

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT
SEMI-ANNUAL COUNCIL OF OFFICIALS MEETING
WEDNESDAY, JANUARY 6TH, 2010 - 7:15 P.M.**

*Tony's Steakhouse
84102 566 Ave, Stanton, NE 68779*

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. Secretary's Report**
 - A. Approval of Agenda
 - B. Approval of November 2009 Minutes (as mailed)
- IV. Treasurer's Report**
 - A. November Treasurer's Report - Attachment #1
- V. Discussion Items**
 - A. Quarterly Department Reports
 - B. Nebraska Open Meetings Act
- VI. Action Items**
 - A. Resolution of Support for City of Laurel Certified Community Application
 - B. RLF – Deed of Reconveyance for Loan #0606 & 309019
 - C. RLF – Loan Rescheduling Request for Loan #0309
 - D. RLF – Deed of Reconveyance for Loan #0508
- VII. Chairman's/Board Comments**
- VIII. Next Meeting Date:** January 27, 2010 at the NENEDD Offices.
- IX. Adjournment**

November Treasurer's Report

NENEDD Board Agenda Materials

Item IV. A

Object: Approval of November Treasurer's Report

Contact Person: Patsy Taylor, Fiscal Officer

For: Action

Attachment: #1

Background: NENEDD's November, 2009 Statement of Financial Position and the Statement of Revenues and Expenditures that reflects the November Budget, Actual and Budget Variance. Also stated is the FY 2010 Budget, July 1, 2009 through November 30, 2009 Actual, Budget Variance so far this fiscal year and Percent of the FY 2010 Budget remaining.

Explanation: Additional Information:

Business Loan Principal Received-\$30,569.23

Housing Rehab Principal Received-\$1,963.35

Business Loan Disbursements-\$35,000.00

The Village of Ulysses in Butler County joined the District Membership roster in November, 2009.

Motion: Move to approve the November Treasurer's Report as presented.

Northeast Nebraska Economic Development District

Statement of Financial Position - Overall

As of 11/30/2009

	Current Period Balance
Assets	
Cash in Bank - Checking	49,703.20
Savings Unrestricted - NPAIT 001	244,013.91
EDA RLF - NPAIT 002	258,594.19
Reserved Funds - NPAIT 013	75,690.50
Microloan Fund - NPAIT 003	8,164.19
Security Reserve Account	24,074.38
NE Regional RLF - NPAIT 004	215,994.43
Santee Micro Fund - NPAIT 012	8,000.60
IRP Loan Fund - NPAIT 006	459,696.32
HUD Business RLF - NPAIT 008	174,665.44
Unrestricted 2-Year CD	19,899.80
IRP Loss Reserve - NPAIT 009	15,065.76
Grants Receivable	3,084.00
Accounts Receivable	181,754.71
Other Receivables	18,500.00
RLF Notes Receivable	1,406,882.16
Microloan Notes Receivable	37,882.47
NE Regional Notes Receivable	304,516.41
Prepaid Expense	168.47
IRP Fund Notes Receivable	1,293,232.68
HUD Business Loan Notes Receivable	55,734.04
Regional Rehab Notes Receivable	69,839.08
HUD Rehab Notes Receivable	85,161.26
IRP 2 NPAIT 015 Loan Loss Reserve	29,775.19
Housing Construction - NPAIT 016	1,308.10
Unrestricted CD-Midwest #882523	25,686.34
Cash in Bank - EDA Conference	1,025.98
Unrestricted CD-Midwest #881867	1,546.88
Allowance for Uncollectible A/R	(23,000.00)
Allowance for Uncollectible Notes	(493,000.00)
Furniture and Equipment	192,026.81
Accumulated Depreciation	(149,481.13)
Total Assets	4,596,206.17
Liabilities	
Accounts Payable	3,182.68
Other Payables	751.40
Accrued FICA Payable	3,530.20
Federal Tax Withheld	1,753.81
State Tax Withheld	2,463.40
457 Withheld	786.46
Miscellaneous	39.20
Health Insurance Payable	(79.68)
Cafeteria Premium Payable	237.80
Unreimbursed Medical Payable	(1,380.82)
Annual Leave Payable	17,957.83
HSA Contributions	317.50
Accrued Unemployment	21.27
Accrued Workers Comp	541.87
Accrued Salaries	19,560.41
Microloan Note Payable	300,000.00
Lease Payable	13,246.79

