

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT  
EXECUTIVE COMMITTEE  
MINUTES OF THE AUGUST 16, 2012 MEETING

The regularly scheduled monthly meeting of the Southeast Nebraska Development District's Executive Committee was called to order by SENDD Chair Robert Mueller at approximately 6:33 P.M. at the SENDD – Lincoln office. This meeting was conducted via telephone conference. Items of SENDD business were as follows:

**I. ROLL CALL**

A. Roll call: Roll call was taken by roll call voice registration which showed the following 5 Executive Committee members present: Bob Mueller, Fillmore Co.; Leroy Hanson, Saunders Co.; Mary Koci, Seward Co. (arrived later in meeting); Gus Brown, York (at large representative); and Steven Lade, Otoe Co.

Staff members present were Dave Taladay and Craig Eberle, Lincoln

Executive Committee members absent (2) include: Bill Wenz, Saline Co. and Marvin Yost, Jefferson Co.

**II. MINUTES**

Minutes of the June 21, 2012 Full SENDD Board meeting were included in the meeting packet that was sent out to the Executive Committee. There was no Executive Committee meeting held on July 19, 2012. 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 Lade, seconded by Brown to approve the minutes of the June 21, 2012 Full SENDD Board Meeting as presented. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

**III. AGENDA ADJUSTMENTS:**

A. Taladay presented one agenda adjustment to the SENDD Executive Committee. This agenda adjustment is to be included under the IV. Financial section. The agenda adjustment is to be titled: F. HBE, Becker, Meyer, Love, LLP – Audit Services: Single Audit. A handout describing this agenda adjustment was distributed to the SENDD Executive Committee members prior to the meeting. A formal motion on this agenda adjustment was sought. Chair Mueller called for a motion. Moved by Hanson, seconded by Brown to approve the agenda adjustment as presented. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

**IV. FINANCIAL**

A. Check Registry: A copy of the June 2012 and July 2012 check registry reports were sent out with the meeting packet. Taladay briefed the Executive Committee on the check registry reports. He stated that on the June 2012 check registry report total checks paid out was \$124,979.24. This amount included a large check to Schmader Electric for siren installation, as well as three employee pay periods. Checks are typically cut on the first and 15<sup>th</sup> of each month. With the SENDD fiscal year end of 6-30-12 payroll checks were cut on the 1<sup>st</sup>, 15<sup>th</sup> and 29<sup>th</sup> of June. Taladay stated that a few checks had to be voided in July 2012 due to printing issues. Executive Committee member Brown asked why some out of sequence checks were dated 8-1-12 on the July 2012 check registry report. Eberle stated that payroll checks were processed on the same day as expense checks. Expense checks are always cut as of the end of the month (7-31-12). Staff payroll checks were dated when issued on 8-1-12, placing them out of sequence as they will be listed on the August 2012 check registry report. Chair Mueller then called for a motion. Moved by Brown, seconded by Hanson to approve the June 2012 and July 2012 check registry reports as previously distributed. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

B. Revenue/Expense Report: A copy of June 2012 revenue/expense report was sent out with the meeting packet. SENDD is still waiting for July bookkeeping to be complete, thus the July 2012 revenue/expense report was not able to be prepared and distributed prior to the meeting. Taladay briefed the Executive

Committee on the June 2012 revenue/expense report. He stated that this revenue/expense report represents the full SENDD 2012 Fiscal Year. He stated that expenses were in line with most budgeted items, with a few items coming in higher than anticipated. Revenues were close to budget expectations, with SENDD showing a surplus for the 2012 Fiscal Year. After a brief discussion by the Executive Committee, Chair Mueller called for a motion. Moved by Lade, seconded by Hanson to approve the June 2012 revenue/expense report as previously distributed. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

C. Excess Annual Personal Leave Settlement: As per policy established by the SENDD Board of Directors, the Executive Director, on June 30, 2012, accomplished required settlements to the Personal Leave Account which resulted in withdrawals from the account to satisfy excess personal leave accumulated by staff, and to cover SENDD's share of Federal and State taxes. The Executive Director will distribute and provide an overview of the two reports detailing the personal leave account status as of June 30, 2012.

