

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT
BOARD OF DIRECTORS
MINUTES OF THE MARCH 17, 2016 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 7:12 P.M. at the Country Inn and Suites conference room located at 5353 No. 27th Street in Lincoln.

Prior to the SEND Board Meeting, SEND staff gave a presentation to the Full SEND Board of Directors on the Plattsmouth DTR project. Taladay also distributed a handout that recognized SEND Board Member Pat Coldiron as the Center for Rural Affairs – Rural Enterprise Assistance Project (REAP) Friend of the Year Award recipient. This award was presented to Pat at a special awards banquet held on March 11, 2016 in Columbus. Items of SEND business then continued 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 14 Board members present: Leroy Hanson, Saunders Co.; Kurt Bulgrin, York Co.; Bob Mueller, Fillmore Co.; Bob Hutton, Nemaha Co.; Tim McDermott, Saline County; Roger Glawatz, Seward Co.; Les Agena, Johnson Co.; Dave Bruning, Thayer Co.; Jim Standerford, Richardson Co.; Cheryl Brandenburgh, Black Hills Energy; Lisa Hurley, YCDC; Bob Berggren, Rose Colored Glass; Jerry Divis, Divis Planning Services; and R. Paul Lambert, Jeff Henry Chevrolet.

Board members absent (11 – currently two vacancies) include: Jim Peterson, Cass Co.; Ron Seitz, Pawnee Co.; Brad Grummert, Jefferson Co.; Charles (Ron) Hauptman, Otoe Co.; Erich Tiemann, Gage Co.; Mike Smith, Polk Co.; Pat Coldiron, Liberty House Bed & Breakfast; Daryl Long, Peru State College; Jeff Reynolds, REAP; Doug Watts, Greater Wahoo Development; and Stephanie Shrader, Private Business Consultant.

Staff members present were Dave Taladay, Craig Eberle, Judi Meyer, Lincoln; Crystal Dunecacke, Humboldt.

C. Board Membership: Taladay and Eberle indicated that there are currently two vacancies on the SEND Board. No appointees have been determined at this time. Eberle advised the Board that he reached out to Jeff Fink at the State Bank of Table Rock about filling one of the vacant board spots. Jeff did express some interest, but has not yet responded. Eberle will attempt to touch base with him again. There was also some discussion about Mike Mullally, who has been discussed as a possible board candidate. No action needed on the Board Membership agenda item and none taken.

II. MINUTES

Minutes of the February 18, 2016 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. At this time Treasurer Brandenburgh brought up for discussion the meeting minutes from the 1-21-16 special SEND Executive Committee meeting. There was discussion about transparency to the SEND Board, discussion topics included in the minutes, as well as protocol in distributing the meeting minutes. It was suggested to run this issue past the SEND attorney for his consideration. With no corrections or additions from the Full SEND Board, Chair Hurley called for a motion to approve the February 18, 2016 SEND Executive Committee Meeting as presented. Moved by Mueller, seconded by Agena to approve the February 18, 2016 SEND Executive Committee Meeting as presented. Motion passed unanimously on a vote by acclamation.

III. AGENDA ADJUSTMENTS

Taladay presented one agenda adjustment to the Full SEND Board of Directors. This agenda adjustment is to be included under the V. Old Business section (Agenda Item A). The agenda adjustment is to be titled: *LB-*

318: *State Distribution of Funds to Development Districts*. A copy of the agenda adjustment was distributed to the Full SENDD Board at the meeting. A formal motion to add the agenda adjustment to the meeting agenda will be sought. Chair Hurley called for motion to add the agenda adjustment under the V. Old Business section (Agenda Item A): *LB-318: State Distribution of Funds to Development Districts*. Moved by Mueller, seconded by Glawatz to approve adding the agenda adjustment to the meeting agenda as presented. Motion passed unanimously on a vote by acclamation.

IV. FINANCIAL

A. Check Registry: A copy of the February 2016 Check Registry report was included in the meeting packet that was sent out to the Full SENDD Board. Taladay briefed the SENDD Board of Directors on the February 2016 Check Registry report. He stated that checks paid out and received were typical for this time of year. Most of the revenues received at this time are payments from counties and communities for project work. At the conclusion of the check registry report overview by Taladay, Chair Hurley called for a motion. Moved by Divis, seconded by Hutton to approve the February 2016 Check Registry report as previously distributed. Motion passed unanimously on a vote by acclamation.

B. Revenue/Expense Report: A copy of the February 2016 Revenue/Expense report was enclosed with the meeting agenda. Taladay addressed the February 2016 Revenue/Expense report. They stated that this report represents 2/3 of the SENDD fiscal year. There was a small deficit for the month, but overall they are still positive for the year. Expenses are currently holding below budgeted numbers.

