

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE – BUDGET/NOMINATING COMMITTEE
MINUTES OF THE MAY 31, 2012 MEETING

The monthly meeting of the Southeast Nebraska Development District's Executive Committee was scheduled and held on Thursday, May 31, 2012. This meeting also served as the SENDD Budget/Nominating Committee meeting for Fiscal Year 2013. The meeting was called to order by SENDD Chair Robert Mueller at approximately 12:41 P.M. at the HYVEE Store Conference Room located near 84th and Holdrege Street (1601 N. 84th Street) in Lincoln. Items of SENDD business were as follows:

I. ROLL CALL

A. Roll call: The following 5 Executive Committee-Budget/Nominating Committee members were present: Bob Mueller, Fillmore Co.; Leroy Hanson, Saunders Co.; Mary Koci, Seward Co.; Bill Wenz, Saline Co.; and Marvin Yost, Jefferson Co.

Staff members present were Dave Taladay and Craig Eberle, Lincoln

Executive Committee- Budget/Nominating Committee members absent (2) include: Steven Lade, Otoe Co. and Eric Leichty, Midwest Bank – Deshler

II. MINUTES

The previous SENDD Executive Committee meeting minutes (April 19, 2012) 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 Wenz, seconded by Koci to approve the minutes of the April 19, 2012 Full SENDD Board Meeting as presented. Motion passed unanimously on a vote by acclamation.

III. AGENDA ADJUSTMENTS:

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

IV. FINANCIAL

A. Check Registry: A copy of the April 2012 check registry report was sent out with the meeting packet. Taladay briefed the Executive Committee on the check registry report. He stated that checks paid out far exceeded check revenues for the month of April. During the month two checks were paid out to Schmader Electric for work completed on the siren project. The electronic disbursements from EDA for 75% of these payments are not reflected on the check registry report. After a brief discussion, Chair Mueller called for a motion. Moved by Hanson, seconded by Yost to approve the April 2012 check registry report as previously distributed. Motion passed unanimously on a vote by acclamation.

B. Revenue/Expense Report: A copy of April 2012 revenue/expense report was sent out with the meeting packet. Eberle briefed the Executive Committee on the March 2012 revenue/expense report. This revenue/expense report represents 83% of the SENDD 2012 Fiscal Year. He stated that aside from some variances, most expense categories are in line with the adopted budget. The projected revenues are still a bit overstated due to the siren project. The projected expendable revenues cash surplus for FY 2012 should be more in line once the EDA siren project is complete. Estimated completion of the siren project is July 2013. Eberle stated that SENDD showed a deficit of \$56,201 in April 2012. The large deficit for this month can be primarily attributed to the two payments submitted to Schmader Electric in 2012. 25% of these payments were collected up front in the fall of 2011, thus these cash inflows are not reflected in the April 2012 revenue/expense report. After a brief discussion by the Executive Committee, Chair Mueller called for a motion. Moved by Yost, seconded by Koci to approve the April 2012 revenue/expense report as previously distributed. Motion passed unanimously on a vote by acclamation.

C. Tecumseh; CDBG #11-DTR-104: SENDD staff assisted the City of Tecumseh in preparation and submittal of an application to the Downtown Revitalization Category of the Community Development Block Grant (CDBG) Program at the Nebraska Dept. of Economic Development. The City was recently awarded a grant in the amount of \$350,000 (out of a total project of \$500,000) as part of a major renovation to the downtown and historical Courthouse square. This project is Phase II-Implementation of a previous Phase I-Planning Grant completed early this year. SENDD has proposed a contract in the amount of \$17,000 for CDBG General Administrative services. The Executive Director is requesting authorization to negotiate and enter into a final contract with the City.

