

NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT
 Annual Council of Officials Meeting
Dusters Restaurant
 2804 13th St, Columbus, NE
 Wednesday, June 30, 2010 at 7:15 p.m.
 Minutes

I. Call to Order: The Northeast Nebraska Economic Development District Board of Directors meeting was called to order at 8:07 p.m. by Jeff Scherer, Chairman. Jeff Scherer informed the public about the location of the Open Meetings Act LB 898 and that it is accessible to the public.

II. Roll Call: Tom Higginbotham read roll call. The following were present:

Jeff Scherer, NENEDD Chairman, Smeal Fire Apparatus, Snyder	Kelvin Wurdeman, NENEDD Vice-Chairman, Wayne County Commissioner	Kendrick Marshall, NENEDD Secretary/Treasurer, Nebraska Dept. of Labor, Norfolk
John Lohr, NENEDD Board Member, City of Columbus	Mayor Skip Edwards, NENEDD Board Member, City of Fremont	Tina Welding, NENEDD Board Member, West Point Chamber of Commerce
Mayor Sue Fuchtman, NENEDD Board Member, City of Norfolk		

Board Members Absent: Hank Thieman, Boone County Commissioner; Chris Miller, Don Miller Land Company, Hartington.

Others Present:

Gaylord Wilcox, NED, Inc. President, First National Bank of Schuyler/Howells	Rick Uhlir, NED, Inc Secretary/Treasurer, Madison County Commissioner	Melissa Graham, NED, Inc Board Member, Missa Sue's Salon & Spa, Laurel
Mike Crosley, NED, Inc Board Member, Santee Sioux Nation	Mayor Mike Moser, City of Columbus	Barbara Swedenburg, City of Columbus
Joe Mangiamelli, City of Columbus	Hollie Olk, Platte County Supervisor	Lisa McFarland, NPPD, Columbus
Tina Engelbart, NENEDD	Lisa Hurley, NENEDD	Tom Higginbotham, NENEDD
Patsy Taylor, NENEDD	Judy Joy, NENEDD	Jeff Christensen, NENEDD
Holly Quinn, NENEDD	Jarod Hahn, NENEDD	Mickella Brabec, NENEDD

III. Secretary's Report: Kelvin Wurdeman made the motion to approve the agenda and the May 2010 minutes as mailed. John Lohr seconded the motion. Motion carries.

IV. Treasurer's Report: Patsy Taylor presented the May 2010 Treasurer's Report. Kendrick Marshall made the motion to accept the May 2010 Treasurer's Report as presented. Tina Welding seconded the motion. Motion carries.

V. Discussion Items

- A. NENEDD & NED, INC Annual Luncheon:** Jeff Scherer reminded board members of the upcoming annual lunch as discussed in the NED, Inc meeting.
- B. 2010-2011 Board of Directors Meeting Dates and Locations:** Jeff Scherer reminded board members of the upcoming year's board meeting schedule and tentative locations as discussed in the NED, Inc meeting.

