

Northern Maine Development Commission
Executive Board Meeting Minutes of
January 12, 2012

PLACE: NMDC Offices – Caribou, Maine

DATE: January 12, 2012 3:00 p.m.

Attendance: Chair Jim Tweedie, Don Adams, Jim Bennett, Keith Brown, Mary Anne Buck, Steve Buck, Tom Clowes, Herman Condon, Casey Cote, Ralph Dwyer, Norm Fournier, Denis Gagne, Don Guimond, John Herold, Christy Sirois, Paul Soucy, Patricia Sutherland and Christina Therrien.

Members Excused: Jim Gardner, C.P. Harris, Doug Hazlett, Glenn Hines, Max Lynds, Ray Mersereau, Jeff Packard, Patricia Pelletier, Terry Wade, Stephen Stanley and Paul Underwood.

Others Present: Phil Bosse-Senator Collins' Office, Kim Rohn-Senator Snowe's Office, Barb Hayslett-Congressman Michaud's Office, Robert Clark, Duane Walton, Judy Dinsmore, Bob Dorsey, Ryan Pelletier, Leane Page, Alain Ouellette, Mike Eisensmith, Jay Kamm, Ruby Bradbury and Aroostook Republican.

1. Call to Order and Introductory Remarks:

- a. Introduction of Leane Page, Program Director for Economic and Workforce Development Division

Mr. Pelletier introduced Leane Page to the Board. Ms. Page is the new Program Director for the Economic & Workforce Development Division. She coordinates a variety of projects and programs that we are currently working on including the HUD Sustainability Planning Grant and the Jobs Accelerator Grant. Ms. Page comes to us having most recently worked for the Maine Department of Labor at the Presque Isle CareerCenter as a CareerCenter consultant. She had previously worked for the Maine Department of Human Services as a case worker. Ms. Page resides in Mapleton with her husband and three daughters.

- b. Introduction of Robert Dorsey, President & CEO of the Aroostook Partnership for Progress

Mr. Dorsey served 26 years in the US Air Force. He graduated from Fort Fairfield High School in 1971. He served in Desert Storm working in transportation logistics. He did 3 tours with the Pentagon and retired in 2001 from the military and moved back to Fort Fairfield. Mr. Dorsey went to work for BAE systems in New Hampshire as the Director of Business Development, commuting between his employment in New Hampshire and his home in Fort Fairfield. Mr. Dorsey retired from BAE, and came to work at NMDC as the President and CEO of APP.

2. Approval of Executive Board of Directors Meeting Minutes of December 8, 2011:

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Bennett to approve the Executive Board of Directors meeting minutes of December 8, 2011 as presented.

VOTE:

Motion voted on and passed.

3. Acceptance of the Agencywide Revenue and Expenditure Statement for the Period Ending December 31, 2011:

The financials were mailed under separate cover.

Benchmark for the period ending December 31, 2011 is 50%.

The amount of \$105,798 under the Incurred but Not Yet Recorded is due to grants that are now on different cycles for draw downs. Since last month, we have received signed contracts for SBDC and EDA Planning, but are still waiting for the MEP and Business Development contracts.

Federal grants are below budget due to a late start on the HUD and Mobilize Maine projects.

Other income is due to the World Acadian Congress funding. This will be addressed in the budget revision.

Total revenues for the period with the correction are \$2,193,491 representing 40.3% or 9.7 percentage points below the benchmark.

We have contracted with ACAP and MDOL to provide training under the healthcare ETA program, therefore this line item is over. This will also be addressed in the budget revision which will resolve the under/over budget issues.

Total expenditures for the period were \$2,481,452 or 43% of the budgeted expenses or 7 percentage points below the benchmark.

This gives a negative agency balance of \$287,960.

Total combined cash for operations, APP and COCMA is \$421,080.

Combined accounts receivable were \$435,240 resulting in available resources of \$856,320.

Operating and equipment lines of credit are \$0.