Taladay briefed the Executive Committee on this project. He stated that instead of having separate vacation and sick leave policies, SENDD staff is allowed to accrue personal leave time. Personal leave time is a combination of vacation and sick leave. According to the personnel policy, SENDD staff cannot carry over more than 312 hours of accrued personal leave into the next fiscal year. If SENDD staff does not use any accrued personal leave time above 312 hours, the excess personal leave is reimbursed to staff to bring them back down to 312 hours. Three SENDD employees received a personal leave disbursement as of June 30, 2012. The personal leave deposit accounts show an excess cash amount of \$23,696.00 available to satisfy any current obligations to staff. No formal action was required on the Excess Annual Personal Leave Settlement and none taken.

D. Southeast Nebraska Affordable Housing Council, Inc. (SENAHC) HOME Program Contracts: SENDD staff assisted SENAHC in development and submittal of an application for 2011 Nebraska Affordable Housing Program "set-aside" funding for a Regional Owner-Occupied Housing Rehabilitation program in May 2012. That program has been approved with a formal notice on July 10, 2012. This project involves award of \$319,164 in Federal HOME funds to implement a housing rehabilitation program in a multi-county area to assist at least 11-LMI families with substantial rehabilitation of their homes; a primary service in Seward and Lancaster counties, with secondary service in Otoe, Saunders, Butler and Polk counties. Seward and Lancaster counties are a new service area and if funds are not fully expended there during the program, services may be expended in the four secondary counties (which were previous targeted counties in a recently completed regional program). The Executive Director is requesting authorization to negotiate and enter into contracts with SENAHC for the following activities:

- General HOME Administration in the amount not to exceed \$19,164.
- Housing Rehabilitation Management in the amount not to exceed \$33,000.
- Lead Testing in the amount not to exceed \$13,750.

Taladay briefed the Executive Committee on the SENAHC contracts. He stated that SENDD just finished a SENAHC regional housing program. These new HOME funds were set aside for SENAHC, with time spent on these projects to be paid for by SENAHC. Taladay clarified that the General HOME Administration contract was incorrectly listed on the meeting agenda. The actual contract amount is \$19,414. This contract was recently signed by the Executive Director, so retroactive approval is necessary for this contract. Taladay requested separate approval of each contract by the SENDD Executive Committee. After a brief discussion by the Executive Committee, Chair Mueller called for the following motions:

Moved by Hanson, seconded by Lade to approve retroactive approval for the Executive Director to enter into a contract in the amount of \$19,414 for General HOME Administration with SENAHC. This amount is a correction from the amount stated in the distributed meeting agenda (\$19,164). Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

Moved by Hanson, seconded by Brown to approve the Executive Director to enter into a contract in the amount of \$33,000 for Housing Rehabilitation Management with SENAHC. Chair Mueller then proceeded with

a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

Moved by Lade, seconded by Brown to approve the Executive Director to enter into a contract in the amount of \$13,750 for Lead Testing with SENAHC. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

E. Services Contract with Rural Enterprise Assistance Project (REAP): SENDD staff have been assisting the REAP program under a six month contract through June 30, 2012. Under this contract SENDD provides assistance in pre and post-loan technical assistance support, to include; client technical assistance related to Business Planning, Pricing, Marketing, Financial Management; individual consultation; and assistance in preparation of business plans. When this contract was entered into, it was the intention of REAP to enter into a full annual contract with SENDD after the six month contract period is complete. REAP has now proposed a contract for technical assistance for the retroactive term of July 1, 2012 to June 30, 2013. The Executive Director has entered into this agreement as of July 16, 2012. The Executive Director is requesting retroactive approval for entering into a contract in an amount not to exceed \$12,500.

