NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING VIA CONFERENCE CALL
WEDNESDAY, MARCH 25, 2020 - 7 P.M.

MINUTES

I. Call to Order: The Northeast Economic Development, Inc. (NED, Inc.) Board of Directors meeting was called to order at 7:04 p.m. by NENEDD Executive Director Thomas L. Higginbotham, Jr., who informed the public about the location of the Open Meetings Act LB 898 and that it was accessible to the public. All board members attended the meeting via conference call as per Gov. Pete Ricketts’ Executive Order No. 20-03.

II. Roll Call: NENEDD Administrative Assistant, Grace Petersen, read roll call.

Board Members Present:
John F. Lohr, President, City of Columbus
Mike Frank, retired Northeast Community College
Shannon Stuchlik, Midwest Bank of Pierce
Megan Weaver, Wakefield Progressive, Inc.
Brad Albers, Vice President, Business Owner
Jim McCarville, Secretary/Treasurer, Northeast Community College

Board Members Absent:
Jerry Engdahl, Platte County

Others Present:
Thomas L. Higginbotham, Jr., NENEDD
Tina M. Engelbart, NENEDD
Kristen Rosner, NENEDD
Jeff Christensen, NENEDD
Grace Petersen, NENEDD
Dan Kathol, Hartington Community Development Corporation
Glen Ellis, City of Fremont
Troy Uhlir, Madison County
Judy Mutzenberger, Cuming County
Tina Biteghe Bi Ndong, West Point Chamber of Commerce
Rich Jablonski, City of Columbus
Christine Sankey, Village of Snyder Clerk

III. Introduction of Guests: NENEDD Executive Director Thomas L. Higginbotham, Jr., asked everyone attending the meeting to introduce themselves to the group.

IV. Secretary’s Report
A. Consideration for approval of the March 25, 2020, agenda and the February 26, 2020, meeting minutes: Brad Albers made a motion to approve the March 25, 2020, agenda and the February 26, 2020, meeting minutes. Jim McCarville seconded the motion. AYES: Brad Albers, John F. Lohr, Mike Frank, Shannon Stuchlik, Jim McCarville, and Megan Weaver. NAYS: None. ABSENT: Jerry Engdahl. Motion carried.

V. Treasurer’s Report
A. Consideration for the acceptance of the February 2020 Treasurer’s Report as presented. NENEDD Fiscal Officer Kristen Rosner presented the report. Megan Weaver made a motion to accept the February 2020 Treasurer’s Report. John F. Lohr seconded the motion. **AYES:** John F. Lohr, Mike Frank, Shannon Stuchlik, Megan Weaver, Jim McCarville, and Brad Albers. **NAYS:** None. **ABSENT:** Jerry Engdahl. Motion Carried.

VI. Action Items

A. Consideration for approval to accept the sub-granted $23,000 CDBG RLF funds from the Village of Allen, utilizing the Non-Profit Development Organization (NDO) process for a loan to Adam and Kristy Gensler, d/b/a Allen Car Wash in Allen. NENEDD Business Loan Specialist Jeff Christensen presented the report. Adam and Kristy are current loan client #617006, who borrowed funds to build a new body shop, Collision & Kustoms in Allen. As things are going well for the business, the couple would like expand to the east of the body shop to include a one-bay self-service car wash. The project will include equipment purchase, a 15-foot-by-20-foot enclosed addition for the equipment, and a 20-foot-by-30-foot concrete pad. The total project costs are estimated to be $38,500. As part of the plan recommended by the Nebraska Department of Economic Development, to close local revolving loan funds, Allen will lend the remaining RLF balance of $23,000 to build a self-service car wash and purchase equipment. These funds will be sub-granted to NED, Inc. as a NDO, who will in turn lend the $23,000 to Adam and Kristy Gensler. The $23,000 NDO loan will have a 10-year term at 2.00% (fixed). Payments will be made to NED, Inc. NED, Inc. will file another deed of trust on the business real estate and secure a financing statement UCC lien on the business assets of the car wash located in Allen, and will require additional life insurance assignment from Adam for the amount of the loan, for the life of the loan. NED, Inc. also will file a deed of trust on the Gensler’s personal residence in rural Dixon County. Since the loan will use the balance of the funds in Allen’s CDBG RLF, it was recommended that that 1% loan processing fee be waived. Shannon Stuchlik made a motion to accept the sub-granted $23,000 CDBG RLF funds from the Village of Allen, utilizing the NDO process for a loan to Adam and Kristy Gensler, d/b/a Allen Car Wash in Allen. Megan Weaver seconded the motion. **AYES:** Mike Frank, Shannon Stuchlik, Megan Weaver, Brad Albers, Jim McCarville, and John F. Lohr. **NAYS:** None. **ABSENT:** Jerry Engdahl. Motion carried.

B. Consideration for approval to accept the sub-granted $42,000 CDBG RLF funds from Platte County, utilizing the Non-Profit Development Organization (NDO) process for a loan to C&C Machine, L.L.C., in rural Humphrey. NENEDD Business Loan Specialist Jeff Christensen presented the report. In 2016, Cole Classen started his own machining business, C&C Machine, L.L.C., in Platte County, with the assistance of Platte County CDBG RLF through the NDO process. He now wants to purchase another CNC (Computer Numerical Control) machine, a Hurco Vertical Mill, to meet the demands of customers and increase workflow and capacity. Total project costs are estimated to be $55,000. As part of the plan recommended by the Nebraska Department of Economic Development to close local revolving funds, Platte County will lend the remaining RLF balance of $42,000 for the new machinery and equipment. Those funds will be sub-granted to NED, Inc. as a NDO, who will in turn lend the $42,000 to C&C Machine, L.L.C. This loan will have a term of seven years at an interest rate of 2.00% (fixed). Payments will be made to NED, Inc. NED, Inc. will have a primary lien on the new equipment being purchased – via Purchase Money Security Interest. NED, Inc. will obtain a personal guaranty from Cole and his wife, Lauren, and additional life insurance assignment from Cole for the amount of the loan, for the life of the loan. NED, Inc. also will file an additional deed of trust on an acreage owned by Cole in rural Humphrey. Since this loan will use the balance of the funds in Platte County’s CDBG RLF, it was recommended that the 1% loan processing fee be waived. Mike Frank made a motion to accept the sub-granted
$42,000 CBDG RLF funds from Platte County, utilizing the NDO process for loan to C&C Machine, L.L.C., in rural Humphrey. Brad Albers seconded the motion. **AYES:** Jim McCarville, Megan Weaver, Brad Albers, Mike Frank, John F. Lohr, and Shannon Stuchlik. **NAYS:** None. **ABSENT:** Jerry Engdahl. Motion carried.

