

NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 31 - 7:00 P.M.

City of Norfolk Offices – Training Room, 309 N 5th St, Norfolk, NE 68701

The President and Board of Directors reserve the right to adjourn into closed session as per Section 84-1410 of the Nebraska Open Meetings Act.

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. Introduction of Guests**
- IV. Secretary’s Report**
 - A. Approval of May, 2017 Agenda & April, 2017 Meeting Minutes (as mailed & posted)
- V. Treasurer’s Report**
 - A. April, 2017 Treasurer’s Report
- VI. Action Items**
 - A. Recommendation to approve down payment assistance applicant #101380
 - B. Recommendation to approve down payment assistance applicant #101386
 - C. Reappoint Gene Rahn, Ryan Steffensmeier, and Brian Yosten to another three-year term on the Northeast Revolving Loan Fund (RLF) Committee.
- VII. President/Board Comments**
- VIII. Next Meeting Date:** The next Northeast Economic Development, Inc. Board of Directors meeting will be at 7:00 p.m. on Wednesday, June 28, 2017. The meeting will be held at the City of Norfolk Office Building, 309 N. 5th St., Norfolk, Nebraska.
- IX. Adjournment**

Brad Albers_____ Nancy Braden_____ Tina Biteghe Bi Ndong_____ Nadine Hagedorn_____
Loren Kucera_____ John Lohr_____ Megan Weaver_____

Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

NED, Inc Board

Object: To approve the April, 2017 meeting agenda.

Contact Person: Danielle Lammers, Administrative Assistant

For: Action

Explanation: The April, 2017 agenda has been posted.

Motion: To approve the April, 2017 meeting agenda.

Brad Albers_____Nancy Braden_____ Tina Biteghe Bi Ndong_____ Nadine Hagedorn_____
Loren Kucera_____John Lohr_____ Megan Weaver_____

Y (In Favor of Motion) **N** (Against Motion) **ABS** (Abstain) **A** (Absent)

NED, Inc Board Agenda

Object: Approval of April, 2017 Treasurer's Report

Contact Person: Kristen Rosner, Fiscal Officer

For: Action

Background: Northeast Economic Development, Inc.'s (NED, Inc) April, 2017 Statement of Financial Position and the Statement of Revenues and Expenditures that reflect the monthly Budget, Actual and Budget Variance. Also stated is the Fiscal Year 2017 Budget for the nonaccrual accounts, July 1, 2016, through June 30, 2017, Actual, Budget Variance so far this fiscal year and Percent of the fiscal year 2017 Budget remaining.

Explanation:

Additional Information:

Business Loan Principal Received	\$31,194.02
Housing Rehab Principal Received	5,422.92
Down Payment Assistance (DPA) Principal Received	428.87
New Construction Principal Received	-
Business Loan Disbursements	333,200.00
Housing Rehab Loan Disbursements	7,015.40
Down Payment Assistance (DPA) Loan Disbursements	30,000.00
New Construction Loan Disbursement	-

Business Loan Disbursements:

Client #617006, Collisions & Kustoms, Allen, \$63,200
Client #617007, Wayne Sport & Spine Center, LLC, Wayne, \$70,000
Client #617005, B&S Trading Post, LLC, Ponca, \$200,000

Motion: To approve the April, 2017 Treasurer's Report as presented.

Brad Albers _____ Nancy Braden _____ Tina Biteghe Bi Ndong _____ Nadine Hagedorn _____
Loren Kucera _____ John Lohr _____ Megan Weaver _____

