

**Northern Maine Development Commission  
Executive Board Meeting Minutes of  
April 10, 2014**

**PLACE:** NMDC, Caribou  
**DATE:** April 10, 2014 3:00 p.m.

**Attendance:** Chair Don Guimond, Don Adams, Jim Bennett, Austin Bleess, Mary Anne Buck, Ralph Dwyer, Jon Frederick, Jim Gagnon, Max Lynds, Ray Mersereau, Christy Sirois, Wendell Spooner, Christina Therrien, Jim Tweedie and Paul Underwood.

**Others Present:** Phil Bosse-Senator Collins' Office, Bob Clark, Duane Walton, Judy Dinsmore, Ryan Pelletier, Jon Gulliver, Ruby Bradbury and Aroostook Republican.

**1. Call to Order and Introductory Remarks:**

Chair Guimond brought the meeting to order at 3:00 p.m. and instructed those Board Members who wished to receive travel reimbursement to pass their vouches in to Ms. Dinsmore.

**2. Appointment to Executive Board of Directors:**

Chair Guimond read a letter from the Town of Portage Lake indicating the resignation of Barbara Pitcairn from their Council. The Town has appointed Lawrence Duchette, Portage Town Manager to fill Ms. Pitcairn's term until the Annual Meeting of Members in June.

**MOTION:**

Motion made by Mr. Tweedie, seconded by Ms. Buck to appoint Lawrence Duchette to the Executive Board of Directors to fill the seat vacated by Barbara Pitcairn.

**VOTE:**

Motion voted on and passed.

**3. Presentation: Bear Baiting Referendum:**

This agenda item was postponed until the Annual Meeting of the Members in June as they were not available to present today.

**4. Approval of Executive Board of Directors Meeting Minutes of February 13, 2014**

**MOTION:**

Motion made by Mr. Tweedie, seconded by Mr. Mersereau to approve the Executive Board of Directors meeting minutes of February 13, 2014 as presented.

VOTE:

Motion voted on and passed.

**5. Acceptance of the Agencywide Revenue and Expenditure Statement for the Period Ending February 28, 2014:**

The Agencywide Revenue and Expenditure Statement Report was provided with the financials for the Board's convenience.

Financial Summary:

The benchmark for the period ending February 28 is 66.6%.

Total Revenues are \$4,949,265 representing 60.3% or 6.3 percentage points below the benchmark.

Total Expenses for the period were \$4,440,760 or 57.1% of budgeted expenses or 9.5 percentage points below the benchmark.

Agency Balance - \$508,505 of which \$500,000 is dedicated to the World Acadian Congress.

MOTION:

Motion made by Mr. Gagnon, seconded by Mr. Lynds to approve the Agencywide Revenue and Expenditure Statement for the period ending February 28, 2014 as presented.

VOTE:

Motion voted on and passed.

**6. Report of the Loan Review Committee:**

Approved under staff authority:

Full Circle Health Care – re-amortized and working capital

Mayo Mill Holdings – modifications

Mr. Walton explained that on March 17<sup>th</sup>, we were notified that the SBA will be proposing rule changes to the Microloan program. They are proposing that the minimum loan requirements be changed. Currently the minimum loan requirement per year is four. They are proposing an increase as follows: (1) for fiscal year 2015 (October 1, 2015 to September 30, 2016), six microloans, (2) for fiscal year 2016, eight microloans, and (3) for fiscal year 2017 and following, twelve microloans per year. Failure to meet the minimum loan requirement will make the intermediary ineligible to receive new technical assistance grant funding. This means we will need to increase production of our

microloans. In order to do so, we are requesting the waiver of life insurance and title insurance on all SBA microloans under \$10,000.

Quarterly Report:

Staff Authority:

G-Force Laser Tag – Equipment

Troy Haines – Working capital

Jeff Baker – Equipment assets in Powers building

Roger Beaulieu – Working capital and equipment

Joy Willette – Retail center and inventory for plumbing and heating

Loans Approved by the Loan Committee:

Dexter Cowperthwaite – to purchase Aktem Business Park

Marly Rammond – Healing Hearts expansion to Madawaska

Tim and Deb Guiod - charge off

Mark Goughan – Second loan on phase II of the mini golf course

Loans managed for the towns of Van Buren, Madawaska, Houlton and Caribou total \$2.7 million. There has been little activity with these loans and no new loans under consideration at this time.