C. Consideration for approval to refinance NENEDD loan #310001 (Burbach Dairy-Hartington) with NED, Inc.’s NDO funds in the amount of $40,203.85, plus accrued interest. NENEDD Business Loan Specialist Jeff Christensen presented. Burbach Countryside Dairy, L.L.C. is NENEDD loan client #310001. The $100,000 loan was started in September 2009, with a 15-year term at 5.00% We have contacted DED and they agree that NENEDD staff will use NED, Inc.’s NDO funds to refinance the last outstanding loan (Burbach Dairy) under NENEDD’s former Regional RLF. It would be a straight refinance using the NDO funds with nothing different on the loan client’s term, interest, payments, etc. Our attorney also advised that the liens can be assigned, such as a deed of trust and UCC filing. Shannon Stuchlik made a motion to refinance NENEDD loan #310001 (Burbach Dairy-Hartington) with NED, Inc.’s NDO funds in the amount of $40,203.85, plus accrued interest. Jim McCarville seconded the motion. **AYES:** Mike Frank, Megan Weaver, Shannon Stuchlik, John F. Lohr, and Jim McCarville. **NAYS:** None. **ABSTAIN:** Brad Albers. **ABSENT:** Jerry Engdahl. Motion carried.

D. Consideration for approval to accept the sub-granted $120,000 CDBG RLF funds from the Village of Dodge, utilizing the Non-Profit Development (NDO) process for a loan to Parkview Home, Inc. in Dodge. NENEDD Business Loan Specialist Jeff Christensen presented. Parkview Home, Inc. is a for-profit nursing home in Dodge. They are requesting $120,000 of Dodge’s CDBG RLF funds for working capital to enter into a management contract with another party. The total project costs are estimated to be $208,000. As part of the plan recommended by the Nebraska Department of Economic Development to close local revolving loan funds, the Village of Dodge will lend the remaining balance of $120,000 for this project. These funds will be sub-granted to NED, Inc. as a NDO, who will in turn lend the $120,000 to Parkview Home, Inc. for this project. The $120,000 NDO loan will have a 10-year term at 2.00% (fixed). Payments will be made to NED, Inc. NED, Inc. will secure a financing statement UCC lien on the business assets owned by Parkview Home, Inc. and also will file a deed of trust on the nursing home real estate at 930 2nd St. in Dodge, all subordinate to the bank. Since this loan will use the balance of funds in Dodge’s CDBG RLF, it was recommended that the 1% loan processing fee and the two-year pre-payment penalty be waived. Megan Weaver made a motion to accept the sub-granted $120,000 CDBG RLF funds from the Village of Dodge, utilizing the NDO process for a loan to Parkview Home, Inc. in Dodge. Brad Albers seconded that motion. **AYES:** Brad Albers, Jim McCarville, John F. Lohr, Megan Weaver, Mike Frank, and Shannon Stuchlik. **NAYS:** None. **ABSENT:** Jerry Engdahl. Motion carried.

E. Consideration for approval to accept the sub-granted $155,000 Wayne CDBG RLF funds, utilizing the Non-Profit Development Organization (NDO) process for a loan to Retail Reclaimers, L.L.C. In November 2019, Retail Reclaimers, L.L.C. of Nebraska was originally approved for a $145,000 loan using Wayne’s RLF. The funds will be used to open an Ace Hardware and Home Store in the former Shopko building in Wayne. As part of the plan recommended by the Nebraska Department of Economic Development to close local revolving loan funds, on March 17, 2020, Wayne approved the remaining balance of its CDBG funds of $10,000 to Retail Reclaimers, L.L.C. for a total of $155,000. Brad Albers made a motion to accept the sub-granted $155,000 Wayne CDBG RLF fund, utilizing the NDO process for a loan to Retail Reclaimers, L.L.C. Shannon Stuchlik seconded that motion.
AYES: Shannon Stuchlik, Megan Weaver, Mike Frank, Brad Albers, John F Lohr, and Jim McCarville. NAYS: None. ABSENT: Jerry Engdahl. Motion carried.

VII. President/Board Comments: Board members discussed the federal stimulus package and potential business assistance.

VIII. Next Meeting Date: The next Northeast Economic Development, Inc. Board of Directors meeting will be Wednesday, April 29, 2020, at 7 p.m. The meeting will be held at the City of Norfolk Offices – Training Room, 309 N. 5th St., Norfolk, NE 68701.

IX. Adjournment: Brad Albers made a motion to adjourn the meeting. Mike Frank seconded the motion. AYES: Shannon Stuchlik, Megan Weaver, John F. Lohr, Brad Albers, Mike Frank, and Jim McCarville. NAYS: None. ABSENT: Jerry Engdahl. Motion carried. NENEDD Executive Director Thomas L. Higginbotham, Jr., adjourned the meeting at 7:38 p.m.