

SOUTHEAST NEBRASKA DEVELOPMENT DISTRICT
EXECUTIVE COMMITTEE – BUDGET/NOMINATING COMMITTEE
MINUTES OF THE MAY 26, 2016 MEETING

The monthly meeting of the Southeast Nebraska Development District's Executive Committee was scheduled and held on Thursday, May 26, 2016. This meeting also served as the SENDD Budget/Nominating Committee meeting for Fiscal Year 2016-2017.

I. CALL TO ORDER

A. The meeting was called to order by SENDD Chair Lisa Hurley at approximately 12:20 P.M. at the The Eatery-Private Dining Room located at 2845 South 48th Street in Lincoln. Pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room and is available for viewing by the public. The SENDD Executive Committee (also serving as the SENDD Budget/Nominating Committee) reserves the right to go into executive session in accordance with Section 84-1410.

B. Roll call: The following 5 Executive Committee-Budget/Nominating Committee members were present: Lisa Hurley, YCDC; Kurt Bulgrin, York Co.; Tim McDermott, Saline Co.; Erich Tiemann, Gage Co.; and Roger Glawatz, Seward Co.

Executive Committee-Budget /Nominating Committee members absent (1): Cheryl Brandenburgh, Black Hills Energy.

SENDD Staff members present were Dave Taladay and Craig Eberle, Lincoln

C. Board Membership: (Appointments to fill vacancies and non-elected positions and terms).

Doug Watts Resignation: Doug sent us an email indicating he would be resigning. His work load has increased and he feels he does not have time for being a good board member. Doug also served as an at-large member of the SENDD Executive Committee. R. Paul Lambert of Plattsmouth has expressed interest in serving as an at-large member of the SENDD Executive Committee. Consideration for approving the nomination of R. Paul Lambert to fill Doug Watt's position on the SENDD Executive Committee is requested.

The SENDD Executive Committee members discussed nominating R. Paul Lambert to the SENDD Executive Committee. They were encouraged to see interest from Mr. Lambert in serving SENDD in this capacity. Upon conclusion of the discussion by the SENDD Executive Committee, Chair Hurley called for a motion. Moved by Bulgrin, seconded by Glawatz to approve the nomination of R. Paul Lambert to fill the vacant position currently held by Doug Watts on the SENDD Executive Committee. Motion passed unanimously on a vote by acclamation.

Filling of Open SENDD Board Member Vacancies: SENDD currently has three vacant positions to fill on the SENDD Board of Directors. Two potential partners have indicated a willingness to serve on the SENDD Board of Directors to fill vacant positions:

TiAnn Allen (Talmage): TiAnn Allen is the President and Director of Tri-Valley Bank in Talmage. A copy of her bio was distributed with the meeting agenda. TiAnn would occupy a vacant Non-Governmental Representative – Private Sector Representative position on the SENDD Board of Directors. This position term would end on June 30, 2018. Eberle indicated that he visited with TiAnn about the vacant position and feels she would be a good fit for the SENDD Board. After a brief discussion by the SENDD Executive Committee, Chair Hurley called for a motion. Moved by McDermott, seconded by Tiemann to approve the nomination of TiAnn Allen to fill a Non-Governmental Representative – Private Sector Representative position on the SENDD Board of Directors, for a term to expire on June 30, 2018. Motion passed unanimously on a vote by acclamation.

Patt Lentfer (Fillmore County Development Corp.): Patt Lentfer is the Executive Director of Fillmore County Development Corporation (FCDC). She has been the Executive Director with FCDC since 2001. Patt would occupy a vacant Non-Governmental Representative – Stakeholder Organization Representative position on the SENDD Board of Directors (previously occupied by Doug Watts). This position term would end on June 30, 2016 – to be considered for a new three year term at the June 16, 2016 Full SENDD Board Meeting. After a brief discussion by the SENDD Executive Committee, Chair Hurley called for a motion. Moved by McDermott, seconded by Glawatz to approve the nomination of Patt Lentfer to fill a Non-Governmental Representative – Private Sector Representative position on the SENDD Board of Directors, for a term to expire on June 30, 2016. Motion passed unanimously on a vote by acclamation.

Nomination of Officers/Review of Existing SENDD Membership Terms: SENDD Executive Director Taladay indicated that SENDD board membership will be discussed later under item VI. New Business: B. Nominating Committee. No action needed under the Nomination of Officers/Review of Existing SENDD Membership Terms agenda item and none taken.

II. MINUTES

The previous SENDD Executive Committee meeting minutes (April 21, 2016) were included in the meeting packet that was sent out to the Executive Committee. Chair Hurley 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 Hurley called for a motion. Moved by Bulgrin, seconded by McDermott to approve the minutes of the April 21, 2016 SENDD Executive Committee meeting as presented. Motion passed unanimously on a vote by acclamation.