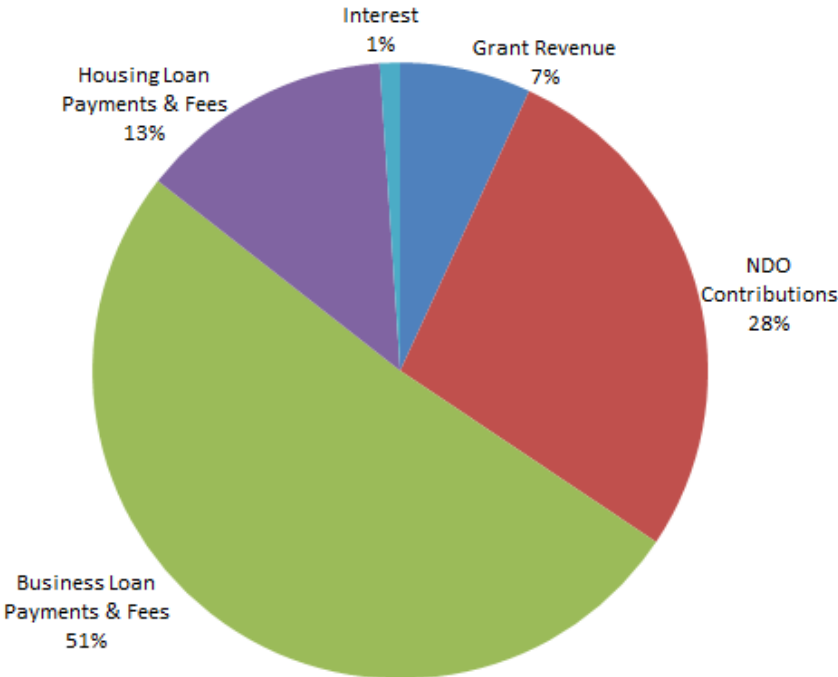
Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

Snapshot of the Statement of Financial Position April 30, 2017

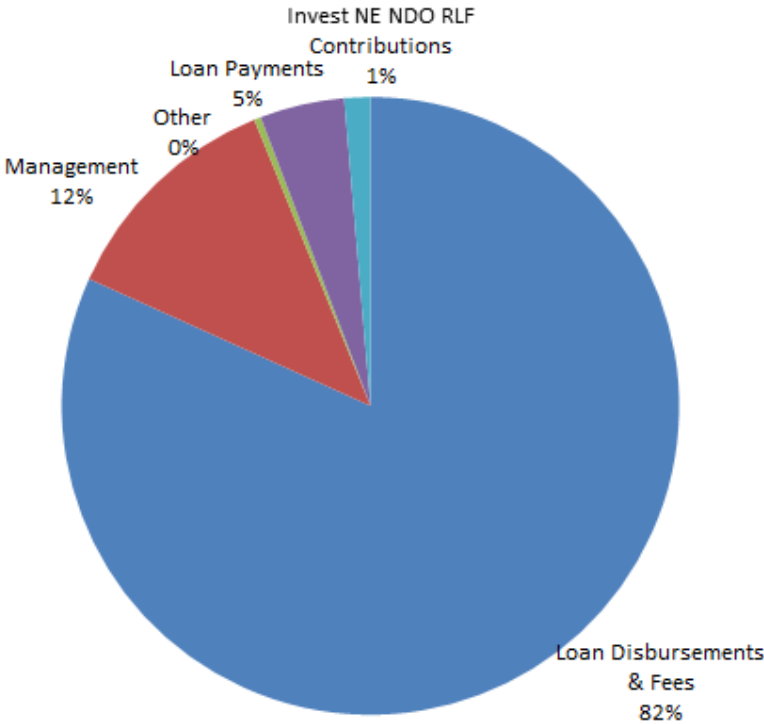
Assets	Liabilities & Net Assets
Housing Loan Receivables, \$1,087,639.65	
Business Loan Receivables, \$3,844,559.43	Net Assets, 5,942,530.80
Housing Cash, \$1,181,858.42	
Business RLF Cash, \$1,317,678.97	Notes Payable, 1,476,468.77
Cash, \$71,568.27	Other, 96,437.00

