

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT  
BOARD OF DIRECTORS  
MINUTES OF THE SEPTEMBER 18, 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 7:02 P.M. at the HYVEE Store Conference Room located at 1601 N. 34<sup>th</sup> 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.; Mary Koci, Seward Co.; Leroy Hanson, Saunders Co.; Brad Grummert, Jefferson Co.; Myron Dorn, Gage Co.; Terry Keebler, Johnson Co.; Dave Bruning, Thayer Co.; Brad Stake, Pawnee Co.; Jim Standerford, Richardson Co.; Tim McDermott, Saline County; Nick Harling, American National Bank; Doug Watts, Greater Wahoo Development; Jerry Divis, Divis Planning Services; Cheryl Brandenburgh, Black Hills Energy; Pat Coldiron, Liberty House Bed & Breakfast; Lisa Hurley, YCDC; Bob Berggren, Rose Colored Glass; and Bill Wenz, Crete (at large representative).

Board members absent (8 – currently one vacancy) include: Kurt Bulgrin, York Co.; Jim Peterson, Cass Co.; Charles (Ron) Hauptman, Otoe Co.; Bob Hutton, Nemaha Co.; Mike Smith, Polk Co.; Daryl Long, Peru State College; Stephanie Shrader, NCAEDC; Jeff Reynolds, REAP;.

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

Guests present were Pat Meyer and Marcus Cech with HBE Becker, Meyer, Love, LLP.

C. Board Membership: SEND Executive Director David Taladay indicated that there is one vacancy on the SEND Board of Directors at this time. This is for an At-Large Representative position that was previously occupied by Lowell Daisley.

**II. MINUTES**

Minutes of the June 19, 2014 Full SEND Board Meeting, July 17, 2014 SEND Executive Committee Meeting and August 21, 2014 SEND Executive Committee Meeting are enclosed with this notice/agenda. 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 on the June 19, 2014 Full SEND Board Meeting minutes. Moved by Standerford, seconded by Divis to approve the minutes of the June 19, 2014 Full SEND Board Meeting as presented. Motion passed unanimously on a vote by acclamation. Chair Mueller then called for a motion on the July 17, 2014 SEND Executive Committee Meeting minutes. Moved by Hanson, seconded by Koci to approve the minutes of the July 17, 2014 SEND Executive Committee Meeting. Motion passed unanimously on a vote by acclamation. Chair Mueller then called for a motion on the August 21, 2014 SEND Executive Committee Meeting as presented. Moved by Koci, seconded by Hanson approve the minutes of the August 21, 2014 SEND Executive Committee Meeting. Motion passed unanimously on a vote by acclamation.

**III. AGENDA ADJUSTMENTS**

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

**IV. FINANCIAL**

A. Check Registry: A copy of the August 2014 Check Registry report was included in the meeting packet that was sent out to the Full SEND Board. Taladay briefed the Full SEND Board on the August 2014 Check Registry report. He stated that checks paid out and received were typical for this time of year. There are 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 Mueller called for a motion. Moved by Brandenburgh, seconded by Divis to approve the August 2014 Check Registry report as previously distributed. Motion passed unanimously on a vote by acclamation.

B. Revenue/Expense Report: A copy of the preliminary June 2014 Revenue/Expense report was enclosed with the meeting agenda. SENDD Staff Member Craig Eberle addressed the June 2014, July 2014 and August 2014 Revenue/Expense reports. He stated that the June 2014, July 2014 and August 2014 bookkeeping is still being finalized at this time. SENDD staff recently received the final 6-30-14 financial adjustments from their financial auditors that are needed to complete these reports. These reports will be prepared and made available to the SENDD Board at the October 16, 2014 SENDD Executive Committee meeting. With the June 2014, July 2014 and August 2014 SENDD Revenue/Expense reports being tabled until the next Full SENDD Board meeting, no formal action was required on the Revenue/Expense Report agenda item and none taken.

C. HBE presentation of Annual Financial Statements and Report of CPA: Copies of the 2013-2014 SENDD Fiscal Year annual financial statement draft report and corresponding letters were handed out to the SENDD Board at the meeting. Pat Meyer and Marcus Cech with HBE Becker Meyer Love, LLP were present to go over the SENDD FY 2014 draft financial audit. Meyer and Cech prepared a power point presentation to highlight the primary pieces of the SENDD FY 2014 draft audit report. Cech then directed everyone to the SENDD FY 2014 audit power point presentation displayed on the projector screen.

