

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE – BUDGET/NOMINATING COMMITTEE
MINUTES OF THE MAY 29, 2014 MEETING

The monthly meeting of the Southeast Nebraska Development District's Executive Committee was scheduled and held on Thursday, May 29, 2014. This meeting also served as the SENDD Budget/Nominating Committee meeting for Fiscal Year 2015.

I. CALL TO ORDER

A. The meeting was called to order by SENDD Chair Robert Mueller at approximately 12:24 P.M. at the SENDD-Lincoln office located at 2631 "O" Street in Lincoln. 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 Executive Committee-Budget/Nominating Committee members were present: Robert Mueller, Fillmore Co.; Mary Koci, Seward Co.; Bill Wenz, At Large Representative; Cheryl Brandenburgh, Black Hills Energy; and Nick Harling, American National Bank. Executive Committee-Budget/Nominating Committee members absent (0): None

Executive Committee-Budget /Nominating Committee members absent (2): Leroy Hanson, Saunders Co.; and Tim McDermott, Saline Co.

SENDD Staff members present were Dave Taladay and Craig Eberle, Lincoln

C. Board Membership: (Appointments to fill vacancies and non-elected positions and terms). SENDD Executive Director Taladay advised the Executive Committee that SENDD board membership will be discussed later under item IV. New Business: B. Nominating Committee. No action needed under the Board Membership agenda item and none taken.

II. MINUTES

The previous SENDD Executive Committee meeting minutes (April 17, 2014) were included in the meeting packet that was sent out to the Executive Committee. Chair Mueller asked the SENDD Executive Committee members in attendance if there were any corrections or additions to the previous meeting minutes. With no corrections or additions from the Executive Committee, Chair Mueller called for a motion. Moved by Harling, seconded by Koci to approve the minutes of the April 17, 2014 SENDD Executive Committee meeting as presented. Motion passed unanimously on a vote by acclamation.

III. AGENDA ADJUSTMENTS

Taladay presented one agenda adjustment to the SENDD Executive Committee. This agenda adjustment is to be included under the VI. New Business section (Agenda Item C). The agenda adjustment is to be titled: *EDA – Partnership Planning Grant: Letter of Award (Investment No.: 05-83-05388-01)*. A copy of the agenda adjustment was distributed to the Executive Committee members prior to the meeting. A formal motion on this agenda adjustment will be sought. Chair Mueller called for motion. Moved by Brandenburgh, seconded by Wenz to approve the agenda adjustment as presented. Motion passed unanimously on a vote by acclamation.

IV. FINANCIAL

A. Check Registry: A copy of the April 2014 check registry report was sent out with the meeting packet. Taladay briefed the Executive Committee on the check registry reports. He stated that checks were typical for this time of year, with nothing out of the ordinary. SENDD is still busy with writing grant applications, however when these are finished they should be able to dedicate more time to catching up on billings. Revenues include two housing loan payoffs for SENAHC projects. After the brief overview by Taladay, Chair Mueller called for a motion. Moved by Koci, seconded by Harling to approve the April 2014 check registry report as previously distributed. Motion passed unanimously on a vote by acclamation.

B. Revenue/Expense Report: A copy of the April 2014 revenue/expense report was sent out with the meeting packet. Taladay briefed the Executive Committee on the April 2014 revenue/expense report. This report represents 83% of the SENDD fiscal year 2013-2014. On the far right hand corner lists the % of revenues and expenses to budgeted items. Taladay stated that travel is up due to SENDD staff attending a significant amount of meetings during the month. The equipment budget expenditures are much less because the approved computer and technology upgrades have not yet been purchased. After the overview by Taladay, Chair Mueller called for a motion. Moved by Wenz, seconded by Koci to approve the April 2014 revenue/expense report as previously distributed. Motion passed unanimously on a vote by acclamation.

V. OLD BUSINESS

A. Response to Inquiry from Attorney General: Complaint on Housing Rehabilitation Program: SENDD received a letter from the Nebraska Attorney General's Office on Friday, April 14, 2014. The correspondence requested a "response" to a complaint concerning a housing rehabilitation project in Prague, Nebraska. The complaint was inaccurate in several instances. The contract for housing rehabilitation was actually with the regional housing corporation, SENAHC, under a previous multi-county program HOME #008-OEHO-1164. SENDD did have a contract to provide Housing Management Services and so is certainly part of the project. On behalf of SENAHC, under our operating agreement, the SENDD Executive Director prepared and submitted a response to the Attorney General's office. Enclosed with the meeting agenda was a copy of that letter. A written request was recently received from the family members in the estate asking for a release of the lien on the property. With that action by SENAHC, the situation is resolved.

