

NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.

BOARD OF DIRECTORS MEETING

WEDNESDAY, JULY 12, 2023 - 7 P.M.

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

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 July 12, 2023, agenda and May 31, 2023, meeting minutes.
- V. Treasurer's Report**
 - A.** Consideration of acceptance of the May 2023 Treasurer's Report as presented.
- VI. Discussion Items**
 - A.** 2023-2024 Meeting Dates & Locations.
- VII. Action Items**
 - A.** Consideration to approve a \$52,000 loan to 39th Avenue Industrial & Storage, LLC, in Columbus.
 - B.** Consideration to approve a \$40,000 loan to Cameron and Felecia Polly, d/b/a Polly Auctions in Allen.
 - C.** Consideration to approve a \$50,000 loan to Wolken Therapy and Wellness, LLC – Oakland.
 - D.** Consideration to approve direct homebuyer assistance applicant #101778.
 - E.** Consideration to approve applicant #101776 for Owner-Occupied Housing Rehabilitation funds up to the amount of \$40,000.
 - F.** Consideration to adopt the 2023-2024 NED, Inc. budget as recommended by the Budget Committee.
 - G.** Consideration to appoint the individuals as presented to the Northeast Economic Development Inc. Board of Directors for a three-year term.
 - H.** Consideration to elect the Northeast Economic Development, Inc. Officers for 2023-2024 as presented.
 - I.** Consideration to approve the general corporate resolution as presented.
 - J.** Consideration to approve the corporate resolution with BankFirst, Elkhorn Valley Bank, and Pinnacle Bank.
 - K.** Consideration to approve NED, Inc. NAHTF Owner-Occupied Single-Family Housing Emergency Repair Program Guidelines.
 - L.** Consideration to close HUD/NENEDD Owner-Occupied Rehabilitation Account.
 - M.** Consideration to invest excess funds with NPAIT.

VIII. President/Board Comments

IX. Next Meeting Date: The next Northeast Economic Development, Inc., Board of Directors meeting will be at 7 p.m. on Wednesday, July 26, 2023. The meeting will be held at the following location: City of Norfolk Offices – Training Room, 309 N. 5th St., Norfolk, NE 68701.

X. 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 July 12, 2023, agenda and May 31, 2023, meeting minutes.

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

For: Action

Explanation: The July 12, 2023, agenda has been posted on the website. The May 31, 2023, meeting minutes have been posted on the website.

Motion: Consideration for approval of the July 12, 2023, agenda and May 31, 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 May 2023 Treasurer's Report

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background:

Northeast Economic Development, Inc.'s (NED, Inc) May 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	45,312.22
Housing Rehab Principal Received	13,342.27
Direct Homebuyer Assistance (DHA) Principal Received	90.00
Business Loan Disbursements	155,000.00
Housing Rehab Loan Disbursements (1 home)	11,599.40
Direct Home Buyer Assistance Loan Disbursements	-

Housing Rehab Loan Payoff:
Client #101477, \$8,697.84

Business Loan Disbursements:
Client #623014, \$45,000, North Fork Outfitting, LLC, Norfolk
Client #623012, \$60,000, CK Grill & Bar, LLC, Columbus
Client #623015, \$50,000, T&A's Tree Service, LLC, Fullerton

NED, Inc. Reuse Funds Available for Lending:
Owner-Occupied Rehabilitation (HOME & Trust): \$656,446.56
Direct Home Buyer Assistance (HOME & Trust): \$434,096
Business Revolving Loan Funds (All Sources): \$3,591,973

Motion: Consideration for acceptance of the May 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)

