

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT
BOARD OF DIRECTORS
MINUTES OF THE MARCH 20, 2014 MEETING

The scheduled quarterly meeting of the Board of Directors of the Southeast Nebraska Development District (SEND) was called to order by SEND Chair Robert Mueller at approximately 7:00 P.M. at the HYVEE Store Conference Room located at 1601 N. 84th Street in Lincoln. Items of SEND business were as follows:

I. CALL TO ORDER

A. Chair Mueller 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 18 Board members present: Bob Mueller, Fillmore Co.; Leroy Hanson, Saunders Co.; Mary Koci, Seward Co.; Jim Peterson, Cass Co.; Myron Dorn, Gage Co.; Brad Stake, Pawnee Co.; Charles (Ron) Hauptman, Otoe Co.; Brad Grummert, Jefferson Co.; Bob Hutton, Nemaha Co.; Dave Bruning, Thayer Co.; Jim Standerford, Richardson Co.; Tim McDermott, Saline County; Nick Harling, American National Bank; Jeff Reynolds, REAP; Jerry Divis, Divis Planning Services; Cheryl Brandenburgh, Black Hills Energy; Lisa Hurley, YCDC; and Bill Wenz, Crete (at large representative).

Board members absent (8) include: Kurt Bulgrin, York Co.; Ted Evans, Johnson Co.; Mike Smith, Polk Co.; Doug Watts, Greater Wahoo Development; Mark Kolterman, Kolterman Agency; Stephanie Shrader, NCAEDC; Daryl Long, Peru State College; and Lowell Daisley, Cedar Creek (at large representative).

Staff members present were Dave Taladay, Craig Eberle and Jen Olds, Lincoln; Kevin Burnison and Lisa Beehe, Humboldt.

C. Board Membership: A potential partner has indicated a willingness to serve on the SEND Board of Directors to fill a vacant position. *Bob Berggren (Stromsburg)*: Bob Berggren is the owner of the Rose Colored Glass in Stromsburg, a wine tasting room featuring Nebraska wines. He also operates the Scandinavian Inn, which is a local Bed and Breakfast. Bob is a member of the Stromsburg Chamber of Commerce, and the Chair of the local Business Retention and Development Committee (see attached bio). Mr. Berggren would complete the SEND Board spot for Roberta Pinkerton who resigned in January. This position term would end on June 30, 2016.

At this time introductions took place by all SEND Board members and SEND staff attending the meeting. Bob Berggren, a native of Stromsburg, then provided the SEND Board of Directors with some background on himself. SEND Executive Director Taladay informed the Full SEND Board of Directors that he is requesting formal action to accept the nomination of Bob Berggren as a Non-Governmental Representative – Private Sector Representative. Chair Mueller called for a motion. Moved by Koci, seconded by Brandenburgh to approve the nomination of Bob Berggren to the Full SEND Board of Directors as a Non-Governmental Representative – Private Sector Representative. Mr. Berggren's position term would end on June 30, 2016. Motion passed unanimously on a vote by acclamation.

II. MINUTES

Minutes of the January 16, 2014 Full SEND Board Meeting and February 20, 2014 SEND Executive Committee Meeting were enclosed with the meeting agenda. Taladay advised the Full SEND Board of Directors that he was seeking approval of the January 16, 2014 Full SEND Board meeting minutes, as well as acceptance of the February 20, 2014 SEND Executive Committee meeting minutes. Chair Mueller asked the Full SEND Board members in attendance if there were any corrections or additions to the previous meeting(s) minutes. With no corrections or additions from the Full SEND Board, Chair Mueller called for a motion to approve the January 16, 2014 Full SEND Board Meeting minutes. Moved by Standerford, seconded by Hutton to approve the minutes of the January 16, 2014 Full SEND Board Meeting as presented. Motion passed unanimously on a vote by acclamation. Chair Mueller then called for a motion to accept the

February 20, 2014 SENDD Executive Committee meeting minutes. Moved by Wenz, seconded by Stake to accept the February 20, 2014 SENDD Executive Committee Meetings 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 of Directors at this time.