III. AGENDA ADJUSTMENTS

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

IV. FINANCIAL

A. Check Registry: A copy of the April 2016 Check Registry report was sent out with the meeting packet. Taladay briefed the Executive Committee on the check registry reports. He stated that checks paid out were typical for this time of year. At this time the Humboldt phone office billing for April was discussed. Taladay indicated that they have not yet bundled phone and internet at the Humboldt office until they can determine what to do about the office situation. After the brief overview by Taladay, Chair Hurley called for a motion. Moved by Bulgrin, seconded by Tiemann to approve the April 2016 Check Registry report as previously distributed. Motion passed unanimously on a vote by acclamation.

B. Revenue/Expense Report: A copy of the April 2016 Revenue/Expense report was sent out with the meeting packet. Taladay and Eberle briefed the Executive Committee on the April 2016 revenue/expense report. Expenses are still projected to be less than budgeted figures, with revenues anticipating to meet or exceed projections. Revenues for the month were slightly above expenses. There was some discussion about equipment expenditures for software during this fiscal year. Taladay indicated that a majority of equipment expenditures are included in the SENDD FY 2016-2017 budget. After the overview by Taladay and Eberle, Chair Hurley called for a motion. Moved by McDermott, seconded by Tiemann to approve the April 2016 Revenue/Expense report as previously distributed. 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:

EDA – Partnership Planning Grant: The Regional Office of the Economic Development Administration has accepted the SENDD application for 2016-2019 (a three year term). The EDA office will shortly be forwarding the contract for a one year term of 2016-2017. This will include a planning grant amount of \$66,000 for the fiscal year, to be matched by SENDD with \$66,000 in costs. Request to authorized Chair and/or Executive Director to execute contract documents as required to obligate the contract. Taladay briefed the Executive

Committee on this contract. He anticipates an annual contract, although the application was for a three year period. He is expecting the contract documents to arrive soon.

LB 318 – Development District Funding: Final regulations have been approved at the Secretary of State. The Nebraska Department of Economic Development (NDED) will be distributing a contract to each Development District shortly. This program will provide grant funds to SENDD in the amount of \$80,275 for FY 2015-2016, with no match required. Request to authorize Chair and/or Executive Director to execute contract documents to obligate the contract. Taladay advised the SENDD Executive Committee about this funding. He indicated that there will be a separate contract for each of the development districts. He has not seen a contract yet.

After the overview by Taladay on these two projects, Chair Hurley called for a motion. Moved by Bulgrin, seconded by Glawatz to negotiate and enter into final contracts for the above mentioned projects as presented. Motion passed unanimously on a vote by acclamation.

V. OLD BUSINESS

A. Executive Director Reports: The Executive Director will report on the status of performance goals and other activities:

- *Software review* – Taladay informed the SENDD Executive Committee that in the FY 2016-2017 budget SENDD included a monthly lease agreement under expenditures for Abila/MIP accounting software. These costs will also include a training component. He is working on scheduling implementation of this software after July 1. There was some discussion by the SENDD Executive Committee about providing an accounting software implementation schedule at the beginning of June, as well as having a proposed contract for review at the June 16th SENDD Board meeting.
- *Office space review* – Taladay advised the SENDD Executive Committee about the Humboldt office space. He indicated that a hot water heater has been installed. No other updates have been done as of yet. They have looked at other potential office space in Humboldt. The rent for this facility may actually be a bit less than their current office space. There was some discussion at this time about the need for an office location in Humboldt.
- *Staffing–Lincoln Office* – Taladay indicated that SENDD has hired a new Administrative Assistant/Bookkeeper as a replacement for Sharon Taylor, who is retiring from full time service at SENDD as of May 31, 2016. Sally Bennett joined the SENDD staff on May 2, 2016. Sally has an extensive background in office management and bookkeeping/payroll, working in the local insurance industry.
- *Staffing–Humboldt Office* – Taladay informed the SENDD Executive Committee that an advertisement was recently sent out for a part-time Office Administrator position in the SENDD-Humboldt office. A copy of this advertisement was distributed with the meeting agenda. This advertisement was only listed in the local newspapers. The final date to submit resumes is June 3, 2016, with interviews expected to be scheduled soon after that date.

