

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE
MINUTES OF THE NOVEMBER 20, 2014 MEETING

The regularly scheduled monthly meeting of the Southeast Nebraska Development District's Executive Committee was scheduled and held on Thursday, November 20, 2014. This meeting was conducted via teleconference.

I. CALL TO ORDER

A. The meeting was called to order by SENDD Chair Robert Mueller at approximately 6:32 P.M. at the SENDD-Lincoln office. Pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room at the SENDD Office and is available for viewing by the public.

B. Roll call: The following 5 SENDD Executive Committee members were present: Robert Mueller, Fillmore Co.; Leroy Hanson, Saunders Co.; Mary Koci, Seward Co.; Cheryl Brandenburgh, Black Hills Energy; and Tim McDermott, Saline Co.

Executive Committee members absent (2): Bill Wenz, At Large Representative; and Nick Harling, American National Bank.

SEND D Staff members present were Dave Taladay, SENDD-Lincoln office; and Craig Eberle, SENDD Western Field Office.

II. MINUTES

The previous SENDD Executive Committee meeting minutes from the October 16, 2014 meeting were included in the meeting packet that was sent out to the SENDD Executive Committee. Chair Mueller asked the Executive Committee members in attendance if there were any corrections or additions to the previous meeting minutes. Chair Mueller stated that a correction needed to be made to the minutes under agenda item I. Call to Order – A. In this paragraph "SENDD Chair Robert Mueller" needs to be changed to "SENDD Vice Chair Leroy Hanson", as the SENDD Board Chair was not present for this meeting. With no other corrections or additions from the SENDD Executive Committee, Chair Mueller called for a motion. Moved by Hanson, seconded by Koci to approve the minutes of the October 16, 2014 SENDD Executive Committee meeting, including the correction under agenda item I. Call to Order – A. as stated. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; Brandenburgh: Yes. McDermott abstained from the roll call voice vote. Motion passed on the roll call voice vote.

III. AGENDA ADJUSTMENTS

There were no agenda adjustments to be brought before the SENDD Executive Committee at this time.

IV. FINANCIAL

A. Check Registry: A copy of the October 2014 Check Registry report was sent out with the meeting agenda. SENDD Executive Director David Taladay briefed the SENDD Executive Committee on the check registry report. SENDD membership and housing dues payments for FY 2014-2015 were still coming in during the month. A couple of large checks issued in October include a \$6,100.00 payment to HBE for the SENDD FY 2013-2014 financial audit, and a \$10,649.70 payment on the SENDD credit card. The large payment to the SENDD credit card primarily included the initial computer equipment upgrade purchases. Upon conclusion of the briefing by Taladay, Chair Mueller called for a motion. Moved by Brandenburgh, seconded by McDermott to approve the October 2014 Check Registry report as previously distributed. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; McDermott: Yes; Brandenburgh: Yes. Motion passed unanimously on the roll call voice vote.

B. Revenue/Expense Report: A copy of the October 2014 Revenue/Expense report was sent out with the meeting packet. Taladay and SENDD Business Loan Officer Craig Eberle briefed the Executive Committee on the October Revenue/Expense report. The October 2014 Revenue/Expense report represents the first four

months of the SENDD FY 2014-2015 operating year. Overall expenses were typical for this time of year. The SENDD FY 2013-2014 financial audit was paid this month. Projected revenues are high due to the receipt of FY 2014-2015 SENDD membership and housing dues. After the overview by Taladay and Eberle, Chair Mueller called for a motion. Moved by Koci, seconded by Hanson to approve the October 2014 Revenue/Expense report as previously distributed. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; McDermott: Yes; Brandenburgh: Yes. Motion passed unanimously on the roll call voice vote.

C. Fairbury CDBG 14-TD-001: Staff assisted the City of Fairbury, in collaboration with the Bonham Theatre Project (a 501c3 organization), in the development and submittal of an application to the Tourism Development Category under the Community Development Block Grant (CDBG) Program through NDED. The City has been awarded \$225,000 in CDBG funds to assist the renovation of the Bonham Theatre. The project has an estimated total budget of \$553,834. The Executive Director is requesting retroactive approval of entering into a contract for CDBG General Administration with the City in the amount not to exceed \$15,000.