The first power point slide discussed the FY 2014 audit report, including the auditor's role, process and role of the SENDD Board of Directors. Cech stated that SENDD uses an accrual basis of accounting. He continued on to the next few slides which summarize SENDD FY 2014 revenues. SENDD revenues decreased in FY 2014 from \$1,061,609 in FY 2013 to \$940,950 in FY 2014. This is primarily due to a \$122,000 decrease in federal revenues from FY 2013 and FY 2014. EDA siren revenues were still included in the FY 2013 federal revenues and not included in the FY 2014 federal revenues. The SENDD revenue comparisons were then broken down in pie chart and bar graph form. The breakdown differed come due to a decrease in FY 2014 federal revenues as a result of the EDA siren project.

Cech and Meyer then discussed the next few slides which summarized SENDD FY 2014 expenses. The first slide compared SENDD expenses from FY 2013 to FY 2014. SENDD's overall expenses slightly increased from \$927,867 to \$937,397. This was due in part to increased annual depreciation on the siren equipment. Other discrepancies were reduced SENDD staff salaries due to increased travel expenses in FY 2014, and an adjustment for the provision for doubtful accounts.

Cech and Meyer then presented the summary statements of activities. This slide illustrated the increase in net assets based on total revenues, expenses and non-operating income. SENDD showed an increase of \$4,309 in net assets from 2013 to 2014. SENDD's total assets decreased from \$2,850,536 in FY 2013 to \$2,841,234 in FY 2014. The largest increase was in the current maturities of notes receivable, which increased by approximately \$111,000. The largest decrease was in cash and cash equivalents, which decreased by approximately \$122,000. These large increases in current maturities and decreases in cash and cash equivalents are primarily due to loaning out more funds to eligible businesses in FY 2014. SENDD's total liabilities also decreased from \$920,906 in 2013 to \$907,265 in 2014. Decreases to accrued personal leave and unearned revenue contributed to this decrease. SENDD is late in collecting membership dues in this fiscal year compared to last year. There was an increase in noncurrent liabilities due to the IRP #2 being funded. Assets and liabilities were then summarized in the statements of financial position.

Cech and Meyer then discussed the SENDD FY 2014 cash flows in comparison to the previous year. Overall SENDD showed net cash provided by operating activities of \$183,285. This is a reduction from FY 2013, though not alarming. This figure was related to loaning out IRP loan funds to businesses in FY 2014. SENDD disbursed more money in loans than they had loan payments coming in. Cech and Meyer completed his cash flow discussion by going over cash flows from investing activities, capital and related financing activities. He pointed out that there were not a lot of changes in FY 2014, as no big equipment purchases were made in FY 2014 compared to the prior couple of years where a large amount of sirens were purchased.

Cech and Meyer concluded the FY 2014 power point audit presentation by discussing the Board communication letter and management letter. Cech 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, however there were no actual compliance findings. These deficiencies have been addressed with SENDD staff.

At the end of the presentation, Cech and Meyer asked the SENDD Board if they have any additional questions on the SENDD FY 2014 Annual Audit draft report. Pat Meyer and Marcus Cech of HBE Becker Meyer Love, LLP were then excused from the meeting. After the presentation by Cech and Meyer, there was a brief discussion by the Full SENDD Board on the FY 2014 draft financial audit statements. Chair Mueller called for a motion. Moved by Standerford, seconded by Grummett to approve the FY 2014 SENDD Annual Audit as presented. Motion passed unanimously on a vote by acclamation.

D. Humboldt – NAHTF #14-TFHO-3S018: SENDD staff assisted the City Humboldt 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 \$166,485 of Nebraska Affordable Housing Trust Funds (NAHTF) to implement a program of owner-occupied housing rehabilitation (at least 5 units) and to include demolition activities for at least 2 units of severely deteriorated housing. The Executive Director is requesting authorization to negotiate and enter into a contract for general administration for an expected amount of \$10,385.

Taladay and SENDD Staff Member Lisa Beethe provided a brief overview of the Humboldt 2014 NAHTF general administration contract. Taladay distributed a spreadsheet including a list of funded housing programs in 2014. There were eight total projects funded, resulting in a total amount of approximately \$373,000 in SENDD contracts for administration, housing management and lead. This will provide significant funding for SENDD services over the next 18 months. Taladay and Beethe continued by stating that SENDD assisted the City of Humboldt in applying for \$477,000 through this program to rehab 12 units, including demolition of 6 units. They received reduced funding of \$166,485 to rehab 5 units and demo 2 units. There was significant competition for NAHTF funds, with most of the funding being awarded to larger rental housing projects. Chair Mueller asked if this project would have been fully funded if no funds were requested for demolition. Taladay responded by stating that even if demo had been left out, they would not have received additional funding. At the conclusion of the discussion by the SENDD Board of Directors, Chair Mueller called for a motion. Moved by Stake, seconded by Hanson to authorize the Executive Director to negotiate and enter into a general administration contract with the City of Humboldt for an amount not to exceed of \$10,385 for the Humboldt NAHTF project. Motion passed unanimously on a vote by acclamation.

