

**Northern Maine Development Commission  
Executive Board Meeting Minutes of  
February 9, 2017**

**PLACE:** NMDC Offices, Caribou

**DATE:** February 9, 2017 12:30 p.m.

**Attendance:** Chair Austin Bless, Butch Asselin, Keith Brown, Mary Anne Buck, Tom Clowes, Dave Cyr, Dave Dionne, Larry Duchette, Ralph Dwyer, Denis Gagne, Jim Gagnon, Don Guimond, Max Lynds, Ryan E. Pelletier, Gary Picard, Martin Puckett, Patricia Sutherland, Jim Tweedie and Fred Ventresco.

**Others Present:** Kim Rohn-Congressman Poliquin's Office (via conference call), John Harold-Town of Fort Fairfield, Bob Clark, Jon Gulliver, Judy Dinsmore, Jay Kamm, Alain Ouellette, Dave Spooner, Julie Corey, Mary Dahlgren and Chris Bouchard-Aroostook Republican.

1. Call to Order and Introductory Remarks:

Chair Bless recognized Mr. Tweedie on his 90<sup>th</sup> birthday which will occur on March 11<sup>th</sup>. A short birthday video was played in honor of Mr. Tweedie's birthday.

A. Brenda Commander's Appointment to the Executive Board

Chair Bless announced the Tribal Chief of the Houlton Band of Maliseet Indians was appointed to the NMDC Executive Board by the Aroostook County Commissioners to fill one of the two Board seats the County is allowed to appoint.

B. Jon Frederick Resignation

Chair Bless read Mr. Frederick's letter of resignation from the Executive Board due to him relocating to New Hampshire.

MOTION:

Motion made by Mr. Cyr, seconded by Mr. Dionne to accept Jon Frederick's letter of resignation with regret.

VOTE:

Motion voted on and passed.

2. Approval of Executive Board of Directors Meeting Minutes of December 8, 2016:

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Gagne to approve the Executive Board of Directors meeting minutes of December 8, 2016 as presented.

VOTE:

Motion voted on and passed.

### 3. Report of the Finance/Audit Committee:

Mr. Dwyer announced the Finance/Audit Committee met on February 7<sup>th</sup> to review the financial statements for the period ending December 31, 2016.

The Committee reviewed the Indirect Cost Rate Proposal for 2017-2018, which would increase the indirect cost rate from 50.1% to 60%. The Committee also reviewed reductions in indirect costs which amounted to approximately \$22,000 per year from maintenance and cell phone cost reductions. An additional \$7,500 per year in savings will come from switching from land lines to cell phones for office communications.

#### MOTION:

Motion made by Ms. Sutherland, seconded by Ms. Buck to approve the Finance/Audit Committee's report as presented.

#### VOTE:

Motion voted on and passed.

- A. Acceptance of the Agencywide Revenue and Expenditure Statement for the Period Ending December 31, 2016

Ms. Dahlgren announced the benchmark for the period ending December 31, 2016 was 50%.

#### Revenues below the benchmark for the period:

- Federal Grants (28.61%) – There are still several large planning department grants that we haven't received word on yet and some that we did not receive.
- NMDC Cash Contributions (20.45%) – We budgeted for an EDA grant in the amount of \$10,000 in cash contributions that we have not received word on yet.
- In-Kind Income (40.51%) – We budgeted \$129,500 in in-kind income for an EDA grant in which we have not received word on yet.

Total Revenues are \$1,180,486 representing 46.48% or 3.52 percentage points below the benchmark.

#### Expenses above the benchmark for the period:

- Travel for Board and Committee Members (52.71%) – This is due to an ACT board member who turned in a travel voucher for January –July 2016. The amount of \$876.42 should have been in the last fiscal year.
- Dues and Subscriptions (87.43%) – This is due to the initial set up and subscription to Credit Builders which will allow us to report on our loan clients to the three major credit reporting agencies. The cost for this was \$1,565.
- Supplies & Equipment (92.89%) – The Business Finance division purchased new laptops with the Micro TA grant totaling \$6,785. These were part of this budgeted line item and had to be expensed because they were purchased with the program's funds instead of NMDC's Administrative funds.

- Office Supplies – Nothing was budgeted for direct costs for this line item. The Maine Tourism Partnership grant purchased letterhead for ACT.
- Internet Access – Nothing was budgeted for direct costs for this line item. PTAC pays for Dana Delano’s internet access out of the program funds in which it reduces NMDC’s indirect costs.
- Cell Phone (54.01%) – This is up due to roaming charges assessed when close to the Canadian border. Verizon has a new plan that covers these costs at no additional charge. This began in August.
- Promotional Materials – Nothing was budgeted for this line item. This charge was for ACT banners to be used at tradeshow.
- Bank Service Fees – Nothing was budgeted for this line item. The Business Finance Division was late on two payments to Bangor Savings Bank in which they were charged for the late payments in the amount of \$51.11. A charge of \$100 was assessed for our new loan with Katahdin Trust which termed out \$650,000 of our Line of Credit.
- In-Kind Expense (74.32%) – We received a larger than expected in-kind income and expense for MEP due to the way we now record our match.