Taladay addressed the SENDD Executive Committee on the Fairbury CDBG Bonham Theatre project. He indicated that this 501c3 non-profit organization was organized a couple of years ago when the Bonham Theatre closed its doors. This was at a time when the theatre was forced to convert its movie projection to digital. The previous owners could not afford the upgrades, thus they closed the doors. The non-profit organization has been raising money over this time to purchase the digital equipment, as well as make necessary renovations to the historic theatre building in downtown Fairbury. SENDD staff helped package an application to the CDBG Tourism Development program. This CDBG funding is to be used mostly toward renovations that will assist with ADA compliance. Upon conclusion of the overview by Taladay, Chair Mueller called for a motion. Moved by Koci, seconded by McDermott to authorize the Executive Director to negotiate and enter into a CDBG General Administration contract with the City of Fairbury in an amount not to exceed of \$15,000 for the Fairbury CDBG Tourism Development Bonham Theatre project. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; McDermott: Yes; Brandenburgh: Yes. Motion passed unanimously on the roll call voice vote.

D. Nebraska City/Nebraska Arbor Day Foundation – Special Services Contract: The City of Nebraska City is making application to the CDBG Program under the Tourism Development Category to assist the Nebraska Arbor Day Foundation (NADF) in the “Lied Lodge Renewal and ADA Compliance.” SENDD staff members are assisting both the City and the NADF in developing the application. In order to “fast track” some of the requirements, the NADF has requested SENDD to assist in the CDBG-Environmental Review before a contract between the City and NDED is approved. This action will reduce the time for the project start by about 90 days. The Executive Director is requesting retroactive approval of entering into a contract, in an amount not to exceed \$3,500, with the NADF for a completed CDBG Environmental Review process.

Taladay addressed the SENDD Executive Committee on the Nebraska City/Nebraska Arbor Day Foundation environmental review project. He stated that this is another CDBG Tourism Development project. SENDD staff are currently working with Nebraska City on putting together the application documents, with anticipation that this project will be awarded. They have already started the environmental review process in order to have the ERR completed ahead of time. The Nebraska Arbor Day Foundation has agreed to pay for the CDBG environmental review. After a brief discussion by the SENDD Executive Committee, Chair Mueller called for a motion. Moved by Hanson, seconded by Koci to authorize the Executive Director to approve retroactive approval of a Special Services contract with the Nebraska Arbor Day Foundation to complete the CDBG environmental review process in an amount not to exceed of \$3,500. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; McDermott: Yes; Brandenburgh: Yes. Motion passed unanimously on the roll call voice vote.

E. City of York/York County Development Corporation – Special Services Contract: The City of York may be considering an application to the CDBG Program Economic Development Category to assist a prospective organization (Project Mist) to develop a new business in the community. SENDD staff will be assisting both the City and York County Development Corporation (YCDC) in developing the application. As part of CDBG-Economic Development projects, an Environmental Review Process must be completed before a final

application for CDBG funds can be submitted. The Executive Director is requesting consideration and approval of entering into a contract, in an amount not to exceed \$3,500, with either the City of York, or YCDC, for a completed CDBG Environmental Review process.

Taladay briefed the SENDD Executive Committee on the City of York/York County Development Corporation Environmental Review project. He stated that this is for a new project (Project Mist) that is seeking \$600,000 of CDBG funding through the Economic Development Category. The total project is estimated at around \$25,000,000. York County Development Corporation (YCDC) has approached SENDD about assisting with the CDBG Environmental Review process. This contract will either be paid by the City of York or YCDC. After a brief discussion by the SENDD Executive Committee, Chair Mueller called for a motion. Moved by McDermott, seconded by Brandenburgh to authorize the Executive Director to negotiate and enter into a Special Services contract with either the City of York or York County Development Corporation to complete the CDBG environmental review process in an amount not to exceed of \$3,500. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; McDermott: Yes; Brandenburgh: Yes. Motion passed unanimously on the roll call voice vote.

V. OLD BUSINESS

A. SENDD Equipment Upgrades: Taladay informed the SENDD Executive Committee that upgrades for software and equipment are almost complete. The server is up and running, and the firewall and router are working well. Some of the computers and software still need to be installed. These tasks should be completed in the next two weeks. No action needed on the SENDD Equipment Upgrades meeting agenda item and none taken.

B. SENDD Personnel Policies Committee: The SENDD Personnel Policies Committee met at the SENDD Lincoln office today (November 20, 2014). Eberle attended this meeting and gave a report. He stated that during this meeting the SENDD Personnel Policies Committee reviewed spreadsheets analyzing the impact of various benefit packages. They had continued discussions about the SENDD personal leave policy, as well as reviewing the impact of possible retirement match and staff reimbursement for cell phone use. The meetings continue to be very productive with good discussion. The next SENDD Personnel Policies Committee meeting is scheduled for December 4, 2014 at the SENDD-Lincoln office. No action needed on the SENDD Personnel Policies Committee meeting agenda item and none taken.

