

**Northern Maine Development Commission
Executive Board Meeting Minutes of
May 12, 2016**

PLACE: Northern Maine Development Commission

DATE: May 12, 2016 3:00 p.m.

Attendance: Chair Christy Sirois, Don Adams, Butch Asselin, Keith Brown, Tom Clowes, Dave Cyr, David Dionne, Ralph Dwyer, Norm Fournier, Jon Frederick, Denis Gagne, Jim Gagnon, Don Guimond, Dan McClung, Jim Nadeau, Martin Puckett, Wendell Spooner, Patricia Sutherland, Jim Tweedie, Fred Ventresco and Terry Wade.

Others Present: Phil Bosse–Senator Collins’ Office, Barbara Hayslett-Senator King’s Office, Kim Rohn-Congressman Poliquin’s Office, Jim Risner and John Herold-Town of Fort Fairfield, Robert Clark, Judy Dinsmore, Jon Gulliver, Alain Ouellette, Joella Theriault, Julie Corey and Mary Dahlgren.

1. Call to Order and Introductory Remarks:

Chair Sirois brought the meeting to order at 3:00 p.m. Those who wished to receive travel reimbursement were asked to pass their travel vouchers in.

2. Approval of Executive Board of Directors Meeting Minutes of April 14, 2016:

MOTION:

Motion made by Mr. Gagne, seconded by Mr. Frederick to approve the Executive Board of Directors meeting minutes of April 14, 2016 as presented.

VOTE:

Motion voted on and passed.

3. Acceptance of the Agencywide Revenue and Expenditure Statement for the Period Ending April 30, 2016:

Ms. Dahlgren presented the financials to the Board indicating the benchmark for the period April 30, 2016 was 83.33%

Total revenues were at \$2,978,638 representing 68.14% or 15.19 percentage points below the benchmark.

Total expenses for the period were \$3,077,473 or 86.07% of the budgeted expenses or 5.11 percentage points above the benchmark.

Agency balance of (\$98,835)

Accounts receivable is \$330,661

Cash on hand is \$2,034

Total available resources are \$332,696

Operating line of credit is \$740,000
 Equipment line of credit is \$0.00

Mr. Frederick asked what the under/over will be at the end of June, 2016. Ms. Dahlgren indicated it will be approximately \$100,000.

MOTION:

Motion made by Mr. Tweedie, seconded by Mr. Nadeau to approve the Agencywide Revenue and Expenditure Statement for the period ending April 30, 2016 as presented.

At this time, Mr. Puckett asked if it would be possible for the Board members to receive the financials sooner, in which Ms. Dahlgren indicated we receive the information for the financials no sooner than the 10th of the month. Because of the extensive requests from MDOL for reports earlier this month, it was difficult to get the financials out to the board in a timely manner for this meeting. This is the first time the financials have been presented to the Board on the day of the meeting.

MOTION:

Motion made by Mr. Dionne, seconded by Mr. Asselin to table the financials for this month and include them on June's agenda for approval.

VOTE:

Motion voted on and passed.

4. Report of the Finance/Audit Committee:

Mr. Frederick, Chair of the Finance/Audit Committee presented the report to the Board. The Finance/Audit Committee reviewed the 2016-17 Indirect Cost Allocation Plan in which the Committee endorsed the plan and rate of 50.1%. They also reviewed the first draft of the proposed 2016-17 operating budget totaling \$2,073,718, which is \$2.3 million less than last year's budget due to dropping the Workforce Development Programs. They also discussed the indirect expenses and how they impact the financial condition of the organization. Indirect costs for last year were \$758,000, the proposed budget reduces that to \$634,878 or a reduction of \$124,000. The Finance/Audit Committee will meet again before the annual meeting to review the final draft before it goes to the full board.

The Committee also discussed the line of credit, which is now at \$725,000, the total line of credit authorized by the Board is \$850,000. If the indirect cost plan recovery is accurate \$150,000 should be received per year for the next 5 years to pay off the line of credit. Another option was discussed to term out some or all of the line of credit. This will be reviewed after the fiscal year is closed.

Expense reduction initiatives were also discussed such as not replacing 8 employees that have left over the past year, \$150,000 reduction in cash contributions to the World Acadian Congress and the Aroostook Partnership; closure of the Fort Kent and Houlton offices and reduction in office operations. A review of outstanding funding proposals totaling \$1.5 million was done in which the funding proposals will have decision dates

between now and October 1, 2016. A strategic plan was also recommended to be developed with the Executive Board.

Mr. Guimond inquired if the \$100,000 overage Ms. Dahlgren estimated for the end of the year was discussed during the Finance/Audit Committee meeting. It was not.

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Fournier to accept the Finance/Audit Committee report as presented.

VOTE:

Motion voted on and passed.

5. Report of the Loan Review Committee:

Ms. Corey presented the report to the Board.