E. Humboldt – CDBG #14-HO-3S056: SENDD staff assisted the City Humboldt in an application to the Nebraska Department of Economic Development (NDED) for a project under the Owner-Occupied Rehabilitation category of the Community Development Block Grant (CDBG) program. The City has been awarded \$221,045 of CDBG funds to implement a program of owner-occupied housing rehabilitation for at least 7 units. The Executive Director is requesting authorization to negotiate and enter into a contract for general administration for an expected amount of \$14,000.

Taladay and Beethe provided a brief overview of the Humboldt CDBG general administration contract. They stated that larger amounts were requested in the initial applications to rehab more units. These amounts were reduced in the final awards. Taladay indicated that all of the following contracts are for just the general administration services on each housing project. Contracts for housing rehabilitation and lead based paint are not yet included as negotiations with NDED have not taken place. There was a discussion by the SENDD Board following the overview by Taladay and Beethe. SENDD Board Members Lisa Hurley asked if NDED lowering the amounts awarded on each project is something new. Taladay responded by stating that this has been a typical practice by NDED over the last 2-3 years. This is due in part to less CDBG funding available for housing activities, as well as attempting to fund more projects. Chair Mueller then asked if NDED will continue to cut down the amount of funds for administration in the future. Taladay responded by stating that he thinks

they are about as low as they can go on funding for administration. Upon completion of the project overview by Taladay and Beethe, Chair Mueller called for a motion. Moved by Divis, seconded by Dorn to authorize the Executive Director to negotiate and enter into a general administration contract with the City of Humboldt for an amount not to exceed of \$14,000 for the Humboldt CDBG project. Motion passed unanimously on a vote by acclamation.

F. Tecumseh – CDBG #14-HO-3S057: SENDD staff assisted the City Tecumseh in an application to the Nebraska Department of Economic Development (NDED) for a project under the Owner-Occupied Rehabilitation category of the Community Development Block Grant (CDBG) program. The City has been awarded \$329,750 of CDBG funds to implement a program of owner-occupied housing rehabilitation for at least 10 units. The Executive Director is requesting authorization to negotiate and enter into a contract for General Administration for an expected amount of \$20,000.

Taladay briefed the SENDD Board on the Tecumseh CDBG general administration contract. He stated that this project is similar to the Humboldt CDBG owner occupied rehabilitation project, providing rehabilitation for a few more units. After a brief discussion by the SENDD Board, Chair Mueller called for a motion. Moved by Koci, seconded by Wenz to authorize the Executive Director to negotiate and enter into a general administration contract with the City of Tecumseh for an amount not to exceed of \$20,000 for the Tecumseh CDBG project. Motion passed unanimously on a vote by acclamation.

G. Nebraska City – CDBG #14-HO-3S058: SENDD staff assisted the City of Nebraska City in an application to the Nebraska Department of Economic Development (NDED) for a project under the Owner-Occupied Rehabilitation category of the Community Development Block Grant (CDBG) program. The City has been awarded \$267,748 of CDBG funds to implement a program of owner-occupied housing rehabilitation for at least 8 units. The Executive Director is requesting authorization to negotiate and enter into a contract for General Administration for an expected amount of \$16,000.

Taladay briefed the SENDD Board on the Nebraska City CDBG general administration contract. After a brief discussion by the SENDD Board, Chair Mueller called for a motion. Moved by Hanson, seconded by Brandenburgh to authorize the Executive Director to negotiate and enter into a general administration contract with the City of Nebraska City for an amount not to exceed of \$16,000 for the Nebraska City CDBG project. Motion passed unanimously on a vote by acclamation.

H. Hebron – CDBG #14-HO-3S059: SENDD staff assisted the City of Hebron in an application to the Nebraska Department of Economic Development (NDED) for a project under the Owner-Occupied Rehabilitation category of the Community Development Block Grant (CDBG) program. The City has been awarded \$267,748 of CDBG funds to implement a program of owner-occupied housing rehabilitation for at least 8 units. The Executive Director is requesting authorization to negotiate and enter into a contract for General Administration for an expected amount of \$16,000.