Total Expenses for the period were \$1,064,041 or 45.18% of our budgeted expenses or 4.82 percentage points below the benchmark.

Agency Balance: \$116,445  
 Accounts Receivable: \$320,486  
 Cash on Hand: (\$3,042)  
 Total Available Resources: \$317,444  
 Accounts Payable: \$177,671  
 Due Vendors: \$8,366 (current)  
 Pass-thru Funds: \$32,651 (Washburn Dam project and Aroostook Energy Assoc.)  
 Loan Admin. Payable: \$115,927 (to NMDC)  
 TA Payable: \$115,927 (to NMDC)  
 Operating Line of Credit: \$115,000  
 Equipment Line of Credit: \$0.00  
 Indirect Cost Pool: \$264,811  
 Base for Distribution: \$432,735  
 Year to Date Indirect Cost Rate (would be 61.1948% based on basis for distribution)  
 Fixed Indirect Cost Rate: 50.1%  
 Fixed Indirect Costs Applied: \$216,800  
 Under Applied Indirect Costs: \$48,011

**MOTION:**

Motion made by Mr. Tweedie, seconded by Mr. Gagne to approve the Agencywide Revenue and Expenditure Statement for the period ending December 31, 2016 as presented.

**VOTE:**

Motion voted on and passed.

B. Approval of the 2017-2018 Indirect Cost Rate Proposal

Ms. Dahlgren discussed the programs in which monies were spent. The actual FY 2016 Indirect Cost is \$756,433 plus carry-forward adjustment of \$132,936 and less expenses of (\$270,637) for a total of \$618,732. The actual FY 2016 direct program cost base is \$1,031,307. The fixed rate proposed for 2018 is 60.0%.

Ms. Dahlgren discussed the expenses incurred in 2015-2016 that would not be incurred in 2017-2018 which would be a total expense reduction of \$270,637.

MOTION:

Motion made by Mr. Tweedie, seconded by Mr. Gagne to approve the 2017-2018 Indirect Cost Rate Proposal as presented.

VOTE:

Motion voted on and passed.

4. Report of the Loan Review Committee:

Ms. Corey reported to the Board.

*Loans Approved/Denied or Modified Under Staff Authority:*

Brent Johnson: Property on Lake Road in Stockholm for storage facility

Kim Lauritsen: Moon Dance Studio expansion in Presque Isle into gymnastics

Ryan Cousins: Purchase equipment to buy Tri-Town Sanitation - Caribou

Wade Snyder: Purchase Ridge Runners fuel delivery and equipment in Perham

Axiom Technologies: Purchase equipment and expand into Indian Township in Washington County

Craig Inniger: Debt restructure of bakery in Bridgewater

William Fuller: Purchase Casco Northern building and turn into a Do-Jo martial arts studio in Van Buren

*Loan Committee Approvals:*

Axiom Technologies: Working capital for municipal contracts in Washington County

Hill Top Lanes: Approved loan renewal for 5 years - Hodgdon

Westar Logistics: Assist with his insurance and taxes - Houlton

Jim Whitmore: Assist in making insurance payment and apply to loan - Perham

Virtual Managed Solutions: Expanding into security monitoring. He is now certified for UL certification. He will increase his employees by 4 - Caribou

Louis Lavoie: This request was tabled until more information is received - Caribou.

MOTION:

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

VOTE:

Motion voted on and passed.

## A. SBDC Annual Report

Mr. Spooner discussed the report with the Board. He explained SBDC works with new and existing businesses. Clients advised in 2016 throughout the state were 1,583, jobs created and saved were 1,006 and businesses started were 120. He stated for every dollar invested in the Maine SBDC, \$2.82 was returned in tax revenue. Businesses have to sign a letter indicating the counselor has actually spent those hours with them.

Out of the 1,583 clients advised, NMDC worked with 126. NMDC's goal for jobs created or retained was 80. Actual jobs created or retained for NMDC was 82. NMDC had 13 businesses started in the County with 120 businesses started statewide. Capital generated throughout the state was \$47,117,797 of which Aroostook generated \$4,471,794.

### 5. Ratification of Service Contracts:

The following service contracts were ratified by the Board:

Presque Isle Industrial Council CDBG ACME Monaco Expansion	\$11,175.10
Mars Hill Utilities District – LMI Income Survey	\$ 5,000.00
Town of Patten Comprehensive Plan	<u>\$14,400.00</u>
Total:	\$30,575.10

### MOTION:

Motion made by Mr. Gagne, seconded by Mr. Tweedie to ratify the service contracts as presented.

