

**Northern Maine Development Commission
Executive Board Meeting Minutes of
April 14, 2016**

PLACE: Northern Maine Development Commission

DATE: April 14, 2016 3:00 p.m.

Attendance: Chair Christy Sirois, Don Adams, Butch Asselin, Austin Bleess, Keith Brown, MaryAnne Buck, Tom Clowes, Dave Cyr, David Dionne, Larry Duchette, Ralph Dwyer, Norm Fournier, Denis Gagne, Don Guimond, Max Lynds, Martin Puckett, Wendell Spooner, Patricia Sutherland, Jim Tweedie, Paul Underwood, Fred Ventresco and Terry Wade.

Others Present: Barb Hayslett-Senator King's Office, Kim Rohn-Congressman Poliquin's Office, Bob Clark, Robert Dorsey, Judy Dinsmore, Jon Gulliver, Jay Kamm, Alain Ouellette, Josh Nadeau, Julie Corey, Mary Dahlgren and Chris Bouchard-Aroostook Republican.

1. Call to Order and Introductory Remarks:

Chair Sirois welcomed everyone and instructed those who wished to receive travel reimbursement to pass their vouchers in and the checks will be mailed.

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

MOTION:

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

VOTE:

Motion voted on and passed.

3. Acceptance of the Agencywide Revenue and Expenditure Statement for the Period Ending March 31, 2016:

Ms. Dahlgren presented this to the Board indicating the benchmark for the period ending March 31, 2016 was 75%.

Total Revenues: \$2,675,114 representing 61.20% or 13.8 percentage points below the benchmark.

Total Expenses: \$2,743,783 or 65.48% of the budgeted expenses or 9.52 percentage points below the benchmark.

Agency Balance: (\$68,669)

Accounts Receivable: \$515,189

Cash on Hand: \$26,095

Total Available Resources: \$541,189
 Operating Line of Credit: \$750,000
 Equipment Line of Credit: \$0

MOTION:

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

VOTE:

Motion voted on and passed.

3-A. MDOL-USDOL Monitoring Updates:

Mr. Clark reviewed the MDOL final response with the Board. The audit period was July 1, 2012 through June 30, 2013 (PY 2012). The questioned costs were in the amount of \$26,815 in which the amount allowed was \$20,013. This left \$6,802 which was disallowed and will be paid back to MDOL. This is mainly the questioned costs regarding unallowable vehicle allowance.

Mr. Clark indicated there shouldn't be any other disallowed costs.

4. Report of the Loan Review Committee:

Ms. Corey presented this to the Board.

LRC action taken on the following:

DJ Morin – moratorium on principal and interest payments
 Michael Dumond – vehicle released as collateral
 Craig Walton – money for equipment and trailer
 Lauren Allen – working capital loan on clothing line
 Sullivans flooring – working capital for more inventory and warehouse sales

Recommended to Executive Board:

Matt and Melissa Leavitt – equipment and working capital
 Aaron Howlett – loan write off (Mars Hill House of Pizza)
 Tamarack Hill – loan write off – summary judgement on guarantors 30 days before collateral taken
 Westar Logistics – temporary payment reduction and bringing payments current. Pay small loan payment and interest on larger loan
 Ecoshel, Inc – interest only payments
 Caldwell's Auto – floor plan line of credit to renew for another year.
 Caldwell's Auto – partial release of collateral
 Al-Bears Place – interest only payments on existing loan and additional funds for renovations
 Allagash Guide Service – Real estate and equipment

MOTION:

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

VOTE:

Motion voted on and passed.

a. Request in Excess of Loan Review Committee's Authority

Ms. Corey indicated this request is in regards to Caldwell's Auto. This is an extension of their floorplan for one full year. It will release collateral and apply \$15,000 to the floorplan to allow for more funding.

MOTION:

Motion made by Mr. Tweedie, seconded by Mr. Ventresco to approve the Loan Review Committee's recommendation with respect to Caldwell's Auto, LLC loan request.

VOTE:

Motion voted on and passed.

b. NMDC standard Advance Rates

Ms. Corey presented this to the Board indicating it will be utilized by the Business Finance Division as the standard rates when calculating collateral values.

Mr. Fournier asked how it compares to the private sector. Ms. Corey indicated it is approximately the same. It is a bit conservative on some, and easier on others.