Northeast Nebraska Economic Development District

Statement of Financial Position - Overall

As of 11/30/2009

	<u>Current Period Balance</u>
IRP Loan Note Payable	625,275.77
IRP 2 Loan Note Payable	<u>483,769.49</u>
Total Liabilities	<u>1,471,975.38</u>
Net Assets	
	<u>3,124,230.79</u>
Total Net Assets	<u>3,124,230.79</u>
Total Net Assets and Liabilities	<u><u>4,596,206.17</u></u>

Northeast Nebraska Economic Development District
Statement of Revenues and Expenditures
From 11/01/2009 Through 11/30/2009

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
Revenues							
Federal Grants-EDA	5,292.00	0.00	(5,292.00)	63,500.00	32,420.00	(31,080.00)	(48.94)%
Donations	42.00	0.00	(42.00)	500.00	0.00	(500.00)	(100.00)%
Dues-Community	13,333.00	625.00	(12,708.00)	160,000.00	164,510.22	4,510.22	2.82%
Dues-Counties	1,063.00	0.00	(1,063.00)	12,750.00	13,125.00	375.00	2.94%
Dues-Associates	1,333.00	0.00	(1,333.00)	16,000.00	13,390.00	(2,610.00)	(16.31)%
Scholarships	17.00	0.00	(17.00)	200.00	0.00	(200.00)	(100.00)%
Meeting Income	125.00	0.00	(125.00)	1,500.00	1,236.05	(263.95)	(17.60)%
NED, Inc. Management	2,500.00	2,500.00	0.00	30,000.00	12,500.00	(17,500.00)	(58.33)%
General Administration Fees	20,083.00	16,477.38	(3,605.62)	241,000.00	96,363.10	(144,636.90)	(60.02)%
Grant Writing Fees	250.00	0.00	(250.00)	3,000.00	750.00	(2,250.00)	(75.00)%
Down Payment Assistance	0.00	0.00	0.00	0.00	109,394.00	109,394.00	0.00%
Lead Based Paint Inspection	2,500.00	1,122.48	(1,377.52)	30,000.00	9,875.73	(20,124.27)	(67.08)%
Housing Study Revenue	2,917.00	0.00	(2,917.00)	35,000.00	6,000.00	(29,000.00)	(82.86)%
Blight Study Revenue	250.00	0.00	(250.00)	3,000.00	2,415.00	(585.00)	(19.50)%
Housing Administration Fees	20,406.00	8,321.86	(12,084.14)	244,875.00	65,757.11	(179,117.89)	(73.15)%
Comp Plan Revenue	3,333.00	18,296.75	14,963.75	40,000.00	30,501.44	(9,498.56)	(23.75)%
Microenterprise Mng't Revenue	2,500.00	18,500.00	16,000.00	30,000.00	33,500.00	3,500.00	11.67%
Local RLF Contributions	5,000.00	33,400.00	28,400.00	60,000.00	45,800.00	(14,200.00)	(23.67)%
EDA Peer Project Revenue	250.00	0.00	(250.00)	3,000.00	600.00	(2,400.00)	(80.00)%
Loan Closing Revenue	233.00	200.00	(33.00)	2,800.00	1,369.95	(1,430.05)	(51.07)%
NPAIT Investment Income	417.00	508.84	91.84	5,000.00	2,350.75	(2,649.25)	(52.98)%
Business Loan Principal	37,500.00	0.00	(37,500.00)	450,000.00	0.00	(450,000.00)	(100.00)%
Business Loan Interest	15,833.00	14,683.44	(1,149.56)	190,000.00	75,330.80	(114,669.20)	(60.35)%
Business Loan Late Fee	21.00	25.00	4.00	250.00	175.00	(75.00)	(30.00)%
Loan Processing Fee	583.00	350.00	(233.00)	7,000.00	2,020.00	(4,980.00)	(71.14)%
Annual Servicing Fees	833.00	230.99	(602.01)	10,000.00	6,014.70	(3,985.30)	(39.85)%
Special Projects	1,417.00	0.00	(1,417.00)	17,000.00	1,172.88	(15,827.12)	(93.10)%
Housing Rehab Principal	2,083.00	0.00	(2,083.00)	25,000.00	0.00	(25,000.00)	(100.00)%
Housing Rehab Interest	100.00	90.56	(9.44)	1,200.00	445.07	(754.93)	(62.91)%
Interest Income	2,083.00	350.71	(1,732.29)	25,000.00	2,774.47	(22,225.53)	(88.90)%
Miscellaneous Income	42.00	0.00	(42.00)	500.00	0.00	(500.00)	(100.00)%
In-Kind Contributions	1,250.00	1,250.00	0.00	15,000.00	6,250.00	(8,750.00)	(58.33)%
Total Revenues	143,589.00	116,933.01	(26,655.99)	1,723,075.00	736,041.27	(987,033.73)	(57.28)%
Expenditures							