Loans approved:

Amanda Crane and Lacy Clark (Houlton) – working capital
 James Whitmore (Perham) – purchase an equipment van
 Lauren Allen (Crouseville) – working capital, approved/closed
 Sullivan’s Flooring (Caribou) – working capital, approved/closed

New loans:

Village Healthcare – real estate and debt restructure – denied
 Michael Stiggle – real estate – contingent upon FAME REDLP – denied at this time

MOTION:

Motion made by Mr. Puckett, seconded by Mr. Dionne to accept the Loan Review Committee’s report as presented.

VOTE:

Motion voted on and passed.

6. Ratification of Service Contracts:

There were no contracts to ratify.

7. Change of Executive Board Meeting Date Survey Results:

Mr. Clark stated at the last Executive Board meeting it was proposed to change the Executive Board meeting date/time in order to accommodate Washington County representatives who were considering attending our meetings, but their meeting is at the same time and date. The Board was surveyed with 19 responses received. Eleven were to keep the current schedule and 8 were to change it.

MOTION:

Motion made by Mr. Tweedie, seconded by Mr. Gagne to keep the same meeting dates and times for the Executive Board meetings.

VOTE:

Motion voted on and passed.

8. Approval of the Comprehensive Economic Development Strategy (CEDS) for 2016:

Mr. Gulliver reported the Aroostook Washington Comprehensive Economic Development Strategy (CEDS) has been updated for 2016-2017. The document focuses on economic development priorities for the two county region. The document will be revamped next year. This document is used for all of our economic development efforts. It sets goals and benchmarks and identifies priority projects. A new section has been added on economic resiliency.

The CEDS focuses on cluster areas:

- Alternative Energy
- Manufacturing
- Agriculture
- Forest Resources
- Tourism
- Marine Resources

The goals have not changed in the update, but they will next year during the revamp. The final document will be posted on NMDC's website.

Mr. Gulliver announced the planning process will begin as soon as we receive the money for the project. It was suggested by Mr. Risner that on page 3 of the CEDS that solar be added to the list of opportunities for renewable and alternative energy resources. Mr. Gulliver indicated it will be in the rewrite.

MOTION:

Motion made by Mr. Gagne, seconded by Mr. Tweedie to approve the CEDS for 2016 as presented.

VOTE:

Motion voted on and passed.

9. Presentation on the Statewide CEDS for 2016:

Mr. Gulliver stated this process began in 2012 with all 7 Economic Development Districts (EDD) as part of the Mobilize Maine II initiative. The document looks at the 5 core elements of the Maine economy and lists economic goals for the state. All 7 EDDs are working on asset based economic development. Their approach focuses on the state's competitive strengths and opportunities.

A common CEDS template was created, which looks at demographics and population. The State of Maine is losing population except for the Portland area. The goal is to

increase the population by 53,132 by the year 2018. He explained workforce is going to be the issue for the next 20 years for the state.

Sectors include:

Food Systems/Agriculture

Marine

Forest Products

Manufacturing

Tourism

It was asked what method would be used to increase the population. Mr. Gulliver indicated we do not have a method.

Mr. Herold asked for more information on niche manufacturing. Mr. Gulliver indicated there is a lot of interest in niche manufacturing. However, what has been found is some who start new businesses are reluctant to grow to scale. Acme Monaco and Porvair are good examples of niche manufacturing.

10. Authorization to Submit a USDA Local Food Promotion Program Application:

Ms. Theriault reported this is a feasibility study for an on-line food hub in the amount of \$45,000 for Aroostook, Washington and Piscataquis Counties. The purpose is to increase domestic consumption of and access to local and regional produced agricultural products.

A survey will be conducted and we will gather existing studies and hold an informational meeting. We will also do a digitized presentation and will research existing online food hubs in the US and provide our findings in the final feasibility study to share with our counties in the Great Region.

Partners:

Maine Farm and Sea Cooperative

Catholic Charities

SCEC

Circle B Farms

She indicated there are more farmers who are interested, but have not signed a partnership letter yet.

There is a 25% cost sharing, which can come from cash contributions, or in-kind.

This will run from September 30, 2016 thru March 30, 2018 if funding is obtained.

MOTION:

Motion made by Mr. Frederick, seconded by Mr. Gagne to authorize the submission of the Local Food Promotion Program application as presented and authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed

11. Authorization to Submit the 2016-2017 Maine Tourism Marketing Partnership Program Application:

Mr. Ouellette announced in 2014, tourism generated 1.3 million visitors which spent \$144,000,000 and 2% of all tourism visits in Maine visit Aroostook County.

The traditional target markets will be continued, but we have a fledgling eco-tourism developing in our region that will be highlighted in our regional promotional materials.

Goal is to increase overall awareness of our opportunities, drive traffic to our website and enhance our social media presence and increase the number of visitors to the region.

Our regional guide will be revamped, continue with paid print ads in Maine Invites You and the Maine Snowmobile Association magazine. Our online social media presence will also continue.

Attendance at the following Travel Trade Consumer Shows:

Orono Sports Show
New Hampshire Grass Drags
Augusta Snowmobile Show
Other Shows TBD

New event marketing grant – \$2,500 (sub-grant)

Total budget: \$125,000 limited to \$25,000 for administration
Match is in-kind and cash totaling \$53,200

Mr. Fournier inquired if NMDC was injecting local money to subsidize this grant. Mr. Clark indicated the \$25,000 will be able to cover it with no other monies needed.