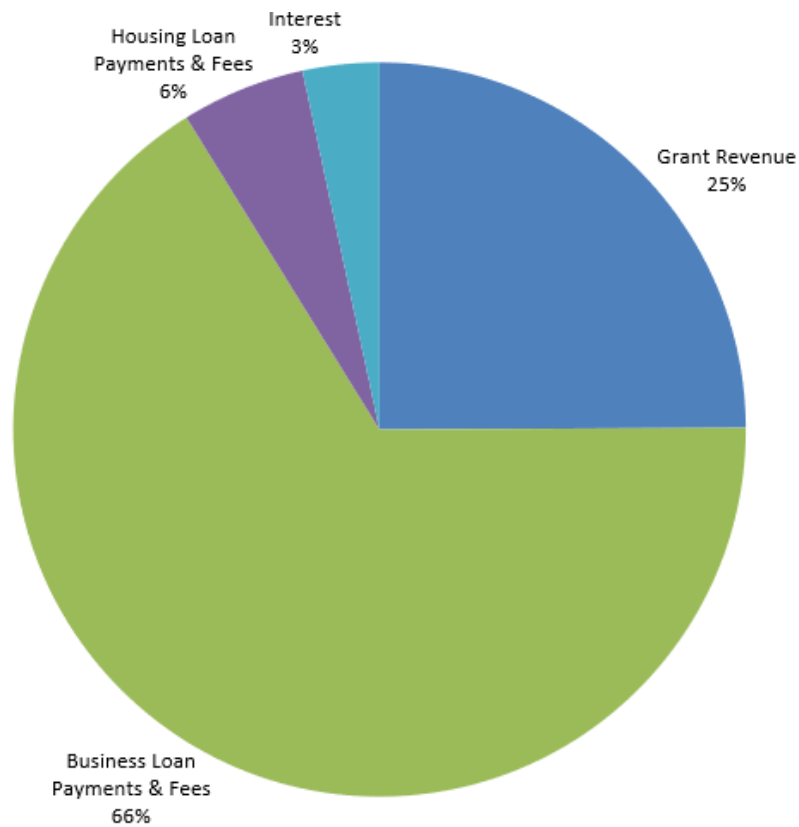
V. Treasurer's Report A

Snapshot of the Statement of Financial Position May 31, 2023

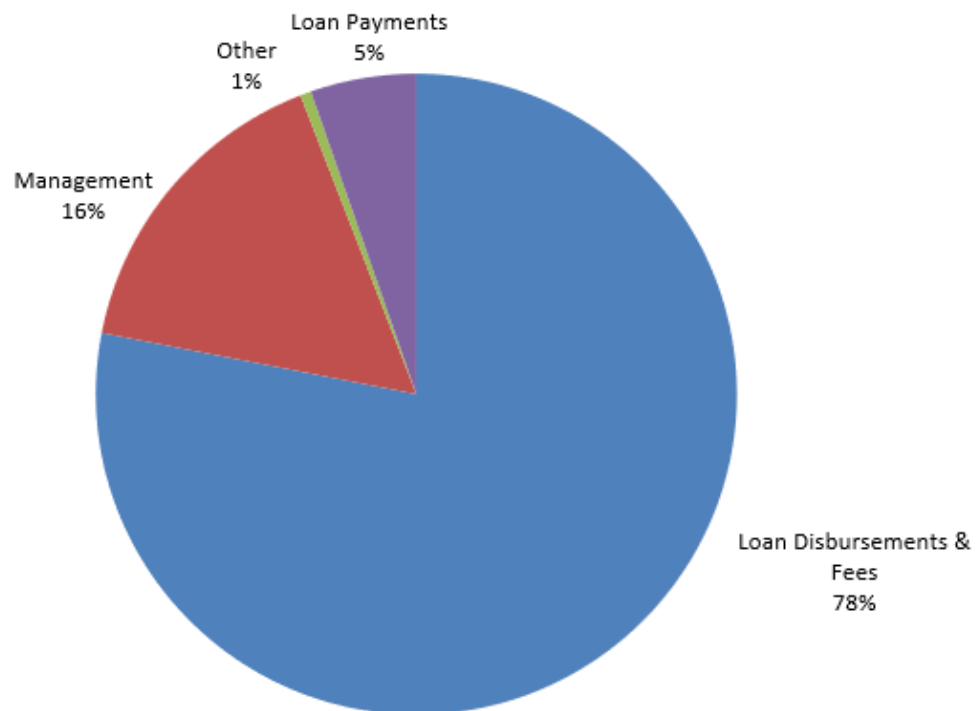
Assets	Liabilities & Net Assets
<div><div>Housing Loan Receivables, \$761,653.35</div><div>Business Loan Receivables, \$4,551,427.28</div><div>Housing Cash, \$1,090,543.39</div><div>Business RLF Cash, \$3,649,142.04</div><div>Cash, \$1,524.27</div></div>	<div><div>Net Assets, 9,229,050.04</div><div>Notes Payable, 904,015.42 Other, 32,618.49</div></div>

Revenue & Expenses by Type July 2022 – May 2023

Revenue



Expenses



NED, Inc.
Statement of Financial Position - Unposted Transactions Included In Report
As of 05/31/2023

	<u>Current Period Balance</u>
Assets	
General Cash	
Cash in Bank-BF #1695334	1,524.27
Business RLF Cash	
IRP Loan Fund-BankFirst 7884171	111,130.16
RLF-BankFirst 7884203	30,413.08
IRP Loan Loss Reserve-BankFirst 7884195	12,267.91
RBEG Loans-BankFirst 7884203	83,205.45
RMAP Loan Fund-BankFirst #7898549	23,004.04
IRP #2 Loan Fund-Bank First #7898560	141,191.88
RMAP LLR Fund-BankFirst #8571	12,237.57
NE Micro Loan Fund #1 BF 7911287	123,032.17
NDO Defederalized BF 1703694	2,848,564.01
NE Micro Loan Fund #2 BF 7911287	61,344.15
NE Micro Loan Fund #3 BF 7911287	31,968.25
IRP #2 Loan Loss Reserve - #7884195	32,663.30
NE Micro Loan Fund #4 BF 7911287	35,225.20
NE Micro Loan Fund #5 BF 7911287	62,452.03
NE Micro Loan Fund #6 BF 7911287	35,341.01
NE Micro Loan Fund #7	5,101.83
Housing Cash	
Trust DHA - EVB 3035418	270,396.88
HOME Rehab-BankFirst 7858547	305,950.79
Trust Rehab Pinnacle 4400292230	133,866.00
HOME DHA - EVBT 3067890	163,699.95
HOME Rehab Pinnacle 4400292249	119,927.59
Trust Rehab BF 7930372	77,380.50
HUD/NENEDD Rehab BankFirst 7930383	19,321.68
Business RLF Notes Receivable	
Business RLF Notes Receivable	48,268.24
Business IRP Notes Receivable	141,369.00
IRP #2 Notes Receivable	529,273.18
NDO Business Notes Receivables	3,042,679.33
RMAP Business Notes Receivable	211,799.39
NE Micro Loan Receivable	1,580,683.96
Housing Notes Receivable	
DHA Notes Receivable	1,860,549.10
Regional Rehab Notes Receivable	896,062.76
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	<u><u>10,165,683.95</u></u>
Liabilities	
Accounts Payable	
Accounts Payable	32,618.49
Notes Payable	
RMAP Loan Payable	236,832.72
IRP Loan Payable	147,106.63
IRP #2 Loan Payable	520,076.07
Total Liabilities	<u><u>936,633.91</u></u>