VI. Action Items

- A. RLF – Appoint Northeast RLF Committee Members:** Jeff Christensen explained the Northeast RLF Committee has nine members; each with a three-year rotating term. The terms of Gaylord Wilcox, Renee Schneringer, and Heidi McNally are due to renew at the end of June 2010. All three have agreed to stay on for an additional three-year term. NENEDD staff recommends the approval of these three individuals to serve on the Northeast RLF Committee for an additional three years. John Lohr made a motion to approve the appointment of Gaylord Wilcox, First National Bank Schuyler/Howells, Renee Schneringer, Farmers State Bank-Dodge, and Heidi McNally, Western Office Plus - Noroflk to the RLF Committee for an additional three-year term as recommended by NENEDD staff. Tina Welding seconded the motion. Motion carried.
- B. RLF – Deed of Reconveyance for Loan #0418 & #0419:** Jeff Christensen presented. On 5-10-04 NENEDD placed a \$36,000 loan (10 year term) using both EDA and IRP funds for this project. Balance for EDA loan #0419 is \$9,455.94 and IRP loan #0418 is \$7,353.85 (total - \$16,809.79). All payments have been made as promised. Collateral includes subordinate lien position on personal residence, business real estate, and business personal property with a primary lien position on a 2006 CAT rubber tired backhoe. The owners have purchased additional real estate and built a new building for their business. The tax assessment on the new property is \$214,000 and they have a \$170,000 bank loan. They are selling their old business real estate for \$25,000 and are requesting that NENEDD release the Deed of Trust on the existing property. NENEDD will file a Deed of Trust on the new real estate property to replace the existing Deed of Trust to be reconveyed. NENEDD staff recommends approving this request for a Deed of Reconveyance. John Lohr made a motion to approve the request to do a Deed of Reconveyance on their existing business real estate property for loans # 0418 and #0419 as recommended by NENEDD staff. Kelvin Wurdeman seconded the motion. Motion carried.
- C. RLF – Deed of Reconveyance for Loan #309008:** Holly Quinn led discussion. Jami Schmidt and her husband, Brent, would like to refinance their home to get a better interest rate. Their bank is Wells Fargo and the representative there has asked us to do a Deed of Reconveyance. They are doing a straight rate-term refinance, no cash out, lowering the interest rate by 3%. They have to have our Deed completely released because their subordination guidelines limit them to 103% total combined loan to value. We will file again once the bank has filed their deed. Kendrick Marshall made the motion to approve the request of Brent & Jami Schmidt to do a Deed of Reconveyance on their personal residence for loan # 309008. Sue Fuchtmann seconded the motion. Motion carried.

- D. RLF – Release of Personal Guaranty for Loan #0422:** Holly Quinn presented. A request has been made to release Robert & Marilyn Carhart of their personal guaranty. They are no longer holding any interest in Carhart Lumber Company, Inc. Scott & Brenda have provided updated personal financial statements, credit report authorization and a balance sheet for the company. NENEDD staff has reviewed the information and is recommending that NENEDD release the personal guaranty of Robert & Marilyn Carhart as Scott & Brenda have requested. Their balance is \$71,609.42 and there have never been any problems with this loan. Kelvin Wurdeman made a motion to approve the request of Scott & Brenda Carhart to release Robert & Marilyn of the personal guaranty for loan # 0422. Tina Welding seconded the motion. Motion carried.
- E. RLF – Request to Reschedule Loan for Loan #0309:** Holly Quinn presented. Beginning January 1, 2010, this loan was rescheduled for six months with no payments to be made but interest to still accrue. Beginning July 1, 2010, regular payments are to resume. Mill Iron V Lodging & Outdoor Adventures has requested that we reschedule their payments for another six months. They were to sell of their business within this six month time frame, but they have not been able to do so yet. They have had several interested parties. Beginning July 1, 2010 payments will be deferred for six months with interest to still accrue. Accrued interest and service charges will be added to the principal balance. As of July 1, 2010, the new principal balance will be \$9,425.94. Beginning on January 1, 2011, Mill Iron V Lodging & Outdoor Adventures are to resume regular full payments of principal and interest in the amount of \$305.56. Tina Welding made a motion to approve Mill Iron V Lodging & Outdoor Adventures request to reschedule their loan agreement for 6 (six) months as recommended by NENEDD staff. Kelvin Wurdeman seconded the motion. Motion carried.
- F. RLF – Loan Approval for Touch n Tan, LLC – Wayne:** Jeff Christensen led discussion. The Northeast RLF Committee recommends approval for a loan of \$35,000 to Touch n Tan, LLC to purchase equipment, furniture, fixtures, inventory, and minimal building renovation, and working capital to open the beta test site and demo salon in Wayne. There is no bank involved in this project. NENEDD will lend \$35,000 to purchase equipment, furniture, fixtures, inventory, and minimal building renovation, and working capital to open the beta test site and demo salon in Wayne. This loan will have a term of 5 years at an interest rate of 5.00% (fixed). NENEDD will have a primary lien position on all the business personal property. NENEDD will also file a Deed of Trust on Sandra Ketelsen’s residence in Carroll, NE. and on Joe Haddad’s residence in Colorado Springs, CO. NENEDD will require an assignment of life insurance on Joe Haddad and Sandra Ketelsen for the amount of the loan for the life of the loan. A personal guaranty will be provided by Joe Haddad and Sandra Ketelsen as additional collateral for the loan. Tina Welding made a motion to approve the loan application for Touch n Tan, LLC in Wayne as presented and recommended by the Northeast RLF Committee. Kelvin Wurdeman seconded the motion. Motion carried.
- G. RLF – Loan Approval for Jack & Brenda Sweet, d/b/a Just U Fitness – Fremont:** Jeff Christensen presented. The Northeast RLF Committee recommends approval for a loan of \$35,000 to Jack and Brenda Sweet, d/b/a Just

