

NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, FEBRUARY 22, 2023 - 7 P.M.

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
City of Columbus Offices – 1st Floor Mayor’s Office, 2424 14th St., Columbus, NE 68601

The President 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 for approval of the February 22, 2023, agenda and January 25, 2023, meeting minutes.
- V. Treasurer’s Report**
 - A. Consideration of acceptance of the January 2023 Treasurer’s Report as presented.
- VI. Action Items**
 - A. Consideration to approve a \$200,000 loan to Jake and Kayla Brune (Brick St. Precision Ag) in Dodge.
 - B. Consideration to approve an \$85,000 loan to Katelynn and Coleman Broders, d/b/a I Wet my Plants in Wayne.
- VII. President/Board Comments**
- VIII. Next Meeting Date:** The next Northeast Economic Development, Inc., Board of Directors meeting will be at 7 p.m. on Wednesday, March 29, 2023. The meeting will be held via conference call.
- IX. Adjournment**

Shannon Stuchlik _____ Jerry Engdahl _____ Jim McCarville _____
Rich Jablonski _____ Sally Ganem _____ Loren Kucera _____ Kurt Dostal _____

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

NED, Inc. Board Agenda

Object: Consideration for approval of the February 22, 2023, agenda and January 25, 2023, meeting minutes.

Contact Person: Thomas L. Higginbotham Jr., Executive Director

For: Action

Explanation: The February 22, 2023, agenda has been posted on the website. The January 25, 2023, meeting minutes have been posted on the website.

Motion: Consideration for approval of the February 22, 2023, agenda and January 25, 2023, meeting minutes.

Shannon Stuchlik____ Jerry Engdahl____ Jim McCarville____
Rich Jablonski____ Sally Ganem____ Loren Kucera____ Kurt Dostal____

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

IV. Secretary's Report A

NED, Inc. Board Agenda

Object: Acceptance of January 2023 Treasurer’s Report

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background:

Northeast Economic Development, Inc.’s (NED, Inc) January 2023 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 2023 Budget for the nonaccrual accounts, July 1, 2022, through June 30, 2023, Actual, Budget Variance so far this fiscal year and Percent of the fiscal year 2023 Budget remaining.

Explanation:

Additional Information:

Business Loan Principal Received	50,871.80
Housing Rehab Principal Received	4,692.39
Direct Homebuyer Assistance (DHA) Principal Received	90.00
Business Loan Disbursements	35,000.00
Housing Rehab Loan Disbursements (1 home)	10,406.00
Direct Home Buyer Assistance Loan Disbursements	-

Business Loan Disbursements:

Client #623008, Riley Lane d/b/a Holy Cow Coffee, Fullerton, \$35,000

NED, Inc. Reuse Funds Available for Lending:

Owner-Occupied Rehabilitation (HOME & Trust): \$642,688

Direct Home Buyer Assistance (HOME & Trust): \$437,574

Business Revolving Loan Funds (All Sources): \$3,074,976

Motion: Consideration for acceptance of the January 2023 treasurer’s report as presented.

Shannon Stuchlik____ Jerry Engdahl____ Jim McCarville____
Rich Jablonski____ Sally Ganem____ Loren Kucera____ Kurt Dostal____

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

V. Treasurer’s Report A

NED, Inc.
Statement of Financial Position - Unposted Transactions Included In Report
As of 01/31/2023