IV. FINANCIAL

A. Check Registry: A copy of the February 2014 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 February 2014 Check Registry report. He indicated that the month included a standard listing of expense checks for salaries, travel and other operating expenses. Under revenues he pointed out that some amounts received from communities (such as Seward and Auburn) have numerous numbers by them. Those numbers are account codes for separate administration contracts with those communities, with the total amount received under all contracts listed as revenue. At the conclusion of the check registry report overview by Taladay, Chair Mueller called for a motion. Moved by Standerford, seconded by Divis to approve the February 2014 Check Registry report as previously distributed. Motion passed unanimously on a vote by acclimation.

B. Revenue/Expense Report: A copy of the February 2014 Revenue/Expense report was distributed to the Full SENDD Board prior to the meeting. Taladay briefed the Full SENDD Board on the February 2014 Revenue/Expense report. Taladay stated that this report represents 2/3 of the SENDD 2014 Fiscal Year. The revenue and expense figures are compared to the amended SENDD FY 2014-2014 budget that was approved at the January 16, 2014 SENDD Board meeting. Most of the expenses are in line with budgeted figures. Revenues are low for the month of February due to this being a time of year when SENDD staff is focusing most of their time on writing grant applications. Thus they are spending less time processing drawdowns and working on billable activities. After a brief discussion by the Full SENDD Board, Chair Mueller called for a motion. Moved by Reynolds, seconded by Divis to approve the February 2014 Revenue/Expense report as previously distributed. Motion passed unanimously on a vote by acclimation.

C. SENDD Membership Dues for Counties and Municipalities: Membership dues were last adjusted for the fiscal year 2009-2010, based upon Year 2000 Census populations for counties and municipalities in the 15-County District. For fiscal year 2013-2014, the dues assessment rate remained the same as previous, as adjusted for 2010 Census populations. As we look forward to the budget for fiscal year 2014-2015, the Executive Director is recommending that the dues assessment rates remain the same based on those 2010 populations. The membership dues received in the last four years have been approximately 20-22 percent of the total SENDD budget.

Taladay directed everyone to the FY 2013-2014 SENDD membership dues spreadsheet which was distributed with the meeting packet. This spreadsheet indicates the SENDD counties and municipalities that paid membership dues in FY 2013-2014. Total membership dues received in FY 2013-2014 were around \$212,000, which represents approximately 21% of the SENDD FY 2013-2014 budget. Taladay informed the SENDD Board of Directors that the last time SENDD increased membership dues was in 2009. With dues requests for FY 2014-2014 scheduled to go out in May, Taladay does not see any reason to increase the dues assessment for the upcoming fiscal year. After a brief discussion by the Full SENDD Board of Directors, Chair Mueller called for a motion. Moved by Standerford, seconded by McDermott to keep the SENDD membership dues assessment rate for counties and municipalities the same in FY 2014-2015 based on 2010 populations. Motion passed unanimously on a vote by acclimation.

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

V. OLD BUSINESS

A. SENDD Personnel Policies: Review of Personnel Policies in regards to Personal Leave and Flex Time as requested by Board members at the January Board meeting. Copies of the Personnel Policies, along with notes on the history of Personal Leave and Flex Time policies were distributed with the meeting notice.

Taladay briefed the SENDD Board of Directors on the SENDD Personnel Policies agenda item. He stated that at the January 16, 2014 Board meeting the SENDD Board had questions on the SENDD personal leave policies. Taladay put together a set of notes on the SENDD personal leave bank and flex time policy. SENDD does not provide staff with match for retirement, although they do have a 457 pre-tax retirement plan available for SENDD staff to participate in. The existing SENDD personal leave bank was approved by the SENDD Board of Directors in 1984. The personal leave bank allows staff to accumulate as much time as accrued and not used. At the end of each fiscal year, a payment is made to staff for all hours unused above 312 hours. Flex time was then approved in 2011, which allows staff to accumulate extra time over a pay period, and use up to a maximum of two hours of flex time per day.

