

**Northern Maine Development Commission  
Executive Board Meeting Minutes of  
November 13, 2014**

**PLACE:** Northern Maine Development Commission, Caribou

**DATE:** November 13, 2014 12:30 p.m.

**Attendance:** Vice-Chair Christy Sirois, Don Adams, Butch Asselin, Austin Bleess, Mary Anne Buck, Tom Clowes, Larry Duchette, Ralph Dwyer, Norman Fournier, Jon Frederick, Jim Gagnon, Jim Gardner, Max Lynds, Dan McClung, Ray Mersereau, Jim Nadeau, Wendell Spooner, Patricia Sutherland, Christina Therrien, Jim Tweedie, Paul Underwood and Terry Wade.

**Others Present:** Robert Clark, Ryan Pelletier, Judy Dinsmore, Jay Kamm, Jon Gulliver, Mary Dahlgren and Ruby Bradbury.

1. Call to Order and Introductory Remarks:

Vice-Chair Sirois conducted the meeting in Chair Guimond's absence. For the benefit of the new Board members, everyone introduced themselves.

Board members were asked to pass their travel vouchers in for reimbursement.

2. Approval of Executive Board of Directors Meeting Minutes of September 11, 2014:

MOTION:

Motion made by Ms. Sutherland, seconded by Ms. Buck to approve the Executive Board of Directors meeting minutes of September 11, 2014 as presented.

VOTE:

Motion voted on and passed.

3. Acceptance of the Agencywide Revenue and Expenditure Statement for the Period Ending October 31, 2014:

Financial Summary:

The benchmark for the period ending October 31, 2014 is 33.3%.

Total Revenues are \$1,978,147 representing 28.1% or 5.2 percentage points below the benchmark.

Total expenses for the period were \$2,542,147 or 33.3% of the budgeted expenses.

Agency Balance is (\$564,001). The COCMA fund balance in the amount of \$494,576 was used as well as \$37,244 of the special tourism grant leaving a net agency balance of (\$32,180).

MOTION:

Motion made by Mr. Mersereau, seconded by Mr. Tweedie to approve the Agencywide Revenue and Expenditure Statement for the period ending October 31, 2014 as presented.

VOTE:

Motion voted on and passed.

4. Report of the Finance/Audit Committee:

a. 2014 Federal Compliance Audit Report

Finance/Audit Committee Chair Ms. Therrien announced the Finance/Audit Committee met on October 27, 2014 with NMDC's auditor, Ron Smith of RHR Smith and Company. The auditor reviewed the financial statements with the Committee and discussed the items contained in the Management Letter.

The Executive Director and Director of Operations offered to leave the meeting so the Committee could meet privately with the auditor.

Other items discussed were beginning the budgeting process earlier to allow ample time for review, therefore the budget process will begin in April with the March 31<sup>st</sup> numbers being available as the benchmark.

The Finance/Audit Committee will also meet with the Human Resources Committee to review pay scales and the transition of the Director of Operations position.

The Accounting Policies and Procedures Manual was reviewed and the Committee made suggested revisions which have been incorporated into the manual. A copy of the revised manual was included with the Executive Board agenda packet materials.

At this time, Ms. Therrien asked Ms. Bradbury to present the audit report to the Board.

The Statement of Financial Position compares June 30 of the prior fiscal year to June 30 of the current fiscal year.

The 12.7% decrease (or \$331,121) in cash is attributable to making payments for the World Acadian Congress.

Accounts Receivable showed a decrease of 10.4%. This was due to writing off approximately \$34,000 of MEP fees that were due from Fraser Paper. Also, we are no longer receiving administrative fees from NMFC.

There is a decrease of 15.1% (or \$98,948) under Grants and Contracts Receivable. This is attributed to writing off \$75,000 for the MEP program as well as MEP catching up on payments. MDOT is also paying on a timely basis.

Under Loans Receivable, notes receivable (current and net of current) shows an increase of 4.7% or \$89,424. This is largely due to NMDC acquiring a Loan Fund from Washington-Hancock Community Agency.

