

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT**

Board of Directors Meeting

NENEDD Offices

111 S 1<sup>st</sup> St, Norfolk, NE 68701

Wednesday, March 25<sup>th</sup>, 2009, 7:30 p.m.

Minutes

**I. Call to Order:** The Northeast Nebraska Economic Development District Board of Directors meeting was called to order at 7:30 p.m. by Jeff Scherer, Chairman. Jeff Scherer informed the public about the location of the Open Meetings Act and that it is accessible to the public (LB 898).

**II. Roll Call:** Tina Engelbart read roll call. The following were present:

Jeff Scherer, NENEDD Chairman, Smeal Fire Apparatus	Kelvin Wurdeman, NENEDD Vice-Chairman, Wayne County Commissioner	Hank Thieman, NENEDD Board Member, Petersburg
Kendrick Marshall, NENEDD Board Member, Nebraska Workforce Development	Vicki Saunders, NENEDD Secretary/Treasurer, Norfolk	Luis Lucar, NENEDD Board Member, Lucar Video Productions (by phone)
Bob Hartwig, NENEDD Board Member, Fremont (by phone)	John Lohr, NENEDD Board Member, Columbus (by phone)	

**Board Members Absent:** Tina Welding

**Others Present:**

Gaylord Wilcox, NED, Inc. President, 1 <sup>st</sup> National Bank of Schuyler/Howells	Lisa Walters, NED Inc Secretary/Treasurer, FRHS	Sister Margaret Garcia, NED, Inc Board Member, Immaculata Monestary
Russ Wilcox, NED, Inc. Board Member, Midwest Bank	Mike Crosley, NED, Inc. Board Member, Santee Sioux Nation	Tina Engelbart, NENEDD
Patsy Taylor, NENEDD	Mickella Brabec, NENEDD	Anne Thietje- Pantoja, NENEDD
Jamie Arens, NENEDD		

**III. Secretary's Report:** Vicki Saunders made the motion to approve the agenda and the February 2009 minutes as mailed. Kelvin Wurdeman seconded the motion. Motion carried.

**IV. Treasurer's Report:** Patsy Taylor presented the February 2009 Treasurer's Report. Kendrick Marshall made a motion to approve the February 2009 Treasurer's Report. Hank Thieman seconded the motion. Motion carried.

**V. Old Business:**

**A. RLF Report:** Tina Engelbart discussed the RLF report and informed the group that Business Loan Specialists Jeff Christensen and Holly Sisson were in New Orleans, LA at a conference.

**VI. New Business:**

**A. RLF Loans: Northeast Nebraska Biodiesel, LLC – Scribner**

The Northeast RLF Board recommends a loan of \$100,000 to Northeast Nebraska Biodiesel, LLC, for working capital at their Scribner facility. Hank Thieman made a motion to approve the RLF Board's recommendation of a loan of \$100,000. Kendrick Marshall seconded the motion. Washington County Bank in Blair has agreed to provide three loans; (A) \$500,000 revolving note for operating expenses, (B) \$500,000 ten-year term note for working capital; and (C) \$1.1 million seven year term note with an 80% USDA guaranty for working capital. The bank will secure loans A & B with a primary lien on all business property including real estate, except for a soybean crushing facility at the same location. Bank loan C will be secured with a primary lien on the soybean crushing facility plus a subordinate lien on all other business assets of NNB behind loans A & B.

NENEDD will lend \$100,000 for working capital. NENEDD's loan will be tied into the real estate and have a term of 15 years at an interest rate of 5.00% (fixed). NENEDD will have a subordinate lien position to the bank and USDA on all business and personal property including real estate of the biodiesel plant and soybean crushing facility. Due to the number of stock holders, no life insurance or personal guarantees will be obtained. This is contingent on the USDA Guaranty being approved.

*Disclosure notice:* We had a conflict of interest situation come up regarding this loan. The NENEDD Board Chairman, Jeff Scherer and his wife, own a cattle company that has 1.5% ownership of the Northeast Nebraska Biodiesel, LLC. We checked with EDA (the funding source - Economic Development Administration) about this situation. They indicated that a small share of ownership doesn't necessarily make this ineligible for EDA RLF funds. Mr. Scherer has fully disclosed to NENEDD staff and the RLF Board of the potential conflict, the amount of investment, and what the benefit of the loan to him is. Mr. Scherer will recuse himself from any and all discussions and decisions about the loan. A written record will be kept of the disclosure and recusal. Motion carried.

**B. Down Payment Assistance Guideline Amendment:** Tina Engelbart led discussion on the amendment to the Down Payment Assistance guidelines. The staff suggested disbanding the Housing Board in order to streamline the DPA process. Kelvin Wurdeman made the motion to amend the Down Payment Assistance Guidelines to disband the Housing board. Kendrick Marshall seconded the motion. Motion carried.

**C. Strategic Plan Update:** Tina Engelbart updated board members on the Strategic Plan.

**D. Quarterly Staff Reports:** No questions from the board members. Jeff Scherer thanked the staff for their hard work.

**VII. Chairman's/Board Comments:**

**Next meeting:** *Wednesday, April 29<sup>th</sup>, 2009 at Taylor's Sports Bar & Grill, 116 S 2nd St, Pierce, NE 68767 at 7:30 p.m.*

**VIII. Adjournment:** There being no further business, Jeff Scherer adjourned the meeting at 7:46 p.m.