

**Northern Maine Development Commission
Executive Board Meeting Minutes of
November 10, 2011**

PLACE: NMDC Offices – Caribou, Maine

DATE: November 10, 2011 3:00 p.m.

Attendance: Chair Jim Tweedie, Jim Bennett, Keith Brown, Steve Buck, Tom Clowes, Herman Condon, Ralph Dwyer, Norm Fournier, Denis Gagne, Don Guimond, Doug Hazlett, John Herold, Ray Mersereau, Patricia Pelletier, Christy Sirois, Paul Soucy, Patricia Sutherland and Christina Therrien.

Excused Absences: Don Adams, Mary Anne Buck, Casey Cote, Jim Gardner, Charles Harris, Glenn Hines, Max Lynds, Jeff Packard, Steve Stanley, Paul Underwood and Terry Wade.

Others Present: Phil Bosse-Senator Collins' Office, Kim Rohn-Senator Snowe's Office, Barb Hayslett-Congressman Michaud's Office, Robert Clark, Judy Dinsmore, Alain Ouellette, Duane Walton, Ryan Pelletier, Leslie Jackson, Ruby Bradbury, WAGM TV and John Gulliver-Aroostook Republican.

1. Call to Order and Introductory Remarks:

Chair Tweedie welcomed everyone and asked those who wished to receive travel reimbursement to pass their travel vouchers in to Ms. Dinsmore.

2. Approval of Executive Board of Directors Meeting Minutes of October 13, 2011:

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Dwyer to approve the Executive Board of Directors meeting minutes of October 13, 2011 as presented.

VOTE:

Motion voted on and passed.

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

Benchmark for the period ending October 31, 2011 is 33.3%.

We are still waiting on signed contracts for the EDA Planning, SBDC and CDBG grants, therefore the reason for the \$116,885.58 under Incurred but Not Yet Reported. Also, we are only able to do quarterly draw downs on many of our signed grants.

Municipal dues are at 98.9%. This high percentage is due to communities paying their dues at the beginning of our fiscal year.

County dues for Aroostook County is paid on a quarterly basis in which we have received payments for two quarters.

Other income is due to the World Acadian Congress funding. Once we receive a budget from them, we can include these monies in the Operating Budget. A meeting is scheduled for November 21, 2011.

The World Acadian Congress budget contributions from NMDC will be included in the budget revisions.

Total revenues for the period are \$1,365,770 representing 25.1% or 8.2 points below the benchmark.

Travel related expenses as a whole are 41%. This is due to travel for a conference that is required in September for the entire Business Finance Department.

Service providers is over due to us now being contracted with ACAP and MDOL to provide training under the healthcare ETA program. This will be included in the budget revisions.

Total expenditures for the period are \$1,559,941 or 27% of the budgeted expenses or 6.3 percentage points below the benchmark.

This gives a negative agency balance of \$194,171.

Total combined cash for Operations and APP is \$288,896.

Combined Accounts Receivables are \$630,984 resulting in available resources of \$919,882.

Operating and Equipment lines of credit are at \$0.

MOTION:

Motion made by Ms. Sutherland, seconded by Ms. Sirois to approve the Agencywide Revenue and Expenditure Statement for the period ending October 31, 2011 as presented.

VOTE:

Motion voted on and passed.

Ms. Sutherland suggested that we identify COCMA under revenues.

4. Authorization to Increase NMDC's Operating and Equipment Lines of Credit:

Mr. Clark stated at the last meeting of the Finance/Audit Committee it was decided to increase our operating and equipment lines of credit. It is management's recommendation that the operating line of credit be increased to \$400,000 from \$200,000 and the equipment line of credit be increased to \$100,000 from \$50,000. Both lines have an interest rate of Prime minus 1.5% currently yielding 1.75%, with both lines having a floor of 4% and a ceiling of 8.75%.

He also stated that we are requesting a certification stating that the Borrower certifies that no board members, or the five most highly compensated executives or officers of NMDC, have been convicted of or pleaded no contest to a sex offense against a minor.

Mr. Clark stated that we received the responses from the Board regarding the certification with no one indicating conviction of this offence. Therefore he will sign the certification for the Board and the five staff members per Board approval.