U Fitness to purchase furniture, fixtures, equipment, and working capital to expand their fitness business in Fremont. There is no bank involved in this project. NENEDD will lend \$35,000 to purchase furniture, fixtures, equipment, and working capital to expand their fitness business in Fremont. This loan will have a term of 5 years at an interest rate of 5.00% (fixed). NENEDD will have a primary lien position on all the business personal property. NENEDD will also file a Deed of Trust on the Sweet's personal residence in Fremont. NENEDD will require an assignment of life insurance on Jack and Brenda Sweet for the amount of the loan for the life of the loan. John Lohr made a motion to approve the loan application to Jack & Brenda Sweet, d/b/a Just U Fitness in Fremont as presented and recommended by the Northeast RLF Committee. Kendrick Marshall seconded the motion. Motion carried.

H. RLF – Loan Approval for Bronte Windpower, LLC – Scribner: Jeff Christensen led discussion. The Northeast RLF Committee recommends approval for a loan of \$30,000 to Bronte Windpower, LLC (Jeremy Prunty, Member) to purchase equipment, tools and working capital to operate Bronte Windpower, LLC in northeast Nebraska. There is no bank involved in this project. NENEDD will lend \$30,000 to purchase equipment, tools and working capital to operate Bronte Windpower, LLC in northeast Nebraska. This loan will have a term of 5 years at an interest rate of 5.00% (fixed). NENEDD will have a primary lien position on all the business personal property. NENEDD will also file a Deed of Trust on the Prunty's personal residence in rural Scribner. NENEDD will require an assignment of life insurance on Jeremy Prunty for the amount of the loan for the life of the loan. A personal guaranty will be provided by Jeremy and Bobbie Prunty as additional collateral for this loan. John Lohr made a motion to approve the loan application for Bronte Windpower, LLC near Scribner as presented and recommended by the Northeast RLF Committee. Sue Fuchtman seconded the motion. Motion carried.

I. 2009-2010 Ratify Contracts: Patsy Taylor reported on an annual basis the board of directors ratify all contracts entered into. The total amount for this fiscal year is \$189,780. Kelvin Wurdeman made a motion to ratify the 2009-2010 contracts entered into totaling \$189,780. John Lohr seconded the motion. Motion carries.

J. 2010-2011 Annual Budget: Tom Higginbotham led the discussion on the annual budget. On June 25, 2010 at 2:00 p.m. the NENEDD budget committee, Jeff Scherer, Kelvin Wurdeman, John Lohr and Kendrick Marshall met with staff to review the proposed annual budget. Each line item was discussed in detail. The committee recommends the proposed 2010-2011 annual budget as presented. Kelvin Wurdeman made a motion to approve the NENEDD 2010-2011 annual budget as recommended by the budget committee. Tina Welding seconded the motion. Motion carried.