Revenue & Expenses by Type July, 2016 – April, 2017

Revenue



Expenses



NED, Inc.
Statement of Financial Position
As of 04/30/2017

	Current Period Balance
Assets	
General Cash	
Cash in Bank-BF #1695334	71,568.27
Business RLF Cash	
IRP Loan Fund-BankFirst 7884171	76,440.90
RLF-BankFirst 7884203	11,249.42
IRP Loan Loss Reserve-BankFirst 7884195	15,187.42
RBEG Loans-BankFirst 7884203	121,047.79
NDO Loan Fund-Security Bank 229970	707.41
RMAP Loan Fund-BankFirst #7898549	151,260.94
#5765371116 Wells Fargo-NEF Loan Loss Reserve	12,314.08
NEF CD IRP #2 Loan Loss Reserve	45,000.00
IRP #2 Loan Fund-Bank First #7898560	263,322.70
RMAP LLR Fund-BankFirst #8571	25,296.51
NDO Loan Fund-Security Bank 833851	84,898.28
NE Micro Loan-BankFirst #7911287	127,798.34
NDO -BankFirst 7884203	83,470.08
BF NDO Defederalized	298,883.10
#7911287 - NE Micro Loan #2	802.00
Housing Cash	
Trust DPA - EVB 3035418	108,824.91
HOME Rehab-BankFirst 7858547	226,713.49
HOME Rehab - CD #882514-Midwest Bank	107,180.25
Trust Rehab CD #882516-Midwest Bank	107,204.70
Trust Rehab Pinnacle 4400292230	124,830.24
HOME DPA - EVBT 3067890	34,929.09
HOME Rehab Pinnacle 4400292249	115,745.25
Trust Rehab BF 7930372	117,323.48
HUD/NENEDD Rehab BankFirst 7930383	115,493.56
Trust New Construction EVBT 3035418	123,613.45
Receivables	
Grants Receivable	12,131.83
Business RLF Notes Receivable	
Business RLF Notes Receivable	71,663.01
Business IRP Notes Receivable	208,321.17
IRP #2 Notes Receivable	732,230.77
NDO Business Notes Receivables	3,165,316.27
RMAP Business Notes Receivable	232,361.46
NE Micro Loan Receivable	361,463.84
Housing Notes Receivable	
DPA Notes Receivable	2,156,926.43
NC Subsidy Notes Receivable	2,465.10
Regional Rehab Notes Receivable	1,113,668.73
Fixed Assets	
Furniture and Equipment	26,105.00
Accumulated Depreciation	(26,105.00)
Allowance for Uncollectibles	
Allowance for uncollectable losses	(3,112,217.70)
Total Assets	7,515,436.57
Liabilities	
Accounts Payable	
Accounts Payable	70,218.00
Accounts Payable-Other	26,219.00

NED, Inc.
Statement of Financial Position
As of 04/30/2017

	<u>Current Period Balance</u>
Notes Payable	
RMAP Loan Payable	404,997.44
NEF Loan Payable	196,931.28
IRP Loan Payable	200,088.49
IRP #2 Loan Payable	674,451.56
Total Liabilities	<u>1,572,905.77</u>
Net Assets	
Other	5,942,530.80
Total Net Assets	<u>5,942,530.80</u>
Total Net Assets and Liabilities	<u><u>7,515,436.57</u></u>

NED, Inc.

**Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 04/01/2017 Through 04/30/2017**

		<u>Current Period Budget</u>	<u>Current Period Actual</u>	<u>Current Period Budget Variance</u>	<u>Total Budget - Original</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>	<u>Percent Total Budget Remaining</u>
Revenues								
405	Bad Debt Recovery	3,916.67	0.00	(3,916.67)	47,000.00	33,080.00	(13,920.00)	(29.62)%
421	Housing Mgmt Rev	333.33	2,202.50	1,869.17	4,000.00	6,036.95	2,036.95	50.92%
425	Lead Based Paint Inspection	0.00	0.00	0.00	0.00	500.00	500.00	0.00%
427	General Admin Rev	416.67	195.00	(221.67)	5,000.00	5,493.00	493.00	9.86%
428	Down Payment Assistance Loan Processing Fee	79.67	478.00	398.33	956.00	4,770.00	3,814.00	398.95%
436	Microenterprise Management Revenue	0.00	0.00	0.00	0.00	645.00	645.00	0.00%
439	CDBG ED NDO RLF Contributions	41,666.67	70,000.00	28,333.33	500,000.00	316,063.92	(183,936.08)	(36.79)%
442	Microenterprise Lending Program Contributions	0.00	43,200.00	43,200.00	0.00	128,200.00	128,200.00	0.00%
443	USDA RMAP TA Funds	2,440.50	9,734.33	7,293.83	29,286.00	33,619.93	4,333.93	14.80%
444	Business Loan Closing Revenue	250.00	524.00	274.00	3,000.00	2,024.00	(976.00)	(32.53)%
447	Housing Rehab Contributions	0.00	0.00	0.00	0.00	1,719.45	1,719.45	0.00%
451	Business Loan Interest	10,833.33	11,275.66	442.33	130,000.00	109,217.63	(20,782.37)	(15.99)%
452	Loan Late Fees	100.00	90.92	(9.08)	1,200.00	1,461.84	261.84	21.82%
453	Business Loan Processing Fee	500.00	0.00	(500.00)	6,000.00	5,682.00	(318.00)	(5.30)%
454	Annual Servicing Fees	1,000.00	2,228.05	1,228.05	12,000.00	11,882.75	(117.25)	(0.98)%
458	Sherwood Grant	3,750.00	0.00	(3,750.00)	45,000.00	31,108.02	(13,891.98)	(30.87)%
471	HO Rehab Interest	833.33	771.77	(61.56)	10,000.00	7,625.99	(2,374.01)	(23.74)%
490	Interest Income	750.00	1,266.66	516.66	9,000.00	12,308.53	3,308.53	36.76%
491	Miscellaneous Income	0.00	0.00	0.00	0.00	15.00	15.00	0.00%
492	Contributions	650.00	0.00	(650.00)	7,800.00	3,247.76	(4,552.24)	(58.36)%
	Total Revenues	<u>67,520.17</u>	<u>141,966.89</u>	<u>74,446.72</u>	<u>810,242.00</u>	<u>714,701.77</u>	<u>(95,540.23)</u>	<u>(11.79)%</u>
Expenditures								
523	Office Supplies	16.63	0.00	16.63	199.60	0.00	199.60	100.00%
543	Bank Fees	8.37	20.00	(11.63)	100.40	153.50	(53.10)	(52.89)%
545	Sherwood Grant	3,750.00	0.00	3,750.00	45,000.00	31,168.02	13,831.98	30.74%
548	Loan Closing Expense	125.00	0.00	125.00	1,500.00	1,832.49	(332.49)	(22.17)%