NED, Inc.
Statement of Financial Position - Unposted Transactions Included In Report
As of 05/31/2023

	<u>Current Period Balance</u>
Net Assets	
Other	<u>9,229,050.04</u>
Total Net Assets	<u>9,229,050.04</u>
Total Net Assets and Liabilities	<u><u>10,165,683.95</u></u>

NED, Inc.

Statement of Revenues and Expenditures - Unposted Transactions Included In Report From 05/01/2023 Through 05/31/2023

	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)%
Assistance Loan Contribution							
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)%
Contributions							
442	0.00	86,800.00	86,800.00	0.00	350,000.00	350,000.00	0.00%
Microenterprise Lending Program Contributions							
443	2,500.00	0.00	(2,500.00)	30,000.00	41,590.88	11,590.88	38.64%
444	250.00	750.00	500.00	3,000.00	3,000.00	0.00	0.00%
Revenue							
451	10,833.00	14,887.89	4,054.89	130,000.00	178,261.56	48,261.56	37.12%
452	117.00	0.00	(117.00)	1,400.00	370.00	(1,030.00)	(73.57)%
453	500.00	800.00	300.00	6,000.00	13,232.00	7,232.00	120.53%
Fee							
454	1,000.00	87.04	(912.96)	12,000.00	18,006.16	6,006.16	50.05%
471	667.00	589.41	(77.59)	8,000.00	7,189.11	(810.89)	(10.14)%
490	917.00	7,413.66	6,496.66	11,000.00	56,465.27	45,465.27	413.32%
Total Revenues	55,368.00	111,328.00	55,960.00	664,404.00	700,559.98	36,155.98	5.44%
Expenditures							
523	17.00	0.00	17.00	200.00	0.00	200.00	100.00%
543	8.00	15.00	(7.00)	100.00	245.00	(145.00)	(145.00)%
548	8.00	21.00	(13.00)	100.00	35.00	65.00	65.00%
549	1,000.00	225.00	775.00	12,000.00	2,400.00	9,600.00	80.00%
553	1,250.00	30.00	1,220.00	15,000.00	855.00	14,145.00	94.30%
557	0.00	0.00	0.00	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	446.55	556.45	12,030.00	11,721.00	309.00	2.57%
574	19,167.00	23,775.66	(4,608.66)	230,000.00	238,251.75	(8,251.75)	(3.59)%
580	12,083.00	0.00	12,083.00	145,000.00	0.00	145,000.00	100.00%
584	5,500.00	2,357.67	3,142.33	66,000.00	63,673.51	2,326.49	3.52%
Total Expenditures	40,661.00	26,870.88	13,790.12	487,950.00	324,709.26	163,240.74	33.45%
Total Revenues Over (Under) Expenditures	14,707.00	84,457.12	69,750.12	176,454.00	375,850.72	199,396.72	113.00%

NED, Inc. Board Agenda

Object: 2023-2024 Board Meeting Dates and Locations

Contact Person: Thomas L. Higginbotham, Jr.

For: Discussion

Background/Explanation: The dates and tentative locations for the upcoming fiscal year's board meetings are listed below. The dates are subject to change.

2023-2024 NED, Inc. & NENEDD Board of Directors Meeting Dates & Locations			
July		Wednesday, July 26, 2023	Norfolk – City Office
August		Wednesday, August 30, 2023	Norfolk - City Office
September		Wednesday, September 27, 2023	Norfolk - City Office
October		Wednesday, October 25, 2023	Columbus – City Hall
November		Wednesday, November 29, 2023	Conference Call
December		Wednesday, December 20, 2023	Conference Call
January		Wednesday, January 31, 2024	Conference Call
February		Wednesday, February 28, 2024	Conference Call
March		Wednesday, March 27, 2024	Conference Call
April		Wednesday, April 24, 2024	Norfolk - City Office
May		Wednesday, May 29, 2024	Norfolk - City Office
June		Wednesday, June 26, 2024	Norfolk - City Office

NED, Inc. Board Agenda

Object: Approve a \$52,000 loan to 39th Avenue Industrial & Storage, LLC
Ben Jenkinson, Member - Columbus

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Ben Jenkinson is planning the renovation of the 39th Avenue Industrial & Storage, LLC (39th) facility located at 1156 39th Ave. in Columbus. This property currently has 25 storage units and 5,000 sq. feet of industrial manufacturing space leased to Jimko Machine Products. Twelve of the storage units are being converted into additional manufacturing space for Jimko's expansion. This will be approximately 6,000 sq. ft. being converted. Ben's father, Jim, is the owner of Jimko. <http://jimkomachine.com/> Ben has been working there nearly all his life and will most likely be purchasing the business from his father in the future. Ben basically runs all of the day to day operations. NENEDD provided a \$140,000 loan (20 yrs – 5.50%) in June 2014 when Ben originally purchased the building. All payments have been made as promised.