Mr. Lynds suggested the CD/Savings Accounts should indicate "non-qualified".

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Gagne to approve the standard rates as presented, a copy of which is attached to these minutes and made a part thereof..

VOTE:

Motion voted on and passed.

c. Approval of Loan Late Charges

Ms. Corey stated we are currently charging 6% on late payments. Some clients make their payment just before the late fee is due. It is being proposed that the late fee be increased from 6% to 10%, which hopefully will encourage them to make their payments sooner.

MOTION:

Motion made by Mr. Gagne, seconded by Ms. Buck to approve the loan late charges as presented.

VOTE:

Motion voted on and passed.

d. SBDC Dashboard

Mr. Nadeau discussed the results for SBDC at NMDC with the Board.

Timeframe: Goals-July 1, 2015 to June 30, 2016
Actual-July 1, 2015 to March 31, 2016

The six categories were:

Capital Formation – goal was \$3,000,000; actual was \$2,643,000
New Business Starts – goal was 17; actual was 4
Number of Long Term Clients (5 or more hours) – goal was 60; actual was 54
Business Advising Hours – goal was 900; actual was 554
Small Business Workshops – goal was 9; actual was 7
Jobs Created/Retained – goal was 80; actual was 22

e. SBDC Annual Report

Mr. Nadeau discussed the results for SBDC overall and for Aroostook:

Clients advised – 1,633
Aroostook - 119
Jobs created/Retained – 619
Aroostook - 11
Capital generated - \$37.6 million
Aroostook - \$350,005
Business starts – 102
Aroostook - 8

Mr. Clark stated we integrated SBDC with our loan division and numbers are looking favorable.

5. Ratification of Service Contracts:

The following service contracts were ratified by the Board:

2016 Byway Rest Area Maintenance - Million Dollar View	\$30,030.00
2016 Byway Rest Area Maintenance Fish River SJV	<u>\$23,743.50</u>
Total:	\$53,773.50

MOTION:

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

VOTE:

Motion voted on and passed.

6. Regional Planning Activities:

a. Cooperative Purchasing

Mr. Kamm reported to the Board announcing a recommendation for a change in the administration of the program. Mailings to the municipalities will no longer be done. All contact will be electronically or through Robly. NMDC staff is working to ensure that we have contact information for every municipality in our service area.

Road Salt – We have been experiencing delivery issues. This was due to a potash mine in New Brunswick closing. Only 7 loads of salt were shipped on a daily basis. It is a concern that Cargill may not be able to serve the northeast in 2016. We are looking for other vendors with some being identified throughout the US and Canada.

Mr. Kamm indicated there is a possibility changes will be made to the specs which will be:

- Estimated tonnages only
- Salt price is set from bid acceptance to May 15 each year
- Remove the 75-130 % purchase clause
- NMDC member communities can participate at any time, but the vendor would not be responsible for the delivery clause penalty for those communities participating after the bid has been accepted.

Mr. Kamm stated we will be completing a trial road striping and other pavement marking services bid this spring. This will be the first time requesting bids for this service. All scheduling, review of work, and payments will be the responsibility of the town's Public Works Foreman or their designee. Areas to be marked will include roads, sidewalks, parking lots, crosswalks or other municipal areas. MDOT's paint specs will be used.

b. Expansion of NMDC's Service Area

Mr. Kamm stated the Maine Department of Agriculture, Conservation and Forestry has asked NMDC, WCCOG, HCRPC, KVCOG and MCRPC to develop a proposal to provide land use TA to municipalities formerly served by the Penobscot Valley Council of Governments. A proposal is being created by NMDC, HCRPC and KVCOG. WCCOG has indicated they are not interested at this time.

Staff will contact official(s) of the municipalities to inform them of this arrangement and the services available, and make inquiries as to the municipalities' land use needs.

NMDC is proposing to provide assistance to Medway, East Millinocket, Millinocket, Mattawamkeag, and Lee. Currently, NMDC is providing SBDC assistance to Medway, East Millinocket, and Millinocket through the month of May.

Staff would service the towns through telephone or email unless other services are requested then a separate contract would be developed. Municipal officials would also be invited to participate in any land use workshops held by NMDC. This could lead to additional services in 2018 and a similar proposal may be coming from MaineDOT in the near future, but would include the Unorganized Territories.