MOTION:

Motion made by Mr. Fournier, seconded by Mr. Gagne to approve the Agencywide Revenue and Expenditure Statement for the period ending December 31, 2011 as presented.

DISCUSSION: Mr. Fournier asked if the NMDC cash balance was of concern. Ms. Bradbury stated that the balance was of that day and since then we have received over \$350,000 in cash receipts.

VOTE:

Motion voted on and passed.

4. 2011-2012 Budget Revisions:

Federal Grants:

The EDA Mobilize Maine grant was reduced as it is just beginning. There were 3 EPA grants that were not awarded to NMDC. The HUD Sustainability grant was reduced by \$162,000 which is due to revision of sub-recipient agreements. We now have the 3 JIAC grants which total \$592,595. The MDOT St. John Valley Byway was reclassified under state grants. The MEP, Solid Waste, Tourism Strategic Plan and the Training and Technical Assistance grants had no changes. The RD Community Food was not awarded to NMDC. NMDC was awarded a Business Entrepreneur Pilot TA grant in the amount of \$50,000.

The WIA Healthcare Grant indicates more work being done by the service providers at a faster rate, therefore the income was increased. The MDOL Healthcare grant was reduced as there were not as many participants as we previously planned. The federal grant total is \$3,441,875 or a decrease of \$199,577. This represents a 5.44% decrease.

State Grants:

The WorkReady program is getting underway. The Fish River Byway was reclassified to contracts as was the St. John Valley Byway. The overall change is a decrease of \$16,040 or 3%.

Dues had no changes.

Administration is being budgeted at \$453,216. The increase of \$50,000 is for the Northern Borders grant in the Business Finance Division.

Financial Packaging and Fees had no changes.

Aroostook Partnership for Progress had no changes, but COCMA was added as a new category.

NMDC Cash Contribution:

NMDC was not awarded the EPA Planning grant, therefore the cash contributions were reduced.

Contract Services are projected at \$288,412. Contract/Grand Administration had a decrease, but the PTAC contract has been increased.

Foundation Income and In-Kind Income had no changes.

Other Revenue Sources:

The Washburn Dam project was included at \$25,000. This is a pass-thru.

Total projected revenues are \$5,676,152. This is an increase of \$231,344 over the original budget or a 6% increase.

Budget Review:

Due to changes in Income, the Expenditures have been revised accordingly.

Salaries increased due to the addition of one new staff member and anticipated ½ position.

Consultants increased due to the hiring of a consultant under the JIAC-ETA grant.

Direct program expenditures have been reduced by \$646,802. This is due to reworking the sub-recipient agreements under the HUD grant as well as the Mobilize Maine initiative delayed start.

Service Providers shows an increase of \$38,741 for the Healthcare ETA and a reclassification of expenses.

A line item has also been added for the COCMA expenses.

MOTION:

Motion made by Mr. Gagne, seconded by Ms. Buck to adopt the 2011-2012 budget revision as presented.

VOTE:

Motion voted on and passed.

5. NMDC Loan Review Committee and Quarterly Reports:

Mr. Walton presented this to the Board. A copy of the report is attached and made part of these minutes.

MOTION:

Motion made by Mr. Soucy, seconded by Ms. Buck to accept the Loan Review Committee's report as presented.

VOTE:

Motion voted on and passed.

Acceptance of USDA IRP Work Plan Boundary Expansion

Mr. Walton announced that USDA Rural Development reviewed our request to modify our IRP work plan to include Aroostook and Washington Counties as our newly defined service area. They concur with our request and the IRP service area is now modified to include Aroostook and Washington Counties.

MOTION:

Motion made by Mr. Bennett, seconded by Ms. Sutherland to accept the USDA IRP work plan boundary expansion approval as presented.

VOTE:

Motion voted on and passed.

6. Ratification of Service Contracts:

There were no contracts to ratify.

7. Presentation on Secondary Wood Products Feasibility Analysis:

Mr. Eisensmith announced that we received the final report in late December and will be receiving a detailed report and narrative next week.