VI. NEW BUSINESS

A. Budget Committee (for SENDD FY 2016-2017 Budget Review and Recommendation at June SENDD Board meeting: The Executive Committee has once again been appointed to act as the Budget Committee for FY 2016-2017. The budget information was sent out to Executive Committee members, serving as the Budget Committee, prior to the scheduled May 26, 2016 meeting for review. Budget items for review consisted of the following:

Review of SENDD FY 2016-2017 Revenue Projections:

Eberle began by providing an overview of the SENDD FY 2016-2017 Revenue Projections. The initial two pages of the budget packet are an explanation of the SENDD FY 2016-2017 Draft Budget spreadsheets. He directed everyone to the FY 2016-2017 revenue projections spreadsheets. The packet distributed to the SENDD Executive Committee included a short version of the FY 2016-2017 revenue projections, as well as an extended revenue projections spreadsheet including additional formulas. These formulas are used to calculate anticipated revenues for contracts and other programs during FY 2016-2017. Eberle then went into more detail discussing the FY 2016-2017 revenue projections. He stated that line items #1-47 consist of contracts for grant administration or program services delivery that are already in place. Estimated revenues are calculated based on the contract balance as of April 30, 2016. This contract balance is reduced based on potential expenditures during the last two months of FY 2016. The remaining balance is then spread out based on projected contract months in FY 2017 and FY 2018. Any carryover into FY 2018 is not included in the FY 2017 revenue projections. These existing contracts represent total projected program revenues for FY 2016-2017 of approximately \$240,051.

Eberle continued by stating that line items #48-53 are contracts already in process, or extremely likely that the project funding will be provided. These projects are listed as a 90% chance of being funded. Line items #54-69 are contracts for which staff has a 75% expectation that the application will be prepared, submitted and funded during FY 2016-2017. Line items #70-87 represent applications for which staff projects there to be a 50% chance of funding. All of these contracts were reduced by the estimated percentage chance of funding. They remaining amount was spread out over FY 2016-2017 based on when the contracts would be in place, and estimated total contract term. The total projected amount of these future project revenues is \$183,092.

The remaining items represent known and anticipated revenues from annual membership dues receipts, direct grants to the organization, contracts for administration and management of local revolving loan funds, technical assistance contracts, nuisance abatement contracts, and other special services contracts. Membership and housing dues receipts are estimated to be comparable to last year's receipts. Membership and housing dues requests for FY 2016 will not change from FY 2016. The total amount of FY 2016-2017 projected revenues from these items is \$498,531. At the bottom of the spreadsheet is the estimated total revenues projected for SENDD. Total SENDD FY 2016-2017 projected revenues are estimated at \$921,674. This year's revenue projections are forecast to be about \$30,000 more than last year. This is primarily attributed to the receipt of LB-318 funds in FY 2016-2017. Carryover funds of \$50,000 were included in the revenue projections, in part to fund equipment expenditures which are being carried over into FY 2016-2017. Revenues also include a \$9,000 equipment transfer, which are funds that will be transferred from the SENDD equipment account to cover the purchase of anticipated software and computer equipment.

Review of SENDD FY 2016-2017 Draft Budget and Budget Comparisons:

Eberle and Taladay provided the Budget Committee with an overview on the SENDD FY 2016-2017 Draft Budget. Eberle informed the Budget Committee on the SENDD FY 2016-2017 Draft Budget spreadsheet. In the third column the SENDD Draft budget lists the proposed Draft Budget for FY 2016-2017. This budget includes proposed personnel, travel and office expenses; and how those expenses compare to projected expendable revenues. Many of the expense items are based on historical trends, although some items have been adjusted due to project load and staffing. The FY 2016-2017 SENDD Draft Budget is compared against the SENDD FY 2016 Adopted Budget, as well as the SENDD FY twelve month projected expenses and expendable revenues for FY 2016. The final column illustrates the difference in expenses/revenues between the FY 2017 Draft Budget and FY 2016 Adopted Budget.

Eberle stated that expenses are estimated to increase by \$34,358. Total FY 2016-2017 expenditures are estimated at \$909,307. Expenses include an average employee increase in staff wages of 3%, which would go into effect as of January 1, 2017. The other significant increase is for equipment expenditures, which are estimated to be \$46,600. Taladay distributed a handout illustrating the proposed equipment expenditures for FY 2016-2017. There were also increases to SENDD retirement match contributions, conferences/training, office rent, utilities, duplicating and depreciation. With total estimated revenues of \$921,674, SENDD is projecting a surplus of \$12,367.

A discussion on the SENDD FY 2016-2017 Draft Budget by the SENDD Budget Committee followed the overview by Taladay and Eberle. Discussion topics included funding for equipment upgrades during the fiscal year, training of staff and conferences, and implementing an hourly rate. The SENDD Budget Committee also asked about the status of Lancaster County and SENDD membership. Taladay indicated that they are currently have two contracts with Lancaster County communities on specific CDBG administration projects. They will be distributing a membership packet to Lancaster County, with anticipation of attending a future meeting with the Lancaster County Board of Commissioners to discuss SENDD membership and services.