### VOTE:

Motion voted on and passed.

### 6. High Crash Site Report:

Mr. Kamm reported through a contract with Maine DOT, NMDC staff has performed preliminary safety assessments of high crash intersections and high crash links in Aroostook County. He stated high crash locations or HCLs, were identified by MDOT as locations with 8 or more crashes and exceed the Critical Rate Factor (CRF) of 1.00 or greater within a three-year period. CRF is a measure to determine the “expected crash rate” as compared to similar intersections in the State of Maine.

He stated there were 39 HCLs in Aroostook with Presque Isle having the greatest number, followed by Caribou and Houlton respectively. There were 10 locations located on I-95 as well.

He explained they looked at driver habits, some design, land use around the intersection and anything else that they noticed.

He explained that the majority of crashes are animal related and several others involving high speed and distracted driving.

He stated some of the recommendations are:

- Work with businesses to reduce the number of accesses and share entrances
- Consider a center turning lane
- Consider planting wind breaks or installing snow fences for blowing snow
- Consider airing a moose public service announcement during fall rutting period
- Continue to trim vegetation to improve early detection of moose/deer

The report is at Maine DOT for their review and hopeful they will be able to implement some of the recommendations. Once the report is approved by Maine DOT, it will be posted on NMDC's website.

Mr. Tweedie asked if any consideration has been made to Hill Side in Monticello. Mr. Kamm explained this is one of the areas Maine DOT is considering.

NMDC will receive \$11,693 for the work done on this project.

MOTION:

Motion made by Mr. Cyr, seconded by Mr. Gagne to accept the High Crash Site report as presented.

VOTE:

Motion voted on and passed.

7. Co-Working Space Proposal:

Mr. Gulliver stated NMDC will afford a start-up entrepreneur or relocating business person the opportunity to locate at their office in Caribou rent free for six months as a pilot co-working space project. In addition to providing office space, NMDC will provide the opportunity for the business to use the conference rooms, networked printers, Polycom phone system and internet access.

He explained this will be a template for other Aroostook County areas to help bring businesses to the area. Our outreach for this opportunity will be media/news releases, social media, web promotion and on liquid space. NMDC has 2 offices currently available for use.

MOTION:

Motion made by Mr. Brown, seconded by Ms. Buck to approve the Co-Working Space proposal as presented.

VOTE:

Motion voted on and passed.

8. Aroostook Partnership Presentation on County Demographics and Mining:

Mr. Gulliver gave the presentation in Bob Dorsey's absence. He explained Aroostook Day at the Legislature was successful with 25 Legislators in attendance.

He reviewed the Aroostook Demographics and Workforce Projection presentation indicating there are a total of 37,000 jobs in Aroostook County and not enough people in the labor force that want to work. The skilled workforce gap is growing. The County population is aging and decreasing with a high percentage with a high school education or less.

He stated forestry has been struggling for the past few years with healthcare the fastest growing employment segment in Aroostook.

The mining project has a potential to bring 280 direct jobs to the area. At Aroostook Day the Legislators were not receptive to it. The community is mostly for mining in the County, but were not as interested if JD Irving leads it. At this point, JD Irving is not interested in being the operator for the project.

Mr. Gulliver stated the rules are up in front of law makers this session. It is hopeful the rules will be passed to make this possible, but it needs more support from the people of Aroostook County.

9. Authorization to Submit an EDA Agri-Business Accelerator Center Proposal:

Mr. Clark stated our situation shows a decline in population from 2010 to 2014, and a decline in potato and blueberry sales. We are also experiencing a decline in employable workforce, total jobs, and Aroostook County potato acreage and decline in land under cultivation from 158,459 acres to 149,047 acres.

He stated in order to address this, an Agri-business Accelerator Center (ABAC) would be developed and included in the CEDS. We are looking at non-commodity agri-business ventures, new product development and value added processing. We also need to look at entrepreneurial training and assistance. Our Goal is to develop 50 new agri-businesses and increase access to capital, equity and near equity products.

50 new agribusinesses would create 125 jobs in Aroostook County and 75 jobs in Washington County, which would show a \$100,000,000 boost in GDP over the 5 years.

Core Tasks:

- We will inventory, map and identify gaps in Agri-Business Infrastructure
- Form a Public Private Partnership Supply Chain
- Value Chain Mapping from Inputs to Consumer
- Develop Supply Chains and Support Organizations that add Value
- ABAC Operating, Investment and Marketing Plans
- Identify Workforce Development and Training Needs

- Develop Sustainability and Resiliency Plans
- Grow the Agri-Business Economy of the Region

Total Project: \$368,000

Timetable: Application is due February 28<sup>th</sup>. Start date May, 2017 for a 2 year period.