Interest Receivable shows a decrease of 19.1%. This is mainly a timing issue as a result of when clients pay on their loan.

The Deferred Cost Pool shows a decrease of \$24,788 which is the recovered indirect costs from prior years.

Under Prepaid Expenses, we had incurred \$4,000 in expenses as a result of becoming the fiscal agent for Area 2 in the prior year. This year only insurances needed to be paid.

Fixed Assets shows an increase of \$11,669 or .5%. This represents the difference of purchasing new equipment and removing the old.

Accounts payable is up by 45.9% or \$213,190, which is primarily due to holding funds for the Washburn Dam project as well as large draws to sub-recipients and service providers at year end.

Accrued payroll expenses, payroll taxes and accrued retirement expense shows a decrease of \$754,631 from last year to this year. Deferred expenses for COCMA were \$750,000.

Municipal and County Dues has increased by \$3,731 from 2013.

Operating Line of Credit shows a decrease of \$43,666 and Equipment Line of Credit has decreased by \$3,437. The total decrease of these two lines is \$47,103.

Long Term Debt for current and net of current has an increase of \$294.6%. This is due to acquiring the new FAME Loan program and new RMAP program for Washington-Hancock Community Agency. Additional funds were also received for the IRP 6 Loan program.

The result of all of the changes to NMDC is an increase in fund balances of \$702,749.

NMDC has no reportable conditions, we are in compliance, there were no audit findings and NMDC is low risk.

Our major program is the WIA program which totals over the \$300,000 threshold.

MOTION:

Motion made by Ms. Therrien, seconded by Mr. Fournier to accept the 2014 Federal Compliance Audit Report as presented.

VOTE:

Motion voted on and passed.

## 1. Management Letter

Mr. Clark reviewed the letter indicating the matters referred to as “management letter comments”. These were:

Payroll Compensation: An employee’s wages were not updated during the year to reflect a raise in compensation, this matter was corrected immediately.

Unsigned Check: A local banking institution honored a check presented for payment by NMDC without the authorized signature. We were cautioned by the auditors to be sure all checks be signed in advance of mailing.

Fund Balance (net asset) Policies: The auditor recommended we develop a fund balance policy to meet the everyday needs of the Commission. A fund balance policy was also recommended for our loan and WIA programs and should be a separate policy. NMDC is in the process of developing the Fund Balance Policies.

The Management Letter also indicated NMDC is experiencing cash flow strain due to the deferred cost pool and expenses paid, but not yet reimbursed. We will be recouping these funds in indirect costs.

## b. Accounting Policies and Procedures Manual

Mr. Clark announced the Manual gives a general description of governance of the corporation, duties, and outlines practices, liabilities, accounts and tax information, financial management practices and those pertaining to the Workforce Investment Act.

He explained we used EMDC’s manual as a guide and revised it to pertain to NMDC. This document will again be revised after December 26<sup>th</sup> as the super circular will be in effect.

MOTION:

Motion made by Ms. Therrien, seconded by Mr. Gardner to adopt the Accounting Policies and Procedures Manual as presented.

VOTE:

Motion voted on and passed.

5. Report of the Loan Review Committee:

Ms. Dahlgren presented the report in Duane Walton's absence.  
Loans closed/approved/denied or modified under staff authority:

Jeremy Bither (Houlton) – working capital and inventory – closed  
Denise Carter (Presque Isle) – working capital, equipment and inventory – closed  
County Kidz Childcare (Houlton) – purchase real estate – approved  
Muskie Moose (Madawaska) – working capital and equipment – approved  
Alison Wheeler (Bridgewater) – purchase real estate – approved  
Autotronics (Frenchville) – waived life insurance  
Elmer Sprague (Caribou) – equipment financing, waived life insurance  
Al-Bear's Place (Limestone) – renewed loan for another 5 years – approved  
Desjardin's Project Place (Fort Kent) – restructure loans and finance working capital

MOTION:

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

VOTE:

Motion voted on and passed.

a. Resolution for Acceptance of the RMAP Loan of \$500,000

Ms. Dahlgren announced we applied for and received the RMAP loan from USDA. The Loan Review Committee recommends the Executive Board accept the loan and authorizes the Executive Director to execute all necessary documents pertaining thereto. This is for a 20 year period at 2%.

