rosner presented. Loan #100042 is an owner-occupied rehabilitation loan that was closed in 2011. The husband passed away in 2018. The loan client continued to live in the home and make payments until June 2020. The bank notified NED, Inc. that the client closed their bank account and letters were returned with a forwarding address. No contact has been received from the client. The primary mortgage company filed a Notice of Default in September 2020. NED, Inc. also filed a Notice of Default. The property was sold via a trustee sale on December 9, 2020. There were no excess proceeds. NENEDD staff recommends not pursuing the issue and writing-off the loan at a balance of \$18,240.68. Megan Weaver made a motion to approve write-off of loan #100042. Jerry Engdahl seconded that motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Rich Jablonski, and Jerry Engdahl. **NAYS:** None. **ABSENT:** Jim McCarville and Brad Albers. Motion carried.

E. Consideration to appoint Schumacher, Smejkal, Brockhaus & Herley, PC, as the NENEDD auditor for the fiscal years ending 2021, 2022, and 2023. NENEDD Fiscal Officer Kristen Rosner presented. Every three years, NENEDD is required to procure for auditing services. Request for Proposals were sent to 11 firms, of which two submitted proposals. The Executive Director, Deputy Director, Fiscal Officer, and board members reviewed and scored the submitted proposals. Shannon Stuchlik made a motion to appoint Schumacher, Smejkal, Brockhaus & Herley, PC, as the NENEDD auditor for the fiscal years ending 2021, 2022, and 2023. Mike Frank seconded that motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Rich Jablonski, and Jerry Engdahl. **NAYS:** None. **ABSENT:** Jim McCarville and Brad Albers. Motion carried.

VII. President/Board Comments: None.

VIII. Next Meeting Date: The next NED, Inc. Board of Directors meeting will be held on Wednesday, February 24, 2021, at 7 p.m. The meeting will be held via Zoom.

IX. Adjournment: Shannon Stuchlik made a motion to adjourn the meeting. Mike Frank seconded the motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Rich Jablonski, and Jerry Engdahl. **NAYS:** None. **ABSENT:** Jim McCarville and Brad Albers. Motion carried. Thomas L. Higginbotham, Jr. adjourned the meeting at 7:34 p.m.