A discussion on SENDD's personnel policies followed the presentation by Taladay. SENDD Executive Committee Member Bill Wenz asked what percentage of SENDD staff members participate in the retirement plan. Taladay thought that about half of SENDD staff members participate in the SENDD 457 pre-tax retirement plan at this time. Chair Mueller asked if the Department of Labor is okay with this policy. Taladay responded by stating that this policy has been in effect for thirty years, and with staff being considered exempt from overtime, etc. that he assumed they were okay. However, this policy has never been reviewed by the Department of Labor. At this time there was a discussion about exempt and non-exempt employees. SENDD Board Member Lisa Hurley asked about the existing flex time policy, and why there was not more flexibility for SENDD staff attending mandatory night meetings, etc. Taladay answered by stating that this is primarily due to SENDD's liberal personal leave policy.

The discussion continued with SENDD Executive Committee Member Cheryl Brandenburg suggesting a motion that that the SENDD Executive Committee review the SENDD flex time policy at a future meeting. SENDD Board Member Jerry Divis asked the Executive Director if he had queried other Development Districts about their personal leave policies. Taladay indicated that he had not yet done that. Executive Committee Member Brandenburg then withdrew her motion, agreeing that the next step would be for the SENDD Executive Director to obtain other Development District personal leave policies. These personal leave policies should be reviewed and compared to the SENDD personal leave policy. The SENDD Executive Director should then report these findings to the Board at a future meeting. Taladay informed the SENDD Board that he will work on obtaining personnel policies from other Development Districts. No formal action needed on the SENDD personnel policies agenda item and none taken.

VI. NEW BUSINESS

A. EDA – Invitation to Submit Application for Fiscal Year 2014-2015: SENDD has recently received an invitation from the Economic Development Administration for a Partnership Planning Program grant for fiscal year 2014-2015. SENDD will soon be completing the first year planning project, under a three year program, as of June 30, 2014. This new application is for a second year funding, dependent upon the final Federal budgets and performance by SENDD. This award will go back to the 100% allocation level of 2012, with a \$61,000 grant with a local match at 50% (\$61,000) for a total project of \$122,000. The application documents are due on March 24, 2014. The Executive Director is requesting approval of submitting an application and authorization for the Chair and/or Executive Director to sign all necessary documents.

Taladay briefed the SENDD Board of Directors on the EDA Partnership Planning Program invitation. He stated that last year was the first year of a three year program. Last year the award to SENDD was reduced to 90% of allocation. This year the award has gone back to the 100% allocation level, consisting of a \$61,000 grant with a 50% local match of \$61,000. The EDA Partnership Planning Program application is due on March 24. The work plan for the 2014-2015 fiscal year is almost the same as last year, including coordination, community assistance, affordable housing, downtown improvements, and economic development efforts. SENDD staff will be putting together a narrative report in June summarizing activities conducted through this program over the previous fiscal year. After a brief discussion by the Full SENDD Board, Chair Mueller called for a motion. Moved by Hutton, seconded by Divis to approve the submittal of an application to the Economic Development Administration for the Partnership Planning Program grant for fiscal year 2014-2015. This motion also authorized the SENDD Board Chair and/or Executive Director to sign all necessary application documents. Motion passed unanimously on a vote by acclamation.