MOTION:

Motion made by Mr. Mersereau, seconded by Mr. Lynds to adopt the resolution as presented.

VOTE:

Motion voted on and passed.

b. Authorization to Sell Loans

Ms. Dahlgren announced the recent opportunity for NMDC to sell a participating interest in two loans to a local bank. This opportunity will free up some funds to help other businesses. This raised a question of approval in cases where we may want to sell an entire loan. The Loan Review Committee reviewed this and recommends to the Board that approval of a whole loan sale will be considered on a case by case basis.

MOTION:

Motion made by Mr. Fournier, seconded by Mr. Asselin to authorize transfer of loans on a case by case basis.

VOTE:

Motion voted on and passed.

6. Ratification of Service Contracts:

Mr. Clark reviewed the contracts that were indicated on the Agenda Supplement sheet which amounted to \$51,900.

MOTION:

Motion made by Mr. Gardner, seconded by Mr. Mersereau to ratify the service contracts as presented.

VOTE:

Motion voted on and passed.

7. Authorization to Apply for Brownfields Funding in the Amount of \$200,000:

Mr. Kamm announced NMDC has continued to receive these grants since 2007. This initiative will identify and review sites potentially contaminated with petroleum located within NMDC's Aroostook County service area. The goal is to complete 6 phase I and 6 phase II ESA's in Aroostook County. There are no match requirements.

There are 4 tasks associated with this grant:

- Task 1: Program and Steering Committee Support
- Task 2: Brownfields Site Selection and Evaluation
- Task 3: Sites Assessments
- Task 4: Community Outreach

Timeline: NMDC should be notified in May-June, 2015. Work under this grant will begin October 2015 and will be for a 3 year period. It is NMDC's intention to make this an 18 to 24 month timeline.

Partners and Support:

UVEC  
 Aroostook Code Enforcement Officers Association  
 EPA  
 St. John Aroostook RC&D  
 LEAD  
 APP  
 MDEP

MOTION:

Motion made by Mr. Bless, seconded by Mr. Asselin to authorize the Brownfields application submission as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

## a. Award of Brownfields Consultant Contract

Mr. Kamm reported NMDC received a \$200,000 cooperative agreement with EPA to complete environmental site assessments. These sites must be contaminated with hazardous substances and some must be identified as meth labs.

NMDC developed an RFP and advertised for an environmental professional to complete the work. Two proposals were received:

- CES, Inc.
- County Environmental Engineering

The proposals were scored and interviews were conducted by NMDC staff. A Maine DEP representative acted as technical advisor and did not offer opinions or scores.

Both firms were well qualified, but there was a \$10,536 cost difference.

CES, Inc. - \$178,676 (score total: 360)

County Environmental Engineering - \$168,140 (score total: 371)

It is staff's recommendation to award the contract to County Environmental Engineering.

Mr. Underwood asked if they will be cleaning up these sites as well as assessing them.

Mr. Kamm indicated they will primarily be doing the assessments, but some clean up will take place.

MOTION:

Motion made by Mr. Gagnon, seconded by Mr. Fournier to award the Brownfields consultant contract to County Environmental Engineering as presented.

VOTE:

Motion voted on and passed.

8. Award of National Emergency Grant in the Amount of \$279,102:

Mr. Pelletier reported on January 23, 2014, Great Northern Paper Company announced a 16 week curtailment of production with the workers continuing to work for the first 8

weeks. In February, the company announced this plan was not feasible and laid-off a total of 212 of the 256 member workforce. In April, they laid-off an additional 13 workers bringing the total unemployed to 225. This grant award will assist the effected workers with job training and supportive services to help upgrade skills and find new employment or training opportunities.