Taladay briefed the Executive Committee on this contract. He stated that it took a year to put this package together. They are just getting the contracts now. Tecumseh was also approved for funds through the Transportation Enhancement program to assist with the downtown improvement project. After the brief presentation by Taladay, Chair Mueller then called for a motion. Moved by Koci, seconded by Yost to authorize the Executive Director to negotiate and enter into a final CDBG general administration contract with the City of Tecumseh in the amount of \$17,000. Motion passed unanimously on a vote by acclamation.

D. Other Financial: There was no other financial information to discuss at this time.

V. OLD BUSINESS

A. Comprehensive Economic Development Strategy (CEDS): Staff report on status of contract with CRE and development of e-library and analysis by county. Staff will also report on status of committee meetings for counties/quadrants, with proposed schedule for completion. Taladay addressed the Executive Committee on the status of the SENDD CEDS. He stated that EDA has requested an updated CEDS for the fifteen county SENDD district. SENDD's previous CEDS document was completed prior to the expansion – only including the seven counties previously under RCEDD. Burnision has completed the regional meeting process, and has gathered all the data and documentation from these meetings for the report. SENDD is currently working on a CEDS draft document, pushing to have a draft submitted to the Full SENDD Board at the 6-21-12 meeting. EDA has given a deadline of 6-30-12 for SENDD submittal of a CEDS document. No formal action needed on Comprehensive Economic Development Strategy (CEDS) update and none taken.

B. Other Old Business: There was no other old business to discuss at this time.

VI. NEW BUSINESS

A. Budget Committee (for SENDD FY 2013 budget review and recommendations at June Board meeting): As a result of a May 1, 2012 e-mail request to the Full SENDD Board, the Executive Committee has once again been appointed to act as the Budget Committee for FY 2013. Budget information will be sent out to Executive Committee members, also serving as the Budget Committee, prior to the scheduled May 31 meeting for review. Items for review will consist of the following:

1. *Review of SENDD FY 2013 Revenue Projections:*

Craig Eberle began by providing an overview of the SENDD FY 2013 Revenue Projections. He stated that line items #1-34 consist of contracts for grant administration or program services delivery that are already in place. This list of current contracts is less than what was reported in the last fiscal year. SENDD took on a large amount of administration contracts in 2009-2010. A majority of these projects were for a two year period, thus they have either been closed out or will be closed out by the end of the 2012 FY. These carry-over contracts represent total projected program revenues for FY 2013 of approximately \$166,821.

Eberle continued by stating that line items #35-43 are contracts already in process, or have been assured that 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 #44-59 are contracts for which staff has a 75% expectation that the application will be prepared, submitted and funded during FY 2013. Line items #60-73 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. The total projected amount of these future project revenues is \$283,969. 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 and other similar type contracts. Membership dues receipts are estimated to be slightly less than year's receipts. This is due to overall reduced membership dues that have been recalculated based on 2010 census population data. The total amount of FY 2013 projected revenues from these items is \$530,106. At the bottom of the spreadsheet is the estimated total agencywide revenues projected for SENDD. Total SENDD agencywide FY 2013 projected revenues are estimated at \$980,896.

Eberle reminded the Budget Committee that there is always some speculation when estimating projected revenue streams. This year's revenue projections are estimated to be about \$117,000 less than last year. This is due to a large load of projects from the previous two fiscal years coming to completion. SENDD staff is aware that they have their work cut out for them in FY 2013. With a large load of previous projects coming to a close, this will free up more time for SENDD to work on new applications.

2. Review of SENDD Annual Wage Worksheet:

Eberle 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 2012 rates, between 2% and 10%. The Executive Director is proposing an average wage rate increase equaling a total of 2% of all salaries. He feels this is justified due to general cost of living increases and good work performed by staff in FY 2012. The Executive Director is anticipating this may not be an across the board 2% wage increase for all staff. Rather, the Executive Director at his discretion will be responsible for determining the percentage increase for each employee based on merit. This is how the last year's approved wage increase (FY 2012) was conducted.