VI. NEW BUSINESS

A. SENDD Indirect Cost Proposal: Due to receipt of funding from the Economic Development Administration (EDA), SENDD is required to submit a "Certification of the Indirect Allocation Plan and Costs" on an annual basis. A copy of the proposed Indirect Cost Proposal and full Cost Allocation Plan is enclosed with this notice/agenda. The Executive Director is requesting review and consideration of approval of the SENDD FY 2015 Indirect Cost Proposal and Cost Allocation Plan for development of the Certification.

Taladay briefed the SENDD Executive Committee on the SENDD Indirect Cost Proposal agenda item. Taladay stated that this is a requirement of the EDA Partnership Planning Grant. He directed everyone to the proposed Indirect Cost Proposal and full Cost Allocation Plan that was distributed with the meeting agenda. He informed the SENDD Executive Committee that indirect costs are budgeted based on the previous year's indirect cost rate and anticipated rate for the upcoming fiscal year. An indirect cost rate is then budgeted into the annual Planning/Partnership Grant budget that is submitted to EDA each fiscal year. The adopted indirect cost proposal is used to complete an Annual Certificate of Indirect Costs that is submitted to EDA every year. After a brief discussion by the SENDD Executive Committee, Chair Mueller called for a motion. Moved by Hanson, seconded by Koci to approve the SENDD FY 2015 Indirect Cost Proposal and Cost Allocation Plan as proposed. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; McDermott: Yes; Brandenburgh: Yes. Motion passed unanimously on the roll call voice vote.

B. SEND, Inc. RMAP Cash Infusion: The Southeast Nebraska Development, Inc. (SEND, Inc.), which is a 501(c)(3) non-profit corporation operated and staffed by SENDD, was recently awarded a \$250,000 Revolving Loan Fund (RLF) and \$62,500 Technical Assistance Grant through the USDA-RD Rural Microentrepreneur

Assistance Program (RMAP). Attached is the notice from USDA-RD on the SEND, Inc. RMAP. Funds were obligated as of 9-11-14 with closing to occur on or before 12-11-14. One of the conditions of the USDA-RD RMAP is the establishment of a Loan Loss Reserve Fund (LLRF) account. Through discussions with USDA-RD staff, this account must have a balance equal to 5% of the initial RLF drawdown at closing. The LLRF account will need to accumulate a total balance of \$12,500 once the entire \$250,000 loan balance is drawn down. With this being the first funding opportunity for SEND, Inc. since its establishment, SEND, Inc. does not have sufficient cash to deposit into this fund. The Executive Director is requesting consideration of SENDD providing funding of up to \$12,500 toward the SEND, Inc. RMAP LLRF account. These funds will be repaid to SENDD under the terms of a Loan Agreement to be determined.

Eberle informed the SENDD Executive Committee about the SEND, Inc. RMAP Cash Infusion agenda item. He indicated that prior to each drawdown of loan funds from USDA-RD, SEND, Inc. is required to have 5% of those funds already deposited in a Loan Loss Reserve Fund (LLRF) account. The entire \$12,500 of funds will be deposited in stages over time as funds are requested. Eberle continued by stating that these funds are to be repaid by SEND, Inc. to SENDD. They are currently working on a method of repayment, likely through the loans initiated by the SEND, Inc. RMAP to eligible businesses. SENDD and SEND, Inc. will enter into a loan agreement for the LLRF cash infusion. SEND, Inc. has a Board of Directors meeting scheduled for tomorrow (November 21, 2014) where this will be discussed. Eberle continued by stating that the LLRF is one of many items that need to be completed by the December 11 closing date. We are still waiting for final RMAP closing documents from USDA-RD. After a brief discussion by the SENDD Executive Committee, Chair Mueller called for a motion. Moved by Brandenburg, seconded by McDermott to approve funding up to \$12,500 from SENDD to SEND, Inc. for the RMAP Loan Loss Reserve Fund account. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; McDermott: Yes; Brandenburg: Yes. Motion passed unanimously on the roll call voice vote.

C. SEND, Inc. RMAP Bank Initial Account Deposits: As part of the SEND, Inc. USDA-RD RMAP SEND, Inc. is required to open two additional accounts. One or both of these accounts may require a minimum deposit to open the account without incurring a servicing fee. The Executive Director is requesting consideration of SENDD providing funding of up to \$1,000 toward a minimum balance for these accounts, under an agreement with SEND, Inc. for future reimbursement.