K. NENEDD By-Law Amendment: Tina Engelbart led discussion. The NENEDD Council of Officials has voting rights twice a year at the Annual and Semi-Annual Council of Officials meetings. Article II. Officers and Council of Officials, Section 7. Vote Required for Action currently states: Any action of the Council of Officials may be taken by a simple majority vote of the members present. If an effort to provide additional voting options and encourage

participation from the Council of Officials, NENEDD staff recommends utilizing voting by mail as an option for the Council of Officials meetings. Sue Fuchtman made a motion to approve by-law amendment to Article II. Officers and Council of Officials, Section 7. Vote Required for Action: Any action of the Council of Officials may be taken by ~~a simple majority vote of the members present~~. the majority of the members voting. Kendrick Marshall seconded the motion. Motion carried.

L. NENEDD Personnel Policy and Procedure Manual Amendment: Tom Higginbotham led discussion. The NENEDD Personnel Policy and Procedure Manual is reviewed by NENEDD Administrative Staff on a regular basis. Any recommendations for updates &/or revisions are presented to the Board of Directors and Council of Officials at the Annual or Semi-Annual Council of Officials meetings for review and approval. Sue Fuchtman made a motion to approve the NENEDD Personnel Policy and Procedure Manual amendments as presented. John Lohr seconded the motion. Motion carried.

M. NENEDD Nomination and Election of 2010-2011 Board of Directors: Tom Higginbotham presented. The Nominating Committee is made up of Jeff Scherer, Gaylord Wilcox, Kendrick Marshall and Melissa Graham. The committee met at 6:00 p.m. on May 26th, 2010 and is making the following recommendations. Kendrick Marshall - Nebraska Department of Labor, Tina Welding - West Point Chamber, and Sue Fuchtman - Norfolk Mayor. Skip Edwards made a motion to cease nominations and elect by acclamation the slate of Board of Directors as presented. Kelvin Wurdeman seconded the motion. Motion carried.

N. NENEDD Nomination and Election of 2010-2011 Officers: Tom Higginbotham reported on The Nominating Committee is made up of Jeff Scherer, Gaylord Wilcox, Kendrick Marshall and Melissa Graham. The committee met at 6:00 p.m. on May 26th, 2010 and is making the following recommendations. John Lohr, City of Columbus – Chairman; Kelvin Wurdeman, Wayne County Commissioner – Vice Chairman; Kendrick Marshall, Workforce Development – Secretary/Treasurer. Tina Welding made a motion to cease nominations and elect by acclamation the slate of Officers as presented. Sue Fuchtman seconded the motion. Motion carried.

O. Corporate Resolution: Patsy Taylor led discussion. With the change of officers effective July 1, 2010 the board of directors needs to pass resolutions to approve signatures on NENEDD's bank accounts and certificates of deposit. The resolutions will be for the following banks: BankFirst, Elkhorn Valley Bank, Stanton State Bank and Midwest Bank. The signors on the accounts will be the Chairman, Secretary/Treasurer, Executive Director and Deputy Director. Tina Welding made a motion to approve the corporate resolution with BankFirst, Elkhorn Valley Bank, Stanton State Bank and Midwest Bank. Kelvin Wurdeman seconded the motion. Motion carried.

VII. Chairman's/Board Comments: Jeff Scherer thanked the staff for their hard work and the City of Columbus for their partnership.

- VIII. Next Meeting Date:** The next meeting will be July 28th, 2010 at 1:30 p.m. at Midland Lutheran Dining Hall, 9th & Pebble, in Fremont, Nebraska.
- IX. Executive Session:** Kelvin Wurdeman made a motion to go into executive session at 8:48 p.m. Sue Fuchtman seconded the motion. Motion carried. The annual review of Tom Higginbotham, Executive Director, was reviewed during Executive Session. Kelvin Wurdeman made the motion to come out of executive session. John Lohr seconded the motion. Motion carried.
- X. Adjournment:** John Lohr made a motion to adjourn the meeting. Kelvin Wurdeman seconded the motion. Motion carried. There being no further business, Chairman Jeff Scherer adjourned the meeting at 9:20 p.m.