Mr. Underwood asked if this would include complications to a national monument. Mr. Kamm stated if there were major issues, we would have to look at it differently.

MOTION:

Motion made by Mr. Gagne, seconded by Mr. Tweedie to approve the expansion of NMDC's service area for planning technical assistance as presented.

VOTE:

Motion voted on and passed.

c. Healthy Communities Grant for \$25,000

Mr. Kamm stated this is for the Aroostook Radon Awareness program and is an offshoot of the EPA Environmental Justice Grant application submitted earlier this year. The goal is to develop an educational and awareness campaign that addresses the dangers of radon exposure and to encourage low to moderate income individuals, families, and the elderly to have their homes tested and to remediate radon issues.

The grant has a 5% cash match. We will be partnering with ACAP, Native American Tribes and the housing authorities for low-moderate income and elderly.

MOTION:

Motion made by Mr. Gagne, seconded by Mr. Brown to authorize submission of the Healthy Communities Grant as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

d. Transit Planning 4 All for \$85,000

Mr. Kamm stated there is concern as to how to get low to moderate, and elderly individuals in rural areas to their medical appointments. This plan will address issues in rural Maine. Aroostook Regional Transportation System and Aroostook Area Agency on Aging have been approached to see if they can assist. We will be going to senior citizens' centers and rural health centers to educate them on how to use the services.

Partners:

Aroostook Regional Transportation System
Aroostook Area Agency on Aging
The Aroostook Medical Center
Aroostook County Action Program

Fish River Rural Health Center
 Katahdin Valley Health Center
 Elderly Social Action Council
 Northern Maine Medical Center

MOTION:

Motion made by Mr. Gagne, seconded by Mr. Lynds to authorize submission of the Transit Planning 4 All grant as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

7. Fiscal Sponsor for the Elmina B. Sewall Foundation and Northern Girl LLC:

The Elmina B. Sewall Foundation has granted foundation funds to Northern Girl, LLC in the amount of \$95,000 for three years. The project is “Kids Eating Maine Carrots” which will serve all Maine K-12 students carrot sticks during every week of the school year. This will build healthier and more resilient communities and reduces barriers for farmers for reaching institutional markets.

NMDC will be the fiscal sponsor and will receive the foundation funds. We will disburse payments and report activity for a 3% administration fee. Once this is successful, they will try other vegetables.

Partners:

Maine Potato Board
 University of Maine Cooperative Extension
 CEI
 Cary Medical Center
 Catholic Charities
 Maine Farm to School Network
 Good Sheppard
 MOFGA
 Maine Farmland Trust

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Fournier to approve the Fiscal Sponsor Agreement for the Elmina B. Sewall Foundation and Northern Girl LLC project as presented.

VOTE:

Motion voted on and passed.

8. Aroostook Partnership Update:

Mr. Dorsey gave an update to the Board stating in December 2015, Leaders Encouraging Aroostook Development (LEAD) and Aroostook Partnership for Progress merged and is

now known as Aroostook Partnership (AP). The AP board has 22 members which makes it more diversified. They are looking for an agricultural firm to hold a seat on the board.

AP is focusing their efforts on Education to Industry, Forestry and Mobilize Northern Maine.

Education to Industry:

- AP will begin the virtual job shadow program via computer
- AP will provide all middle and high schools with \$8,000 for this project
- Business/Teacher socials will begin May 4, which will reinforce what jobs are available in the County
- Teachers will receive via email “Did you know” information on jobs and other information for the County. A component will also highlight a teacher who did something great or received an award

Ms. Sutherland asked how we are trying to get students and their families back to the County. Mr. Dorsey indicated ideally the seeds will be set for junior and seniors that there is employment here to come back after they leave, marry and want to raise their families here. He explained marketing the County needs to be taken to a higher level.

9. Northern Forest Products Industry Cluster EDA Investment for \$200,000:

Mr. Gulliver reported this cluster needs to be grown more. The application is for \$200,000 in economic adjustment assistance. Match is \$204,000 in which AP and the Forest Cluster will provide.

This is a 3 phase project:

Value Chain Gap Analysis:

Sustainability plan for current northern Maine forest products industry cluster. It will identify actions to secure and strengthen forest products industry in the region (we need 5 good projects).