MOTION:

Motion made by Mr. Mersereau, seconded by Mr. Buck to authorize the increase of NMDC's operating line of credit to \$400,000 and the equipment line of credit to \$100,000 as presented.

VOTE:

Motion voted on and passed.

5. Auditor's Management Letter and Response:

Mr. Clark announced that the Auditor's management letter indicated they identified certain deficiencies in internal control that they considered to be material weaknesses and other deficiencies that they considered to be significant deficiencies.

A Material Weakness is a significant deficiency, or combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

A Significant Deficiency is a Control Deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Their letter stated that these matters do not modify their opinion on the financial statements for the year ended June 20, 2011, where they expressed an unqualified opinion on their independent auditors' report dated September 1, 2011.

Their Significant Deficiency was in the organization of client files for the healthcare grant.

Mr. Clark reviewed Management's response with the Board which indicated:

"Incumbent workers documentation is on file with the employer. It is being noted in the file as available upon request. Copies of documentation for unemployed trainees are now being requested and the files are being updated. Case notes are now being maintained in each trainee file and not in separate files. Referrals are being made to the CareerCenters for use of their resources for unemployed trainees when appropriate."

MOTION:

Motion made by Mr. Bennett, seconded by Ms. Sirois to accept Management's response to the auditor's letter as presented.

VOTE:

Motion voted on and passed.

6. NMDC Loan Review Committee Report:

Mr. Walton presented the report to the Board.

Loan Funds Statement:

Number of Loans: 153
 Loans Outstanding: \$7,585,476
 Amount Left to Draw: \$1,210,080
 Ending Bank Balance: \$1,926,186
 Accounts Receivable: \$47,656
 Total Fund as of 11/04/2011: \$10,769,398

Unfunded Commitments: (\$699,969)
 Accrued Admin. Cost: (\$96,439)
 Allowance for Bad Debt: (\$329,870)
 Escrowed Payments: (\$106,585)
 Allowance for JIAC EDA Loans: (\$150,000)
 Allowance for RMAP TA Expenses: (\$9,038)
 Allowance for Brownfields Match: (\$24,000)
 Allowance for SBA TA Expenses: (\$17,881)
 Lendable Funds: \$1,750,141

Unfunded Commitments:

Total: \$699,969

Work in Progress:

Total: \$514,000

Lendable Funds if Approved: \$1,236,141

Match Amount of Lendable Funds: \$305,582

NMDC Contracted Service Funds Statement:

Number of Loans: 44

Loans Outstanding: \$2,164,533

Amount Left to Draw: \$45,645

Ending Bank Balance: \$699,788

Total Fund as of 11/04/2011: \$2,909,966

Unfunded Commitments: (\$100,000)

Accrued Admin. Cost: (\$210)

Repayment to Funding Source: (\$15,796)

Allowance for Bad Debt: (\$32,202)

RBEG Repayment: (\$24,188)

Lease and Property Tax Reserve: (\$15,206)

Lendable Funds: \$557,832

Unfunded Commitments:

\$100,000

Work in Progress:

Lendable Funds if Approved: \$557,832

Mr. Walton discussed the loans approved/closed/declined under staff authority as of 11/01/2011.

Plourde and Plourde – Approved

Dunntown Auto, LLC – Approved

SFE Mfg. Inc. - Approved

Autotronics LLC (FND-Fort Kent) – Approved

Clukeys Auto - Approved

Hilltop Lanes, Inc. – Approved

BCRLF-City of Presque Isle – Approved extension of subgrant agreement

Mr. Walton announced that Loan Review Committee member Alan Sussee has requested to resign from the Committee due to his ailing father.

The Loan Review Committee approved the request with regret.

Mr. Walton announced that NMDC will be 1 of 15 development commissions able to draw down REDLF funds. This will be on a first come first served basis with \$7,000,000 available.

At this time Mr. Walton invited the Executive Board members to their December luncheon meeting at the Caribou Inn and Convention Center. Board members are to respond to Ms. Dinsmore regarding their attendance.

