

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT
BOARD OF DIRECTORS
MINUTES OF THE SEPTEMBER 17, 2015 MEETING

The scheduled quarterly meeting of the Board of Directors of the Southeast Nebraska Development District (SEND) was called to order by SEND Chair Lisa Hurley at approximately 7:01 P.M. at the Nebraska Association of County Officials (NACO) Office building (conference room) located at 1335 H Street in Lincoln. Items of SEND business were as follows:

I. CALL TO ORDER

A. Chair Hurley began the meeting by stating the following: Pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act is posted in the meeting room and is available for viewing by the public.

B. Roll call: Roll call was taken by registration, which showed the following 19 Board members present: Bob Mueller, Fillmore Co.; Leroy Hanson, Saunders Co.; Brad Grummert, Jefferson Co.; Erich Tiemann, Gage Co.; Les Agena, Johnson Co.; Brad Stake, Pawnee Co.; Kurt Bulgrin, York Co.; Jim Peterson, Cass Co.; Charles (Ron) Hauptman, Otoe Co.; Bob Hutton, Nemaha Co.; Tim McDermott, Saline County; Doug Watts, Greater Wahoo Development; Stephanie Shrader, NCAEDC; Cheryl Brandenburgh, Black Hills Energy; Pat Coldiron, Liberty House Bed & Breakfast; Lisa Hurley, YCDC; Bob Berggren, Rose Colored Glass; and Stephanie Shrader, Private Business Consultant.

Board members absent (6 – currently two vacancies) include: Dave Bruning, Thayer Co.; Jim Standerford, Richardson Co.; Mike Smith, Polk Co.; Daryl Long, Peru State College; Jeff Reynolds, REAP; and Jerry Divis, Divis Planning Services.

Staff members present were Dave Taladay, Craig Eberle, Judi Meyer, Rian Harkins, Mike Champion, Lincoln; Lisa Beethe, Humboldt.

Guests present were Pat Meyer and Yan Xi with HBE Becker, Meyer, Love, LLP.

C. SEND Staff Introductions: At this time, introductions took place among SEND staff and Board members attending the meeting. SEND staff members Mike Champion, Rian Harkins and Judi Meyer provided the Board with information about themselves as well as current projects they are working on.

D. Board Membership: SEND Executive Director Taladay and Business Loan Officer/Assistant Director Eberle indicated that there are currently two vacancies on the SEND Board. SEND staff have reached out to a few individuals to determine interest. So far they have not found anyone willing to serve at this time, however there are a couple of possibilities. There was then a discussion among SEND Board members regarding the vacant board membership positions. Taladay and Eberle stressed that they will continue to work on filling these open SEND Board positions.

At this time, Board Chair Hurley requested consideration by the SEND Board of Directors to move agenda item C. Executive Director Position – Performance Goals and Time Table under VI. New Business to the end of the meeting, after agenda item H. Future SEND Board Meetings under VII Staff Reports and Reminders. After a brief discussion, Chair Hurley called for a motion. Moved by Hanson, seconded by Bulgrin to move agenda item C. Executive Director Position – Performance Goals and Time Table under VI. New Business to the end of the meeting, after agenda item H. Future SEND Board Meetings under VII Staff Reports and Reminders. Motion passed unanimously on a vote by acclamation.

II. MINUTES

Minutes of the June 18, 2015 Full SEND Board Meeting, July 16, 2015 SEND Executive Committee Meeting and August 20, 2015 SEND Executive Committee Meeting were enclosed with the meeting agenda. Chair Hurley asked the Full SEND Board of Directors if there were any corrections or additions to the previous meeting(s) minutes. With no corrections or additions from the Full SEND Board, Chair Hurley

called for a motion to accept the June 18, 2015 Full SENDD Board Meeting minutes and the July 16, 2015 SENDD Executive Committee Meeting minutes, as well as approve the August 20, 2015 SENDD Executive Committee Meeting as presented. Moved by Brandenburg, seconded by Peterson to accept the June 18, 2015 Full SENDD Board Meeting minutes and the July 16, 2015 SENDD Executive Committee Meeting minutes, as well as approve the August 20, 2015 SENDD Executive Committee Meeting as presented. Motion passed unanimously on a vote by acclimation.

III. AGENDA ADJUSTMENTS

There were no agenda adjustments to be brought before the Full SENDD Board at this time.

