

NORTHEAST ECONOMIC DEVELOPMENT, INC. – NED, INC.
BOARD OF DIRECTORS MEETING
WEDNESDAY, MAY 30, 2018 - 7:00 P.M.

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

MINUTES

I. Call to Order: The Northeast Economic Development, Inc. (NED, Inc.) Board of Directors meeting was called to order at 7:00 p.m. by NED, Inc. President Loren Kucera. Loren Kucera informed the public about the location of the Open Meetings Act LB 898 and that it is accessible to the public.

II. Roll Call: NENEDD Administrative Assistant, Brittany O’Brien read roll call.

Board Members Present:

Loren Kucera, NED, Inc. President, Nebraska Business Development Center (NBDC),
Wayne

John F. Lohr, NED, Inc. Secretary/Treasurer, NeighborWorks, Northeast Nebraska,
Columbus

Brad Albers, NED, Inc. Board Member, Pierce County Commissioner

Jerry Engdahl, NED, Inc. Board Member, Platte County

Board Members Absent:

Tina Biteghe Bi Ndong, NED, Inc. Vice President, West Point Chamber of Commerce

Megan Weaver, NED, Inc. Board Member, Wayne Community Housing Development
Corporation

Others Present:

Mayor Shannon Stuchlik, NENEDD Chairman

Rich Jablonski, NENEDD Secretary/Treasurer

Scott Schaller, NENEDD Board Member, City of Fremont

Jim McCarville, NENEDD Board Member, Northeast Community College

Thomas L. Higginbotham Jr., NENEDD

Jeff Christensen, NENEDD

Kristen Rosner, NENEDD

Brittany O’Brien, NENEDD

Judy Joy, NENEDD

Martin Griffith, NENEDD

III. Introduction of Guests: NED, Inc. President Loren Kucera asked everyone attending the meeting to introduce themselves to the group.

IV. Secretary’s Report

A. Approval of My 30, 2018 Agenda & April 25, 2018 Meeting Minutes: Jerry Engdahl made a motion to approve the May 30, 2018 agenda and April 25, 2018 meeting minutes. Brad Albers seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

V. Treasurer's Report

- A. April 2018 Treasurer's Report:** NENEDD Fiscal Officer Kristen Rosner presented the report. John Lohr made a motion to approve the April 2018 Treasurer's Report as presented. Jerry Engdahl seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

VI. Action Items

- A. Recommendation to approve down payment assistance applicant #101485:** NENEDD Housing Loan Specialist Judy Joy presented. NENEDD staff has reviewed the application and is recommending approval for down payment assistance in the amount of \$15,000 for applicant #101485. Jerry Engdahl made a motion to approve applicant #101485 for down payment assistance in the amount of \$15,000. John Lohr seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.
- B. Recommendation to deny applicant #101260 for owner occupied housing rehabilitation funds up to the amount of \$34,800.00:** NENEDD Housing Specialist Martin Griffith presented. The house under consideration is in considerable disrepair and is not structurally sound. The cost of repairs needed for this house to meet the required Minimum Rehabilitation Standards will greatly exceed the rehabilitation project cost limits listed in section 4.5 (Economic Feasibility for Rehabilitation of the Housing Rehabilitation) of the Program Guidelines. Therefore, the house is deemed not economically feasible for the Housing Rehabilitation Program. Brad Albers made a motion to deny applicant #101260 for housing rehabilitation funds up to the amount of \$34,800. Jerry Engdahl seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.
- C. Approve subordination of additional bank financing for TDP Properties, LLC Tom & Doris Podany-Wisner:** NENEDD Business Loan Specialist Jeff Christensen presented. Back in April 2015, NED, Inc. approved a \$140,000 loan to TDP Properties, LLC to build a new shop that is much larger which allows F & F Tire & Service to better serve their customers. The bank's loan totaled \$290,000 and the Podany's injected \$100,260. The new shop is 66' x 120' (nearly 8,000 sq. ft.) with a 28' x 32' office area which is located on Thunder Road on the east end of Wisner right along Hwy 275. TDP Properties, LLC is the real estate holding company, with Tom & Doris as the sole members of this LLC. All payments have been made as promised. Collateral includes Deeds of Trust on the new shop on Thunder Road, former location, and personal residence. Company Guaranty from F & F Tire Service, LLC, blanket UCC filing on all business personal property, and life insurance from Tom Podany. F & F Tire currently uses their former location as storage and leases other buildings in Wisner for storage. TDP Properties wants to build a new 50' x 96' building next to their new shop for storage for the bid of \$80,000. It will have 16' sidewalls, gravel floor, two overhead doors, two walk-in doors, and electricity only. Tom can sell the building of their former location for \$35,000 and he has \$10,000 cash. So, they will need \$35,000 as a loan from the bank. They will no longer need to lease other locations. This savings will be more than payments on the additional \$35,000 loan. Citizens State Bank in Wisner is asking NED, Inc. to subordinate this additional \$35,000 loan for the new building. Although we would be subordinating an additional \$35,000, we would be gaining the new building (\$80,000) since it will be located on the same real estate that we currently have as collateral. This request came too late for review by the

Northeast Loan Committee. NENEDD staff has reviewed financial and credit information on each entity (F & F Tire, TDP Properties, and the Podonay's personally) and recommends approving the subordination request. John Lohr made a motion to approve a loan subordination for additional bank financing of \$35,000 for TDP Properties, LLC in Wisner, as presented and recommended by NENEDD staff. Jerry Engdahl seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried.

- D. Auditor Selection:** Every three years NED, Inc. is required to procure for auditing services. The Fiscal Officer sent a Request for Proposal (RFP) in May 2018 to eleven firms, of which two submitted proposals. Two other firms submitted their regrets. The Board members, Executive Director, Deputy Director and Fiscal Officer were given the opportunity to review the proposals submitted. NED, Inc President, Loren Kucera, has requested staff to draft language for the Administrative Procedures that would intend to limit one audit firm to not more than two consecutive three-year contract terms. This discussion also resulted in implementing this new policy three years from now (the next time NED, Inc. would procure for these services) due to not enough time to start over with the request for proposals, hire a firm and have the audit completed on time. Jerry Engdahl made a motion to appoint Schumacher, Smejkal, Brockhaus & Herley, PC as the NED, Inc. auditor for the fiscal years ending 2018, 2019, 2020. John Lohr seconded the motion. **AYES:** Brad Albers and John Lohr. **NAYS:** Jerry Engdahl and Loren Kucera. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion failed due to a tie vote on the selection of Schumacher, Smejkal, Brockhaus & Herley, PC as the audit firm. NED, Inc. will need to have a special meeting in the next two weeks to select an auditor.

VIII. President/Board Comments: None

IX. Next Meeting Date: The next Northeast Economic Development, Inc. Board of Directors meeting will be Wednesday, June 27, 2018 at 7:00 p.m. The meeting will be held at the City of Norfolk Office Building, 309 N. 5th St., Norfolk, Nebraska.

X. Adjournment: Loren Kucera made a motion to adjourn the meeting. Jerry Engdahl seconded the motion. **AYES:** Brad Albers, Jerry Engdahl, Loren Kucera, and John Lohr. **NAYS:** None. **ABSENT:** Tina Biteghe Bi Ndong and Megan Weaver. Motion carried. NED, Inc. President Loren Kucera adjourned the meeting at 7:25 p.m.