MOTION:

Motion made by Mr. Nadeau, seconded by Mr. Lynds to accept the award of NEG as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

9. Appointments to the Aroostook County Tourism (ACT) Board:

Ms. Sutherland announced the ACT board met and reviewed the applications of those interested in serving on the Board. There were two vacancies available in which the ACT Board recommends that Jane Torres (Houlton Chamber Director) and Joe LaChance (Madawaska Four Corners Park) be appointed to fill the vacancies.

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Tweedie to appoint Jane Torres-Houlton Chamber Director and Joe LaChance –Madawaska Four Corners Park to the ACT Board.

VOTE:

Motion voted on and passed.

10. Appointments to NMDC Standing Committees:

Mr. Clark announced the appointments to the NMDC Standing Committees is a result of the survey that was mailed out and reviewed and approved by the Board Chair.

The list was reviewed with the Board and consists of the following committees:

Finance/Audit  
 Community Engagement  
 Human Resources  
 RTPO  
 Cooperative Purchase  
 EPA Brownfields Steering Committee  
 Loan Review Committee



MOTION:

Motion made by Ms. Sutherland, seconded by Ms. Buck to appoint members to the Standing Committees as presented in the Standing Committee roster.

VOTE:

Motion voted on and passed.

11. Update on Opportunities Aroostook:

Mr. Gulliver reported Opportunities Aroostook is a collaborative effort between APP, LEAD, businesses and educators to grow the 18-44 year old workforce in the County. The new website is [www.opportunitiesaroostook](http://www.opportunitiesaroostook) and is now live in beta form to allow people to explore career opportunities.

There are currently 66 jobs on line and 5 seekers. This is a free service for employers and job seekers, but donations are being asked from those who post their job openings. Videos of the company and job opening can also be added to the post. Social media accounts are also set up for this.

We will be working with the local weeklies asking them to add the job openings they receive to automatically go onto this website.

The site will send a job seeker an automatic announcement of a job that meets their qualifications. At this time resumes cannot be posted anonymously.

Sponsors to date are:

Pines Health Services  
Katahdin Trust Company  
MMG Insurance  
AMHC  
TAMC

The site was developed by Fred Grant of Northern Maine Media in Houlton.

12. MDOL High Risk Status and Federal Monitoring Report:

Mr. Clark reviewed the high risk status response with the Board.

HR1: Subcontract templates do not include required citations: Approved and resolved

HR2: Time allocation time charges: Time between programs will be allocated accordingly, not yet resolved as to length of time needed for accurate time charges

HR3: Timesheets/charges to timesheets after submittal: Timesheets to be “locked down” and backed up before being submitted for payment

HR4: Subcontracts not provided to BES for approval prior to transaction: Resolved and is contained in Accounting Policies Manual.

HR5: Accurate reporting requirements: Not yet resolved, DAFS to provide documentation of inaccuracies and develop tracking sheet.

HR6: Community Fund questions: Resolved

Mr. Clark announced these high risk items are basically resolved.

Federal Findings:

AW1: Incomplete Memorandum of Understanding: This will continue to be developed and affects all of the LWIBS.

AW2: LWIB Governance: Has been resolved

AW3: Lack of written procedure for the handling of PII: Has been resolved

AW4: Lack of written procedure for incident reporting: Has been resolved

AW5: Complaints and grievances procedures: Has been resolved

AW6: Lack of timely execution of service provider contracts: Has been resolved

AW7: Failure to completely procure WIA intensive services and youth program elements: has been resolved

AW8: Lack of a youth requires additional assistance local policy: Has been resolved

AW9: Incomplete cost allocation plan: The revised plan has been submitted

AW10: Allowable charges: Will be following up on where balance was charged

AW11: Improper cost allowability of indirect costs: Will be following up once cost allocation plan is submitted

AW12: Inaccurate accrual reporting: Will be following up and providing documentation

AW13: Lack of LMI dissemination to Adult and Dislocated Worker participants: Has been resolved

AW14: Status codes used to extend program participant period: Has been resolved

Areas of Concern 1 through 4: Have all been accepted

Mr. Clark announced 10 of the 14 findings have been resolved.