Northeast Nebraska Economic Development District
 Statement of Revenues and Expenditures
 From 11/01/2009 Through 11/30/2009

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
Salaries and Wages	52,392.00	47,275.60	5,116.40	628,700.00	241,448.88	387,251.12	61.60%
Fringe Benefits	13,098.00	8,932.53	4,165.47	157,175.00	48,325.73	108,849.27	69.25%
Potential Lease Payments	2,500.00	0.00	2,500.00	30,000.00	0.00	30,000.00	100.00%
Rent In-Kind	1,250.00	1,250.00	0.00	15,000.00	6,250.00	8,750.00	58.33%
Telephone	667.00	1,210.76	(543.76)	8,000.00	4,781.60	3,218.40	40.23%
Postage	500.00	529.10	(29.10)	6,000.00	1,540.42	4,459.58	74.33%
Office Supplies	833.00	941.52	(108.52)	10,000.00	3,199.66	6,800.34	68.00%
Training	417.00	0.00	417.00	5,000.00	650.00	4,350.00	87.00%
Travel-Board of Directors	42.00	0.00	42.00	500.00	0.00	500.00	100.00%
Travel-Staff	3,333.00	3,484.34	(151.34)	40,000.00	26,056.54	13,943.46	34.86%
Photo Expense	17.00	14.40	2.60	200.00	27.60	172.40	86.20%
Printing/Publishing	125.00	0.00	125.00	1,500.00	1,336.00	164.00	10.93%
Copier Expense	417.00	470.00	(53.00)	5,000.00	1,576.58	3,423.42	68.47%
Donations	2,183.00	0.00	2,183.00	26,200.00	10,882.57	15,317.43	58.46%
Computer Maintenance/Software	250.00	(27.12)	277.12	3,000.00	966.26	2,033.74	67.79%
Computer Equipment	167.00	0.00	167.00	2,000.00	0.00	2,000.00	100.00%
Electronic Mail	63.00	39.53	23.47	750.00	197.65	552.35	73.65%
Financial Software	375.00	100.00	275.00	4,500.00	4,157.00	343.00	7.62%
Lead Testing Expense	0.00	0.00	0.00	0.00	1,000.00	(1,000.00)	0.00%
EDA Peer Project	417.00	1,746.12	(1,329.12)	5,000.00	6,402.78	(1,402.78)	(28.06)%
Loan Closing Expense	233.00	174.86	58.14	2,800.00	1,125.42	1,674.58	59.81%
Building Maintenance	250.00	228.75	21.25	3,000.00	1,691.14	1,308.86	43.63%
Utilities	542.00	34.56	507.44	6,500.00	1,755.21	4,744.79	73.00%
Dues/Memberships	417.00	6.00	411.00	5,000.00	299.00	4,701.00	94.02%
Subscriptions/Reference	42.00	0.00	42.00	500.00	200.00	300.00	60.00%
Advertising/Marketing	333.00	230.00	103.00	4,000.00	5,704.36	(1,704.36)	(42.61)%
Insurance	708.00	7,228.00	(6,520.00)	8,500.00	7,228.00	1,272.00	14.96%
Business Loan Disbursements	58,333.00	0.00	58,333.00	700,000.00	0.00	700,000.00	100.00%
Legal Services	125.00	719.12	(594.12)	1,500.00	719.12	780.88	52.06%
Audit Fees	558.00	0.00	558.00	6,700.00	0.00	6,700.00	100.00%
Other Professional Services	1,100.00	35.00	1,065.00	13,200.00	6,855.00	6,345.00	48.07%
Annual Staff Retreat Expense	42.00	0.00	42.00	500.00	0.00	500.00	100.00%
Depreciation Expense	0.00	870.52	(870.52)	0.00	5,320.32	(5,320.32)	0.00%
Annual Meeting Expense	333.00	0.00	333.00	4,000.00	2,686.90	1,313.10	32.83%
Board Meeting Expense	17.00	0.00	17.00	200.00	0.00	200.00	100.00%
USDA IRP Principal Expense	3,500.00	0.00	3,500.00	42,000.00	0.00	42,000.00	100.00%