Mr. R. D. Pelletier stated there is a problem with Canadians bringing their potatoes into the US. Will this plan help stop Canadians flooding the markets here? Mr. Clark stated that trade issue will not be addressed with this project, which is focused on supporting existing and new agri-businesses.

Mr. Gagne inquired if this project would help with better internet access for small businesses in Aroostook County. Mr. Clark indicated it would.

Mr. Clark announced the preliminary application has been submitted. We were invited by EDA to submit the full application.

MOTION:

Motion made by Mr. Puckett, seconded by Mr. Gagne to authorize the submission of the EDA proposal as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

10. Report of the Aroostook County Tourism Board:

Ms. Sutherland reported the Home for the Holidays promotion on social media was a success and ACT just completed the Mid-winter giveaway.

The Mid-winter promotion provided ACT with 947 new email addresses and 863 new *Likes*. Page views were 1,100 and 160,000 saw us on Facebook. The Mid-winter promotion was won by someone in Kenduskeag.

Ms. Sutherland reported ACT has a weekly blog on their website. Volunteers are recruited to write a new blog every week. The blogs should consist of 400 words and she encouraged Board members to sign up to blog. Mr. Ouellette will provide the Board with a link to blog.

The new Aroostook Regional Guide is being created by Thalo Blue, a company in Auburn. They are in the County this week doing ad sales. The new document will be ready in April.

MOTION:

Motion made by Ms. Buck, seconded by Mr. Brown to accept the report of the ACT Board as presented.

VOTE:

Motion voted on and passed.

11. Officer Vacancies:

Chair Bless indicated this would be his last NMDC Board meeting as he will be moving from the area on March 3, 2017.

MOTION:

Motion made by Mr. Brown, seconded by Mr. Tweedie to appoint Ralph Dwyer as Chairman until the next annual election in June and to authorize the Chair to appoint a Nominating Committee for recommendations to fill the Officer's positions and open Board seats.

VOTE:

Motion voted on and passed.

Chair Dwyer appointed Don Guimond, Pat Sutherland and Ryan D. Pelletier as the Nominating Committee.

12. Other Business:

- A. Authorization to Apply for Libra Foundation Funding on Behalf of the Francis Malcolm Science Center

Mr. Clark announced NMDC was approached by representatives from the Francis Malcolm Science Center and asked if we would be the 501(c) (3) on their behalf. They are applying for \$25,000 from the Libra Foundation.

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Gagne to authorize the submission of the Libra Foundation application and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

- B. Austin Bless Resignation

At this time Chair Bless provided the Board with his verbal resignation as he will be moving to Texas on March 3, 2017.

MOTION:

Motion made by Mr. Tweedie, seconded by Ms. Sutherland to accept Mr. Bless's resignation with regret.

VOTE:

Motion voted on and passed.

13. Executive Director's Report:

Mr. Clark discussed the letter Joella Theriault sent to the towns regarding cutbacks to the CDBG program. NMDC received \$25,000 versus the normal \$55,000 to provide assistance to the communities. Going forward, all technical assistance required will need to be directed to the Office of Community Development. NMDC will provide direct and customized technical assistance at a competitive rate if communities choose to use us for assistance. NMDC will meet with towns as to how we can meet their needs with CDBG T/A.

Mr. Clark directed the Board's attention to the article on the new buyer of Portage Lakeside Cabins-Shannon Currier. Ms. Currier met with Josh Nadeau, NMDC's SBDC director and David Spooner, NMDC's loan officer who provided her with business counseling on the venture.

Mr. Clark announced we received 2 proposals for the Strategic Planning process. One for \$59,000 and the second had no amount quoted, but wanted to take the Board on a retreat. He stated NMDC will attempt to negotiate an appropriate fee with one of the proposers and report back to the Community Engagement Committee.

Mr. Clark reported the Maine MEP is not renewing their sub-recipient contract with NMDC after March 31<sup>st</sup>. Therefore, we will move Ken LeTourneau to the Business Finance division to provide counseling to loan clients and his salary will be paid for from T/A grants.

Mr. Clark stated NMDC received the Farm Services Agency contract to provide training and T/A to beginning farmers. There were 4 proposers from Maine that submitted proposals. This will begin the end of February.

Mr. Tweedie asked if the bi-monthly meeting schedule works with NMDC staff. Mr. Clark reported it is working in-house, but would like to know if it is not working for any of the Board Members in order for us to adjust accordingly.

At this time, in-coming Chair Ralph Dwyer presented out-going Chair Austin Bless with an award for his volunteer service on the Executive Board.

14. Adjournment:

There being no further business to conduct, Chair Dwyer declared the meeting adjourned at 2:15 p.m.

Respectfully submitted,

Keith Brown  
Secretary

KB/jd