A discussion about equipment expenses followed the overview by Taladay. Treasurer Brandenburg asked about the new software equipment, as no large expenses for software were incurred during the month. Taladay advised the Board that SENDD has not purchased any new accounting software at this time. He is still researching software companies. He participated in a webinar about Abila/MIP Fund accounting recently. He has a meeting scheduled for next Friday with Abila/MIP to discuss their accounting software program in further detail. The Board indicated that it was their desire to have the software in place when the new Office Assistant/Bookkeeper position was filled. Chair Hurley then asked about the status of implementing a flat rate. Taladay responded by stating that they know a possible range for an hourly rate, but have not determined anything specific at this time. At the conclusion of the discussion by the SENDD Board of Directors, Chair Hurley called for a motion. Moved by Standerford, seconded by Hutton to approve the February 2016 Revenue/Expense Report as presented. Motion passed unanimously on a vote by acclamation.

C. Contracts: The Chair has requested the ability to have a consent vote to authorize the Executive Director to negotiate and enter into final contracts for the following proposed contracts between SENDD, organizations and/or communities/counties for services as identified. Anticipation of only seeking one motion for authorizing the SENDD Executive Director to negotiate and enter into final contracts for the following programs:

HBE – SENDD Audit for 2015-2016: Under our contract with HBE Meyer Love, LLC from 2010, SENDD was provided services for a three year period with negotiable terms for up to three year individual terms. At our last updated and approved contract, HBE provided only a two year term. Taladay requested a final proposed one year term agreement from HBE for auditing SENDD financial statements for FY 2015-2016. A proposed agreement was received, with a total audit cost of \$6,400. This is an increase of \$150 from the fee for the 2014-2015 audit. After a brief discussion by the SENDD Board of Directors, Chair Hurley called for a motion. Moved by Divis, seconded by Lambert to authorize the SENDD Executive Director to enter into a one year agreement in the amount of \$6,400 with HBE Meyer Love, LLC for auditing the SENDD financial statements for FY 2015-2016. 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. LB-318: State Distribution of Funds to Development Districts: LB-318 was passed and was effective as of July 1, 2016. The Nebraska Department of Economic Development (NDED) has been developing Rules and Regulations and has recently provided a Draft of the "Application for 2015-2016 Economic Development

District (EDD) Funding". This application Part I. General Information requires a certification that the Governing Body has duly authorized the application at an official Economic Development District Board meeting. A copy of the Part I. General Information page and Exhibit 1, Applicant's Statement of Certification was sent out to the SENDD Board of Directors prior to the meeting. The Executive Director is requesting for authorization of the application and for the Chair to sign necessary documents to submit.

Taladay updated the SENDD Board of Directors about the LB-318 application. He stated the regulations have been finalized. The regulations and application were distributed to the Nebraska Development Districts, and they have accepted them. SENDD will receive \$80,275 in the first year. There was some discussion from the SENDD Board of Directors about the distribution of funds and processes from this point. Upon conclusion of the discussion by the SENDD Board of Directors, Chair Hurley called for a motion. Moved by Bulgrin, seconded by Lambert to approve the Application for 2015-2016 Economic Development District (EDD) Funding as presented, as well as authorizing the SENDD Board Chair to sign all necessary documents for submittal. Motion passed unanimously on a vote by acclamation.

B. Executive Director Reports: The Executive Director reported on the status of performance goals and other activities:

- *Software Review:* Taladay informed the SENDD Board of Directors that he participated in a demo review of Abila/MIP Fund Accounting software this week. He has scheduled a meeting for next Friday afternoon to discuss accounting levels and costs. Abila/MIP can perform numerous reports, and also is compatible with other loan management software. Abila/MIP can transport loan information from Portfol, which is not an option with Grants Management Systems (GMS). The Board asked if GMS was moved to the SENDD server in February, so that other SENDD staff would have access to reports. Taladay indicated that GMS cannot be moved over to the SENDD server as anticipated.
- *Office space review:* Taladay advised the SENDD Board of Directors that he has visited with the landlord in Humboldt about updates to the restroom, as well as other potential upgrades to the Humboldt office facility. He also brought up the current lease situation at the SENDD-Lincoln office. They are currently on a month-to-month lease. Other comparable office spaces in Lincoln are going for at least \$4-5 more per square foot than SENDD's current lease. The SENDD Board brought up a Building Committee to review SENDD's office facilities and leases. Finally, the SENDD Board asked about the status of the women's restroom at the SENDD-Lincoln office, and whether the microwave and refrigerator had been re-located. Taladay indicated that it would be taken care of immediately.
- *LB 318 Funding:* This was addressed in the previous board meeting agenda item.
- *Staffing – Humboldt Office:* – Taladay introduced Crystal Dunekacke as the new Community Development Specialist in the SENDD-Humboldt office. Crystal previously worked for SENDD out of the Humboldt office in 2011. She started her employment on February 29th. She is scheduled to attend CDBG Administrator Certification training the third week in April.
- *Lincoln Office:* Taladay informed the SENDD Board of Directors that they have received over 35 applications for the Office Administrator/Bookkeeper position at the SENDD-Lincoln office. Interviews were conducted today for that position. It is anticipated that the position will be filled by April 1.