Originally Jimko was leasing space from Gehring Construction in Columbus. In 2006, Jimko purchased a building on 12th Street which tripled the size they were previously leasing. They didn't anticipate outgrowing their location on 12th street, but as their customer base grew and their workload increased, they were forced to hire more people and buy more equipment. By 2013 their sales increased, and they had to find a larger building. They leased this real estate on 39th Ave. after doing over \$100,000 of renovation and began production there in Sept. 2013. In January 2014, the building owner approached Jimko about purchasing the property. Although Ben is not the owner of Jimko, at the time it made sense to purchase this property, setting himself up for the purchase of the Jimko business from his father in the future. The income collected from the remaining 13 storage units, the 5,000 square feet industrial building, and now renovating 6,000 sq. ft. for add'l manufacturing space should be more than enough to make the payments.

The total project costs are \$145,000 which includes HVAC, electrical, air compressors, doors, tinwork/exhaust/guttering, and concrete. Ben and Pinnacle Bank in Columbus are requesting that NED, Inc. provide a loan in the amount of \$52,000 for the project. The Bank has approved a loan not to exceed \$78,000. Ben has equity built up in the facility and will cover \$15,000 of the estimated contingencies during the renovation with cash. The project will retain the 21 Jimko jobs including Ben, his wife Pauline, and dad, Jim.

Explanation:

Pinnacle Bank in Columbus has approved a loan not to exceed \$78,000 for this project. This loan will be set up as a regular real estate/commercial loan amortized over 20 years at an interest rate of 8.25% (variable) with a balloon payment after the initial 5 years. The bank will secure its loan with a first position Deed of Trust on the property being renovated and a personal guaranty from Ben Jenkinson.

NED, Inc. will lend \$52,000 for the renovation of the same real estate. The \$52,000 loan will have a term of 20 years at an interest rate of 5.50% (fixed). NED, Inc. will have a subordinate Deed of Trust on the real estate and a UCC lien on the business personal property of 39th Avenue Industrial & Storage, LLC. NED, Inc. will file a Deed of Trust on the Jenkinson's personal residences in Columbus and life insurance assignment from Ben for the amount of the loan for the life of the loan. NED, Inc. will also require a personal guaranty from Ben.

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 \$52,000 loan to 39th Avenue Industrial & Storage, LLC in Columbus.

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)

VII. Action Items A

NED, Inc. Board Agenda

Object: Approve a \$40,000 loan to Cameron and Felecia Polly, d/b/a Polly Auctions in Allen.

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Cameron & Felecia Polly are planning the purchase of a building at 123 E. 2nd St in Allen, to expand their auction business. <https://www.facebook.com/cameronpollyauctions> They conduct estate auctions for those that have passed away, moving, etc., they sell on consignment for people dropping off items to their store, and they have on-line auctions (pollyauctions.hibid.com) The on-line auctions usually last for 5-6 days, where people go to the website and there are numerous “lots” of items for people to bid on. He is charged 25 cents per lot, with a max cost of \$75/auction and a 3% commission paid to hibid.com.

They currently lease a building on Dakota Ave. in South Sioux City but the lease continues to increase to a point where it’s much more economical for them to purchase a building. Their lease started at \$1,200/mo back in 2018 for ½ of the building they are in (3,000 sq. ft.). When they expanded and leased the other half in 2020, the lease was \$2,300 (7,000 sq. ft.) They currently pay over \$3,000/mo. The building they plan to purchase in Allen is the former Henry’s Bar & Grill which has 6,250 sq. ft. The previous owner died suddenly in a farming accident about 12 months ago at which time the business closed and will not re-open. There is minimal renovation work to be done to accommodate space for items to set up for display, set up for on-line auctions, and there will also be space for live auctions.

There were a lot of updates done to the building before the owner passed away. The building has three new furnaces/AC units in the last two years, three new hot water heaters, remodeled men’s and women’s bathrooms, and a lot of new plumbing. There are numerous collectible items in the building including four Model T’s in the rafters of the building. Also included are all kitchen appliances, double oven, three fryers, 3’x4’ griddle, dishwasher, and three freezers.

The total project costs are estimated to be \$131,000 to purchase the building and some renovation. Cameron, Felecia, and First Community Bank in Homer are requesting that NED, Inc. provide a loan in the amount of \$40,000 for the purchase of the building in Allen. The Bank has approved a loan of up to \$54,000. Cameron & Felecia will provide owner’s equity in the amount of \$31,000 related to the auction inventory, sweat equity for renovations, and cash. The project will maintain the five exiting jobs including Cameron and Felecia.

Explanation:

First Community Bank in Beemer has approved a loan of up to \$54,000 for this project. The \$54,000 loan will be set up as a regular real estate/commercial loan fully amortized over a 10 year term at an interest rate of 8.55% (5 year variable). The bank will require a first deed of trust on the business real estate located at 123 E. 2nd Street in Allen.