IV. FINANCIAL

A. Check Registry: A copy of the August 2015 Check Registry report was included in the meeting packet that was sent out to the Full SENDD Board. Taladay briefed the Full SENDD Board of Directors on the August 2015 Check Registry report. He stated that checks paid out and received were typical for this time of year. They are starting to see a significant amount of membership and housing dues coming in from SENDD counties and municipalities. At the conclusion of the check registry report overview by Taladay, Chair Hurley called for a motion. Moved by Watts, seconded by Hutton to approve the August 2015 Check Registry report as previously distributed. Motion passed unanimously on a vote by acclimation.

B. Revenue/Expense Report: Copies of the June 2015, July 2015 and August 2015 Revenue/Expense report were enclosed with the meeting agenda. Eberle addressed the June 2015, July 2015 and August 2015 Revenue/Expense reports. He stated that the June 2015 Revenue/Expense report reflects the 2014-2015 fiscal year end numbers after final financial adjustments. The biggest change in the June 2015 report from the preliminary numbers is a provision for doubtful accounts. This figure includes an estimated loss on an existing SENDD IRP loan that is currently in default, as well as an increased allowance for uncollectible notes due to loans issued previously through the IRP#2 loan program and new loans made out of the IRP/RBEG loan programs to businesses during the fiscal year.

Eberle continued by going over the July 2015 and August 2015 Revenue/Expense reports. He stated that revenues are short in the July 2015 report, but pick up considerably in the August 2015 report. This is because membership dues are starting to come in from counties and communities during the month of August. Some expenses, such as insurance/bonds and dues/subscriptions are projecting high as a large portion of these budgeted expenses are paid early in the 2016 fiscal year. After a brief discussion by the SENDD Board of Directors, Chair Hurley called for a motion. Moved by Mueller, seconded by Hauptman to approve the June 2015, July 2015 and August 2015 Revenue/Expense Reports as presented. Motion passed unanimously on a vote by acclimation.

C. HBE presentation of Annual Financial Statements and Report of CPA: Copies of the 2014-2015 SENDD Fiscal Year annual financial statement draft report and corresponding letters were distributed to the SENDD Board prior to the meeting. Pat Meyer and Yan Xi with HBE Becker Meyer Love, LLP were present to go over the SENDD FY 2015 draft financial audit. Meyer provided a power point presentation to highlight the primary pieces of the SENDD FY 2015 draft audit report. He stated that SENDD FY 2015 revenues decreased from \$940,950 in FY 2014 to \$907,082 in FY 2015. This is primarily attributed to staff changes during the fiscal year. SENDD's overall expenses decreased from \$937,397 to \$852,952. This was due primarily to a reduction in staff salaries and fringe benefits due to staffing changes in FY 2015. SENDD showed an increase of \$54,661 in net assets from 2014 to 2015, with total liabilities decreasing from \$907,265 in 2014 to \$840,212 in 2014.

Meyer concluded the FY 2015 audit presentation by discussing the need for previous single audit reports, Board communication letter and management letter. Meyer explained that the Board communication letter indicates that there were no difficulties in performing the audit and no consultations with other independent accountants. The management letter discussed SENDD's internal controls and compliance. He stated that SENDD, as do many small organizations with limited staff, struggles with appropriate segregation of duties and internal controls. These internal control and compliance issues are the same as in past years. Overall, there were not many compliance issues and any deficiencies were addressed with SENDD staff.

At the end of the presentation, Meyer asked the SENDD Board if they have any additional questions on the SENDD FY 2015 Annual Audit draft report. Pat Meyer and Yan Xi of HBE Becker Meyer Love, LLP were then excused from the meeting. After the presentation by Meyer, there was a brief discussion by the Full SENDD Board on the FY 2015 draft financial audit statements. Chair Hurley called for a motion. Moved by Glawatz, seconded by Tiemann to approve the FY 2015 SENDD Annual Financial Audit as presented. Motion passed unanimously on a vote by acclimation.

D. Syracuse – NAHTF #15-TFHO-16056: SENDD staff assisted the City of Syracuse in an application to the Nebraska Department of Economic Development (NDED) for a project under the Annual Cycle of the Nebraska Affordable Housing Program (NAHP). The City has been awarded \$420,988 of Nebraska Affordable Housing Trust Funds (NAHTF) to implement a countywide program of owner-occupied housing rehabilitation for at least 13-units, for income eligible homeowners in Syracuse and all of the incorporated communities in Otoe County. The Executive Director is requesting authorization to negotiate and enter into a contract for General Administration for an amount not to exceed of \$26,000.