There is a negative balance under NMDC and CDBG match as we allocated them as match for Micro TA and SBA TA. As these loans are paid in, they are used for match.

IRP: We are withholding charges to IRP 1. SSBCI are working on final rules and regulations and will follow the REDLF guidelines. This is new money in which Community Advantage is working out arrangements at this time.

Mr. Walton reviewed the Loan Funds report. A copy is attached and made a part of these minutes.

MOTION:

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

VOTE:

Motion voted on and passed.

a. Authorization for Signing Loan Documents

Mr. Walton reported when he is not here to sign loan documents, the client has to wait for his signature and this holds up the process. Julie Corey, who is a Loan Officer, is directly responsible for performing loan closings and it is the recommendation of NMDC management to ask for authorization for Julie Corey to execute loan documents

**MOTION:**

Motion made by Mr. Gagnon, seconded by Ms. Buck to authorize Julie Core, Loan Officer, to execute loan documents as presented.

**VOTE:**

Motion voted on and passed.

**7. Ratification of Service Contracts:**

The following service contracts were ratified by the Board:

Irving Forest Products for new sawmill (2014 CDBG Economic Dev. Grant):	\$4,500
Ashland Water & Sewer Dist (2014 CDBG Public Infrastructure Grant)	
for water line extension and installation of aeration system:	<u>\$3,780</u>
TOTAL:	\$8,280

**MOTION:**

Motion made by Ms. Sirois, seconded by Mr. Bless to ratify the service contracts as presented.

**VOTE:**

Motion voted on and passed.

**8. IMCP Resolution:**

Mr. Clark announced we are developing a proposal for designation as a manufacturing community. The deadline for the proposal is April 14, 2014. We received 30 MOU's from consortium partners. Each MOU specifies services and how they will assist us with the workplan. Gaps are in the workforce training.

He explained the Board of Directors will need to adopt a resolution authorizing him to submit and apply for subsequent funding if we are designated.

**MOTION:**

Motion made by Mr. Mersereau, seconded by Mr. Underwood to adopt the IMCP Resolution as presented.

**VOTE:**

Motion voted on and passed.

**9. Authorization to Submit the EDA Planning Grant for \$70,000:**

Mr. Clark announced NMDC has received this grant for 30 years. It maintains and updates the CEDS, and allows us to work with local and community development

agencies to identify, plan and implement public works and capacity building projects. It also helps support production of the NMDC annual report and operating plan, supports functions of the Aroostook/Washington CEDS Committee, provides updates to the NMDC website and fulfills the reporting and accounting requirements of the EDA planning grant program.

**MOTION:**

Motion made by Ms. Sirois, seconded by Mr. Tweedie to authorize the submission of the EDA Planning grant as presented and authorize the Executive Director to execute all necessary documents pertaining thereto.

**VOTE:**

Motion voted on and passed.

**10. USDOL Monitoring and Response:**

Mr. Pelletier announced this is a federal monitoring. The Federal government monitors the State and then selects two others to monitor. He discussed the findings and our responses to each of the findings and areas of concern. We have not received a formal response from them in regards to our response. He indicated the reason is because several of the findings are fiscal in nature. The Department of Administration and Financial Services will be providing the approval on our responses on the financial piece.

Mr. Pelletier stated previously his vehicle allowance has been charged to WIA and he now has to spread this amount out. For PY 2012 he was reimbursed \$2,300 in vehicle allowances that should have been spread out in other programs.

He indicated there are findings that are still outstanding at this time.

- New MOA of partners
- Bylaws need updating regarding roles and responsibilities of members
- Number of meetings held each year
- Bylaws signed by Chair of LWIB and Secretary of NMDC

The policy has been submitted that outlines our procurement plan of service providers.

Service providers and NMDC will be one stop operator - an MOA will be developed.

Youth Council policies need to expand the protocol on how they will conduct the reporting.

Youth assistance policy needs definitions to be reevaluated on how we will serve youth with mental disabilities.

Mr. Clark stated the monitors felt the financial audit process wasn't managed by the Board enough and they have requested us to change auditors.

MOTION:

Motion made by Mr. Underwood, seconded by Mr. Gagnon to accept the monitoring response as presented.