He discussed Part 2 of the analysis that began in 2008. He explained that there was interest in the Millinocket area. Working with Orono, it was expanded in 2010. We started working with EMDC and soon partnered with them to get an EDA grant. They

received an MTI grant and CDBG monies. Because phase 1 work was done, it was noted that wood pellets were of interest. The two products were commercial wood pellets to Europe and cross laminated timber panels new to the US and also used in Europe. This offered a great opportunity for our area. A briefing will take place next Tuesday.

Mr. Eisensmith explained that a timber panel is a 6 inch by 2 inch board that is constructed at angles that creates a 6 inch panel glued and pressed together. This process eliminates the need for a lot of insulation. It can be cut to any dimension. The idea is to allow for less on-site construction. This is a wood product that will allow for a 9 story construction. It provides a niche market between steel and regular wood. This is a high demand for wood. Any softwood can be used as well as a few hardwoods that are applicable.

8. Smart Growth America TA Project Update:

Mr. Kamm updated the Board indicating that we will be hosting a one-day workshop to help small communities understand how to plan for and manage growth in a regional context. The workshop will help develop the capacity to identify where growth is most likely to occur and to create strategies for managing growth that preserve community character while enhancing economic competitiveness and quality of life.

Concepts for small community regional planning include:

- Data collection
- Scenario development
- Development suitability analysis
- Policy development
- Public engagement

The communities will gain the tools to:

- Preserve open space
- Protect critical environmental areas and sensitive land
- Reduce urban runoff
- Reduce VMT (Vehicle Miles Traveled)
- Respond to an evolving market
- Provide housing choice
- Make efficient use of infrastructure

NMDC was one of 15 communities nationwide to receive technical assistance out of 90 applications. The workshop structure will be an evening session and $\frac{3}{4}$ of the following day. The evening is open to the general public on February 28, 2012 from 7-9:00 p.m. with satellite locations being in Calais, Fort Kent, Houlton and Machias. On February 29th the session will be from 9:00 a.m. to 3:00 p.m. at the First Settlers Lodge in Weston and will be geared more toward the HUD consortium members.

Invitation to consortium and general public will go out tomorrow electronically. This is a no cost workshop with RSVPs going to Ms. Dinsmore at jdinsmore@nmdc.org.

9. MDOL Monitoring Reports, Responses and Progress:

a. Healthcare Sector Monitoring – September 27, 2011

Mr. Pelletier announced that we were monitored this fall. There were 12 findings in documentation of financial contracts and files. We provided a written response on October 13th with our corrective action plan. On December 15th, MDOL responded again with 5 findings still outstanding. Those were number 2, 3, 4, 6, and 8.

Mr. Pelletier reviewed the response to the final 5 findings with the Board indicating that they will be addressed promptly.

Ms. Sutherland asked if we should be concerned with the findings. Mr. Pelletier indicated that this is just a difference in how the two HR's do their job.

Mr. Bennett stated that these findings are not overwhelming or shocking. If after a year from now these are still an issue, then we have not addressed them over all.

Mr. Pelletier stated that they are trying to find out who we are and what we do. It is difficult for them as we don't work entirely in workforce development.

MOTION:

Motion made by Mr. Soucy, seconded by Mr. Gagne to approve the responses to the report as presented.

VOTE:

Motion voted on and passed.

b. 120 Day Review of the Maine Military Authority National Emergency Grant – October 3, 2011

Mr. Pelletier indicated that we are the applicant, but work is carried out by the service providers.

One area of concern is with the prepaid gas cards. The cards are utilized to provide travel support to clients. The service provider gas card policy does not discuss a maximum number of gas cards allowable at one time or for a specified period of time. The policy also must explain a process for monitoring the disbursement of cards.

Response: The service provider's travel policy has been changed to include the issuance of gas cards for a full semester, 12 weeks in advance, will not be authorized and first time

issuance for those participants in need of high amounts of cards due to long distance travel will not exceed 6 weeks. Exceptions will be made by senior managers only and documentations as to rationale will be provided. Subsequent card issuance will be incremental based upon participation. Job counselors will obtain a signature of receipt when issuing card(s) to the participant.