Northeast Nebraska Economic Development District
Statement of Revenues and Expenditures
From 11/01/2009 Through 11/30/2009

	Current Period Budget	Current Period Actual	Current Period Budget Variance	Total Budget	Current Year Actual	Total Budget Variance	Percent Total Budget \$ Remaining
USDA Interest Expense	1,000.00	0.00	1,000.00	12,000.00	0.00	12,000.00	100.00%
Microenterprise Interest Exp.	1,000.00	999.99	0.01	12,000.00	4,999.95	7,000.05	58.33%
Loans Written Off	1,250.00	0.00	1,250.00	15,000.00	0.00	15,000.00	100.00%
Loans Forgivable Portion	459.00	459.00	0.00	5,508.00	2,295.00	3,213.00	58.33%
Down Payment Assistance	0.00	0.00	0.00	0.00	109,394.00	(109,394.00)	0.00%
Miscellaneous	0.00	12.25	(12.25)	0.00	163.86	(163.86)	0.00%
Total Expenditures	149,288.00	76,964.83	72,323.17	1,791,433.00	509,236.55	1,282,196.45	71.57%
Total Revenues Over (Under) Expenditures	(5,699.00)	39,968.18	45,667.18	(68,358.00)	226,804.72	295,162.72	(431.79)%

Quarterly Department Reports

NENEDD Board Agenda Materials

Item V. A

Object: Implement quarterly department reports

Contact Person: Thomas L. Higginbotham Jr, Executive Director

For: Discussion

Attachment: None

Background: In previous years the administration, coordinators and housing staff submitted written reports monthly, every other month, quarterly and as requested over the years. The business loan department has always submitted a report monthly.

Explanation: NENEDD management would like to implement quarterly department reports to be submitted to the board of directors at the October, January, April, and July meetings. On a quarterly basis the following four departments will submit reports:

1. Administration: Tom responsible
2. Housing dept: Jamie responsible
3. Business dept: Jeff responsible
4. Community & Planning: Lisa responsible

Motion: None Required

Nebraska Open Meetings Act

NENEDD Board Agenda Materials

Item V. B

Object: Provide Board Current Information.

Contact Person: Holly Quinn, Business Loan Specialist

For: Discussion

Attachment: None

Background: NENEDD staff attended a meeting where a presentation on the open meetings act was presented by Dale A Comer, Assistant Attorney General.