NED, Inc. will lend \$40,000 to Cameron & Felecia Polly to purchase the building and real estate at 123 E. 2nd Street in Allen. This loan will have a term of 10 years at an interest rate of 4.50% (fixed). NED, Inc. will file a subordinate deed of trust on the business real estate and a UCC lien on all business assets of Polly Auctions. NED, Inc. will require a life insurance assignment from Cameron for the total amount of the loan for the life of the loan. NED, Inc. will also file a deed of trust on Polly's personal residence in rural Homer.

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 \$40,000 loan to Cameron and Felecia Polly, d/b/a Polly Auctions in Allen.

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)

VII. Action Items B

NED, Inc. Board Agenda

Object: Approve a \$50,000 loan to Wolken Therapy and Wellness, LLC - Oakland
Ryan Wolken, Member

Contact Person: Jeff Christensen, NENEDD Business Loan Specialist

For: Action

Background:

Ryan Wolken, Member of Wolken Therapy and Wellness, LLC (WTW), is planning the renovation of their location at 312 N. Oakland Ave. in Oakland. NENEDD provided a \$101,250 CARES Act loan in May of 2021 to WTW for the purchase of an existing business, Johnson Rehabilitation and Sports Performance, in Oakland including the building/real estate, equipment, and patient/provider charting, staff, and nursing home contract. NENEDD partnered with F & M Bank in West Point. NENEDD's loan term is 15 years with an interest rate of 2.00% for years 1-2, then adjusted to 5.00% starting 7-1-23, due to the CARES Act funding we rec'd. All payments have been made as promised.

Ryan is a physical therapist, starting his business in 2016 and is based out of Norfolk. Prior to buying the Oakland business in 2021, Ryan had a partnership with Jacobsen Therapy Services, as well as managing numerous contracts with multiple clinic locations including Norfolk, Battle Creek, Madison, Oakland, Clarkson, and Winside.

In five years, they intend to use their new remodel to expand their outpatient therapy services of occupational therapy, speech therapy, chiropractic, dry needling, and massage therapy to serve their expanding wellness and holistic sports program. Through meeting their patient and revenue goals at the primary location, they feel they can increase the health of their community through injury treatment, education, prevention of injury, and exercise and wellness programs.

In ten years, their objective is to become the primary physical therapy provider with a stellar reputation that attracts patients from around the region. This will be accomplished by securing long-term contracts with area high schools. A comprehensive marketing plan and dedication to involvement in community events will exponentially expand their clientele base.

Total project costs are \$50,000 which includes \$20,291 for renovation, \$8,844 for furniture and fixtures, \$21,865 for equipment, and \$4,000 for working capital to cover additional staff start up for massage therapist. There is no bank involved in this project. Ryan Wolken is requesting that NED, Inc. provide a loan in the amount of \$50,000 towards the renovation costs, FFE, and working capital. The project will retain six jobs, including Ryan.

Explanation:

There is no bank involved in this project. NED, Inc. will lend \$50,000 for renovation, FFE and working capital for the business expansion. The \$50,000 NED, Inc. loan will have a term of 10 years at an interest rate of 4.50% (fixed). NED, Inc. will have a subordinate deed of trust on the business real estate and UCC lien on the business personal property. NED, Inc. will require additional life insurance assignment from Ryan for the amount of the additional loan for the life of the loan and personal guaranty from Ryan & Hilary Wolken. NED, Inc. will also file a deed of trust on Ryan & Hilary's personal residence in Norfolk.

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 \$50,000 loan to Wolken Therapy and Wellness, LLC in Oakland

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)

VII. Action Items C

NED, Inc. Board Agenda

Object: Recommendation to approve direct homebuyer assistance applicant #101778

Contact Person: Mandy Gear

For: Action

Background: Property Location: Columbus

Purchase Price: \$235,000

Appraised Value: \$240,000

Primary Lender: Pinnacle Bank - Columbus

Primary Mortgage Loan: 30-Year USDA

Interest Rate: 5.875% Fixed

Explanation: City of Columbus Direct Homebuyer Assistance: \$30,000 – 0% Deferred Interest Loan – Due upon transfer of title

Estimated Loan to Value: 83%

Ratios: Housing Debt to Income: 27% (ratio criteria per guidelines is maximum of 28%)

Total Debt to Income: 31% - (ratio criteria per guidelines is maximum of 40%)

Credit Score: 707

Explanation: Recommendation for approval is based on the following information:

Purchase Price	\$235,000.00
Primary Lender and NED Inc. Closing Costs	\$5,877.09
Subtotal	\$240,877.09
Maximum Bank Loan	\$194,444.00
NED, Inc. Direct Homebuyer Assistance	\$30,000.00
Buyer Cash Requirement	\$16,433.09
Monthly Gross Income	\$5,998.03
Monthly Housing Expense (Includes Principal, Interest, Taxes & Insurance)	\$1,635.14
Other Monthly Debts	
Automobile Payment	\$0.00
Credit Cards	\$71.00
Student Loan Debt	\$131.96
Total Housing Expense Plus Other Debt	\$1,838.10

Funding for this project will be provided by the City of Columbus direct homebuyer assistance grant 20-TFHP-17006.

Motion: Consideration for approval for direct homebuyer assistance applicant #101778 in the amount of \$30,000.

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)

VII. Action Items D

Ned, Inc. Board Agenda Item

Object: Recommendation to approve applicant #101776 for Owner-Occupied Housing Rehabilitation funds up to the amount of \$40,000.