Taladay and SENDD Programs Manager Lisa Beethe provided a brief overview of the Syracuse 2015 NAHTF general administration contract. This is a countywide program, with the application going through the City of Syracuse. Interlocal Agreements were secured from all of the municipalities in the county. Taladay stated that this could open the door for other potential countywide housing programs. After a brief discussion by the SENDD Board of Directors, Chair Hurley called for a motion. Moved by Hauptman, seconded by Shrader to authorize the Executive Director to negotiate and enter into a general administration contract with the City of Syracuse for an amount not to exceed of \$26,000 for the Syracuse NAHTF project. Motion passed unanimously on a vote by acclimation.

E. SENDD Bank Resolutions/Signature Cards: Due to changes in officer positions on the SENDD Board of Directors, new signature cards are required for some SENDD bank accounts. The Executive Director is requesting discussion and approval of bank resolutions and authorization of the designated officers to execute new signature cards for various financial institutions.

Taladay addressed the SENDD Board about the bank resolutions and signature cards. He stated that SENDD has accounts with six different banks. With the changes in officers, the signature cards, as well as bank resolutions authorizing who can sign checks on behalf of the organization will need to be updated. Taladay was requesting approval to complete the resolutions and signature cards. After some discussion, it was determined that the signors should include the SENDD Executive Director, Board Chair and Board Treasurer. Chair Hurley then called for a motion. Moved by Bulgrin, seconded by Watts to approve completing new bank resolutions, as well as authorizing the SENDD Executive Director, SENDD Board Chair and Board Treasurer as signors on the new signature cards at the various financial institutions. Motion passed unanimously on a vote by acclimation.

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

V. OLD BUSINESS

There was no old business to discuss at this time.

VI. NEW BUSINESS

A. SENDD RBEG-RLF/SEND, Inc. Rural Microentrepreneurship Assistance Program (RMAP) Loan Project: A loan was recently approved by the SENDD/SEND, Inc. Loan Committee at a Committee meeting held on 8-19-15 for a dance studio project in Ashland, NE. According to the recently adopted SENDD/SEND, Inc. Revolving Loan Fund Plan, details on the loan application are to be provided to the SENDD Board of Directors during scheduled meetings. A brief loan summary of the project was enclosed with the meeting agenda.

Eberle briefed the SENDD Board of Directors on this new loan project. He stated that based on the recently adopted SENDD/SEND, Inc. Revolving Loan Fund Plan, details about any new loans are to be provided to the SENDD Board of Directors. He then directed everyone to the loan summary that was sent out with the

meeting agenda. This loan was recently approved by the SENDD/SEND, Inc. Loan Committee. The loan is for the expansion of a dance studio business in Ashland. Loans are being provided from the SEND, Inc. RMAP-RLF, SENDD RBEG-RLF and Core Bank in Ashland. Eberle then advised the SENDD Board about the documentation provided to the SENDD/SEND, Inc. Loan Committee on the project in order to consider approving the loan. A brief discussion about the loan project followed the briefing by Eberle. No action needed on the SENDD RBEG-RLF/SEND, Inc. Rural Microentrepreneurship Assistance Program (RMAP) Loan Project agenda item and none taken.

B. SENDD Strategic Planning 2015-2016: A discussion among SENDD staff and SENDD Board members present about strategic planning for the district during the current fiscal year. Discussion will involve staff input about opportunities for SENDD going forward.

Taladay began the discussion about SENDD strategic planning. Two years ago SENDD staff participated in an internal strategic plan. They are also approaching the renewal of their Certified Economic Development Strategy (CEDS). The current SENDD CEDS document was prepared in 2012 and is good for five years. SENDD is looking at facilitating regional focus groups involving representatives from each area of the district. SENDD has a CEDS committee established from the previous CEDS process. This committee will need to be updated and new members recruited to participate in this process. Chair Hurley discussed a strategic planning session for the SENDD Board of Directors. At this time there was some discussion and ideas shared about strategic planning for the district. No action needed on the SENDD Strategic Planning 2015-2016 agenda item and none taken.

C. Executive Director Position – Performance Goals and Time Table: This agenda item was moved to the end of the SENDD Board meeting agenda, after agenda item H. Future SENDD Board Meetings under VII Staff Reports and Reminders.

VII. STAFF REPORTS AND REMINDERS

SENDD staff present at the meeting provided updates to the Full SENDD Board on the following:

A. SENDD 2014-2015 Performance Report: Taladay informed the SENDD Board of Directors that they have developed a list of projects and other items needed for the performance report. They anticipate getting the report out in the next 30 days. At this time copies of the October 2015 newsletter were distributed to the SENDD Board members in attendance. SENDD Programs Manager Judi Meyer prepared the newsletter. The newsletter will be distributed through various e-mail lists in the next week or so.