### 13. Washington County Board Seat:

Mr. Clark indicated Washington County has requested they have a seat on the Executive Board. Presently they do not pay dues to NMDC and represent approximately one-third of NMDC's service area. It is management's recommendation to charge Washington County one-third of what Aroostook County's dues are.

Aroostook County - \$24,695

Washington County - \$8,231.67 (1/3 of Aroostook County dues)

### MOTION:

Motion made by Mr. Gardner, seconded by Mr. Underwood to approve the established dues at one-third of Aroostook County's dues.

### VOTE:

Motion voted on and passed.

14. Other Business:

a. Acceptance of the Workforce Resource Coordinator Position

Mr. Pelletier stated this grant was approved for Veterans outreach program monies. We have been asked by the Department of Labor to administer the Flexible Employment Fund for statewide assistance for Veterans.

Mr. Clark added we will be identifying programs for Veterans. This program will end in 2016 unless it is extended by other funds. The office will be based out of Houlton per the request of the Department of Labor. The individual will be on board by the first week in January, 2015.

b. Adoption of the Indirect Cost Proposal

Mr. Clark announced the cost policy statement has been created by NMDC's auditor. The agreement has been submitted to the state for their approval. We are proposing 50.1% for 2015.

Mr. Fournier inquired if MDOL has given comment yet, in which Mr. Clark's response was they have the plan, but we have not heard anything yet.

MOTION:

Motion made by Mr. Mersereau, seconded by Mr. Tweedie to adopt the Indirect Cost Proposal as presented.

VOTE:

Motion voted on and passed.

c. Health Insurance Rates for 2015

Mr. Clark announced the health insurance program will have 7 and 9% increases for 2015. This will be reviewed with the Finance/Audit and Human Resource committees at their combined meeting.

15. Executive Director's Report:

- Mr. Clark announced we are in receipt of the new snowmobile maps. Board members who would like maps are to see Ms. Dinsmore.
- Mr. Clark announced the town of Ashland was awarded \$226,000 from NBRC to upgrade a section of highway that is central to the town forest-products intermodal facility.
- The Maine Woods Tourism Training Initiative is offering a limited number of small grants (\$500-\$1,000) to help tourism companies secure expert assistance to take their business to the next level. The program will provide up to 50% of the

- cost for one on one consulting to help businesses implement strategies. Consulting assistance is available to established tourism businesses that have been in operation for at least 3 years, and have paid employees. Jon Gulliver is Aroostook County's lead and can be reached at [jgulliver@nmdc.org](mailto:jgulliver@nmdc.org)
- Mr. Clark stated he, Ryan Pelletier and Jon Gulliver were invited to attend the NADO Wealthworks training in Philadelphia which NADO paid for them to attend.
  - Mr. Clark discussed the thank you letter from CMA for NMDC's partnership during the two-week event.
  - Mr. Clark announced the designation of "Certified Business-Friendly Community" to the Town of Van Buren by DECD.

16. Executive Session:

- a. Personnel (Title 1, Section 405, Par 6A)

MOTION:

Motion made by Mr. Tweedie, seconded by Ms. Therrien to go into executive session in accordance with Title 1 Section 405 Paragraph 6A.

VOTE:

Motion voted on and passed.

Closed Session at: 1:49 p.m.

Open Session at: 2:10 p.m.

MOTION:

Motion made by Mr. Bless, seconded by Mr. Adams to limit the increase to 3%.

MOTION TO AMEND:

Motion made by Mr. Asselin, seconded by Mr. Underwood to increase at 3% with another 2% for additional duties.

VOTE ON AMENDED MOTION:

Motion voted on and passed with 17 in favor and 5 against.

Employee EBT:

MOTION:

Motion made by Mr. Fournier, seconded by Mr. Nadeau to grant the employee their EBT as presented.

VOTE:

Motion voted on and passed.

18. Adjournment:

There being no further business to conduct, Vice-Chair Sirois declared the meeting adjourned at 2:20 p.m.

Respectfully submitted,

Austin Bless  
Secretary

AB/jd