	<u>Current Period Balance</u>
Assets	
General Cash	
Cash in Bank-BF #1695334	1,524.27
Business RLF Cash	
IRP Loan Fund-BankFirst 7884171	46,200.13
RLF-BankFirst 7884203	53,268.08
IRP Loan Loss Reserve-BankFirst 7884195	13,189.05
RBEG Loans-BankFirst 7884203	83,857.28
RMAP Loan Fund-BankFirst #7898549	25,051.01
IRP #2 Loan Fund-Bank First #7898560	127,194.82
RMAP LLR Fund-BankFirst #8571	12,722.53
NE Micro Loan Fund #1 BF 7911287	111,676.07
NDO Defederalized BF 1703694	2,430,890.61
NE Micro Loan Fund #2 BF 7911287	57,661.25
NE Micro Loan Fund #3 BF 7911287	29,744.06
IRP #2 Loan Loss Reserve - #7884195	19,277.60
NE Micro Loan Fund #4 BF 7911287	31,138.12
NE Micro Loan Fund #5 BF 7911287	52,979.33
NE Micro Loan Fund #6 BF 7911287	23,783.71
NE Micro Loan Fund #7	1,532.00
Housing Cash	
Trust DHA - EVB 3035418	272,342.69
HOME Rehab-BankFirst 7858547	272,256.61
Trust Rehab Pinnacle 4400292230	133,003.94
HOME DHA - EVBT 3067890	165,231.34
HOME Rehab Pinnacle 4400292249	119,155.29
Trust Rehab BF 7930372	76,211.84
HUD/NENEDD Rehab BankFirst 7930383	42,060.33
Business RLF Notes Receivable	
Business RLF Notes Receivable	25,788.17
Business IRP Notes Receivable	204,072.14
IRP #2 Notes Receivable	548,876.02
NDO Business Notes Receivables	3,422,053.41
RMAP Business Notes Receivable	219,077.81
NE Micro Loan Receivable	1,265,708.34
Housing Notes Receivable	
DHA Notes Receivable	1,860,909.10
Regional Rehab Notes Receivable	929,921.95
Fixed Assets	
Furniture and Equipment	2,250.00
Accumulated Depreciation	(2,250.00)
Allowance for Uncollectibles	
Allowance for uncollectable losses	(2,886,210.71)
Total Assets	9,792,148.19
Liabilities	
Accounts Payable	
Accounts Payable	19,470.85
Notes Payable	
RMAP Loan Payable	246,560.64
IRP Loan Payable	147,106.63
IRP #2 Loan Payable	520,076.07
Total Liabilities	933,214.19

NED, Inc.
Statement of Financial Position - Unposted Transactions Included In Report
As of 01/31/2023

	<u>Current Period Balance</u>
Net Assets	
Other	<u>8,858,934.00</u>
Total Net Assets	<u>8,858,934.00</u>
Total Net Assets and Liabilities	<u><u>9,792,148.19</u></u>

NED, Inc.

**Statement of Revenues and Expenditures - Unposted Transactions Included in Report
From 01/01/2023 Through 01/31/2023**

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget - Original	Current Year Actual	Total Budget Variance	Percent Total Budget Remaining
Revenues							
405	3,917.00	0.00	(3,917.00)	47,000.00	7,300.00	(39,700.00)	(84.47)%
421	1,000.00	0.00	(1,000.00)	12,000.00	4,140.00	(7,860.00)	(65.50)%
424	11,464.00	0.00	(11,464.00)	137,570.00	21,005.00	(116,565.00)	(84.73)%
427	1,250.00	0.00	(1,250.00)	15,000.00	0.00	(15,000.00)	(100.00)%
428	120.00	0.00	(120.00)	1,434.00	0.00	(1,434.00)	(100.00)%
439	20,833.00	0.00	(20,833.00)	250,000.00	0.00	(250,000.00)	(100.00)%
443	2,500.00	12,394.68	9,894.68	30,000.00	24,763.15	(5,236.85)	(17.46)%
444	250.00	0.00	(250.00)	3,000.00	1,000.00	(2,000.00)	(66.67)%
451	10,833.00	17,706.00	6,873.00	130,000.00	112,404.37	(17,595.63)	(13.54)%
452	117.00	55.00	(62.00)	1,400.00	280.00	(1,120.00)	(80.00)%
453	500.00	1,882.00	1,382.00	6,000.00	7,782.00	1,782.00	29.70%
454	1,000.00	1,473.32	473.32	12,000.00	9,488.84	(2,511.16)	(20.93)%
471	667.00	723.79	56.79	8,000.00	4,600.42	(3,399.58)	(42.49)%
490	917.00	6,164.38	5,247.38	11,000.00	30,793.11	19,793.11	179.94%
	<u>55,368.00</u>	<u>40,399.17</u>	<u>(14,968.83)</u>	<u>664,404.00</u>	<u>223,556.89</u>	<u>(440,847.11)</u>	<u>(66.35)%</u>
Expenditures							
523	17.00	0.00	17.00	200.00	0.00	200.00	100.00%
543	8.00	60.00	(52.00)	100.00	195.00	(95.00)	(95.00)%
548	8.00	0.00	8.00	100.00	7.00	93.00	93.00%
549	1,000.00	105.00	895.00	12,000.00	960.00	11,040.00	92.00%
553	1,250.00	15.00	1,235.00	15,000.00	810.00	14,190.00	94.60%
557	0.00	28.00	(28.00)	20.00	28.00	(8.00)	(40.00)%
561	625.00	0.00	625.00	7,500.00	7,500.00	0.00	0.00%
573	1,003.00	462.85	540.15	12,030.00	10,084.08	1,945.92	16.18%
574	19,167.00	18,900.85	266.15	230,000.00	143,791.46	86,208.54	37.48%
580	12,083.00	0.00	12,083.00	145,000.00	0.00	145,000.00	100.00%
584	5,500.00	2,153.83	3,346.17	66,000.00	54,446.67	11,553.33	17.51%
	<u>40,661.00</u>	<u>21,725.53</u>	<u>18,935.47</u>	<u>487,950.00</u>	<u>217,822.21</u>	<u>270,127.79</u>	<u>55.36%</u>
	<u>14,707.00</u>	<u>18,673.64</u>	<u>3,966.64</u>	<u>176,454.00</u>	<u>5,734.68</u>	<u>(170,719.32)</u>	<u>(96.75)%</u>
Total Revenues Over (Under) Expenditures							