Taladay advised the Executive Committee about the response. He stated that there were definitely some inaccuracies in the complaint. SENAHC will release the lien on the property since they have received a written request from the family. SENDD Executive Committee member Brandenburg asked how much SENAHC will lose on the project. Taladay responded by stating that SENAHC had about \$8,000 into the residence. Typically these projects have a declining balance that ends up with \$0 owed at the end, as long as the homeowner complies with the project and is still in the residence. No action needed under the Response to Inquiry from Attorney General: Complaint on Housing Rehabilitation Program agenda item and none taken.

B. SENDD Equipment Upgrades: Taladay updated the Executive Committee on the proposed SENDD equipment upgrades. He indicated that SENDD recently had problems with losing service. They put in a new modem, firewall, and switch and that has fixed the problem. One upgrade that is needed is to increase the capacity of the server. Taladay stated that he is currently in the process of obtaining revised numbers for computer and software/technology upgrades. He has sent out proposals to two other service providers. Once he receives and reviews all proposals, he will send these out to the SENDD equipment committee. No action needed under the SENDD Equipment Upgrades agenda item and none taken.

VI. NEW BUSINESS

A. Budget Committee (for SENDD FY 2015 Budget Review and Recommendations at June SENDD Board Meeting): The Executive Committee has once again been appointed to act as the Budget Committee for FY 2015. The budget information was sent out to Executive Committee members, serving as the Budget Committee, prior to the scheduled May 29 meeting for review. Budget items for review consisted of the following:

1. *Review of SENDD FY 2015 Revenue Projections:*

SENDD staff member Craig Eberle began by providing an overview of the SENDD FY 2015 Revenue Projections. The initial two pages of the budget packet are an explanation of the SENDD FY 2015 Draft Budget spreadsheets. He then directed everyone to the FY 2015 revenue projections spreadsheet. To help illustrate to the SENDD Executive Committee about the process, at this time Eberle distributed an extended FY 2015 Revenue projections spreadsheet including additional formulas. These formulas are used to calculate anticipated revenues for contracts and other programs during FY 2015. Eberle then went into more detail discussing the FY 2015 revenue projections. He stated that line items #1-52 consist of contracts for

grant administration or program services delivery that are already in place. Estimated revenues are calculated based on the contract balance as of April 30, 2014. This contract balance is reduced based on potential expenditures during the last two months of FY 2014. The remaining balance is then spread out based on projected contract months in FY 2015 and 2016. Any carryover into FY 2016 is not included in the FY 2015 revenue projections. These existing contracts represent total projected program revenues for FY 2015 of approximately \$240,324.

Eberle continued by stating that line items #53-57 are contracts already in process, or extremely likely that the project funding will be provided. None of these contracts have been executed as of the meeting date. These projects are listed as a 90% chance of being funded. Line items #58-76 are contracts for which staff has a 75% expectation that the application will be prepared, submitted and funded during FY 2015. Line items #77-112 represent applications for which staff projects there to be a 50% chance of funding, and/or that the projects will be funded but at a later date than projected. All of these estimated contracts were reduced by the estimated percentage chance of funding. They remaining amount was then spread out over FY 2015 based on when the contracts would be in place, and estimated total contract term. The total projected amount of these future project revenues is \$171,751.

The remaining items represent known and anticipated revenues from annual membership dues receipts, direct grants to the organization, contracts for administration and management of local revolving loan funds, technical assistance contracts, nuisance abatement contracts, and other similar type contracts. Membership and housing dues receipts are estimated to be comparable to last year's receipts. Membership and housing dues requests did not change from FY 2014. The total amount of FY 2015 projected revenues from these items is \$508,952. At the bottom of the spreadsheet is the estimated total revenues projected for SENDD. Total SENDD FY 2015 projected revenues are estimated at \$921,027. This year's revenue projections are forecast to be about \$60,000 less than last year.