NED, Inc.

**Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 04/01/2017 Through 04/30/2017**

	<u>Current Period Budget</u>	<u>Current Period Actual</u>	<u>Current Period Budget Variance</u>	<u>Total Budget - Original</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>	<u>Percent Total Budget Remaining</u>
549 Housing Admin	333.33	375.00	(41.67)	4,000.00	435.00	3,565.00	89.13%
553 General Admin	416.67	5,927.96	(5,511.29)	5,000.00	10,997.96	(5,997.96)	(119.96)%
557 Memberships	2.50	0.00	2.50	30.00	23.00	7.00	23.33%
560 Legal Services	100.00	0.00	100.00	1,200.00	0.00	1,200.00	100.00%
561 Audit Fees	487.92	0.00	487.92	5,855.00	5,775.00	80.00	1.37%
569 Other Professional Services	225.00	0.00	225.00	2,700.00	2,350.00	350.00	12.96%
573 Loan Interest Expense	1,791.67	858.03	933.64	21,500.00	18,686.63	2,813.37	13.09%
574 NENEDD Management Exp	14,583.33	12,959.71	1,623.62	175,000.00	156,181.97	18,818.03	10.75%
577 Local RLF Contribution Expense	0.00	349.47	(349.47)	0.00	206,045.62	(206,045.62)	0.00%
580 Loans Written Off	12,083.33	51,063.92	(38,980.59)	145,000.00	188,198.69	(43,198.69)	(29.79)%
583 NC Subsidy Loans Forgiven	29.75	29.70	0.05	357.00	297.00	60.00	16.81%
584 Rehab Loans Forgiven	6,583.33	4,456.59	2,126.74	79,000.00	50,061.59	28,938.41	36.63%
585 Rehab Loan Disbursements	0.00	218.00	(218.00)	0.00	2,087.45	(2,087.45)	0.00%
589 Invest Nebraska NDO RLF Contributions	3,583.33	2,183.10	1,400.23	43,000.00	22,508.08	20,491.92	47.66%
590 Miscellaneous	0.00	0.00	0.00	0.00	15.00	(15.00)	0.00%
Total Expenditures	<u>44,120.16</u>	<u>78,441.48</u>	<u>(34,321.32)</u>	<u>529,442.00</u>	<u>696,817.00</u>	<u>(167,375.00)</u>	<u>(31.61)%</u>
Total Revenues Over (Under) Expenditures	<u>23,400.01</u>	<u>63,525.41</u>	<u>40,125.40</u>	<u>280,800.00</u>	<u>17,884.77</u>	<u>(262,915.23)</u>	<u>(93.63)%</u>

NED Inc. Board Agenda

Object: Recommendation to approve down payment assistance applicant #101380

Contact Person: Judy Joy

For: Action

Background: Property Location: Columbus - Primary Lender –Charter West Bank
Down Payment Assistance \$24,400
 Purchase Price: \$122,000
 Terms of Loan: 30 year USDA NIFA – Interest Rate 3.5%
 Ratios: Housing Debt to Income – **16%**
 Total Debt to Income – **25%**
 Credit Score: **682/656** Appraised Value: \$123,000

