

Northeast Nebraska Economic Development District
Board of Directors Meeting
JD's Bar and Grill
586 South Lincoln Street, West Point, NE 68788
Wednesday, September 24, 2008, 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: Tom Higginbotham read roll call. The following were present:

Jeff Scherer, NENEDD Chairman, Smeal Fire Apparatus	Kelvin Wurdeman, NENEDD Vice-Chairman, Wayne County Commissioner	Vicki Saunders, NENEDD Secretary/Treasurer, City of Norfolk (by phone)
John Lohr, Private Representative, Columbus	Luis Lucar, Lucar Video Productions (by phone)	Tina Welding, West Point Chamber of Commerce
Kendrick Marshall, Nebraska Workforce Development	Hank Thieman, Private Representative, Petersburg	

Board Members Absent: Bob Hartwig, City of Fremont

Others Present:

Gaylord Wilcox, NED, Inc. President, 1 st National Bank of Schuyler/Howells	Lisa Walters, NED, Inc. Secretary/Treasurer., FRHS, Norfolk	Russ Wilcox, Midwest Bank, Norfolk
Rick Uhlir, NED, Inc., Madison County	Mike Crosley, Santee Sioux Nation	Thomas Higginbotham, NENEDD
Leo Ahmann, NENEDD	Patsy Taylor, NENEDD	

Board Members Absent: Wilfred Henry, NED, Inc. Vice President, Goldenrod Hills, Wisner; Sister Margaret Garcia, Immaculata Monastery, Norfolk

III. Secretary's Report: Tina Welding made the motion to approve the agenda and the August 2008 minutes as presented and was seconded by Kendrick Marshall. Motion carried.

IV. Treasurer's Report: Patsy Taylor presented the August Treasurer's Report. Tina Welding made the motion to accept the Treasurer's report as presented and was seconded by Hank Thieman. Motion carried.

V. Old Business:

A. RLF Report: Tom Higginbotham presented the RLF report.

VI. New Business:

A. Business RLF Loans

1. **Azonic Products, Inc. – Wes Buck, Connie Pelster, and Len Melanson – Albion, Nebraska** John Lohr made the motion to approve the Northeast RLF

Board recommendation of a loan of \$50,000 contingent upon an appraisal being completed of all existing assets. The loan will be used to purchase furniture, fixtures, inventory, and equipment and was seconded by Hank Thieman. First National Bank-Schuyler, Albion Branch has agreed to provide a loan of \$102,000 for this project. The bank's primary loan will have a term of 10 years and an interest rate of 7.25 % (variable). The bank will secure its loan with a primary lien on all business property and will file liens on the personal residences of the three owners. NENEDD will lend \$50,000 to buy the stock of Azonic Products, Inc. including the assets (furniture, fixtures, equipment, and inventory) from the current owner. NENEDD's loan will have a term of 7 years at an interest rate of 6.00% (fixed) and will be contingent on First National Bank's condition of adequate appraisal of inventory and equipment. NENEDD will file a Deed of Trust on Wesley Buck and Connie Pelster's personal residence in Nebraska and Len Melanson's personal residence in Ohio as additional collateral for this loan. NENEDD will also require a personal guaranty from Wesley Buck, Connie Pelster, and Len Melanson and life insurance on the three owners for the amount of the loan for the life of the loan. Albion Economic Development will also be loaning \$19,000 and the loan will have a term of five years at 4.75%. A carry-back loan from the existing owner (Maury Brown) is also in place for \$19,000 and has a term of 4 years at 4.00%. Both Albion Economic Development's loan and Maury's carry-back loan will have subordinate collateral positions to the bank and NENEDD.

2. **Lyle Ruzicka and Garth Ducker, d/b/a Bar-B-Q Central – O'Neill, Nebraska** Hank Thieman made the motion to approve the Northeast RLF Board's recommendation to approve a loan of \$24,500 to Lyle Ruzicka and Garth Ducker, d/b/a Bar-B-Q Central, towards renovation of the building and to purchase furniture, fixtures and equipment to start Bar-B-Q Central in O'Neill and was seconded by Kendrick Marshall. Pinnacle Bank in O'Neill has agreed to provide a loan of \$38,000 for this project. The bank's primary loan will have a term of 15 years and an interest rate of 6.75% (variable). The bank will secure its loan with a primary lien on all business property including real estate. NENEDD will lend \$24,500 towards the renovation and to purchase furniture, fixtures and equipment. NENEDD's loan will have a term of 7 years at an interest rate of 6.00% (fixed). NENEDD will have a subordinate lien position to the bank on all business and personal property including real estate. No personal residences are owned by Lyle or Garth. NENEDD will file a junior lien on vehicles owned by Lyle ('04 Ford F150 pickup) and Garth ('97 Buick Park Ave.) NENEDD will require life insurance on Lyle Ruzicka and Garth Ducker for the amount of the loan for the life of the loan. The O'Neil Revolving Loan Fund will also be providing a \$10,000 loan and has a term of 5 years at 5.00% and will be subordinate to the bank and NENEDD.
3. **Casey and Jill Heerman, d/b/a Casey's Customs and Collisions – Spencer, Nebraska** Kelvin Wurdeman made the motion to approve the Northeast RLF Board's recommendation to approve a loan of \$26,400 to Casey and Jill Heerman, d/b/a Casey's Customs and Collisions, to purchase the existing building and a building addition to start Casey's Customs and Collisions in Spencer and was seconded by Tina Welding. BankFirst in O'Neill has agreed to provide a loan of \$39,600 for this project. The bank's primary loan will have a term of 15 years and an interest rate of 8.00%

(variable). The bank will secure its loan with a primary lien on all business property. NENEDD would lend \$26,400 to purchase the existing building and building addition. NENEDD's loan will have a term of 15 years at an interest rate of 6.00% (fixed). NENEDD will have a subordinate lien position to the bank on all business and personal property. NENEDD will also file a Deed of Trust on Heerman's personal residence in Wagner, SD as additional collateral for this loan. The Heerman's will be moving to Spencer so NENEDD will reconvey this real estate at which time NENEDD will file a Deed of Trust on real estate purchased in Spencer as their residence. NENEDD will require life insurance on Mr. and Mrs. Heermann for the amount of the loan for the life of the loan.

B. Approve transfer of housing reuse funds to NED, Inc. John Lohr made a motion to approve transferring housing reuse funds to NED, Inc. Kelvin Wurdemann seconded the motion. Motion carried.

VII. Chairman's/Board Comments: Jeff Scherer thanked everyone for attending the board/staff retreat. Next meeting: Wednesday, October 29, 2008, NENEDD Offices, 111 South 1st Street, Norfolk, NE at 7:30 p.m.

VIII. Adjournment: There being no further business, Jeff Scherer adjourned the meeting at 8:15 p.m.