Another concern was that several participants are being enrolled and receiving support for two separate training endeavors. Although they may be complimentary to one another and justified, the service provider must ensure justification for supporting two trainings to achieve the customer's planned goal in the case file.

Response: All participants that are receiving support for more than one separate training endeavor have had their files updated and the rationale for the dual trainings has been documented in OSOS case notes.

MOTION:

Motion made by Mr. Soucy, seconded by Mr. Fournier to approve the responses to the report as presented.

VOTE:

Motion voted on and passed.

c. Workforce Investment Board Financial Monitoring – December 7, 2011

Mr. Pelletier indicated that this was a monitoring at the fiscal level. They are monitoring us as an LWIB, but are looking at all of NMDC.

Some of the concerns were with policies, procedures and transactions and will need to be addressed by NMDC. Some issues they found were issues with NMDC's internal work. These were addressed prior to them coming here for monitoring.

He explained that No. 4 – Policy on Grant Debt is the only one that hasn't been resolved. A meeting with R.H. Smith will transpire to have this addressed.

MOTION:

Motion made by Mr. Fournier, seconded by Ms. Buck to approve the responses to the report as presented.

VOTE:

Motion voted on and passed.

d. High Growth Job Training Initiative Grant Review

Aging Worker Initiative: Mr. Pelletier indicated that the last contract was signed by the Executive Director of the previous fiscal agent. Coastal Counties applied for all of the LWIBs. Our share is \$130,000 and is the smallest grant we have. All of this money is a pass-thru. There are no monies for NMDC to administer this grant and no time can be charged to it. We will be doing a sole source justification to argue why the service providers were chosen to administer this grant. He indicated that we will need to justify this. The performance measures were sent from the service providers and feel there is no issue in spending the funds. The monitoring representatives like the tie between economic and workforce development. They were impressed with the business lending services that we provide. No response has been developed yet, but it will be done soon.

Mr. Pelletier indicated that ACAP's indirect cost plan methodology is not what RHR Smith would like to see as the auditor for Coastal Counties.

MOTION:

Motion made by Mr. Gagne, seconded by Mr. Soucy to approve the responses to the report as presented.

VOTE:

Motion voted on and passed.

10. Approval of Workforce Investment Program Amendments:

Mr. Pelletier discussed the amendments with the Board. He indicated the state has decided to release the funds that are part of the regular allocation for WIA.

- a. PY 2011 Annual Grant Amendment Increase to NMDC of \$100,245
- b. ACAP Amendment of \$59,886
- c. MDOL Amendment of \$30,336

Total: \$1,003,291

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Fournier to approve the Workforce Investment Program Amendments as presented.

VOTE:

Motion voted on and passed.

11. Authorization to Apply for a Disabled Veterans of America Foundation Grant up to \$50,000:

Mr. Pelletier indicated that this grant was found through our subscription with Grant Station. Since we are already working with disabled veterans we found it would be a good opportunity. These funds will be to retrain veterans that don't have access to other funding or are not available for other training. Also to help homeless veterans who are not living with family, but they stay at various places. A resource roadmap will be created to assist individuals within our career centers and local healthcare systems that work with veterans now. Joella Theriault and Kent DeMerchant will be taking the lead on this grant.

MOTION:

Motion made by Mr. Soucy, seconded by Ms. Buck to authorize the submission of the grant application as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

12. Update on MSAD #75 Rural Utility Service Grant Award for Distant Education:

Mr. Pelletier announced that a large grant was awarded to Topsham to provide high quality distance learning equipment. MSAD 75 is the applicant with Houlton administering the grant. Because Aroostook County still has the Empowerment Zone at the time this was created, we will receive some equipment to service providers in our outreach centers. NMDC will receive \$77,000 in equipment to go to Madawaska, Houlton and Calais outreach centers and to Fort Kent where our satellite office is located. We want the equipment to be available to employers and individuals to access training opportunities. He stated that we are working with communities as to where the best place will be to house the equipment.