MOTION:

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

VOTE:

Motion voted on and passed.

7. Ratification of Service Contracts:

The following contracts were ratified by the Board:

Fish River Phase II – Scenic Byway (MDOL)	\$40,925
SCEC-Workforce Division Services (Washington County)	<u>\$11,250</u>
Total:	\$52,175

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Soucy to ratify the service contracts as presented.

VOTE:

Motion voted on and passed.

8. Appointment to the Aroostook County Tourism Committee:

Mr. Clark indicated that the ACT Committee approved and recommends to the Executive Board of Directors the appointment of Steve Dobson owner of Aroostook Hospitality as an ACT committee member.

MOTION:

Motion made by Mr. Mersereau, seconded by Mr. Soucy to appoint Steve Dobson to the ACT Committee as presented.

VOTE:

Motion voted on and passed.

9. Appointments to the Brownfields Steering Committee:

Mr. Clark reviewed the list of appointments to the Brownfields Steering Committee:

Keith Brown
 Charles Harris
 Frank Wezner
 Barbara Pitcairn
 Carol Bell
 Craig Staples
 Jeff Packard
 Wade Hanson
 Paul Bernier
 Norm Cyr
 George Howe

MOTION:

Motion made by Mr. Fournier, seconded by Mr. Soucy to appoint those recommended to the Brownfields Steering Committee as presented.

VOTE:

Motion voted on and passed.

10. Appointments to the Rural Transportation Planning Organization:

Mr. Clark reviewed the list of appointments to the Rural Transportation Planning Organization:

Ralph Dwyer
 Jim Bennett
 Paul Bernier
 Scott Wardwell
 Roger Roy
 John Edgecomb
 Jim Gardner
 Skip Babineau
 Brent Bubar
 Neal Haines
 George Watson
 Leigh Stilwell

MOTION:

Motion made by Mr. Hazlett, seconded by Ms. Sirois to appoint those recommended to the Rural Transportation Planning Organization as presented.

VOTE:

Motion voted on and passed.

11. Acceptance of the Northern Maine Tourism Action Plan for 2011-2016:

Ms. Jackson presented this to the Board indicating that the content of the Action Plan is complete. Graphs and timelines will be added shortly.

She stated that the Strategic Planning Committee members were: Shawn Manter, Gina Clark, Dave Kelso, Mark Shea, Mike Fawcett and Kathy Mazzuchelli. NMDC staff members are Mike Eisensmith and Leslie Jackson. NMDC contracted with Sheila Jans, of CultureWorth.

The initial meeting was held on September 21, 2010.

Listening sessions were held February 23, 2011 at Lakeview Restaurant in St. Agatha, March 4, 2011 at Crow's Nest in Presque Isle and April 8, 2011 at Shiretown Motor Inn in Houlton.

Listening Session Topics:

- What Are Aroostook's Key Assets?
- What are Aroostook's Challenges?

One-on-one interviews were done with Chamber Directors, ACT members, hotel owners, park directors and Maine Guides.

Shiela Jans studied all the information provided and presented a draft plan on July 25, 2011. After many weeks of editing the final plan was approved by the Strategic Plan Committee on September 23, 2011.

Ms. Jackson stated there were 5 goals identified:

1. Improve Organizational Structure and Capacity:
 - Internal assessment and management plan – ACT retreat in January, 2012
 - Comprehensive inventory of funding sources – begin funding search by Spring, 2012

- Data collection and analysis of sector – ongoing.
2. Enhance Tourism Sector with Training and Education:
 - Training and Mentoring Program – August, 2012
 - Annual Tourism Summit Spring, 2012
 - ✓ Announce Tourism Action Plan
 - ✓ Invite stakeholders from tourism industry
 - ✓ Annual visit from the Maine Office of Tourism
 3. Build and Maintain Collaborative Partnerships and Networks:
 - Roundtable partner discussions – Fall, 2012
 - Northern Maine Tourism Network – Spring, 2013
 - ✓ Participation in the World Acadian Congress – Fall, 2011
 4. Clarify the Message and Sharpen Communications:
 - Marketing Plan – Initiate by Spring, 2012
 - ✓ Revisit current identity and branding and implement it
 - ✓ Create a sustainable promotional campaign
 - Interpretation and Direct Promotions – Spring, 2013
 5. Strengthen the Product and Expand the Market:
 - Market Analysis and new direction – Spring, 2012
 - ✓ Engage with Downeast Acadia region, Canadian Maritimes and Quebec
 - ✓ Explore Two-Nation Vacation
 - Package the Product, Develop the Potential – Fall, 2013