SENDD is not showing much of an overall staff wage increase in FY 2013 in comparison to FY 2012. This is due to one of SENDD's housing staff members, Brian Bashore, being deployed by the military in December 2012. His estimated return to SENDD is October 2013. It is anticipated that his military pay will be more than his SENDD salary for that period, thus we are estimating no wages to be paid out for his position during the last seven months of FY 2013. The wage worksheet also reflects an anticipated 9.7% increase in health insurance premiums for SENDD's staff health insurance plan from Blue Cross/Blue Shield in FY 2013.

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 2001 Fiscal Year through the end of Fiscal Year 2012.

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

Eberle provided the Budget Committee with an overview on the SENDD Draft Agencywide Budget. The SENDD Draft Agencywide budget lists the proposed agencywide draft budget for FY 2013. 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 inflation. With many housing projects coming to a close during FY 2012, and one SENDD housing employee not working for SENDD during the final seven months of the 2013 Fiscal Year, SENDD is not anticipating an increase in travel expense for FY 2013. The personnel expense includes a proposed 2% wage increase, with a reduction in salary paid for housing staff who will not be receiving wages from SENDD during the final seven months of FY 2013. The total amount of projected expendable SENDD revenues is \$980,896. When compared to total projected expenses of \$930,164, this equates to a projected surplus of approximately \$50,731. This does include estimated carryover of previously collected SENDD membership and housing dues.

Eberle then addressed the Budget Comparisons spreadsheet. The first column includes the SENDD agencywide FY 2012 budget. The agencywide FY 2012 budget being used is the amended budget as of December 8, 2011 that was adopted by the full SENDD Board on January 19, 2012. The next column lists projected expenses and expendable revenues for the current SENDD Fiscal Year (2012). These revenues and expenses are projected based on the April 30, 2012 statements. The third column lists the proposed FY

2013 SENDD agencywide budget. The final column demonstrates the proposed increase and/or decrease in expenses and expendable revenues from the FY 2013 proposed agencywide budget and the adopted FY 2012 SENDD agencywide budget. Some items that have been increased from FY 2012 to FY 2013 are rent (added space in the Humboldt office), duplicating (due to increased costs), insurance/bonds (addition of SEND, Inc.) and contractual. SENDD is anticipating a reduction in program development fees due to fewer carryover contracts from the previous fiscal year. Revenues are projected to be about \$117,000 less than the previous FY budget. Total expenses are projected to be in line with previous year's budgeted figures. This is in part due to a reduction in housing staff hours for the last seven months of FY 2013. SENDD will prepare an amended budget in six months to track how the organization is doing in comparison to the FY 2013 budget.

5. Discussion/Action on Setting FY 2013 Membership Dues:

Taladay distributed a handout showing SENDD membership and housing dues receipts received during the 2012 Fiscal Year. This spreadsheet also shows proposed membership dues for the 2013 Fiscal Year. The membership dues have been recalculated to reflect 2010 census population data. Previous year's membership dues calculations were based on the 2000 census. With the updated census population information now available, SENDD has recalculated the membership dues based on the updated census data. The membership dues are still based on the same rate calculations as last year.

Overall, SENDD is showing a slight reduction in overall membership dues requests from last year. This is due to a reduction in overall district population from the 2010 census in comparison to the 2000 census. Some counties and communities actually show a slight increase in membership dues from the previous fiscal year, while some show a slight decrease. This is all due to population changes from the 2010 census in comparison to the 2000 census. Taladay stated that SENDD is not proposing an increase in membership dues for FY 2013. The rates and minimum/maximum thresholds at which the membership dues are calculated will remain the same. Only the population figures have changed. After a discussion by the Budget Committee, Chair Mueller called for a motion. Moved by Hanson, seconded by Wenz to approve the SENDD FY 2013 membership dues as proposed, with adjustments made due to 2010 census population changes. Motion passed unanimously on a vote by acclamation.