VI. NEW BUSINESS

A. SEND IRP-RLF Loan Status: Eberle provide the SENDD Board of Directors with an update on SENDD IRP-RLF loan #1757. This loan has been past due for some time. The borrower is not in business, with the building put up for sale last year. A buyer was recently found, and the building sold last week. SENDD received approximately \$10,000 from the sale. Eberle indicated that in the SENDD FY 2014-2015 Financial Audit they had estimated a recovery of \$20,000 on the loan. Due to the borrower's past due status with the participating lender, if the building had not sold it would have gone to foreclosure and SENDD would not have received any proceeds from a foreclosure sale. The borrower has indicated that he plans to pay this loan off over time. A potential payment plan is being determined, although the loan will not be modified. SENDD still has some equipment as collateral for the loan. Eberle also advised the SENDD Board about the TIF loan with the City of Wahoo that is associated with this SENDD IRP-RLF loan. A brief discussion followed the update from Eberle. No action needed on the SENDD IRP-RLF Loan Status agenda item and none taken.

At this time Secretary McDermott indicated that there are many things about this organization that he is still learning about. He wondered about the possibility of conducting some board training, or having SENDD staff available some time available to visit with SENDD Board members about what they do. Taladay indicated that in the past they have done some Board orientation for new SENDD Board members.

The SENDD Board of Directors then discussed conducting a survey of SENDD staff. Various survey types were discussed. The Board suggested having the SENDD Executive Committee members come up with some examples of staff survey templates, where a final survey could be developed and distributed to SENDD staff. Survey Monkey could be used as the survey format, with all staff responses to be kept anonymous.

VII. STAFF REPORTS AND REMINDERS

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

A. NAHTF and CDBG Projects – Potential Applications for 2016: Taladay distributed a spreadsheet including proposed SENDD application assistance for communities and organizations in 2016. These applications include Affordable Housing programs, Planning, Downtown Revitalization, Public Works and Comprehensive Development. Taladay indicated that the Comprehensive Development program is a new program that combined two previous programs.

B. SENDD 2014-2015 Performance Report: Taladay informed the SENDD Board of Directors that the 2014-2015 SENDD Performance Report has not yet been completed. It will likely be a two year performance report. Taladay has started attending some County Board meetings. He recently attended Board meetings in Cass and Otoe counties. Judi Meyer also recently attended Board meetings in Saunders and Fillmore counties.

C. Southeast Nebraska Partners For Progress (SEP4P) – SET Program: Taladay advised the SENDD Board of Directors that the last SET meeting was held on February 5, 2016 in Brownville. Dunekacke indicated that a conference call has been scheduled for this Friday to discuss final items of the SET process and develop action plans.

D. SERN Meeting: Eberle informed the SENDD Board of Directors about the SERN meeting held today (February 18, 2016) in Plattsmouth. A copy of the meeting minutes were distributed with the meeting agenda. Over 35 people attended the meeting, which consisted of a business meeting, roundtable discussions and community/business spotlights. Lynn Kohout from the Nebraska Department of Economic Development presented to the group on becoming an Economic Development Certified Community or Leadership Certified Community. The meeting concluded with a tour of downtown Plattsmouth on Ollie the Trollie.

E. MINK Meeting: Dunekacke attended the most recent meeting held on March 11, 2016 in Marysville, MO. She sat in on the housing committee discussions. Discussions consisted on having a larger study conducted.

F. Future SENDD Board Meetings: Taladay indicated that the next SENDD Executive Committee meetings are scheduled for April 21, 2016 and May 26, 2016. The May meeting will also serve as the Budget and Nominating Committee meeting for FY 2016-2017. The next Full SENDD Board meeting is scheduled for June 16, 2016. This meeting will be held at the Hy-Vee Club Room at 84th and Holdrege Street in Lincoln.

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 Standerford, seconded by Agena and approved unanimously by the Full SENDD Board. The meeting was adjourned at approximately 8:38 P.M.

Respectfully Submitted:



Craig Eberle
Secretary Pro Tem