Explanation: Nebraska Open Meetings Act

- Meeting Defined
 - Meetings, for purposes of the open meeting statutes, are defined as “all regular, special, or called meetings, formal or informal, of any public body for the purposes of briefing, discussion of public business, formation of tentative policy, or the taking of any action of the public body.”
 - But it shall not apply to “chance meetings or to attendance at or travel to conventions or workshops of members of a public body at which there is no meeting of the body then intentionally convened, if there is no vote or other action taken regarding any matter over which the public body has supervision, control, jurisdiction, or advisory power.”
 - The legislative history indicates that a “meeting” does not occur absent a quorum. The Attorney General has concluded that the presence of a majority of the members of a public body is necessary for a meeting to occur.
 - For example; you can’t be in a bar, car, etc. discussing business/agenda items while there is a quorum. Or if another person joins making this a quorum, someone needs to leave the discussion or change the topic so there isn’t a violation.
 - Page 8-9 C. 1-4

- Public Meetings by Videoconferencing and Telephone Conference Call
 - The telephone conference call lasts no more than one hour and No more than one-half of the board’s, entity’s or pool’s meeting in a calendar year are held by telephone conference call.
 - Page 12, D. 2

- Public Meetings; Notice Required and Agenda
 - Agenda items may not be altered later than 24 hours before the scheduled commencement of the public meeting – however you can make a motion for what is on the agenda then amend the motion.
 - Specificity of the Agenda language states that the agenda items shall be “sufficiently descriptive to give the public reasonable notice of the matters to be considered at the meeting.” Therefore we don’t have to be so descriptive with numbers.
 - Page 13, E. 1 & 2

- Public Meetings; Rights of the Public Attending
 - Public bodies shall make at least one current copy of the Open Meetings Act posted in the meeting room at a location accessible to members of the public. At the beginning of the meeting, the public shall be informed about the location of the posted information.
 - “Posting” a copy of the Open Meetings Act means putting it up in some fashion, including attaching it to a bulletin board, hanging it by a chain or fastening it to a wall. It does not include placing the Act on a table as a loose document which can be removed and therefore might not be available throughout the meeting.
 - Page 19-20 H. 5

- Closed Sessions of a Public Body
 - Only used for the protection of the public interest, or for the prevention of needless injury to an individual, if such individual has not requested a public meeting.
 - Closed Session or Executive Session doesn’t need to be listed on the agenda as an item. You can only go into Executive Session if there is something to discuss regarding the agenda.
 - Page 21, I. 1

Motion: None Required

Resolution of Support for City of Laurel Certified Community Application

NENEDD Board Agenda Materials

Item VI. A

Object: Approve Resolution of Support.

Contact Person: Anne Thietje-Pantoja, Community Planner

For: Action

Attachment: None

Background: The city of Laurel is taking steps to becoming a certified community.

Explanation: Laurel is wishing to become an economic development certified community through the Nebraska Department of Economic Development. Economic development certified communities are considered to be:

- Better positioned for economic development opportunities
- Properly identified and documented as ready for economic development
- Marketed to business and industry
- Publicly recognized as economic development leaders

The application requests resolutions of support from the community, county, and regional economic development districts.

Motion: To approve the resolution of support for the City of Laurel's Certified Community Application.

RLF – Deed of Reconveyance Loan #0606 & #309019

NENEDD Board Agenda Materials

Item VI. B

Object: Deed of reconveyance on real estate used as collateral for loan # 0606 and #309019.

Contact Person: Holly Quinn

For: Action

Attachment: None

Background:

Loan # 1 –

Original NENEDD Loan - \$15,000 – 4 years – 6% interest – equity injection \$1,500 – closed 12/09/05

Current loan balance \$454.35. There was no bank participation.

NENEDD Collateral Position – Primary lien on all assets of the business (inventory and FFE), Subordinate lien on the homes in Norfolk and O’Neill, and a personal guaranty.

Loan # 2 –

Original NENEDD Loan - \$14,000 – 5 years – 5% interest – equity injection \$1400 – closed 06/01/09

Current loan balance \$12,757.63. There was no bank participation.

NENEDD Collateral Position - Primary lien on all assets of the business (inventory and FFE), Subordinate lien on the homes in Norfolk and O’Neill, and a personal guaranty.

Explanation:

They are selling their Norfolk home (located in Woodland Park) due to living in O’Neill it’s difficult for them to manage the property being so far away. They are considering purchasing a small house in O’Neill to replace the Norfolk property and run the business out of. The O’Neill home is assessed at the court house for \$37,290 and they owe \$58,000. They have had the house for 10 years and purchased it for \$65,000.