B. SENDD Membership Dues 2014-2015: Taladay reported on the status of SENDD 2015-2016 membership dues requests. Dues are starting to come in from counties and communities. He stated that approximately 36% of membership dues have been submitted at this time. Approximately 24% of voluntary housing dues have also been submitted as of this time. All membership and housing dues are due on October 31, 2015. Board Member Agena asked about the census population and SENDD dues calculation in Johnson County. Taladay indicated that he could query other Districts and see how they look at population statistics, although many districts have a different way of calculating county membership dues.

C. LB 318 Funding: Taladay briefed the board on the status of LB318 funds. He stated that the funding is approved, but distribution of the funds is currently held up. The Nebraska Legislature Appropriations Committee is working with the Nebraska Department of Economic Development (NDED) on guidelines and procedures so that the funds can be distributed to the Development Districts. The Board offered their assistance if needed in moving this process along. Funding of approximately \$80,000/year for the next two years will be available to SENDD as a part of this program.

D. Southeast Nebraska Partners For Progress SET Program/Civic Engagement Forum: Beethe informed the SENDD Board about the SET program. A FAM tour was conducted on August 29th, which highlighted good things going on in the five county region. A Civic Engagement Forum is scheduled for September 23, 2015 at Peru State College. They are hoping to have 75 people attend this forum. Beethe invited all SENDD Board

Members to attend this meeting in Peru. The end goal of this process is to develop a economic development plan for the five county area.

E. SERN Meeting – September 24, 2015: Eberle advised the SENDD Board of Directors that the next SERN meeting is scheduled for September 24, 2015 at the Wheelhouse in Deshler. The meeting will include a business meeting and roundtable discussions. Presentations from representatives of The Wheelhouse, Deshler Library and Thayer County Health Services are planned.

F. NROC 3rd Annual Training Conference: Taladay advised the SENDD Board about this upcoming conference. He provided some background on the Nebraska Regional Officials Council (NROC). This is the third annual NROC training conference, which includes sessions on nuisance abatement, fiscal management, grant administration, district building, community planning, housing, facilitating board meetings, business loans, downtown revitalization and TIF/Blight Studies. The annual NROC Board meeting and election of officers will also take place at the conference. At the conclusion of the conference is an EDA roundtable, which is including the Vice Secretary of EDA. This roundtable is being held to facilitate a meeting with regional officials and other state agencies to discuss EDA's programs.

G. MINK Meeting – September 18, 2015: Beethe informed the SENDD Board of Directors that the next MINK meeting is scheduled for Friday, September 18 at The Grand Weaver Hotel in Falls City. This is a four state economic development group that is established as a 501(c)(3) non-profit corporation.

H. Future SENDD Board Meetings: Taladay indicated that the next SENDD Executive Committee meeting is scheduled for October 15, 2015. The next Full SENDD Board meeting is scheduled for January 21, 2016. At this time Chair Hurley called for a meeting break to take the SENDD Board photo for the 2014-2015 SENDD Performance Report.

The following agenda item was moved to the end of the meeting, after agenda item H. Future SENDD Board Meetings under VII Staff Reports and Reminders, by approval of a formal motion by the SENDD Board of Directors earlier in the meeting:

C. Executive Director Position – Performance Goals and Time Table: Request by the SENDD Chair for discussion about position evaluation and potential performance goals for the Executive Director position is requested. The Chair may request an Executive Session for this activity.

At this time, Chair Hurley called for a motion to go into executive session to discuss the Executive Director Position – Performance Goals and Time Table agenda item with the Full SENDD Board of Directors. Moved by Bulgrin, seconded by Glawatz to go into executive session. Motion passed unanimously on a vote by acclamation. The SENDD Board of Directors went into executive session at 8:18 P.M.

At 9:25 P.M., Chair Hurley called for a motion to go out of executive session. Moved by Mueller, seconded by Shrader to go out of executive session. Motion passed unanimously on a vote by acclamation.

VIII. ADJOURNMENT

There being no further business to come before the Full SENDD Board, Chair Hurley called for a motion to adjourn the meeting. This motion was moved by Brandenburgh, seconded by Mueller and approved unanimously by the Full SENDD Board. The meeting was adjourned at approximately 9:26 P.M.

Respectfully Submitted:



Craig Eberle
Secretary Pro Tem