Adoption of Budget Recommendation to be Presented to the Full SENDD Board of Directors:

Upon completion of the discussion by the SENDD Budget Committee, Chair Hurley called for a motion. Moved by Glawatz, seconded by Tiemann to approve and recommend to the full SENDD Board of Directors at the June 16, 2016 meeting the SENDD FY 2016-2017 Draft Budget as proposed. This budget includes a proposed 3% average wage increase for SENDD staff to be implemented on January 1, 2017. Motion passed unanimously on a vote by acclamation.

B. Nominating Committee (for Elections at June Board meeting): The Executive Committee has once again been appointed to act as the Nominating Committee. Included with the meeting agenda was a SENDD member update which identifies the non-elected members and their terms of membership. It is anticipated that the Executive Committee will review membership, terms for non-elected members and officers, and will develop a slate of nominees for the following positions: Chair; Vice Chair; Secretary; and Treasurer for presentation at the SENDD Board meeting in June. Current SENDD officers are as follows:

Chair:	Lisa Hurley, York County Development Corporation
Vice-Chair:	Kurt Bulgrin, York County
Secretary:	Tim McDermott, Saline County
Treasurer:	Cheryl Brandenburgh, Black Hills Energy

Taladay began the discussion about SENDD Board officer positions by stating that at the April 21, 2016 the existing officers could continue serving for another year in these officer positions. Secretary McDermott indicated that he lost in the primary election, thus there will be a new SENDD Board appointee for Saline County after the first of the year. At the conclusion of the discussion by the Nominating Committee regarding these nominations, Chair Hurley called for a motion. Moved by Tiemann, seconded by Glawatz to recommend to the full SENDD Board that the following officers: Chair (Lisa Hurley); Vice Chair (Kurt Bulgrin); Secretary (Tim McDermott); and Treasurer (Cheryl Brandenburgh) be nominated as officers of the SENDD Board of Directors for the 2016-2017 Fiscal Year. Motion passed unanimously on a vote by acclamation.

C. Notice of Claim – Political Subdivision Tort Claim: The City of Plattsmouth, along with SENDD, has been notified of a potential Political Subdivision Tort Claim. This involves a housing rehabilitation project that was completed in 2011. Discussion of potential legal action may be discussed. An Executive Session may be authorized.

Due to potential legal action involving the district, it was requested to go into executive session to discuss the confidential information. Chair Hurley called for a motion. Moved by Bulgrin, seconded by Tiemann to move the meeting into executive session to discuss potential legal action involving the district. Motion passed unanimously on the roll call voice vote. The SENDD Executive Committee went into executive session at 2:18 p.m.

At 2:30 P.M., Chair Hurley called for a motion to go out of executive session. Moved by Bulgrin, seconded by McDermott to go out of executive session. Motion passed unanimously on a vote by acclamation.

Upon returning to open session, it was stated the no action was needed on the Notice of Claim – Political Subdivision Tort Claim agenda item at this time and none taken.

VII. STAFF REPORTS AND REMINDERS

- A. Newsletter: Taladay indicated that the next quarterly newsletter will be distributed in June.
- B. Southeast Nebraska Partners for Progress (SE P4P)/Strategic Economies Together (SET): Taladay advised the SENDD Executive Committee that they are currently working on a final report. He is hopeful that SENDD can use some of this report for their 2017 CEDS.
- C. Statewide Housing Consortia: Taladay informed the SENDD Executive Committee that he attended a meeting of the Statewide Housing Consortia on May 3, 2016. This is an ad-hoc group that has been formed to discuss mid-level housing issues above LMI. Task groups are being formed, with the next meeting to be held on June 27, 2016.
- D. Southeast Nebraska Regional Network (SERN) Meeting: Eberle advised the SENDD Executive Committee that the next SERN meeting is scheduled for June 2, 2016 in Geneva. A copy of the SERN agenda for the June 2nd meeting was distributed with the meeting packet.
- E. Next SENDD meeting: Taladay stated that the next meeting will be for the Full SENDD Board of Directors. This meeting is scheduled for June 16, 2016 at the Hy-Vee located at 84th and Holdrege St. in Lincoln. Of particular interest will be election of SENDD Officers and review of the recommended SENDD Budget for 2016-2017.

VIII. ADJOURNMENT

There being no further business to come before the SENDD Executive Committee, Chair Hurley called for a motion from the Executive Committee (also serving as the Budget/Nominating Committee) to adjourn the meeting. This motion was moved by Bulgrin, seconded by Glawatz, and approved unanimously by the Executive Committee–Budget/Nominating Committee. The meeting was adjourned at approximately 2:37 P.M.

Respectfully Submitted:

Craig Eberle



Secretary Pro Tem