MOTION:

Motion made by Mr. Bennett, seconded by Mr. Fournier to accept the Northern Maine Tourism Action Plan for 2011-2016 as presented.

VOTE:

Motion voted on and passed.

12. ACT Request Regarding Committee Members from Non-Member Communities:

Mr. Clark reviewed the letter from Jim Bennett, ACT Chair, with the Board indicating that one of the members of ACT could no longer be deemed a member because her home community has not paid its dues to NMDC. The letter explained that ACT members often travel to trade shows and staff the ACT promotional booth in a volunteer capacity. He also stated that ACT members also donate their time from their respective professions

to provide their expertise for initiatives of ACT. The ACT committee unanimously voted to request that the Executive Board exempt ACT from this policy.

Mr. Clark addressed the Board stating that all other standing committees must conform with this requirement, the Northern Maine Solid Waste Management Committee is not a standing committee but do meet at NMDC and is staffed by NMDC employees. The group informally pays dues that are used to off-set meeting expenses. It was also stated that very few ACT Committee members attend and staff the trade show booth, it is mostly non-ACT Committee volunteers. Finally Mr. Clark stated that communities need to support their citizens who volunteer time to larger regional initiatives that the communities benefit from.

MOTION:

Motion made by Mr. Bennett, seconded by Ms. Sutherland to exempt the ACT Committee from the policy which requires standing committee members be from a member community.

After some discussion the Executive Board of Directors declined the request of the ACT Committee as it would set a precedent.

VOTE:

Motion voted on and failed.

13. Authorization to Apply for an Agricultural Career and Employment “ACE” Grants Program in the Amount of \$500,000:

Mr. Pelletier presented this to the Board stating this grant would improve the supply of skilled agricultural workers and will give farmers access to a more skilled pool of workers. Farm workers will also have an enhanced skill set, making on-the-farm employment opportunities more plentiful.

Mr. Pelletier stated that training will be held at NMCC, WCCC, OJT and at outreach centers. The new and innovative certificate program will be offered in Aroostook and Washington Counties that focuses on the agricultural sector.

The timeframe will be a 200 hour course serving the under employed and LMI populations. The intent will be to have a lot of hands on applications and flexibility.

The Curriculum:

HAZMAT Training
 OSHA Safety and First Aid/CPR
 GPS and Technology in the Field
 Truck Maintenance

Basic Electrical
Welding

Budget and Timeline:

Mr. Pelletier stated that we are requesting up to \$500,000 which includes course development, staffing, tuition, follow-up and other expenses. The application is due November 15, 2011 with the program start date of April 2, 2012. Total project would be three years.

MOTION:

Motion made by Mr. Bennett, seconded by Mr. Fournier to authorize the submission of the ACE Grant and for the Executive Director to execute all necessary documents pertaining thereto as presented.

VOTE:

Motion voted on and passed.

14. Acceptance of the EDA Mobilize Maine Cluster Development Grant in the Amount of \$575,000:

Mr. Clark announced that previously the Board authorized us to submit the grant. This is a non-binding commitment and does not bind EDA to award the grant unless we resubmit the budget.

He indicated that the monies will be implemented within the next 9-10 months. Most of the money will go to the other EDDS with NMDC being the lead. The Mobilize Maine initiative will be kicked off in Washington County.

MOTION:

Motion made by Mr. Hazlett, seconded by Ms. Sirois to accept the EDA Mobilize Maine Cluster Development grant of \$575,000 as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

15. Report of the Human Resources Committee:

Mr. Soucy announced that the Human Resources Committee met yesterday to review the revised organizational chart and other items.