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

After a discussion between the Budget Committee and SENDD staff, Chair Mueller called for a motion. Moved by Wenz, seconded by Koci to approve and recommend to the full SENDD Board of Directors at the June 21, 2012 meeting the SENDD FY 2013 Agencywide Budget as proposed. This motion will allow for an average wage increase equaling a total of 2% of all salaries. The Executive Director, at his discretion, will be responsible for determining the percentage increase for each employee based on merit. Motion passed unanimously on a vote by acclamation.

B. Nominating Committee (for Elections at June Board meeting): As a result of a May 1, 2012 e-mail request to the Full SENDD Board, the Executive Committee has once again been appointed to act as the Nominating Committee. 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 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:	Eric Leichy, Vice President of Midwest Bank – Deshler Branch

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 are based on the new by-laws that were approved reflecting the revised make-up of the Full SENDD Board, which includes 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 representative. Taladay stated that there are still three vacant spots on the Full SENDD Board membership

roster. The two Full Board members who were assigned by lot for a one year term (Stephanie Shrader and Gus Brown) have been reached and are willing to serve on the SENDD Board of Directors for a new three year term, beginning in FY 2013.

Taladay stated that Eric Leichtly has accepted a new job position and will be re-locating to Giltner, NE. With his move outside of the SENDD district, he will be resigning as Treasurer of the SENDD Full Board of Directors. His position will need to be filled. Wenz also mentioned that he is not running for a new term, thus he will be off of the SENDD Full Board of Directors after the first of the year. A new county board member will be appointed by Saline County at that time to fill his position on the SENDD Board.

All current SENDD officers in attendance at the meeting agreed to serve in the same positions as held in the 2012 Fiscal Year. The Nominating Committee discussed possible candidates to replace Eric Leichtly as Treasurer on the SENDD Board. At Large Representative Gus Brown was nominated to replace Eric Leichtly as Treasurer for the 2013 Fiscal Year. After a discussion by the Nominating Committee regarding this nomination, Chair Mueller called for a motion. Moved by Yost, seconded by Koci to recommend to the full SENDD Board that the following officers: President (Bob Mueller), Vice President (Leroy Hanson) and Secretary (Mari Koci), continue to serve in their respective positions on the SENDD Full Board of Directors for the 2013 Fiscal Year – with the nomination of Gus Brown to replace Eric Leichtly as Treasurer. Motion passed unanimously on a vote by acclamation.

The Nominating Committee then nominated both Gus Brown and Stephanie Shrader to serve on the SENDD Board of Directors as non-governmental representatives for a new three year term. Chair Mueller called for a motion. Moved by Wenz, seconded by Hanson to approve the nomination of Gus Brown and Stephanie Shrader to serve on the SENDD Board of Directors as non-governmental representatives for a new three year term, beginning with FY 2013. Motion passed unanimously on a vote by acclamation.

VII. STAFF REPORTS AND REMINDERS

A. Newsletter: A copy of the April 2012 SENDD newsletter was handed out at the meeting. This newsletter provided an explanation of the Comprehensive Economic Development Strategy (CEDS).

B. Next meeting: Taladay stated that the next meeting will be for the Full SENDD Board. This meeting is scheduled for June 21, 2012 at the Hy-Vee located at 84th and Holdrege St. in Lincoln.

C. Staff Reports: Taladay briefly discussed a written report that was prepared and distributed by Jen Olds concerning her attendance at the Nebraska Planning and Zoning Association (NPZA) Annual meeting, as well as the Governor's Conference on Rural Development for 2012. Both these conferences were very informative and provided a good opportunity for SENDD to network with other organizations and resource providers. Olds was able to introduce herself to the new Director of the Nebraska Department of Economic Development (Cathy Lange) at the Governor's Conference, as well as educate her about SENDD and how our organization serves its member communities.

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 Yost, seconded by Hanson, and approved unanimously by the Executive Committee – Budget/Nominating Committee. The meeting was adjourned at approximately 2:03 P.M.

Respectfully Submitted:



Craig Eberle
Secretary Pro Tem