Contact Person: Martin Griffith

For: Action

Background: Level A (66% to 120% Median Income) – 2% Loan up to 20 years

Property Location:	Wayne
House Square Footage:	1593
Cost of Repairs:	\$40,000.00
Cost per Square Foot:	\$25.00
Funding Source:	NED, Inc. NAHTF Reuse

Explanation: The house under consideration is structurally sound, in good condition, and after repairs will meet or exceed all of the required Minimum Rehabilitation Standards, therefore is deemed economically feasible for the NED, Inc. Owner Occupied Housing Rehabilitation Program. Funding will be provided by NED, Inc. Reuse.

See list of repairs below.

Repairs

- Replace roof coverings.
- Install seamless gutters.
- Install total siding package.
- Fill gap at sill plate on North side of home with expanding foam.
- Replace three electrical outlets with ground fault circuit interrupter type.
- Replace thirteen windows with low e argon gas filled insulated glass units.
- Replace one exterior basement entry door with steel pre-hung door.
- Skim coat bathroom walls and ceiling with drywall compound and paint.
- Install two battery powered smoke detectors, two battery powered combination smoke/carbon monoxide detectors, and one battery powered carbon monoxide detector.
- Rehang all interior and exterior doors for smooth operation, then scrape and paint all areas of deteriorated paint on doors and door components.
- Remove and replace front porch deck and railings.
- Stabilize all areas of deteriorated paint on interior surfaces.
- Scrape and paint exterior basement entry above grade door and door components.

This property is currently valued at - \$102,621.05.

After rehabilitation property value - \$132,621.05

Current Mortgage – None

NED, Inc. Lien Position – 1st

After Rehab Property Value Calculation:

County: Wayne

Tax Valuation: \$97,490.00

% of Value: 95%

100% RE Tax Valuation: \$102,621.05

2022 tax year
(Pre-Rehab value)

Total Rehab Spent: \$40,000.00

75% of Rehab Spent: \$30,000.00

After Rehab Value: \$132,621.05

Recommendation based on the condition of the house, cost of repairs, cost of repairs per square foot, (Section 4.6 Economic Feasibility for Rehabilitation of the Housing Rehabilitation Guidelines), along with the after-rehabilitation value of house, balance of mortgage, and the lien position of NED, Inc.

Motion: Consideration for approval of applicant #101776 for housing rehabilitation funds up to the amount of \$40,000.00.

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)

VII. Action Items E

NED, Inc Board Agenda

Object: Consideration to adopt the 2023-2024 NED, Inc. budget as recommended by the Budget Committee.

Contact Person: Thomas L. Higginbotham, Jr. / Tina M. Engelbart / Kristen Rosner

Committee: Loren Kucera, Rich Jablonski, Shannon Stuchlik

For: Action

Background: On July 10, 2023, the Northeast Economic Development, Inc. Budget committee met with staff to review proposed Annual budget. Each line item was discussed in detail. The committee recommends approval of the proposed 2023-2024 Annual budget as presented.

History:

SEE ATTACHED BUDGET AND LINE ITEM JUSTIFICATION

Motion: Consideration to adopt the 2023-2024 NED, Inc. budget as recommended by the Budget Committee.

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)

VII. Action Items F

	2023-2024 Budget	2022-2023 Budget	Current Period as of 5/31/2023	Justification
Revenues:				
405	4,700	47,000	7,300	BAD DEBT RECOVERY - Payoff of 2 DHA Loans
421	5,000	12,000	4,140	HOUSING MGMT--Offsets 549
424	90,000	137,570	21,005	DIRECT HOMEBUYER ASSISTANCE LOAN CONTRIBUTION - Contracted
427	10,150	15,000	-	GENERAL ADMIN REVENUE Offsets 553
428	956	1,434	-	DIRECT HOMEBUYER ASSISTANCE LOAN PROCESSING FEE - Estimated 2 loans closing @ \$478
439	250,000	250,000	-	CDBG ED NDO RLF CONTRIBUTIONS - Community Development Block Grant (CDBG) Economic Development (ED) Non-profit Development Organization (NDO) Revolving Loan Fund (RLF) Contributions - Partial offset to 558 - 1 Economic Development Projects @ \$250,000
442	-	-	350,000	Microenterprise Lending Program Contributions
443	30,000	30,000	41,591	USDA Rural Microenterprise Assistance Program Technical Assistance FUNDS (Anticipated Grant)
444	3,000	3,000	3,000	LOAN CLOSING FEES - 12 Loan Closings @ \$250
450	450,000	450,000	893,434	BUSINESS LOAN PRINCIPAL PAYMENTS (Accrual Account) - Current and projected payments
451	130,000	130,000	178,262	BUSINESS LOAN INTEREST - Interest from current and projected loans
452	1,400	1,400	370	LOAN LATE & NSF FEES - 40 Payments @ \$25.00 Late Fees & 40 Payments @ \$10.00 NSF Fees
453	6,000	6,000	13,232	BUSINESS LOAN PROCESSING FEES - 1% of new loans \$600,000
454	12,000	12,000	18,006	ANNUAL SERVICING FEES - 1/2 of a percent of current loan balance
470	120,000	120,000	69,138	HOUSING REHAB/NEW CONSTRUCTION PRINCIPAL (Accrual Account) - Rehab repayments on current loans
471	8,000	8,000	7,189	HOUSING REHAB INTEREST REPAYMENTS - Rehab repayments on current loans
480	47,000	47,000	32,290	DIRECT HOMEBUYER ASSISTANCE PRINCIPAL (Accrual Account) - 2 DHA Repayments and 1 DHA paying monthly payments
490	36,000	11,000	56,465	INTEREST INCOME - Estimated income from our regular checking account, CD's and savings account
	\$ 1,204,206	\$ 1,281,404	\$ 1,695,421	TOTAL REVENUES