MOTION:

Motion made by Mr. Soucy, seconded by Mr. Adams to accept the RUS grant award portion for NMDC as presented.

VOTE:

Motion voted on and passed.

13. Executive Directors Performance Evaluation Process:

Mr. Clark reviewed the ED's Performance Evaluation process with the Board indicating that the process was instituted in 1992. It's a 4-step process in which the Board needs to adopt or amend it each year.

The first step is for the Board to evaluate the Executive Director. A summary of the evaluations is then created. Once that is complete, the Officers review the summary and then address the Board with their recommendation.

Mr. Clark stated if the Board wanted to adjust the rating scale, to let him know.

Mr. Dwyer indicated that some of the items are hard to evaluate as we don't see how the Executive Director handles them on a day to day basis.

Ms. Sutherland stated that it is helpful to the Officers if the Board fills each section out even if they indicate they have no opinion. It gives the Officers a sense of where the weaknesses and strengths are.

Mr. Bennett asked if the Executive Board have seen the more extensive form that the Officers fill out? Mr. Clark indicated that every year he takes the goals and actions he prepares and provides them to the Officers. The Officers look at the prior year's goals and actions and they compare the two.

Mr. Fournier asked if this process meets the needs of the Executive Director. Mr. Clark indicated it did.

MOTION:

Motion made by Ms. Sutherland, seconded by Ms. Buck to approve the Executive Director's performance evaluation process as presented.

VOTE:

Motion voted on and passed.

14. Other Business:

a. MMA Employee Health Trust:

Mr. Clark announced that the MMA Employee Health Trust will save the office an average of \$45,000 a year. He stated that the employees were asked if there were any outstanding issues that could be impacted by switching over to the trust. One employee's spouse will be having a procedure done, but has met their deductible, therefore no issues should arise.

Mr. Clark discussed the issue he has been experiencing. His son had an accident in January, 2010 during basketball regarding 6 of his front teeth. He has had surgery and on February 16th will receive additional surgery for his implants. Once this is done, he will have to wait 6 months before they can install crowns to complete the procedure for his front teeth. Currently, Anthem will cover the implants and the crowns at 80%. MMA will not pay for the implants, therefore the cost out of pocket will be \$20,000. Mr. Clark stated that Cobra will not allow for this as it follows the group plan to MMA. Mr. Clark is still working with our current insurance provider, MMA and Cobra to get this resolved.

It was suggested that the Board approve placing some of the savings realized by going to the MMA Employee Trust Fund into an account for any unforeseen circumstances like this that may rise after the switch of insurances.

MOTION:

Motion made by Mr. Bennett, seconded by Ms. Sutherland to set aside a cap of \$30,000 in an account for any unexpected circumstances caused by switching to the MMA Employee Health Trust that can be used to pay for procedures that would have been covered under the Anthem plan.

VOTE:

Motion voted on and passed.

15. Executive Director's Report:

Mr. Clark announced the Notice of Investment Award to Mobilize Maine on a statewide basis. NMDC will be the sub-recipient to the other EDDS and will help monitor the process. EDA will allow us to apply again for the other \$600,000 if available.

Mr. Clark reviewed the article in the UMPI Times. The article discussed Huber Engineered Woods and their donation to Helping Hands, Habitat for Humanity and to NMDC for the Disability Employment Initiative that Kent DeMerchant coordinates.

Mr. Clark reviewed the press releases regarding the hiring of Leane Page and Bob Dorsey at NMDC.

Mr. Clark announced that he will attend depositions for the Winslow lawsuit next Thursday. Those who will be at the depositions will be Doug Beaulieu, Bob Clark, Dena Winslow and one other person.

16. Adjournment:

There being no further business to conduct, Chair Tweedie adjourned the meeting at 4:55 p.m.

Respectfully submitted,

Christy Sirois
Secretary

CS/jd