NED, Inc. Board Agenda

Object: Approve a \$200,000 loan to Jake and Kayla Brune (Brick St. Precision Ag) in Dodge

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Jake and Kayla Brune are planning the construction of a new shop to expand Jake’s business Brick Street Precision Ag, LLC (BSPA) in Dodge. Jake and his business partner, Jason Meyer, own and operate BSPA which they started two years ago. Jason also owns Meyer Agri-Services also located in Dodge. In addition to seed sales, they offer soil testing, seed treating, and other ag-related services. BSPA specializes in the crop planting market by adding technology to farmer’s equipment to help them become more profitable with the use of technology. Ninety percent of their business is custom build/retro fitting a farmer’s planter with various products from monitoring, metering, depth control, and more. Their current customers choose BSPA products because they can take their existing equipment and put the latest technology on it without having to spend 2x-10x more than buying new equipment to get the same technology. BSPA can build new planters as well. They not only help the farmer understand the benefits of using technology, but also help them operate it.

BSPA operates out of Meyer Agri-Services building and needs to expand into their own space. This new shop will be owned by Jake & his wife, Kayla, personally, allowing them to work on equipment during the winter months which will lead to more potential clients and more employees. Their main suppliers are Precision Planting (Illinois) and Harvest International (Iowa). Their customer base is currently concentrated within a 30-mile radius of Dodge, but they have some customers as far away as 60 miles.

The new shop will be a steel building 80’ x 100’ on concrete. The land is currently owned by Jake’s parents, who will gift 2.3 acres to Jake. It is on the far east end of Dodge on 2nd Street between the bowling alley and Wagner Well Company.

The total project costs are estimated to be \$585,300. This includes \$565,000 for building construction and \$20,300 for the land. The Bruness and Nebraska Bank in Dodge are requesting that NED, Inc. provide a loan in the amount of \$200,000 for the project. The Bank is considering a \$315,000 loan. The Brune’s will inject \$70,300 which is \$20,300 for the land and \$50,000 cash. The project will maintain 5 jobs, including Jake & Jason, and create one job for a total of 6 jobs.

Explanation:

Uses ↓	Sources →	Bank	NED, Inc.	Equity	Total
Building Construction		\$315,000	\$200,000	\$50,000	\$565,000
Land		-0-	-0-	\$20,300	\$20,300
TOTAL		\$315,000	\$200,000	\$70,300	\$585,300

Nebraska Bank in Dodge is considering a loan of up to \$315,000 for this project. The term loan will be set up as a regular real estate/commercial loan, fully amortized over a 20-year term at an interest rate of prime plus .50 (5 year variable). Nebraska Bank will fund the construction with a line of credit, dependent on approval of permanent financing from NED, Inc.

NED, Inc. will lend Jake Brune \$200,000 to build a new shop for Brick Street Precision Ag in Dodge. This loan will have a term of 20 years at an interest rate of 5.50% (fixed). NED, Inc. will have a subordinate (2nd) lien position on the business real estate and business personal property. NED, Inc. will also file a Deed of Trust on their personal residence just north of Dodge and require an assignment of life insurance from Jake for the amount of the loan for the life of the loan.

