

NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, APRIL 26, 2023 – 7 P.M.

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

MINUTES

Ratification: A quorum was not available during the Secretary's Report, Treasurer's Report, Action Items A and Action Items B. The Secretary's Report. Treasurer's Report Action Items A and Action Items B will be ratified at the May 31, 2023, meeting.

- I. Call to Order:** The Northeast Economic Development, Inc. (NED, Inc.) Board of Directors meeting was called to order at 7:03 p.m. by NED, Inc. Secretary/Treasurer Jim McCarville who informed the public about the location of the Open Meetings Act LB 898 and that it was accessible to the public.

- II. Roll Call:** NENEDD Fiscal Officer, Kristen Rosner, read roll call.

Board Members Present:

Jim McCarville, Secretary/Treasurer, Northeast Community College
Rich Jablonski, Columbus City Council
Sally Ganem, Fremont City Council
Kurt Dostal, Citizens State Bank

Board Members Absent:

Shannon Stuchlik, President, Midwest Bank of Pierce
Jerry Engdahl, Vice President, Platte County Supervisor
Loren Kucera, Nebraska Business Development Center (NBDC)-Wayne

NENEDD Board Members Present:

None.

NENEDD Staff Present:

Thomas L. Higginbotham, Jr., Tina M. Engelbart, Jeff Christensen, and Kristen Rosner.

- III. Introduction of Guests:** None.

IV. Secretary's Report

A. Consideration for approval of the April 26, 2023, agenda and the March 29, 2023, meeting minutes. Rich Jablonski made a motion to approve the April 26, 2023, agenda and the March 29, 2023, meeting minutes. Kurt Dostal seconded the motion. **AYES:** Rich Jablonski and Kurt Dostal. **NAYS:** None. **ABSENT:** Sally Ganem, Shannon Stuchlik, Jerry Engdahl, and Loren Kucera. Motion carried.

V. Treasurer's Report

A. Consideration for acceptance of the March 2023 Treasurer's Report as presented. NENEDD Fiscal Officer Kristen Rosner presented the report. Kurt Dostal made a motion to accept the March 2023 Treasurer's Report as presented. Rich Jablonski seconded the motion. **AYES:** Rich Jablonski and Kurt Dostal. **NAYS:** None. **ABSENT:** Sally Ganem, Shannon

Stuchlik, Jerry Engdahl, and Loren Kucera. Motion carried.

VI. Discussion Items

A. Quarterly Loan Review. NENEDD Fiscal Officer presented the report. She said NED, Inc. currently has 226 loans with only .212% in delinquent payments.

VII. Action Items

A. Consideration to approve a \$60,000 loan to CK Grill & Bar, LLC – Chelsea Kallenbach, Member-Columbus. NENEDD Business Loan Specialist Jeff Christensen presented. Chelsea Kallenbach owns 25% and her uncle, Kenny Kallenbach, owns 75% of CK Grill & Bar, LLC, south of the Loup River Bridge in Columbus. Chelsea is requesting \$60,000 to purchase Kenny's portion of the business. The business is a bar and grill offering a full menu. Back in December 2018, NED, Inc. partnered with Pinnacle Bank of Columbus and provided a \$36,000 loan as part of a financing package allowing Kenny and Chelsea to buy out half of the business from Kenny's business partner at that time, with long-term plans for Chelsea to buy out her uncle in the future. Total project costs for Chelsea to purchase Kenny's 75% of the business is \$170,000. NED, Inc. will lend \$60,000 for the purchase of 75% of the business. This loan will have a term of 20 years at an interest rate of 5.50% (fixed). NED, Inc. will file a deed of trust on the business real estate and UCC filing on the business personal property subordinate to the bank. Chelsea will provide increased life insurance assignment for the amount of the loan for the life of the loan. Chelsea and her dad, Ron, will provide a personal guaranty. Ron will also provide a personal guaranty for the existing loans to replace Kenny, and Ron will provide title (1st lien position) on his 2020 Chevy 2500 pickup. Rich Jablonski made a motion to approve a \$60,000 loan to CK Grill & Bar, LLC – Chelsea Kallenbach, Member-Columbus. Kurt Dostal seconded that motion. **AYES:** Rich Jablonski and Kurt Dostal. **NAYS:** None. **ABSENT:** Sally Ganem, Shannon Stuchlik, Jerry Engdahl, and Loren Kucera. Motion carried.