Eberle briefed the Executive Committee on the services contract with REAP. He stated that as anticipated, REAP proposed a new twelve month contract with SENDD to partner with them on providing technical assistance support for businesses in Southeast Nebraska. The duties performed under this contract are identical to what was performed under the previous six month contract, as well as prior contracts. After a brief discussion by the Executive Committee, Chair Mueller called for a motion. Moved by Brown, seconded by Hanson to approve retroactive approval for the Executive Director to enter into a contract in the amount of \$12,500 with the Rural Enterprise Assistance Project. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

F. Agenda Adjustment – HBE, Becker, Meyer, Love, LLP- Audit Services: Single Audit: SENDD is in the second year of a three year contract with HBE for audit services. The cost of those services for FY 2011-2012 is set at \$5,850. Not recognized in that original contract, was the contingency for increased cost of services in the case of a required single audit. A single audit is required when expenditures of federal funds exceed \$500,000. Because the EDA funds for the purchase and installation of the Early Warning Sirens come through SENDD, we have exceeded that level of expenditures for 2011-2012. As a result, extra time and expanded procedures are required of the Auditor. We have discussed this situation with HBE and an increased cost of \$1,350 has been proposed by HBE to make a revised contract amount of \$7,200 for all Audit services. The SENDD Board is requested to authorize the increased cost to HBE for preparing a Single Audit for SENDD (FY2011-2012), with an additional cost of \$1,350.

Taladay provided the Executive Committee with some additional information on the single audit. He stated that this audit is unavoidable, and was brought upon primarily by the EDA siren project. SENDD had to run all of the EDA siren transactions through their organizational accounts. The total amount of these funds exceeded the \$500,000 threshold that triggers a single audit. After a brief discussion by the Executive Committee, Chair Mueller called for a motion. Moved by Lade, seconded by Hanson to authorize the increased cost of \$1,350 to HBE, Becker, Meyer, Love, LLC for preparing a Single Audit for SENDD for the 2011-2012 Fiscal Year. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

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

## V. OLD BUSINESS

A. Comprehensive Economic Development Strategy (CEDS) – Agreement with Center for Rural Entrepreneurship (CRE): It is anticipated that as of August 10, 2012, the "draft" CEDS for SENDD 2012-2017 will be made available for a 30 day public review on the organization's website; [www.sendd.org](http://www.sendd.org). The CEDS document may be revised based upon comments received during the 30 day period. At the end of the comment period a "Final Draft" document will be submitted to the Economic Development Administration (EDA). EDA may then accept the report as a full final document or they may recommend some additions and/or revisions.

Taladay updated the Executive Committee on the CEDS status. He stated that SENDD has gone through the process and put together a SENDD CEDS "draft" document. The 64 page CEDS "draft" document was posted on the SENDD website on August 13, 2012. It will remain there for a period of thirty days for review and comment. After thirty days the SENDD CEDS document will be submitted to EDA for review and feedback. No formal action needed on Comprehensive Economic Development Strategy (CEDS) update and none taken.

B. EDA Annual Progress Report: The EDA Annual Progress Report for year two of the three year Partnership Planning Grant plan was submitted to EDA on July 26, 2012. A copy of this report was distributed with the meeting notice. Taladay stated that this report is submitted annually as a requirement of the EDA partnership planning grant scope of work. The report provides a good summary of how SENDD utilizes the EDA funding, as well as specific business and community development projects SENDD was involved in during the 2012 Fiscal Year. No formal action needed on the EDA Annual Progress Report agenda item and none taken.

C. Board Membership: Two potential partners have indicated a willingness to serve on the SENDD Board of Directors to fill vacant positions.

- Cheryl Brandenburg: Black Hills Energy – Director, Economic Development. Ms. Brandenburg had previously worked as an Economic Development Consultant for the Nebraska Department of Economic Development (NDED).
- Nick Harling: American National Bank in Falls City – VP, Business Banking. Mr. Harling is a life-long resident in SE Nebraska and has experience in Insurance and Real Estate as well as the Banking industry

Taladay stated that SENDD has been seeking individuals to serve on the Full SENDD Board of Directors. Staff are still looking to fill one vacant position on the Full SENDD Board. At this time Taladay is seeking appointment by the Executive Committee of these two individuals to be placed on the Full SENDD Board of Directors. Both of these individuals will fill vacant non-governmental representative/private sector representative positions on the Full SENDD Board of Directors. Chair Mueller then called for a motion. Moved by Brown, seconded by Lade to appoint Cheryl Brandenburg and Nick Harling to the Full SENDD Board of Directors. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes. Motion passed unanimously on the roll call voice vote.