Taladay and Eberle briefed the SENDD Executive Committee on the SEND, Inc. RMAP Bank Initial Account Deposits agenda item. They stated that at the last SEND, Inc. Board of Directors meeting the SEND, Inc. Board authorized utilizing Farmers and Merchants Bank in Milligan for all RMAP bank accounts. However, Farmers and Merchants Bank does not have an ACH program available for automatically pulling loan payments out of borrower's accounts. It is likely that the RMAP Revolving Loan Fund account will be opened at USBank. SENDD has their revolving loan fund accounts at USBank, utilizing the USBank Singlepoint program for automatically collecting loan payments. The RMAP Loan Loss Reserve Fund account will likely be opened at Farmers and Merchants Bank in Milligan.

Taladay and Eberle continued by stating that both of these accounts will likely require a minimum deposit in order to open the account without incurring a servicing fee. SEND, Inc. would reimburse SENDD for these initial account deposits under an agreement. After a brief discussion by the SENDD Executive Committee, Chair Mueller called for a motion. Moved by Hanson, seconded by Koci to approve funding up to \$1,000 from SENDD toward a minimum balance of two accounts to be opened by SEND, Inc. for the SEND, Inc. USDA-RD RMAP. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Koci: Yes; McDermott: Yes; Brandenburg: Yes. Motion passed unanimously on the roll call voice vote.

VII. STAFF REPORTS AND REMINDERS

A. SENDD Newsletter: Taladay informed the SENDD Executive Committee that the November newsletter is not out yet. SENDD staff is working on the newsletter and it will be distributed soon.

B. SERN Meetings: The most recent meeting of the Southeast Nebraska Resource Network (SERN) was held on November 5, 2014 at the Holthus Convention Center in York. Eberle and Jen Olds of the SENDD

office attended this meeting in York. Eberle provided a brief report on the SERN meeting for the SENDD Executive Committee. He stated that in addition to the business meeting, Randy Cantrell of the Nebraska Rural Initiative gave a presentation on the Nebraska Rural Poll, roundtable discussions took place with regional service providers, as well as local community and business spotlights. Those local community and business spotlights included presentations by Taylor Siebert of Striv. TV in Henderson, Ken Liermann of Abengoa Bioenergy in York, and Dr. Steve Eckman of York College. The meeting concluded with a video presentation and tour of the new Holthus Convention Center. Eberle concluded by stating that it was a good meeting that had good attendance.

C. SEND D Membership Dues 2014-2015: Taladay provided a status update on FY 2014-2015 membership and housing dues requests sent out to communities and counties. The most current membership dues spreadsheet for FY 2014-2015 was sent out with the meeting agenda. All 15 SENDD counties have paid FY 2014-2015 membership dues, as well as 102 communities. This adds up to almost 91% of total dues requested being paid to date. The 102 communities is the same number of communities that paid membership dues in FY 2013-2014, although the total dollar amount collected this year is slightly less than last year. Taladay then discussed the FY 2014-2015 voluntary housing dues. Ten counties and 68 communities have paid housing dues for FY 2014-2015. This is one more county and four more communities that paid housing dues in FY 2014-2015 than last year. Total FY 2014-2015 housing dues collected is up almost \$1,000 from last year. Taladay concluded by stating that this is likely the final membership and housing dues tally for FY 2014-2015.

E. Next SENDD Meeting: Taladay noted that the next SENDD Executive Committee meeting is scheduled for December 18, 2014. The next Full SENDD Board meeting is scheduled for January 15, 2015 at the Hy-Vee Store Club Room at 84th and Holdrege St. in Lincoln. Taladay indicated that SENDD staff members are currently identifying new Nebraska State Senators in the SENDD district. They are preparing a letter and notice to invite all Nebraska State Senators representing counties in the SENDD district to the January Full SENDD Board Meeting. They anticipate a small presentation by SENDD staff, as well as time for each Nebraska State Senator to address the Full SENDD Board.

VIII. ADJOURNMENT

There being no further business to come before the SENDD Executive Committee, Chair Mueller called for a motion from the SENDD Executive Committee to adjourn the meeting. This motion was moved by Hanson, seconded by Koci. Motion passed unanimously on a vote by acclamation. The meeting was adjourned at approximately 6:50 P.M.

Respectfully Submitted:



Craig Eberle
Secretary Pro Tem