At this time, Mr. Clark reviewed the revised organizational chart stating that we have begun the APP President/CEO search. The ad will appear in this week's papers. The new President should be on board by January 1, 2012.

He explained that we have created a new position of Investor/Public Relations which will be funded by APP and NMDC. This position will grow the private sector investment side and member relations with NMDC communities.

Mr. Clark continued stating that hopefully LEAD and APP will be consolidated in the future which will grow the investor base, reduce duplicative activities and will reduce financial and human resources deployment.

The chart showed realignment of Economic Development with Workforce Development and Planning and Development will be more focused on community development.

Mr. Clark stated that the two Program Director positions will be sharing responsibilities in several areas. Many of the positions will become cross-trained between departments.

Mr. Clark indicated the Committee was also updated on the progress of obtaining health insurance quotes from the Maine Municipal Association (MMA) Trust which was just received. The MMA has several health insurance plans. Management and the Human Resources Committee will review this information and will make a recommendation to the Board of Directors.

MOTION:

Motion made by Mr. Soucy, seconded by Ms. Sutherland to approve the Human Resources Committee's report and the NMDC Organizational Chart as presented.

VOTE:

Motion voted on and passed.

16. Other Business:

None noted.

17. Executive Director's Report:

Mr. Clark discussed the press release from Senator Collins which allows 100,000 pound trucks on the interstate. He indicated that this now has to go to conference. It has a lot of support.

Mr. Clark discussed the article in the Star Herald in regards to Matt Bell of Northeast Pellets being named Vice President of the Maine Pellet Fuels Association.

He explained that Mr. Bell was also named top young entrepreneur of the year two years ago.

Mr. Bell noted in the article that his contributions to the efforts of the Mobilize Northern Maine initiative had played a role in him being selected to this position.

Mr. Clark stated the Maine State Planning Office announced the appointments of eight new business, education, health and government leaders to its Broadband Capacity Building Task Force. The Task Force's job is to recommend regulatory, investment and best practice strategies for expanding the availability and use of high-speed internet in rural Maine. Mr. Clark stated that Ryan Pelletier, Executive Director of Workforce Development was named as one of the appointments.

Mr. Clark presented a PowerPoint on the Jobs and Innovation Accelerator Challenge grant.

He stated there were 125 applications submitted nationwide. The Aroostook-Washington County region was one of only 20 selected under a rigorous review by the Economic Development Administration, the Small Business Administration and the Employment and Training Administration.

The goal of "GreenME" is to support the development of a renewable energy economy for Aroostook and Washington Counties. The initiative consists of representatives from approximately 55 businesses that employ over 500 people located throughout the State of Maine with the majority from the northeast region of Maine.

He stated that these businesses produce energy extracted or captured from on-going natural processes, generated and regenerated naturally. The project objective is to transition 9,000 residential units and 20 commercial facilities to primary or supplemental wood biomass fuel in four years. This will result in an estimated 260 direct industry cluster jobs and 196 indirect and induced jobs in the regional economy. It will require a comprehensive and targeted workforce development strategy to train residential and commercial heating installers.

Mr. Clark stated that we are now tracking biomass projects. He indicated that the chart shows a substantial value in off-setting oil purchases. It illustrates the chip and pellet value of \$658,370 which is totally realized locally. He stated if we apply a 50% labor cost for the harvest and production of this fuel at an average wage of \$41,000/year that equals approximately 8 jobs.

Oil value (\$2,781,572) – 22% local value (\$611,946) – biomass value (\$658,370) = avoided cost (\$1,511,256).

Mr. Clark stated that we are not at "critical mass" yet where new demand is being created. The commercial bio-mass alternative energy projects are drawing inputs from

already existing excess capacity, and therefore there is no new employment or resource use to be measured yet.

At this time Mr. Clark provided the Board with a video clip from YouTube regarding Aroostook County Tourism.

Mr. Bennett announced that Presque Isle will have a new road design in the downtown area with wider sidewalks.

18. Adjournment:

There being no further business to conduct, Chair Tweedie declared the meeting adjourned at 4:45 p.m.

Respectfully submitted,

Christy Sirois
Secretary

CS/jd