2. Review of SENDD Annual Wage Worksheet:

Eberle and Taladay briefed the Budget Committee on the SENDD Annual Wage Worksheet. This worksheet provides an overview of the impact of raising salaries at 1% increments from the FY 2014 rates, between 0% and 8%. Taladay informed the Budget Committee that he is not proposing a wage rate increase at this time, other than a slight salary bump for SENDD staff member Lisa Beethe in the Humboldt office. With SENDD staff member Burnision leaving the organization, Lisa will be the only SENDD staff member in the Humboldt office and thus will be taking on more responsibilities. Taladay advised the Budget Committee that a delay in consideration of staff raises was the same approach that was done during the last fiscal year. Taladay indicated that staff raises will be considered when a revised amended FY 2015 budget is prepared in January 2015. At that time SENDD staff will know what grant applications were funded in FY 2015.

3. Review of SENDD Staff Salary History:

Eberle provided a brief overview to the Budget Committee of the SENDD Staff Salary History Report. This report sets forth historical wage rate increases by employee. The report covers SENDD's 2005 Fiscal Year through the end of Fiscal Year 2014.

4. Review of SENDD Draft Agencywide Budget and Budget Comparisons:

Eberle and Taladay provided the Budget Committee with an overview on the SENDD FY 2015 Draft Budget. Eberle educated the Budget Committee on the SENDD FY 2015 Draft Budget spreadsheet. In the third column the SENDD Draft budget lists the proposed Draft Budget for FY 2015. This budget includes proposed personnel, travel and office expenses; and how those expenses compare to projected expendable revenues. Many of the expense items are based on historical trends, although some items have been adjusted due to project load. The FY 2015 SENDD Draft Budget is compared against the SENDD FY 2014 Adopted Budget, as well as the SENDD FY twelve month projected expenses and expendable revenues for FY 2014. The final column illustrates the difference in expenses/revenues between the FY 2015 Draft Budget and FY 2014 Adopted Budget.

Eberle stated that expenses are estimated to be down \$95,598. Total FY 2015 expenditures are estimated at \$872,705. This reduction is primarily due to two less staff members on the payroll then at this time last year. SENDD has also reduced equipment expenditures to average levels, as the equipment budget was increased

substantially to fund various equipment and technology upgrades in FY 2014. With total projected revenues of \$921,027, SENDD is projecting a surplus of \$48,322.

A discussion on the SENDD FY 2015 Draft Budget by the SENDD Budget Committee followed the overview by Taladay and Eberle. Discussion topics included specific projects for FY 2015, researching subsidizing deductibles to reduce health insurance premiums, succession plan for SENDD staff – specifically the Fiscal Officer, continued technology upgrades to keep up with other development districts and similar organizations, SENDD staff expense reimbursement, SENDD staff benefits, investment in staff training for FY 2014, and comparison of FY 2015 budget revenues to previous years.

5. Adoption of Budget Recommendation to be Presented to the Full SENDD Board of Directors:

Upon completion of the discussion between the SENDD Budget Committee, Chair Mueller called for a motion. Moved by Koci, seconded by Brandenburg to approve and recommend to the full SENDD Board of Directors at the June 19, 2014 meeting the SENDD FY 2015 Draft Budget as proposed. SENDD will prepare an amended budget in January 2015 to track how the organization is doing in comparison to the FY 2015 budget. Motion passed unanimously on a vote by acclamation.

B. Nominating Committee (for Elections at June Board meeting): The Executive Committee has once again been appointed to act as the Nominating Committee. Included with the meeting agenda was a spreadsheet for the Full SENDD Board membership. Also included was a SENDD member update which identifies the non-elected members and their terms of membership. It is anticipated that the Executive Committee will review membership, terms for non-elected members and officers, and will develop a slate of nominees for the following positions: Chair; Vice Chair; Secretary; and Treasurer for presentation at the full SENDD Board meeting in June. Current SENDD officers are as follows:

Chair:	Bob Mueller, Fillmore County
Vice-Chair:	Leroy Hansen, Saunders County
Secretary:	Mary Koci, Seward County
Treasurer:	Bill Wenz, At-large representative

Taladay queried all existing SENDD officers by e-mail prior to the meeting. SENDD Secretary Koci will only be able to serve until December of this year, as she is not running for re-election on the Seward County Board of Commissioners. Chair Mueller also mentioned that with all of his granddaughters sporting events he is having difficulty making some SENDD Board and Executive Committee meetings.