Explanation: Recommendation for approval is based on the following information

Purchase Price	\$122,000.00
Primary Lender and NED Inc. Closing Costs	\$8,534.85
Subtotal	\$130,534.85
Maximum Bank Loan	\$105,050.00
NED Inc. Down Payment Assistance	\$24,400.00
Buyer Cash Requirement at Closing	\$1,084.85
Estimated Loan to Value Ratio	86%
Monthly Gross Income	\$4,878.48
Monthly Housing Expense (Includes Principal, Interest, Taxes & Insurance)	\$795.70
Housing Debt to Income Ratio (Ratio Criteria Per Guidelines: Maximum 28%)	16%
Other Monthly Debts	
Automobile Payment	\$428.00
Credit Cards	\$0.00
Other Debt	\$0.00
Student Loans	\$0.00
Total Housing Expense Plus Other Debt	\$1,223.70
Total Debt to Income Ratio (Ratio Criteria Per Guidelines: Maximum 40%)	25%

Notes: Staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$24,400 for applicant #101380.

Motion: Move to approve applicant #101380 for down payment assistance in the amount of \$24,400.

Brad Albers _____ Nancy Braden _____ Tina Biteghe Bi Ndong _____ Nadine Hagedorn _____
 Loren Kucera _____ John Lohr _____ Megan Weaver _____

Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

Action Item VI. A

NED Inc. Board Agenda

Object: Recommendation to approve down payment assistance applicant #101386

Contact Person: Judy Joy

For: Action

Background: Property Location: Creighton - Primary Lender –Madison County Bank
Down Payment Assistance \$13,100
 Purchase Price: \$65,500
 Terms of Loan: 20 Year Conventional – 5.0%
 Ratios: Housing Debt to Income – **11%**
 Total Debt to Income – 13%
 Credit Score: **777/804** Appraised Value: \$68,000

Explanation: Recommendation for approval is based on the following information

Purchase Price	\$65,500.00
Primary Lender and NED Inc. Closing Costs	\$3,205.00
Subtotal	\$68,705.00
Maximum Bank Loan	\$49,050.00
NED Inc. Down Payment Assistance	\$13,100.00
Other Financing – Federal Home Land Bank Grant	\$5,000.00
Buyer Cash Requirement at Closing	\$1,555.00
Estimated Loan to Value Ratio	75%
Monthly Gross Income	\$4,032.82
Monthly Housing Expense (Includes Principal, Interest, Taxes & Insurance)	\$455.29
Housing Debt to Income Ratio (Ratio Criteria Per Guidelines: Maximum 28%)	11%
Other Monthly Debts	
Automobile Payment	\$0.00
Credit Cards	\$49.00
Other Debt	\$0.00
Student Loans	\$0.00
Total Housing Expense Plus Other Debt	\$504.29
Total Debt to Income Ratio (Ratio Criteria Per Guidelines: Maximum 40%)	13%

Notes: Staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$13,100 for applicant #101386.

Motion: Move to approve applicant #101386 for down payment assistance in the amount of \$13,100.

Brad Albers _____ Nancy Braden _____ Tina Biteghe Bi Ndong _____ Nadine Hagedorn _____
 Loren Kucera _____ John Lohr _____ Megan Weaver _____

Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

Action Item VI. B

NED, Inc. Board Agenda

Object: Reappoint Gene Rahn, Ryan Steffensmeier, and Brian Yosten to another three-year term on the Northeast Revolving Loan Fund (RLF) Committee.

Contact Person: Jeff Christensen

For: Action

Explanation: The Northeast RLF Committee has nine members; each with a three-year rotating term. The terms of Gene Rahn, Ryan Steffensmeier, and Brian Yosten are due for renewal. All three have agreed to stay on the Northeast Loan Committee for another three year term

Motion: To reappoint Gene Rahn, Ryan Steffensmeier, and Brian Yosten to another three-year term and on the Northeast Revolving Loan Fund (RLF) Committee as recommended by NENEDD staff.

Brad Albers _____ Nancy Braden _____ Tina Biteghe Bi Ndong _____ Nadine Hagedorn _____
Loren Kucera _____ John Lohr _____ Megan Weaver _____

Y (In Favor of Motion) N (Against Motion) ABS (Abstain) A (Absent)

Action Item VI. C