Threats:

Foreign competition
 Biomass energy renewable credits
 Workforce
 Shifting markets
 Spruce budworm
 Mills closing

Increased capacity is needed in:

Transportation and energy infrastructure
 Growing available workforce
 New product

Timeline:

30 day review by EDA
 Invitation to submit full application
 Early fall start date

MOTION:

Motion made by Mr. Gagne, seconded by Mr. Cyr to authorize the submission of the EDA Investment application as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto including applications for match funds such as CDBG, NBRC, etc.

VOTE:

Motion voted on and passed.

10. Northern Border Regional Commission Grant Program:

Mr. Ouellette reported this is a partnership between the federal government and the states of Maine, New Hampshire, New York and Vermont. The maximum amount of the award per application is \$250,000. In 2016, \$7.5 million will be distributed within the 4 states. Applications are due June 17, 2016.

Eligibility – state governments, local units of government, other regional economy, native and non-profit. Also, past recipients are eligible.

Funds will be used for transportation infrastructure, telecommunication infrastructure, basic public infrastructure, business and workforce development, basic health care, resource conservation, tourism and recreation, renewable and alternative energy. NBRC funding can be used as match for other federal funds (80%).

Application is due June 17th, with a project completion date of September 30, 2019.

11. Community Development Financial Institutions Program Application:

Mr. Clark reported there are many different funds within this program. NMDC is applying for the financial and technical assistance award. We can only apply for TA awards at \$125,000.

Purpose: Strategic goals for the next 5 years and how the award will build organizational capacity, and major needs and challenges of the target market for Aroostook and Washington counties.

Products: Financial products, services and development services to meet the needs of the target market; market demand for products through our current loan client work; meeting needs that are currently unmet-near equity and equity investments; and marketing and outreach efforts.

He explained if we are successful it will lead to NMDC becoming certified as a CDFI.

MOTION:

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

VOTE:

Motion voted on and passed.

12. Request of Washington County Commissioners Meeting Date Change:

Mr. Clark stated Washington County Commissioners are considering becoming a member of NMDC and pay dues, but their meeting date and times are the same as ours. They are asking NMDC to consider a different meeting date so that appointed Washington County representatives can attend NMDC board meetings.

After some discussion, it was suggested a survey be sent out to NMDC's Executive Board members.

13. Other Business:

Mr. Clark reviewed the organizational chart with the Board. He indicated the following were recent changes:

Business Finance:

Duane Walton – retirement
Bob Clark will now oversee the department

Administration:

Ruby Bradbury – retirement
Mary Dahlgren replaced her

Planning and Development:

Ken Murchison's position eliminated

Mr. Clark discussed Ken Murchison's tasks and how they will be handled going forward.

GIS: There has been little activity with mapping as UMPI now has a GIS department. Jay Kamm and Jon Gulliver will be able to create any mapping needs.

Aroostook County Tourism: Alain Ouellette and Judy Dinsmore will continue to manage and oversee this program.

Rest Area Maintenance: Matt Tompkins will oversee this program.

Printing and Graphic Design: This will be outsourced as needed.

Facility Management: Heating issues will be handled by Dead River, electric by RL Todd, air conditioning by Mechanical Services, maintenance by our cleaning company-B & P Cleaning, and ice and snow removal will be going out to bid.

Mr. Clark explained that Mr. Murchison's position did not have a program to charge his time to and has been carried for some time now under indirect costs. He stated this will reduce indirect costs by \$100,000 annually.

14. Executive Director's Report:

Annual Meeting

MOTION:

Motion made by Mr. Bless, seconded by Mr. Ventresco to not hold the annual meeting at Lakeview Restaurant in St. Agatha, but hold it at NMDC offices.

Discussion took place as to NMDC not being large enough to accommodate the representatives and we would have to get it catered. Also suggested was to hold it at another venue closer to Caribou without a meal.

MOTION:

Motion made by Mr. Fournier, seconded by Mr. Dwyer to table this until the Finance/Audit Committee meets early in May.

VOTE:

Motion voted on and passed.

15. Adjournment:

There being no further business to discuss, Chair Sirois declared the meeting adjourned at 5:07 p.m.

Respectfully submitted,

Ralph Dwyer
Secretary

RD/jd