Distributed with the meeting packet was a spreadsheet listing the full SENDD Board membership, as well as a SENDD Board membership update which identifies the non-elected members and their terms of membership. These include non-government representatives from private sector and stakeholder organizations, as well as at-large representatives. The initial elections were identified for 1-year, 2-year and 3-year staggered terms by "lot", in order to meet the conditions of the new by-laws which identified 3-year terms for representatives. The four Board Members up for nomination for a new three year term are as follows:

Three Year Terms (To Expire June 30, 2017):

Jeff Reynolds, Rural Enterprise Assistance Project (REAP)
Mark Kolterman, Principal Financial Group
Lowell Daisley, At Large Representative
Jerry Divis, Divis Planning Services

Taladay has contacted these individuals to gauge their interest in serving on the SENDD Board of Directors as non-governmental representatives for a new three year term. Mark Kolterman will be resigning from the SENDD Board at the June meeting due to him running for the 24th district State Legislature seat. Taladay is already working on finding a replacement for Mr. Kolterman on the SENDD Board. Taladay indicated that Jeff Reynolds and Jerry Divis have already agreed to continue serving on the SENDD Board of Directors. He has not heard back yet from Lowell Daisley at this time.

After a discussion by the Nominating Committee regarding these nominations, Chair Mueller called for a motion. Moved by Brandenburg, seconded by Harling to recommend to the full SENDD Board that the following officers: Chair (Bob Mueller); Vice Chair (Leroy Hanson); Secretary (Mari Koci); and Treasurer (Bill Wenz) continue to serve in their respective positions on the SENDD Full Board of Directors for the 2015 Fiscal Year. Motion passed unanimously on a vote by acclamation.

C. Agenda Adjustment – EDA Partnership Planning Grant: Letter of Award (Investment No. 05-83-05388-01): The Economic Development Administration (EDA) has approved the SENDD application for a \$61,000 investment to support continued implementation of the SENDD economic development planning program for the fiscal year July 1, 2014 to June 30, 2015. This application was submitted in March 2014. The approval letter was received on May 27, 2014. EDA requires the SENDD Board Chair to sign and return the Amendment to the Financial Assistance Award. This is the second year of a three year planning partnership program from July 1, 2013 through June 30, 2016. Distributed prior to the meeting was a copy of the cover letter, the amendment signature page and the special award conditions pages. The SENDD Executive Committee is requested to review the award and authorize the Chair to sign the amendment documents.

Taladay indicated that in March SENDD staff packaged an application to EDA for the second year of a three year partnership planning grant. The amount of this grant is \$61,000, with a 100% match (\$61,000) to be provided through local dues. After a brief discussion by the SENDD Executive Committee, Chair Mueller called for a motion. Moved by Koci, seconded by Brandenburg to approve the EDA Partnership Planning Grant Award and authorize the SEND Board Chair to sign the amendment documents. Motion passed unanimously on a vote by acclamation.

VII. STAFF REPORTS AND REMINDERS

A. Staffing Changes: Taladay advised the SENDD Executive Committee that SENDD staff member Kevin Burnison has submitted his resignation to SENDD as of May 31, 2014. He stated that Kevin had been looking to go back home, and was recently offered a position with the Southeastern Council of Governments in Sioux Falls, SD. Kevin has been with the SENDD organization for 26 years, accomplishing many things in the five Southeastern counties of the SENDD District. He did send out a personal note to the SENDD Board of Directors prior to leaving his position with SENDD. SENDD staff member Lisa Beethe will continue to work out of the SENDD-Humboldt office.

B. Newsletter: The May 2014 SENDD newsletter was sent out. This newsletter includes a feature article on Kevin Burnison, as well as notification of \$25,000 of tax credits awarded for the Bonham Theatre project.

C. SERN Meeting: An agenda for the May 22, 2014 quarterly SERN meeting was sent out with the meeting agenda. This meeting was held in Beatrice, and included round table updates, community spotlight, and a feature presentation by the Nebraska State Historical Society. SENDD Executive Committee member Brandenburg attended the meeting. She stated that it was a good meeting that was well attended.

D. Next SENDD meeting: Taladay stated that the next meeting will be for the Full SENDD Board. This meeting is scheduled for June 19, 2014 at the Hy-Vee located at 84th and Holdrege St. in Lincoln. Of particular interest will be election of SENDD Officers and review of the SENDD Budget for 2014-2015.

VIII. ADJOURNMENT

There being no further business to come before the SENDD Executive Committee, Chair Mueller called for a motion from the Executive Committee (also serving as the Budget/Nominating Committee) to adjourn the meeting. This motion was moved by Koci, seconded by Harling, and approved unanimously by the Executive Committee – Budget/Nominating Committee. The meeting was adjourned at approximately 1:45 P.M.

Respectfully Submitted:



Craig Eberle
Secretary Pro Tem