

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT**

Board of Directors Meeting

Imperial Grill

118 E 4<sup>th</sup> St, Neligh, NE 68756

Wednesday, August 26<sup>th</sup>, 2009, 7:15 p.m.

Minutes

**I. Call to Order:** The Northeast Nebraska Economic Development District Board of Directors meeting was called to order at 7:25 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:** Patsy Taylor read roll call. The following were present:

Jeff Scherer, NENEDD Chairman, Smeal Fire Apparatus	Kelvin Wurdeman, NENEDD Vice- Chairman, Wayne County Commissioner	Chris Miller, NENEDD Board Member, Don Miller Land Company
John Lohr, NENEDD Board Member, City of Columbus	Kendrick Marshall, NENEDD Board Member, Nebraska Workforce Development	Don "Skip" Edwards, NENEDD Board Member, Mayor, City of Fremont

**Board Members Absent:** Hank Thieman, Vicki Saunders, Tina Welding

**Others Present:**

Gaylord Wilcox, NED, Inc. President, 1 <sup>st</sup> National Bank of Schuyler/Howells	Lisa Walters, NED, Inc. Vice President, FRHS, Norfolk	Russ Wilcox, NED, Inc. Secretary/Treasurer, Private Representative
Mike Crosley, NED, Inc Board Member, Santee Sioux Nation	Rick Uhler, NED, Inc Board Member, Madison County	Melissa Graham, NED, Inc Board Member, Private Representative
Patsy Taylor, NENEDD	Leo Ahmann, NENEDD	Lisa Hurley, NENEDD
Mickella Brabec, NENEDD	Jeff Christensen, NENEDD	Holly Sisson-Quinn, NENEDD
Elaine Hamm, City of Neligh	Jeri Anderson, City of Neligh	Dale Wilkinson, City of Neligh
Ralph Black, City of Neligh	Stacy Stolze, Smeal Fire Apparatus	Don Stolze, Smeal Fire Apparatus

**III. Secretary's Report:** Kelvin Wurdeman made the motion to approve the agenda and the July 2009 minutes as mailed. Don "Skip" Edwards seconded the motion. Motion carried.

**IV. Treasurer's Report:** Patsy Taylor presented the July 2009 Treasurer's Report. Don "Skip" Edwards made a motion to approve the July 2009 Treasurer's Report. John Lohr seconded the motion. Motion carried.

**V. Old Business:**

**A. RLF Report:** Jeff Christensen gave the RLF report.

**VI. New Business:**

**A. RLF Loans:**

**1. Burbach Countryside Dairy, LLC., Dean & Lisa Burbach – Hartington**

The RLF board recommends a loan of \$100,000 to Burbach's Countryside Dairy, LLC, in rural Hartington to refinance their existing debt. John Lohr made a motion to approve the RLF Committee's recommendation of a loan for \$100,000. Kendrick Marshall seconded the motion. NENEDD will lend \$100,000 to also refinance existing debt. This loan will have a term of 15 years at an interest rate of 5.00% (fixed). NENEDD will have a second lien position on all business assets including real estate. A Personal Guaranty will be provided by Dean and Lisa Burbach as additional security to this loan. NENEDD will require life insurance on Mr. and Mrs. Burbach for the amount of the loan for the life of the loan.

The Burbach's will re-apply to SBA in approximately 6 months for the previously mentioned bank loan guarantee. If this is placed, it simply guarantees the bank loan without any additional debt being placed in front of NENEDD's loan. Motion carried.

**2. Montessori Circle of Friends, Jim & Cheryl Keller – Norfolk**

The RLF committee recommends a loan of \$32,000 to Montessori Circle of Friends for the purchase of the building contingent upon bank financing. John Lohr made a motion to approve the RLF Committee's recommendation of a loan for \$32,000. Don "Skip" Edwards seconded the motion. The Bank of Madison, in Madison has agreed to provide a loan of \$282,000.00 for this project. The bank's loans will consist of a \$282,000 loan with a term of 5 year balloon, amortized over 15 years. This loan will have a variable rate of 1.25% above the Bank of Madison's Prime Rate or 5.50% not to exceed 7.75%. The bank will secure its loan with a primary lien on all business property including real-estate. This loan is secured by a 90% guarantee through the SBA. NENEDD will lend \$32,000.00 to purchase the existing building. NENEDD's loan will have a term of 10 years at an interest rate of 5.00% (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 their personal residences as additional collateral for this loan. NENEDD will require life insurance on Mr. & Mrs. Keller for the amount of the loan for the life of the loan and a personal guaranty will be required from Mr. & Mrs. Keller and a corporate guaranty from C&J Keller Inc. Motion carried.

*Chairman Scherer welcomed City of Neligh's Mayor, Jeri Anderson, City Clerk, Elaine Hamm, City Councilman Dale Wilkinson and City Councilman Ralph Black to the NENEDD Board of Directors meeting and thanked the city of Neligh for its support of the Northeast Nebraska Economic Development District.*

- B. City of Columbus Down Payment Assistance:** Patsy Taylor presented applicant #100282 for \$16,014. Kelvin Wurdeman made a motion to approve applicant #100282 for \$16,014. Chris Miller seconded the motion. Motion carried.
- C. Loan Subordination – Client #4041:** Patsy Taylor discussed the Subordination Request from client #4041. The client has very little debt and would like to refinance their home mortgage in order to add two porches to their home. NENEDD would remain in the 2<sup>nd</sup> lien position. John Lohr made a motion to approve client #4041 loan subordination request. Don “Skip” Edwards seconded the motion. Motion carried.
- D. Adopt Subordination Policy:** Jeff Scherer referred to the subordination discussion during the NED, Inc. meeting and asked if there were any questions. Kelvin Wurdeman made a motion to adopt the subordination policy. Kendrick Marshall seconded the motion. Motion carried.
- E. Amend Housing Rehabilitation, Down Payment Assistance, and New Construction with Down Payment Assistance Guidelines to Reflect Subordination Policy:** Jeff Scherer referred to the discussion during the NED, Inc. meeting. John Lohr made a motion to amend the Housing Rehabilitation, Down Payment Assistance and New Construction with Down Payment Assistant guidelines to reflect the subordination policy. Chris Miller seconded the motion. Motion carried.

**VII. Chairman’s/Board Comments:** Jeff Scherer thanked the city of Neligh representatives for attending the tour and meeting and congratulated Holly Sisson-Quinn on her recent wedding. Mr. Scherer also thanked Patsy Taylor for doing a great job reporting on agenda items at the meeting.

**Next meeting:** *The next meeting is Wednesday, September 23<sup>rd</sup>, 2009 at the NENEDD Office, 111 S 1<sup>st</sup> St, Norfolk, NE at 7:15 p.m.*

**VIII. Adjournment:** There being no further business, Chairman Jeff Scherer adjourned the meeting at 8:10 p.m.