Taladay briefed the SENDD Board on the Hebron CDBG general administration contract. After a brief discussion by the SENDD Board, Chair Mueller called for a motion. Moved by Standerford, seconded by Bruning to authorize the Executive Director to negotiate and enter into a general administration contract with the City of Hebron for an amount not to exceed of \$16,000 for the Hebron CDBG project. Motion passed unanimously on a vote by acclamation.

I. York – CDBG #14-HO-3S060: SENDD staff assisted the City of York in an application to the Nebraska Department of Economic Development (NDED) for a project under the Owner-Occupied Rehabilitation category of the Community Development Block Grant (CDBG) program. The City has been awarded \$267,748 of CDBG funds to implement a program of owner-occupied housing rehabilitation for at least 8 units. The Executive Director is requesting authorization to negotiate and enter into a contract for General Administration for an expected amount of \$16,000.

Taladay briefed the SENDD Board on the York CDBG general administration contract. After a brief discussion by the SENDD Board, Chair Mueller called for a motion. Moved by Divis, seconded by Hanson to authorize

the Executive Director to negotiate and enter into a general administration contract with the City of York for an amount not to exceed of \$16,000 for the York CDBG project. Motion passed unanimously on a vote by acclimation.

J. Fairbury – CDBG #14-HO-3S061: SENDD staff assisted the City of Fairbury in an application to the Nebraska Department of Economic Development (NDED) for a project under the Owner-Occupied Rehabilitation category of the Community Development Block Grant (CDBG) program. The City has been awarded \$267,748 of CDBG funds to implement a program of owner-occupied housing rehabilitation for at least 8 units. The Executive Director is requesting authorization to negotiate and enter into a contract for General Administration for an expected amount of \$16,000.

Taladay briefed the SENDD Board on the Fairbury CDBG general administration contract. After a brief discussion by the SENDD Board, Chair Mueller called for a motion. Moved by Watts, seconded by Grummert to authorize the Executive Director to negotiate and enter into a general administration contract with the City of Fairbury for an amount not to exceed of \$16,000 for the Fairbury CDBG project. Motion passed unanimously on a vote by acclimation.

K. Crete – CDBG #14-HO-3S067: SENDD staff assisted the City of Crete in an application to the Nebraska Department of Economic Development (NDED) for a project under the Owner-Occupied Rehabilitation category of the Community Development Block Grant (CDBG) program. The City has been awarded \$267,748 of CDBG funds to implement a program of owner-occupied housing rehabilitation for at least 8 units. The Executive Director is requesting authorization to negotiate and enter into a contract for General Administration for an expected amount of \$16,000.

Taladay briefed the SENDD Board on the Crete CDBG general administration contract. After a brief discussion by the SENDD Board, Chair Mueller called for a motion. Moved by Hanson, seconded by Standerford to authorize the Executive Director to negotiate and enter into a general administration contract with the City of Crete for an amount not to exceed of \$16,000 for the Crete CDBG project. Motion passed unanimously on a vote by acclimation.

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

## **V. OLD BUSINESS**

A. SENDD Equipment Upgrades: Taladay provided an update on proposed equipment and software upgrades. Taladay apologized to the SENDD Board of Directors that he has not met deadlines in getting this task completed. He has received a second proposal and will work with the SENDD Technology Committee to schedule a date and time to hold a teleconference. The proposals received are higher than the \$15,000 allocated by the Board for these technology upgrades, with costs up to \$19,000 and \$23,000 respectively from each proposal. We may need to invest additional funds to solve some of the issues with SENDD's existing server and equipment/software needs. A brief discussion by the SENDD Board of Directors followed the update by Taladay. No action needed on the SENDD Equipment Upgrades agenda item and none taken.

## **VI. NEW BUSINESS**

A. SENDD Personal Leave Policy: At their last meeting the SENDD Executive Committee requested further discussion and review of the SENDD Personal Leave Policy. Enclosed with the meeting agenda is Section VI. of the SENDD Personnel Policies and Procedures Manual addressing SENDD's Leave Policy. Requesting discussion, as well as establishing a committee to further review the SENDD Personal Leave Policy.

Taladay briefed the SENDD Board of Directors on the SENDD Personal Leave Policy discussion. He stated that due to continued discussions of the SENDD Personal Leave Policy, the SENDD Board of Directors has requested that a committee be set up to discuss possible changes to the policy. At this time Taladay requested individuals from the SENDD Board of Directors to volunteer and serve on this committee, as well as a couple SENDD staff members. The following SENDD Board Members volunteered to serve on the SENDD Personal Leave Policy Committee:



Lisa Hurley, YCDC  
Cheryl Brandenburgh, Black Hills Energy  
Tim McDermott, Saline County  
Jerry Divis, Divis Planning Services

This committee will also consist of two SENDD staff members: Lisa Beethe and Craig Eberle. The committee will meet in the near future to discuss the SENDD Personal Leave Policy. No action needed on the SENDD Personal Leave Policy agenda item and none taken.