MOTION:

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

VOTE:

Motion voted on and passed.

Ms. Sutherland, Chair of the ACT Board, invited the Executive Board members to the ACT Summit in Littleton on May 20th.

12. Recommendation of the Finance/Audit Committee and Officers on Establishing the Annual Meeting Place, Date and Time:

Mr. Frederick, Chair of the Finance/Audit Committee, stated the Finance/Audit Committee recommends that the annual meeting of the members be held on June 23, 2016 beginning at 5:00 p.m. at the Caribou Inn and Convention Center. The Committee further recommends that the cost of the meal be capped at \$1,000 and have a cash bar.

MOTION:

Motion made by Mr. Cyr, seconded by Mr. Puckett to accept the recommendation of the Finance/Audit Committee as presented.

VOTE:

Motion voted on and passed.

13. Authorization to Resubmit EDA Seed Fund Support Grant:

Mr. Gulliver stated the grant objective is to provide funding for technical assistance to support feasibility, planning, formation, or launch of cluster-based seed capital funds to be deployed in support of innovation-based startups with a potential for high growth. NMDC will explore establishing a Venture Development Organization (VDO) to assist innovative Aroostook and Washington County entrepreneurs in forest products and agriculture. Although this will be the primary focus of the VDO, any good idea will be considered.

Mr. Gulliver stated we will engage entrepreneurs with events and outreach, identify potential investors, develop a VDO business plan and develop a sustainability plan for the VDO. We will be locating and coordinating with partners such as the Small Business Development Center, New Ventures Maine, Blackstone Associates, financial institutions, etc.

Application team: Jon Gulliver, Alain Ouellette and Robert Clark.

Application deadline: June 24, 2016

Budget: EDA SFS: \$150,000 with a regional match of \$150,000

The regional match is provided by NMDC, Aroostook Partnership, New Adventures, etc.

MOTION:

Motion made by Mr. Dionne, seconded by Mr. Gagne to authorize submission of the EDA Seed Fund Support Grant as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

14. Nominating Committee Appointments:

a. Board of Directors Terms Expiring in 2016

Mr. Clark reviewed the list of Board Members whose terms will be expiring in June, 2016. Ms. Dinsmore reached out to them in which all responded they would like to serve another 2 year term.

Butch Asselin, Houlton
Austin Bless, Caribou
Keith Brown, Washburn
Mary Anne Buck, Mapleton
Sandra Fournier, Eagle Lake
Jim Gagnon, Wallagrass
Jim Gardner, Easton

Don Guimond, Fort Kent
Wendell Spooner, New Sweden
Patricia Sutherland, Chapman
Jim Tweedie, Blaine
Fred Ventresco, Limestone
Terry Wade, Monticello

It was suggested by Mr. Bless that a clause be included in the By-Laws to address attendance requirements.

Mr. Clark stated a Nominating Committee will be created by Chair Sirois. Ms. Sirois announced due to her work schedule she will not be able to Chair the Executive Board next year, therefore her last meeting will be the annual meeting in June, 2016.

15. Other Business:

a. Educational assistance – Matt Tompkins

Mr. Clark stated the employee will enroll, pay and will receive reimbursement based on degree. NMDC will reimburse at 9 credits per semester. We get 15% off as we are a Next Step Maine employer. The monies will come out of the general fund. It is not included in the budget.

Ms. Sutherland stated she was concerned as it is a rigorous schedule.

Mr. Frederick inquired if it states in the policy that the employee is required to stay employed for a period following their education? Mr. Clark indicated our policy does not state that. It was the suggestion of Mr. Frederick to take this request to the Human Resource Committee for their recommendation and to include the work requirement in the personnel policy.

MOTION:

Motion made by Mr. Frederick, seconded by Mr. Dionne to take this request to the Human Resource Committee for their recommendation.

VOTE:

Motion voted on and passed.

16. Executive Director's Report:

- Aroostook County Tourism Summit – Friday, May 20 (Southern Maine Agriculture Museum, Littleton)
- Maine Department of Agriculture, Conservation and Forestry Press Release – LUPC adopted zoning rules that provides opportunity for rural business to locate and grow in new areas of Aroostook County.
- Brook Trout Make Maine World-Class Fishing Destination Article – Libby's Camps, Millinocket
- NADO News Release – Bob Clark elected to NADO's Board of Directors
- EDA Forest Cluster Grant Application – NMDC has been invited to submit a full application in June - \$200,000
- NMDC has been invited to Phase II of the EPA Environmental Justice Grant for radon detection and mitigation
- 2016 Entrepreneur of the Year – NMCC, May 26 – registration taken by Ms. Dinsmore

17. Adjournment:

There being no further business to discuss, Chair Sirois declared the meeting adjourned at 4:30 p.m.

Respectfully submitted,

Ralph Dwyer
Secretary

RD/jd