Motion: Move to approve the request of loan # 0606 and #309019 to authorize a Deed of Reconveyance on the Norfolk location and release NENEDD’s Deed of Trust as collateral for loan #0606 and #309019.

RLF – Loan Rescheduling Request for Loan #0309

NENEDD Board Agenda Materials

Item VI. C

Object: Rescheduling Agreement for Loan #0309

Contact Person: Holly Quinn

For: Action

Attachment: None

Background:

Original NENEDD Loan - \$55,000 – 10 years – 6% interest – equity injection \$12,000 – closed 6/13/03
Current loan balance \$9149.92 (with 2009 annual service fee and one NSF fee.) There was no bank participation.

NENEDD Collateral Position – Primary lien on all assets of the business (inventory and FFE), 2nd lien on the 209 acre ranch (including a home, out buildings and metal building.)

Fall 2006, they sold some of the land (roughly 50 acres) so we now have a 2nd lien on a 154 acre ranch.

Past rescheduling agreements:

June 2003 – original loan - \$55,000

October 2004 – 6 mo. interest only payments – regular payments resumed April 2005

October 2005 – 6 mo. interest only payments – regular payments resumed April 2006

October 2006 – sold some land – paid off \$35,000 to NENEDD – new loan amount \$9,515

October 2006 – 6 mo. payments deferred (interest accrued) – regular payments resumed April 2007

July 2007 – 12 mo. payments deferred (interest accrued) – regular payments resumed July 2008

November 2008 – 6 mo. payments deferred (interest accrued) – regular payments resumed May 2009

June 2009 – 6 mo. payments deferred (interest accrued) – regular payments were to resume Dec. 2009

Explanation:

This is a seasonal business, so we have had to reschedule this loan a number of times. They are selling their ranch due to some personal issues. This is listed with Homestead Land & Management Co. in Verdigre for \$340,000. They are asking that NENEDD reschedule their loan for another 6 months – starting January 1, 2010 - no payments – interest accruing- payments then starting July 1, 2010. They are planning on having this property sold within the next 3-6 months and will use their proceeds to pay off NENEDD.

Motion: Move to reschedule loan # 0309 and defer payments for 6 months with interest accruing. Regular interest and principal payments will resume starting on July 1, 2010.

RLF - Deed of Reconveyance for Loan #0508

NENEDD Board Agenda Materials

Item VI. D

Object: Approve deed of reconveyance on real estate used as collateral for business loan #0508.

Contact Person: Jeff Christensen

For: Action

Attachment: None

Background: Original NENEDD Loan - \$35,000 – 7 yrs – 6.00% - closed 2-17-05 (all payments on time) - NENEDD loan balance: \$13,107. Equity injected: \$70,000. NENEDD Collateral – Business assets (inventory and FFE – in a 2nd position), personal residence-Norfolk (3rd position), personal guaranty, assignment on purchase agreement for real estate in Wakefield (2nd position). Business owner now owns the property in Wakefield.

Original bank loan - \$495,000 – 13 years – 7.00% variable – bank loan balance: \$400,000 with an SBA guarantee. Bank has provided an additional \$50,000 to business. for working capital. This is subordinate to NENEDD's existing loan.

Explanation: Business owner wants to sell his personal residence within the next 3-6 months and has requested that NENEDD reconvey (release) its lien. At this point there are no immediate plans to purchase another home as it will depend on how long it takes to sell his existing home. With the sale of his personal residence, proceeds will pay the primary mortgage and additional \$50,000 bank loan.

Due to past experience with payments, NENEDD staff is recommending that his request be approved. If approved NENEDD will wait until home has been sold to reconvey its lien and will place a Deed of Trust on the property in Wakefield (2nd position). NENEDD will also place a Deed of Trust on any additional real estate that the business owner would purchase to replace his personal residence.

Personal residence – approximate value \$170,000...County assessment at \$151,000. primary mortgage loan balance on home \$116,000.

Motion: Motion to approve the request to execute a Deed of Reconveyance and release NENEDD's Deed of Trust as collateral for loan #0508.