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

## VI. NEW BUSINESS

A. USDA-RD Intermediary Relending Program (IRP): On July 19, 2012 SENDD received notice of award from USDA-RD of \$223,000 of funding from the Intermediary Relending Program (IRP). This is from the IRP state allocation for which SENDD applied for funding from USDA-RD. These funds will be used to establish a revolving loan fund for all fifteen counties in the SENDD district. A copy of the notice of award was enclosed with this meeting notice. USDA-RD has contacted SENDD about a large pool of IRP funds still available at the federal level. SENDD has been invited to request additional funding from this national pool. Due to a short time frame for response to this invitation, the SENDD Executive Director requested an additional \$277,000 of IRP loan funds, for a total of \$500,000. SENDD will be competing on a national level for this additional funding based on the same criteria established in their recently approved \$223,000 USDA-RD IRP application. SENDD's request for \$277,000 of additional IRP loan funds from the national pool is currently pending. The Executive Director is seeking retroactive approval by the Executive Committee for requesting an additional \$277,000 of USDA-IRP loan funding.

Taladay briefed the Executive Committee on the IRP program agenda item. He stated that SENDD was notified by USDA-RD that they were unsuccessful in acquiring an additional \$277,000 of IRP loan capital from the national pool. SENDD is proceeding to close on the \$223,000 USDA-RD IRP state allocation that was recently awarded. Closing is anticipated to take place in the next 2-3 weeks. Due to the \$277,000 additional IRP funding request not being approved by USDA-RD, the Executive Director did not require formal action on this agenda item and none taken.



## VII. STAFF REPORTS AND REMINDERS

A. Newsletter: Taladay stated that there was no newsletter at this time. It is anticipated that a newsletter will be prepared and distributed next month.

B. MINK Meeting on August 2, 2012: Staff member Kevin Burnison attended this meeting. Discussion of activities and any need for future meeting attendance and participation. The MINK meeting notice was distributed with the SENDD Executive Committee meeting agenda. Taladay provided an overview of the MINK meeting held on 8-2-12. He stated that this group consists of a corridor along the Missouri River in the states of Missouri, Iowa, Nebraska and Kansas (M.I.N.K.). This area includes SENDD counties along the Missouri River. MINK held a meeting recently to discuss ways to work together to bring brand awareness to the area. One of the primary leaders of this group is USDA-RD State Director Maxine Moul. Kevin Burnison from the SENDD-Humboldt office attended this meeting and gave a report to staff on the proceedings. Taladay anticipates allocating additional SENDD staff time to work with this organization. SENDD is having some initial discussions with EDA regional staff and Maxine Moul at USDA-RD regarding the utilization of EDA disaster funds for a possible disaster coordinator to work with this group.

C. Next Meeting: Taladay indicated that the next meeting will be the Full SENDD Board of Directors meeting on September 20, 2012 in Lincoln. A schedule of meetings for the 2013 Fiscal Year was sent out with the meeting notice. On that same day SENDD, along with other Development Districts in the state, will be participating in an Economic Development Administration (EDA) peer evaluation. EDA has not performed one of these with SENDD for a while. This peer evaluation will be conducted in Lincoln over a day and a half, and will assess how SENDD is doing as well as what is going on with the Nebraska Development Districts. The peer evaluation consists of a showcase and evaluation, including power point presentations from each Development District. SENDD staff will update the Full SENDD Board on this peer evaluation at the 9-20-12 Full Board meeting.

## VIII. ADJOURNMENT

There being no further business to come before the SENDD Executive Committee, Chair Mueller called for a motion from the Executive Committee to adjourn the meeting. This motion was moved by Koci, seconded by Lade. Chair Mueller then proceeded with a roll call voice vote. Mueller: Yes; Hanson: Yes; Brown: Yes; Lade: Yes, Koci: Yes. Motion to adjourn the meeting passed unanimously on the roll call voice vote. The meeting was adjourned at approximately 7:04 P.M.

Respectfully Submitted:



Craig Eberle  
Secretary Pro Tem