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 and recommends this loan for approval.

Motion: Consideration for approval of a \$200,000 loan to Jake and Kayla Brune (Brick St. Precision Ag) in Dodge.

Shannon Stuchlik____ Jerry Engdahl____ Jim McCarville____
Rich Jablonski____ Sally Ganem____ Loren Kucera____ Kurt Dostal____

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

VI. Action Items A

NED, Inc. Board Agenda

Object: Approve a \$85,000 loan to Katelynn and Coleman Broders, d/b/a I Wet my Plants in Wayne.

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Katelynn and Coleman Broders are planning the startup of a floral and gift shop to be called I Wet My Plants. Katelynn will operate the store which will offer an array of products and services, from wedding floral to funeral arrangements, confections, giftable items, and décor. They will also offer wine and spirits, charcuterie snack and boards to be sold to take out as well as enjoy in the store. It will be located at 221 Main Street in Wayne in the heart of the business district and a prime stop for foot traffic. They will be open Monday thru Saturday...closed on Sunday. Specialty hours for once-a-month ladies/guys nights open to the surrounding communities and for town events. Various fun items she will market and sell will be labeled with “I Wet My Plants in Wayne, NE.”

The project includes purchasing the building that was formerly the Flower Cellar, one of our former loan clients. There will be some renovations which includes removing the faux brick panels and painting throughout the main space. The consultation room carpet will be replaced, and a new door put in place. The cooler condensers will also be replaced. Katelynn will purchase inventory, furniture, fixtures, and equipment including a computer POS system.

The total project costs are estimated to be \$269,464. This includes \$177,000 to purchase the real estate and renovations, \$34,610 for equipment, \$15,000 for inventory, and \$42,854 for working capital. Katelynn and Coleman Broders and State Nebraska Bank and Trust in Wayne are requesting that NED, Inc. provide a loan in the amount of \$85,000 for the purchase of the real estate and equipment. The Broders have applied for \$40,000 of Wayne’s LB840 funds and \$20,000 of WAED (Wayne Area Economic Development). The Broders will provide owner equity in the amount of \$24,464 cash. The project will create one job besides Katelynn and Coleman.

Explanation:

Uses ↓	Sources →	Bank	NED, Inc.	LB840	WAED	Equity	Total
Building/renovations		\$100,000	\$77,000	-0-	-0-	-0-	\$177,000
Equipment		-0-	\$8,000	\$26,610	-0-	-0-	\$34,610
Inventory		-0-	-0-	\$13,390	\$1,610	-0-	\$15,000
Working Capital		-0-	-0-	-0-	\$18,390	\$24,464	\$42,854
Total		\$100,000	\$85,000	\$40,000	\$20,000	\$24,464	\$269,464

State Nebraska Bank and Trust in Wayne is considering a loan not to exceed \$100,000 to purchase the commercial real estate at 221 Main St. in Wayne. It will be set up as a regular commercial/real estate loan amortized over 20 years at 7.50% (fixed) with the balance due after 10 years. The bank will require a 1st deed of trust and personal guaranty from Katelynn and Coleman.

NED, Inc. will lend \$85,000 to Katelynn & Coleman Broders, d/b/a I West My Plants to start a floral/gift shop in Wayne. This loan will have a term of 15 years at an interest rate of 5.00% (fixed). NED, Inc. will file a subordinate (2nd) position lien on the business real estate and UCC filing on the business assets of I Wet my Plants. NED, Inc. will require life insurance assignments from Katelynn for the total amount of the loan for the life of the loan. NED, Inc. will also file a deed of trust on Broder's personal residence in Wayne.

The Broder's have applied to the city of Wayne for \$40,000 LB840 funds at a term of 10 years at 3.75% interest and WAED for \$20,000 for 10 years at 0.00% interest. Both LB840 funds and WAED will be subordinate to the bank and NED, Inc.

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 and recommends this loan for approval.

Motion: Consideration for approval of a \$85,000 loan to Katelynn and Coleman Broders, d/b/a I Wet my Plants in Wayne

Shannon Stuchlik____ Jerry Engdahl____ Jim McCarville____
Rich Jablonski____ Sally Ganem____ Loren Kucera____ Kurt Dostal____

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

VI. Action Items B