B. Intermediary Relending Program (IRP) Application with USDA-Rural Development: On February 10, 2014 USDA-RD announced they were seeking applications for the Intermediary Relending Program (IRP). SENDD staff is considering the development and submittal of an application to the USDA-RD IRP program for capitalizing a "Regional IRP Loan Fund". SENDD has two existing IRP loan funds, however almost all funds have been loaned out and are being repaid. SENDD is anticipating submitting an application for up to \$500,000 of IRP funding through USDA-RD. The deadline to submit an application for the USDA-RD IRP is March 31, 2014. The SENDD Executive Director is requesting consideration of the \$500,000 USDA-RD IRP application, as well as review/approval of a Resolution that authorizes SENDD to apply for and administer the IRP, as well as authorizes the Executive Director to sign the IRP loan documents.

Taladay and SENDD Staff Member Eberle presented on the IRP application. Taladay stated that this announcement came up rather quick that USDA-RD was soliciting applications for the IRP loan program. In 2012 SENDD was awarded \$223,000 in IRP funds from USDA-RD through a state allocation. Eberle indicated that all of these funds have been loaned out to eligible businesses in the SENDD District. SENDD's original IRP loan fund is also almost all loaned out. Eberle continued by stating that SENDD has had good success with this loan program over the past few years. The proposed application is for up to \$500,000 of IRP loan capital to establish a new IRP loan pool. This application does not include any matching funds, which does hurt the overall score. SENDD does not have the available cash to place into this fund for match, and other outside programs have interest rates that are too high and leave insufficient rate spreads for the loan program. A discussion by the SENDD Board then followed the presentation by Taladay and Eberle. Upon conclusion of the discussion by the SENDD Board, Board Chair Mueller called for a motion. Moved by Stake, seconded by Dorn to approve the Resolution as proposed authorizing SENDD to apply for up to \$500,000 of USDA-RD IRP loan funds, as well as authorizing the SENDD Executive Director to sign all IRP loan application documents. Motion passed unanimously on a vote by acclamation.

C. Appoint Budget and Nominating Committee: The Executive Committee has previously been appointed by the SENDD Board to act as the Budget Committee and the Nominating Committee. It is anticipated that material for review of a proposed Budget for 2014-2015 would be available in May. The Nominating Committee reviews the officers and executive committee membership and provides recommendations to the full Board for a potential slate at the June meeting.

Taladay addressed the Board on these committee appointments. He stated that over the last few years the SENDD Board has appointed the SENDD Executive Committee to act as both the Budget Committee and Nominating Committee. With a proposed SENDD FY 2014-2015 budget to be reviewed in May, as well as nomination of officers for the upcoming fiscal year, Taladay is seeking input as to whether the Board still wants the Executive Committee to serve in this capacity. Board Chair Mueller asked the SENDD Board if there should be some new people participating on the Budget and Nominating Committees, as the same individuals participate on these committee's each year. The SENDD Board members in attendance felt that the Executive Committee does a good job and should serve as the Budget and Nominating Committee for the upcoming SENDD fiscal year. Upon conclusion of the discussion by the SENDD Board, Chair Mueller called for a motion. Moved by Divis, seconded by Hurley to appoint the SENDD Executive Committee to act at the Budget Committee and the Nominating Committee for the 2014-2015 SENDD Fiscal Year. Motion passed unanimously on a vote by acclamation.

VII. STAFF REPORTS AND REMINDERS

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

A. NROC Training Conference: Taladay advised the SENDD Board of Directors on this upcoming conference. The Nebraska Regional Officials Council (NROC) is made up of representation of all Executive Directors of the Development Districts in the State of Nebraska. This is a 501(c)(6) non-profit corporation formed to provide training and coordination of activities among the Development Districts. The organization currently is working with the Nebraska Department of Economic Development (NDED) to develop a statewide Certified Economic Development Strategy (CEDs). Last year, NROC put on a cross training conference in Kearney. There were sessions that discussed bookkeeping, administration, business lending, and other programs and services that the Development Districts are involved with across the state. Taladay stated that this was a good

conference that allowed for sharing of best practices and networking among other Development Districts. NROC has scheduled a 2nd Annual Training Conference for April 15-16, 2014 in Kearney. This type of training is part of the education component of the EDA Work Plan. It will include some costs for travel and hotel rooms, as well as staff time to attend the conference.