	2023-2024 Budget	2022-2023 Budget	Current Period as of 5/31/2023	Justification
Expenditures:				
523	200	200	-	OFFICE SUPPLIES - Business Checks
543	250	100	245	BANK FEES
548	100	100	35	LOAN CLOSING EXPENSE - Filing fees, UCC filings
549	5,000	12,000	2,175	HOUSING MGMT--Offsets 421
553	10,150	15,000	825	GENERAL ADMIN Offsets 427
557	-	20	28	DUES/MEMBERSHIPS - Secretary of State (Biennial Non-Profit Corp fee next filing is 24/25)
558	1,100,000	1,100,000	825,700	BUSINESS LOAN DISBURSEMENTS (Accrual Account) - 12 @ \$50,000 & 2 CDBG ED NDO Loan @ \$250,000 (\$600,000 from cash on hand/\$500,000 new NDO source acct #439)
561	7,500	7,500	7,500	AUDIT FEES (based on maximum of 2021 RFP)
572	66,416	-	66,389	IRP/RMAP PRINCIPAL - Principal paid on the USDA IRP and RMAP Loans
573	11,087	12,030	11,721	LOAN INTEREST EXPENSE - USDA IRP and RMAP Loans
574	230,000	230,000	214,476	NENEDD MANAGEMENT EXPENSE - Management of the organization including housing and business loan programs
580	145,000	145,000	-	LOANS WRITTEN OFF - 5 Direct Homebuyer Assistance Loans at \$30,000 each & Business/Housing Loan Write-offs. Nothing included for the forgivable portion of economic development loans
584	66,000	66,000	63,674	HOUSING REHAB LOANS FORGIVABLE PORTION
585	100,000	100,000	91,828	REHAB LOAN DISBURSEMENTS (Accrual Account) - Housing reuse funds; 4 @ \$25,000
586	60,000	150,000	-	DHA LOAN DISBURSEMENTS (Accrual Account) - 2 Direct Homebuyer assistance at \$30,000 each
	\$ 1,801,703	\$ 1,837,950	\$ 1,284,596	Total Expenditures
	\$ (597,497)	\$ (556,546)	\$ 410,826	Retained Earnings
	1,010,000	1,100,000	917,528	LOAN DISBURSEMENTS FROM CASH ON HAND (ACCT # 558, 585, 586 less New NDO sources #439)
	211,000	211,000	63,674	NON-CASH EXPENDITURES(ACCT # 580, 584)
	\$ 623,503	\$ 754,454	\$ 1,392,027	ADJUSTED RETAINED EARNINGS

NED, Inc Board Agenda

Object: Consideration to appoint the individuals as presented to the Northeast Economic Development, Inc. Board of Directors for a three-year term.

Contact Person: Thomas L. Higginbotham, Jr. / Tina M. Engelbart

Nominating Committee: Rich Jablonski, Shannon Stuchlik, and Loren Kucera

For: Action

Explanation: The committee met July 10, 2023, and is making the following recommendations

Rich Jablonski, Columbus City Council
(2nd Term to end 6/30/2026)

Jim Hans, Village of Wynot Board Member
(1st Term to end 6/30/2026)

Motion: Consideration to appoint the individuals as presented to the Northeast Economic Development Inc. Board of Directors for a three-year term.

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 to elect the Northeast Economic Development, Inc. Officers for 2023-2024 as presented.

Contact Person: Thomas L. Higginbotham, Jr./Tina M. Engelbart

Nominating Committee: Rich Jablonski, Shannon Stuchlik, and Loren Kucera

For: Action

Explanation: The committee met July 10, 2023, and is making the following recommendations.

PRESIDENT: (Elect 1)

Shannon Stuchlik, Midwest Bank of Pierce

VICE PRESIDENT: (Elect 1)

Selma Ganem, City of Fremont

SECRETARY/TREASURER: (Elect 1)

Kurt Dostal, Citizen State Bank, Leigh

Motion: Consideration to elect the Northeast Economic Development, Inc. Officers for 2023-2024 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)

NED, Inc Board Agenda

Object: Approval of the General Corporate Resolution

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background: This is the general corporate resolution stating who is authorized to sign documents. Most often this document is used when working with the life insurance companies for business loan clients. This resolution was suggested and reviewed by attorney Michael Brogan.

Motion: Consideration to approve the general corporate resolution 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)

VII. Action Items I



CORPORATE RESOLUTION

WHEREAS, Northeast Economic Development, Inc. desires to grant signing and authority to certain person(s) described hereunder.