VOTE:

Motion voted on and passed.

**11. AWWIB and TCWIB Transition Plan:**

Mr. Pelletier stated we have been reviewing resource sharing to better maximize our resources. He stated there have been redundancies and duplications by having two executive directors and administrative staff support working under one fiscal agent for two boards. It is felt that resources would be best served and better utilized by operating under one administrative structure that would benefit both boards while still remaining autonomous of each Local Area's qualities and differences. It is believed that the five county region is still best served by two separate LWIBs guiding the policy and workforce investment needs, but savings can be realized by operating under one administration for these two boards.

Mr. Pelletier will continue to work at NMDC and remain the Division Director on Economic and Workforce Development. He will still be involved with both LWIBs focusing on board education and outreach, grant writing, and data research and analysis. The majority of his time would be spent on other projects and programs at NMDC (EDA, LEAD, Rural Development, etc.). He explained Joanna Russell will deal with the day to day operational functions of both boards (program monitoring, procurement, negotiating contracts with service providers, interaction with MDOL and USDOL and fiscal management).

He explained the transition plan was approved by the County Commissioners of all five counties, the Tri-County Executive Committee and Aroostook and Washington LWIB.

Mr. Underwood asked if this transition will increase more monitoring. Mr. Pelletier indicated it would be less on fiscal monitoring as this is a more efficient mechanism for federal monitoring and it will eliminate duplication.

MOTION:

Motion made by Mr. Underwood, seconded by Mr. Mersereau to approve the transition plan concept as presented.

VOTE:

Motion voted on and passed.

**12. Lincoln Paper and Tissue NEG for \$252,902:**

Mr. Pelletier explained Maine workers affected by layoffs at Lincoln Paper and Tissue will receive funding for re-employment services from USDOL. These funds will assist approximately 100 workers impacted by the layoffs. There are more laid off workers than there are funds. The bulk of the funding will be used for training and will be funded through the Trade Adjustment Assistance program. NEG will support any training dollars that is not available from TAA or support services for the workers (child care, vehicle repairs, etc.).

**MOTION:**

Motion made by Mr. Gagnon, seconded by Mr. Tweedie to accept the Lincoln Paper and Tissue NEG as presented.

**VOTE:**

Motion voted on and passed.

**13. Venture Development Organization (VDO) Roadmap:**

Mr. Clark announced the VDO describes economic development activity focused on using best-practices and activities of experienced Economic Developers, Professional Advisors and Mentors coupled with pre-angel and seed capital investing in order to help create venture and angel-capital-ready firms which have the promise to create significant economic wealth for a region including entrepreneurial wealth and jobs.

VDO Objectives:

Increase Deal Flow  
 Attract New Capital  
 Address gaps in available resources  
 Comprehensive set of entrepreneurial resources  
 Benefit from regional participation from UMPI, UMFK, NMCC and Husson faculty, facilities and students

Investment Requirements:

Growth potential – sustainability  
 Targeted industries – regional assets  
 Large market potential – opportunity for growth  
 Business acumen – competent business skills

Addressing Barriers:

Develop Management Teams  
 Develop Market-Ready Products  
 Secure First Customers  
 Develop Business and Go-to-Market Plans  
 Financial Record Keeping Systems  
 Investor Presentations Necessary to Attract Debt & Equity Capital

Programs:

Mentors  
 Specific Client Services  
 Monthly Entrepreneur Gatherings  
 Entrepreneur Challenge  
 On-line Technical Webinars  
 Entrepreneur Institute

Mr. Clark explained budget and financial projections are being prepared. This would be a separate entity reporting to NMDC Executive Board. It is hopeful this will be up and running by fall 2014.

**14. Appointment of Nominating Committee:**

Chair Guimond announced the appointments of the Nominating Committee:

Mary Anne Buck – Mapleton  
 Gene Conlogue – Houlton  
 Jon Frederick – Castle Hill  
 Jim Gagnon – Wallagrass  
 Max Lynds – Littleton  
 Don Guimond – Board Chair

**MOTION:**

Motion made by Mr. Tweedie, seconded by Ms. Sirois to appoint those recommended Board members to the Nominating Committee as presented.

**VOTE:**

Motion voted on and passed.

**15. Report of the Community Engagement Committee:**

Mr. Bless, Community Engagement Committee Chair, announced the Committee met in March at NMDC and Mr. Gulliver will present the report.