B. Consideration to approve a \$45,000 loan to North Fork Outfitting, LLC – Norfolk, Jon “Tony” and Lita Stuthman, Members. NENEDD Business Loan Specialist Jeff Christensen presented. Jon “Tony” and Lita Stuthman are planning the expansion of their outdoor adventure rental company, North Fork Outfitting, LLC, with the purchase of equipment, inventory, supplies, and working capital. Tony and Lita started their business in 2014 with a truck, trailer, and eight kayaks. The Stuthmans would like to purchase 60 river tubes for their minnow shuttle floats, as well as 20 body boards, 20 river surfboards, and 20 stand-up paddle boards in preparation for the completion of Norfolk's 1.5-mile river trail. The total project costs are estimated to be \$50,000. NED, Inc. will lend \$45,000 to North Fork Outfitting, LLC, to purchase inventory, equipment, and working capital. This loan will have a term of 10 years at an interest rate of 4.50% (fixed). NED, Inc. will file a first position UCC lien on equipment. NED, Inc. will require a personal guaranty from Tony and Lita. Tony is researching a life insurance assignment for the total amount of the loan for the life of the loan if financially feasible. Tony's mother, Virgine Jensen, owns the house where Tony and Lita live. She will provide a personal guaranty and NED, Inc. will file a deed of trust on this house in Norfolk. Kurt Dostal made a motion to approve a \$45,000 loan to North Fork Outfitting, LLC – Norfolk, Jon “Tony” and Lita Stuthman, Members. Rich Jablonski seconded that motion. **AYES:** Rich Jablonski and Kurt Dostal. **NAYS:** None. **ABSENT:** Sally Ganem, Shannon Stuchlik, Jerry Engdahl, and Loren Kucera. Motion carried.

*** Sally Ganem joined the meeting making a quorum for the meeting.**

C. Consideration to approve a \$50,000 loan to T&A's Tree Service, LLC – Tony Steensnes, Member-Fullerton. NENEDD Business Loan Specialist Jeff Christensen. presented. Tony Steensnes is planning the purchase of equipment to start his own tree trimming business in

Fullerton. Tony will purchase a bucket truck, chainsaws, Bobcat Toolcat, grapple, hooks, and dump trailer to get started. The total project costs are estimated to be \$55,500. NED, Inc. will lend \$50,000 to T&A's Tree Service, LLC, to purchase equipment and working capital. This loan will have a term of 10 years at an interest rate of 4.50% (fixed). NED, Inc. will file a first position UCC lien on the equipment. This includes titles to the bucket truck and dump trailer. NED, Inc. will require a personal guaranty from Tony and life insurance assignment from Tony for the total amount of the loan for the life of the loan. NED, Inc. will also file a deed of trust on Tony's personal residence in Fullerton. Rich Jablonski made a motion to approve a \$50,000 loan to T&A's Tree Service, LLC – Tony Steensnes, Member-Fullerton. Kurt Dostal seconded that motion. **AYES:** Rich Jablonski, Sally Ganem, and Kurt Dostal. **NAYS:** None. **ABSENT:** Shannon Stuchlik, Jerry Engdahl, and Loren Kucera. Motion carried.

VIII. President/Board Comments: Board member Rich Jablonski said the Columbus Community Building is set to be open by August and suggested hosting the NED, Inc. and NENEDD meetings there in September or October.

IX. Next Meeting Date: The next NED, Inc. Board of Directors meeting will be held on Wednesday, May 31, 2023, at 7 p.m. The meeting will be held at the following location: City of Norfolk Offices – Training Room, 309 N. 5th St., Norfolk, NE 68701.

X. Adjournment: Sally Ganem made a motion to adjourn the meeting. Kurt Dostal seconded the motion. **AYES:** Rich Jablonski, Sally Ganem, and Kurt Dostal. **NAYS:** None. **ABSENT:** Shannon Stuchlik, Jerry Engdahl, and Loren Kucera. Motion carried. NED, Inc. Secretary/Treasurer Jim McCarville adjourned the meeting at 7:24 p.m.