RESOLVED, that the Board of Directors is hereby authorized and approved to grant signing and authority to conduct business to any one of the following person(s):

Shannon Stuchlik	President
Selma Ganem	Vice President
Kurt Dostal	Secretary/Treasurer
Thomas L. Higginbotham, Jr.	Executive Director
Tina M. Engelbart	Deputy Director

The foregoing signing and authority granted shall include, but shall not be limited to, the execution of Deeds, powers of attorney, transfers, assignments, contracts, obligations, certificates and other instruments of whatever nature entered into by this Corporation.

The undersigned hereby certifies that they are the duly elected and qualified Secretary and the custodian of the books and records and seal of Northeast Economic Development, Inc., a non-profit corporation pursuant to the laws of the state of Nebraska and that the foregoing is a true record of a resolution duly adopted at a meeting of the Board of Directors and that said meeting was held in accordance with state law and the Bylaws of Northeast Economic Development, Inc. on July 12, 2023, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed my name as Secretary of the Northeast Economic Development, Inc. this 12th day of July, 2023.

Secretary/Treasurer



NED, Inc Board Agenda

Object: Approval of the Corporate Resolutions for Bank Accounts and Certificates of Deposit

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background: With the change in officers effective July 12, 2023, the Board of Directors need to approve those who can sign on NED, Inc.'s bank accounts and certificates of deposit.

Explanation: The resolutions will be for the following banks: BankFirst, Elkhorn Valley Bank, and Pinnacle Bank.

The signors on the accounts will be the President, Vice President, Secretary/Treasurer, Executive Director and Deputy Director. Two signors are required for each check.

Motion: Consideration to approve the corporate resolutions with BankFirst, Elkhorn Valley Bank, and Pinnacle Bank.

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)

VII. Action Items J

NED, Inc. Board Agenda

Object: Recommendation to approve NED, Inc. NAHTF Owner-Occupied Single-Family Housing Emergency Repair Program Guidelines

Contact Person: Mandy Gear

For: Action

Background: Program guidelines provide the outline for all rules and regulations that applicants and processors follow for successful project implementation.

Explanation: This program is designed to provide direct assistance to low-to-moderate income homeowners for emergency repairs. Eligible activities include repair or replacement of HVAC systems, water heaters and roofing, limited repairs to the exterior water service and/or sewer lines and electrical service problems on the exterior of the home.

ELIGIBILITY CRITERIA

- Must own and live in your home;
- Household gross income is at or below 120% of the Area Median Income for the county in which you reside (see income guidelines in the application);
- Homes to be repaired must be located within the city limits of a community in the NED, Inc service area.

APPLICATION PROCESS

Contact Martin Griffith, Northeast Nebraska Economic Development District Housing Specialist at 402-379-1150, ext. 107 or martin@nenedd.org to start the application process.

HOME VISIT

If you meet the eligibility requirements, the housing specialist will schedule a home visit. At that time, the type of repairs needed will be determined.

FINANCIAL ASSISTANCE

The Emergency Repair Program is a grant program, and no repayment is required. Funding available for emergency repairs is not to exceed \$15,000.

Motion: Consideration for approval of NED, Inc. NAHTF Owner-Occupied Single-Family Housing Emergency Repair Program Guidelines

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: To close HUD/NENEDD Owner-Occupied Rehabilitation Account

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background: NENEDD received funding from HUD for owner-occupied rehabilitation under RH-00-NE-1-0203. The funds have been transferred to NED, Inc. as guidelines changed disallowing NENEDD to be an eligible applicant. The funds have continued to be used for owner-occupied rehabilitation by NED, Inc.

Explanation: The funds are almost depleted and the last two owner-occupied rehabilitation projects will use the remainder of the funds in the account for project costs. Any loan repayments will be deposited towards the HOME OOR program which is similar in funding source. The bank account for the HUD/NENEDD owner-occupied rehabilitation funds will no longer be needed.

Motion: Consideration for approval to close account ***0383 HUD/NENEDD Rehab after funds are depleted.

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)

VII. Action Items L

NED, Inc. Board Agenda

Object: Consideration to invest excess funds with NPAIT

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background: NENEDD is a sponsor for Nebraska Public Agency Investment Trust (NPAIT) for over 20 years. NPAIT provides a wide variety of banking solutions for Nebraska public entities and associations. NPAIT has cash management solutions for short-term investments along with fixed income solutions such as certificates of deposit and government securities. More information can be found at npait.com.

Explanation: NED, Inc. would like to invest excess funds with NPAIT. There is no minimum investment, minimum to withdraw or transaction limits. NPAIT would operate like an online bank account. NED, Inc. would be able to transfer funds to NPAIT to invest or from NPAIT to disburse as a loan fairly easily. The daily rate as of June 28, 2023, is 5.202%

Pinnacle Bank and many other banks offer similar services. Kristen Rosner has not asked all of NED, Inc.'s banking partners for a quoted investment rate but Pinnacle Bank is offering 4.75% as of June 28, 2023. NED, Inc.'s current bank accounts with BankFirst, Elkhorn Valley Bank, and Pinnacle Bank have interest income ranging from 1.19% to 3.24%.

Staff would review current cash needs monthly but currently the NDO funds have in excess of \$2.7M that would be able to be invested with NPAIT.

Motion: Consideration to invest excess funds with Nebraska Public Agency Investment Trust (NPAIT).

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)

VII. Action Items M