## VII. STAFF REPORTS AND REMINDERS

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

A. SENDD Staffing Updates: Taladay informed the SENDD Board of Directors that fourteen applications were received for the Community Development Position. The SENDD interview team interviewed six applicants this week. The team is now prioritizing candidates and identifying if there will be a need for a second set of interviews. He anticipates completing this project within the next week or so. SENDD Board Member Jerry Divis asked who is currently handling the nuisance code enforcement program. Taladay responded by stating that SENDD Staff Member Emily Bausch is still operating the program at this time. SENDD is looking at training two existing SENDD staff members on current nuisance code enforcement contracts. The new hire will be taking over some of the nuisance code enforcement duties when on staff.

B. SENDD Membership Dues 2014-2015: Taladay reported on the status of SENDD 2014-2015 membership dues requests. He stated that approximately 50% of membership dues have been submitted at this time. Dues checks continue to come in, with a due date of October 31, 2014. Last year 102 communities submitted membership dues, as well as all 15 counties.

C. SEND, Inc. Status: Taladay informed the SENDD Board of Directors that SEND, Inc. is a 501(c)(3) non-profit corporation. There is a professional staffing agreement in place between SENDD and SEND, Inc. for SENDD to provide staff support to the corporation. They recently received the IRS determination for SEND, Inc. SEND, Inc. is also designated as a Non-Profit Development Organization (NDO) by the Nebraska Department of Economic Development. SENDD staff members are currently developing promotional materials on the SEND, Inc. NDO to be distributed to counties and communities with CDBG program income reuse loan funds. The SEND, Inc. NDO allows for CDBG reuse loans made to eligible businesses to be paid back to the NDO, with the funds losing their federal criteria. There are a significant amount of CDBG reuse loan funds in that state that are currently not being used.

D. SERN Meeting: SENDD Staff Member Jen Olds advised the SENDD Board of Directors on the next SERN meeting. Olds informed the SENDD Board of Directors that the SERN group covers all of the SENDD counties in Southeast Nebraska. SENDD provides support staff to SERN, facilitating meetings and coordinating activities. SERN is hosting a special meeting on October 16, 2014 at the Southeast Community College in Beatrice. This meeting will be for a Local Officials Training program. Olds distributed a promotional brochure of the SERN Local Officials Training program to the SENDD Board of Directors. This training is geared more toward municipalities. They are hoping to offer a local officials training program next year that is more county oriented. This training includes basic elected officials training, a panel of experts, conflict of interest and ethics training, and a resource roundtable. Olds concluded by stating that the next quarterly SERN meeting will be held on November 5, 2014 at the new Holthus Convention Center in York.

E. Future SENDD Board Meetings: Taladay indicated that the next SENDD Executive Committee meetings are scheduled for October 16, 2014, November 20, 2014 and December 20, 2014. The next Full SENDD Board meeting is scheduled for January 15, 2015. Taladay informed the SENDD Board of Directors that the Board approved moving the December quarterly Board meeting to January. A discussion about future SENDD Board/Executive Committee meetings followed the briefing by Taladay. SENDD Executive Committee member Brandenburgh stated that last year SENDD staff reached out to Nebraska State Senators in the SENDD region to attend a SENDD Board meeting. She asked if we could reach out to Nebraska State Senators and invite them to the January 15, 2015 Full SENDD Board meeting. Taladay responded by stating

that SENDD staff can reach out to the Nebraska State Senators to invite them to the January meeting. Brandenburg also asked about what was being done by SENDD regarding possible funding from NDED to the development districts. Taladay indicated that NROC is involved with this issue, as at one time NDED proposed up to \$500,000 of funding for the development districts for planning and coordinating activities, however these funds were removed from any final budgets. At this time funding is being proposed as a legislative bill. SENDD Vice President Hanson asked why SENDD does not hold an annual meeting. Taladay responded by stating that this had been discussed by the SENDD Board of Directors at a prior meeting. The consensus from the SENDD Board was that it was not necessary.

#### **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 Wenz, seconded by Standerford and approved unanimously by the Full SENDD Board. The meeting was adjourned at approximately 8:14 P.M.

Respectfully Submitted:



Craig Eberle  
Secretary Pro Tem