

**NORTHEAST NEBRASKA ECONOMIC DEVELOPMENT DISTRICT**

Board of Directors Meeting

Branding Iron

405 Hwy 77, Lyons, NE 68038-0598

Wednesday, October 28<sup>th</sup>, 2009, 6:15 p.m.

Minutes

**I. Call to Order:** The Northeast Nebraska Economic Development District Board of Directors meeting was called to order at 7:57 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	Hank Thieman, NENEDD Board Member, Boone County
John Lohr, NENEDD Board Member, City of Columbus	Kendrick Marshall, NENEDD Board Member, Nebraska Workforce Development	Skip Edwards, NENEDD Board Member, City of Fremont
Chris Miller, NENEDD Board Member, Don Miller Land Company, Hartington	Tina Welding, NENEDD Board Member, West Point Chamber of Commerce	

**Board Members Absent:** Vicki Saunders

**Others Present:**

Gaylord Wilcox, NED, Inc. President, 1 <sup>st</sup> National Bank of Schuyler/Howells	Lisa Walters, NED, Inc. Vice President, Private Representative, Norfolk	Melissa Graham, NED, Inc. Board Member, Missa Sues Salon & Spa, Laurel
Rick Uhlir, NED, Inc Board Member, Madison County	Tom Higginbotham, NENEDD	Tina Engelbart, NENEDD
Patsy Taylor, NENEDD	Mickella Brabec, NENEDD	Jeff Christensen, NENEDD
Judy Joy, NENEDD	Lisa Hurley, NENEDD	Holly Quinn
Joe Ferguson, NECC	Dennis Houston, Norfolk Chamber	Jared Faltys, Norfolk Chamber
Mike Heavrin, City of Lyons	Allen Steinmeyer, City of Lyons	Andy Fuston, City of Lyons

**III. Secretary's Report:** Skip Edwards made the motion to approve the agenda and the September 2009 minutes as mailed. Tina Welding seconded the motion. Motion carried.

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

**V. Old Business:**

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

**VI. New Business:**

**A. Norfolk Area Chamber of Commerce Presentation:** Chairman Scherer announced there was enough discussion in the NED, Inc board meeting. *Dennis Houston and Joe Ferguson introduced themselves to the board members and began the presentation. Houston gave a brief summary of the proposed Economic Development Center. NENEDD Chairman Jeff Scherer informed the new board members that at a previous board meeting the board members voted in favor of the District looking into the proposed Economic Development Center. Scherer asked board members to not only look at the cost of the proposal but to also consider what the cost savings would be. Rick Uhlir stated that Madison County is supportive of this project; the building will be tax exempt as long as all occupants of the building are non-profits. Board members and staff discussed space needs, cost/cost savings, service provided to District members, and feasibility. Houston and Ferguson announced they were meeting with the architect on November 12<sup>th</sup> and would like to have a commitment by that date. Board members and staff agreed that more information was needed before a decision could be reached. Tom Higginbotham will provide board members with a cost analysis of what the District is paying now to compare to the proposed center's analysis. The Boards will vote on the proposal at the November 18<sup>th</sup> board meeting.*

**B. RLF Loans:**

**1. Bloomin Ranch Service, LLC (Lance & Michelle Lindbloom) – Stuart**

The Northeast RLF Board recommends a loan of \$35,000 for equipment and working capital. Kendrick Marshall made a motion to approve the RLF Committee's recommendation of a loan for \$35,000. Kelvin Wurdeman seconded the motion. Tri-County Bank in Stuart has agreed to provide a loan of \$25,000 for this project. The bank's loan will have a short term loan of five months at an interest rate of 7.75%. The bank will secure its loan with a primary lien on the work contracts from the government.

REAP has approved a loan, contingent upon NENEDD's approval, for \$35,000 to purchase equipment and working capital. Their loan will be 7.25% for 4 years. NENEDD and REAP will share a position on all business and personal property. (The equipment we are loaning money to purchase will be a shared 1<sup>st</sup> position and the previously acquired machines will be in 2<sup>nd</sup> or 3<sup>rd</sup>.)

NENEDD will lend \$35,000 for equipment and working capital for 4 years at 5% (fixed). As mentioned above, NENEDD will be subordinate to the bank and be in a shared position with REAP. NENEDD will file a Deed of Trust on the Lindbloom's personal residence as additional collateral for this loan. NENEDD will require life insurance on Mr. & Mrs. Lindbloom for the amount of the loan for the life of the loan. NENEDD will also require a personal guaranty. Motion carried.

**C. GME Oakview – Reconvey Portion of Real Estate:** Jeff Christensen led discussion on the reconveyance request. Chris Miller made the motion to approve the request to reconvey a portion of real estate for GME Oakview. Tina Welding seconded the motion. Motion carried.

**GNEDF – Loan Rescheduling Request:** Jeff Christensen discussed the Greater Norfolk Economic Development Foundation’s rescheduling request. Hank Thieman made the motion to approve the GNEDF loan rescheduling request. Skip Edwards seconded the motion. The rescheduling agreement with the terms consisting of deferring payments for 12 months, but accruing interest during this time. The interest will be paid at the end of the 12 month time period. After the 12 month time period the options will be for GNEDF to request from NENEDD (1) pay accumulated interest for the past year and continue to defer regular payments for an additional 12 months with interest still accruing; (2) resume regular payments; (3) negotiate additional terms agreeable between the two organizations. The line of credit that the bank will be providing is for \$200,000. Motion carries.

**D. City of Columbus Down Payment Assistance:** Judy Joy presented applicant #100327 for \$15,980 and reported all repairs have been completed. Kendrick Marshall made a motion to approve applicant #100327 for \$15,980. John Lohr seconded the motion. Motion carried.

**E. Quarterly Loan Review:** Patsy Taylor reported on the quarterly loan report. There were no loans of concern.

**F. Executive Director’s Comments:** Tom Higginbotham announced the hiring of Jared Hahn, the District’s new Community Economic Development Coordinator. Tom Higginbotham also announced Leo Ahmann’s last day at the District will be Thursday, October 29, 2009. Also mentioned was that the auditors will be presenting the audit at the November board meeting. The audit was handed out at the meeting. Board members were encouraged to read through the audit and contact Patsy Taylor if they had any questions.

**VII. Executive Session:** Not needed.

**VIII. Chairman’s/Board Comments:** Jeff Scherer thanked the board members and staff for their commitment and support. Mr. Scherer read a letter from Leo Ahmann.

**Next meeting:** *The next meeting is Wednesday November 18<sup>th</sup>, 2009 at 7:15 p.m. at the NENEDD Offices, 111 S 1<sup>st</sup> St, Norfolk, NE.*

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