B. Newsletter: Taladay stated that the March 2013 newsletter went out this week. This month's newsletter included a cover article on Custom Wood Products in Henderson, as well as information on home ownership programs in Fillmore, Seward and Thayer Counties.

C. NAHP PreApplications: Taladay directed the SENDD Board members to the list of pre-applications for affordable housing projects that were submitted to NDED on March 7, 2014. This list was sent out with the meeting agenda. There is the potential for eight different housing programs in the SENDD district for the upcoming fiscal year. Some of these applications are for owner occupied rehabilitation, some for down payment assistance, as well as one application targeting purchase, rehabilitation and resale. For this program year NDED is allowing for demolition activities in addition to housing rehabilitation. SENDD staff are busy packaging final housing applications for the 2014 NAHP annual cycle, which are due to NDED on April 30, 2014.

D. SEND, Inc. Status: Taladay advised the SENDD Board of Directors that NDED has certified SEND, Inc. as a Non Profit Development Organization (NDO). NDED is pulling together documentation on the NDO process for staff review. Taladay indicated that they are waiting for guidance from NDED regarding money available in existing community and county CDBG EDLF's in the fifteen county region.

E. SEND Technology Upgrades: Taladay provided an update to the SENDD Board of Directors on proposed technology upgrades. Taladay stated that he is still working on obtaining proposals from other technology providers. He recently received a proposal that came out much higher than the amount allocated. Taladay indicated that a few office computers are on their last leg, with some having not been replaced since 2006. He is looking at replacing these outdated PC's, as well as a server upgrade and possibly tablets for housing staff.

At this time a discussion took place on the proposed technology upgrades. Board Member Divis asked if SENDD was looking at other technology options, such as more wireless technology and laptops. Taladay answered by stating that he is looking into some other options, including purchasing some laptops and docking stations. Board Member Peterson asked about the status of the Technology Committee that was appointed at the last SENDD Board meeting. He was wondering whether any meetings were planned. Taladay answered by stating that he plans to send out some technology upgrade proposals to the Technology Committee members for their input.

F. SERN Meeting: SENDD Staff Member Jennifer Olds provided the SENDD Board with an overview of the recently held SERN meeting. Olds stated that SERN is an organization that meets quarterly to provide collaboration and occasional training for service and resource providers in Southeast Nebraska. The last SERN meeting was held on Thursday, February 20, 2014 at the Southeast Community College (SCC) Entrepreneurship Center in Lincoln. Forty people attended the meeting, which involved program presentations and a tour of the SCC Entrepreneurship Center. The next meeting will be held in Beatrice, likely in June.

G. SCEDD Workshop – "Local tools for Community Progress": SENDD Staff Members Olds and Emily Bausch attended this workshop in Wood River on February 20, 2014. Olds briefed the SENDD Board on this workshop that was put on by the South Central Economic Development District (SCEDD). The workshop included session on Tax Increment Financing (TIF) and LB840. There was also a presentation by Cliff Mesner of Mesner & Mesner on how an Investment Club was development to do projects in Central City. This meeting was very informative, and was attended by approximately 20 community stakeholders from the region.

H. Future SENDD Board Meetings: Taladay indicated that the SENDD Executive Committee's next meetings are scheduled for April 17, 2014 and May 15, 2014. The next Full SENDD Board meeting is scheduled for June 19, 2014 in Lincoln.

VIII. ADJOURNMENT

There being no further business to come before the Full SENDD Board, Chair Mueller called for a motion to adjourn the meeting. This motion was moved by Standerford, seconded by Hutton and approved unanimously by the Full SENDD Board. The meeting was adjourned at approximately 7:53 P.M.

Respectfully Submitted:



Craig Eberle
Secretary Pro Tem