Mr. Gulliver announced NMDC will be taking steps going forward to further educate the public and communities about NMDC and will engage more with the communities.

We will also:

- Provide our monthly newsletter (electronically and print)
- Continue our presence at local tradeshows
- Jon Gulliver has been designated as single point of contact
- Opportunity alerts will be sent out to municipal managers
- Hold regional luncheon meetings each year inviting select people and managers
- Create a work plan by May, 2014
- Greater outreach by NMDC staff in communities
- Resurrect municipal survey on projects in communities (economic development and planning needs)
- NMDC informational packet mailed out to new town and city managers
- Better clarification on Business Finance division and their loan process
- Offer use of NMDC polycom system to municipalities

Mr. Bennett suggested NMDC's senior management team be assigned to certain communities so the communities will have one person to reach out to with concerns or questions.

MOTION:

Motion made by Mr. Bennett, seconded by Ms. Therrien to accept the report of the Community Engagement Committee as presented.

VOTE:

Motion voted on and passed.

Ms. Therrien announced this will make a difference in the communities so they know what they get for their dues.

**16. Report of the Aroostook County Tourism Board:**

Mr. Gulliver reported the deadline for submitting the grant application to the Maine Office of Tourism is May 1. ACT has developed a marketing plan for 2014-2015, which requires more targeted advertising in New Brunswick, a video campaign and continued tradeshow presence locally and in the region.

Marketing Plan:

Advertising  
Public relations  
Travel and trade shows  
Fulfillment packages  
FAM Trip

On June 28<sup>th</sup> ATV outdoor riders will be here starting their trip at Star City IGA in Presque Isle and traveling to Van Buren.

Advertising:

Maine Invites You  
 Activities Guide of Maine  
 Snowmobile Maine  
 Northwoods Spring Journal  
 County Crossroads  
 Bangor Daily News  
 Targeted New Brunswick  
 Ride Maine  
 WAGM

Public Relations:

Video/TV PR campaign  
 Expand ACT network  
 Increase social media efforts  
 Hold Tourism Summit  
 Expand photo archive

Trade Shows:

Expomonde World Acadian Congress – August, 2014  
 New Hampshire Grass Drags – October, 2014  
 State of Maine Snowmobile Show – October, 2014  
 New England Outdoor and Fishing Show – February, 2015  
 Maine Office of Tourism Show – TBD  
 Continue with local tradeshow

Fulfillment:

We are organizing an ATV tour for outdoor writers to explore Aroostook's great trail system.

ATV Map  
 MTA Dues  
 Kittery Kiosk  
 Hampden North Visitors Center  
 Promotional items

The Aroostook County Tourism Summit will be held on Wednesday, May 28<sup>th</sup> at the Nordic Heritage Center from 8:00-12:30 p.m.

Mr. Bennett explained ACT depends on volunteers as the salary to pay staff is only \$12,000. ACT previously restructured to 12 individuals and built the ACT network to help with volunteering. There are some sections of the County who may divide ourselves if we don't keep going on this right track.

**MOTION:**

Motion made by Mr. Adams, seconded by Mr. Frederick to accept the report of the ACT Board as presented.

**VOTE:**

Motion voted on and passed.

**17. Other Business:**

None noted.

**18. Executive Director's Report:**

- Opportunity Alert – Notice to communities on grants that are available (e.g. Boat Access)
- Logger Training Program – This is a day-long training to be held on May 15 at Lakeview Restaurant and will feature PATH software
- NMDC report from Olivia Nickerson who is a business major at University of Maine Augusta and is taking classes at Houlton Higher Education Center. Her assignment was to create a 4 page report based on information provided by a local non-profit organization
- Loan Officer position was filled in house - Dave Spooner
- PTAC update – last 2 quarters of 2013 - 8 clients with signed contracts totaling \$13,779,529
- Resignation of Robyn Bonville who accepted the CFO position at AMHC. The position has been advertised, and will be filled by Wanda Osgood during the interim. Will be conducting interviews early May
- AMA meeting will be in Island Falls on April 17<sup>th</sup>

**19. Adjournment:**

There being no further business to conduct, Chair Guimond declared the meeting adjourned at 4:24 p.m.

Respectfully submitted,

Austin Bless  
Secretary