

**Northern Maine Development Commission
Executive Board Meeting Minutes of
April 9, 2015**

PLACE: Northern Maine Development Commission, Caribou

DATE: April 9, 2015 3:00 p.m.

Attendance: Chair Don Guimond, Don Adams, Butch Asselin, Austin Bleess, Keith Brown, Mary Anne Buck, Tom Clowes, Larry Duchette, Ralph Dwyer, Norm Fournier, Jon Frederick, Denis Gagne, Jim Gagnon, Jim Gardner, Max Lynds, Dan McClung, Ray Mersereau, Christy Sirois, Wendell Spooner, Patricia Sutherland, Jim Tweedie, Terry Wade and Sandra Fournier.

Others Present: Phil Bosse-Senator Collins' Office, Barb Hayslett-Senator King's Office, Kim Rohn-Congressman Poliquin's Office, Mark Scarano-Northern Border Regional Commission, Larry Clark-Presque Isle Industrial Council, Lucas St. Clair-National Park Recreation Area, Dave Cyr-Town of Mars Hill, Bob Clark, Duane Walton, Judy Dinsmore, Jon Gulliver, Ryan Pelletier, Bob Dorsey, Jay Kamm, Matt Tompkins, Ruby Bradbury and John Archer-Aroostook Republican.

1. Call to Order and Introductory Remarks:

Chair Guimond called the meeting to order at 3:00 p.m. He instructed those who wished to receive travel reimbursement to pass their vouchers in.

At this time Jon Frederick presented Christy Sirois with a plaque from the Aroostook Municipal Association thanking her for her service as Treasurer. Ms. Sirois will be leaving the town of St. Agatha at the end of April. She has accepted a position at Pelletier & Sons Construction.

2. Introduction: Mark Scarano, Federal Co-Chair for the Northern Boarder Regional Commission – NBRC Grant Program:

Mr. Ouellette introduced Mr. Scarano who was appointed as Alternate Federal Co-Chair of the Northern Border Regional Commission in March, 2015.

Mr. Scarano grew up in Ludlow, Maine. He managed Senator Olympia Snowe's Bangor office and represented her on constituency issues in Maine's easternmost counties. He was the Community Development Director in Millinocket before he was hired by the Piscataquis County Economic Development Council as their Business Development Director and, subsequently, Executive Director.

In November, 2014, Mr. Scarano was nominated by President Obama to lead the NBRC as Federal Co-Chair.

Mr. Scarano gave a brief overview of the NBRC program indicating it was established in 2008 by Congress. It is a working partnership between the federal government and the

States of New York, Vermont, New Hampshire and Maine. The mission of the NBRC is to fund economic development and infrastructure projects throughout designated counties in its four state service area. NBRC partnership has provided grants to job-creating projects that have helped reduce poverty, unemployment, and outmigration. NBRC grants are considered non-federal match; making them attractive for leveraging other federal funds.

3. Presentation: Lucas St. Clair, Proposed National Park and Recreation Area: Lucas St. Clair is President of Elliotsville Plantation, Inc., a private Maine foundation that owns approximately 100,000 acres east of Baxter State Park. He presented the Katahdin Woods and Water Recreation area and what could become a national park and a national recreation area.

Mr. St. Clair addressed the Board on the economic benefits of the proposed Katahdin Woods and Water National Park to the Millinocket region and beyond.

He explained outdoor recreation and tourism is needed in the region. Legislation for national parks is restricted with not allowing for timber cutting, snowmobiling and hunting. The other half of the land being proposed would allow all of these.

There are 20 million from Europe who visit national parks. In 2013 there were over 200,000,000 visiting parks. There was \$275,000,000 to the local economy from Acadia National Park in 2013.

The challenge is how parks are created – it takes an act of Congress that needs to be endorsed and sponsored by the Congressional Delegation, then passed through the House and Senate, and then passed by the President.

Mr. St. Clair indicated the House has support for national parks. The Senate and House are now aligned and will be more functional. The Energy and Natural Resources committees are lead by someone from Alaska where they have many parks and this should also give this proposal some support.

Mr. St. Clair indicated this proposal is not the same one that was proposed several years ago by the group RESTORE. These are two different plans and the park and land to be donated from a foundation formed by Roxanne Quimby would only be 75,000 acres on the one side of the East Branch of the Penobscot River and a 75,000 acre National Recreation Area on the other side. In addition to the land, the foundation would set up a \$40,000,000 endowment to fund maintenance and operations at the park.

A new National Park and Recreation Area in northern Maine would create 450 to 1,000 jobs and attract younger workers and entrepreneurs to the Katahdin region.

They looked at another area similar to our area, but the difference was they have national parks. Every county that had a national park was exceeding the national average.

People's income is growing in areas with national parks. People are moving to areas where their back yard is protected.

4. Approval of Executive Board of Directors Meeting Minutes of February 19, 2015 & Telephonic Executive Board of Directors Meeting Minutes of March 17, 2015:

Chair Guimond asked if there were any to the February 19th and March 17th Executive Board of Directors meeting minutes as presented.

Mr. Adams indicated the telephonic minutes of March 17, 2015 should include the amount of the loan being proposed (\$100,000).

MOTION:

Motion made by Ms. Sutherland, seconded by Ms. Sirois to approve the Executive Board of Directors meeting minutes of February 19, 2015 and telephonic Executive Board of Directors meeting minutes of March 17, 2015 as amended.

VOTE:

Motion voted on and passed.

5. Acceptance of the Agencywide Revenue and Expenditure Statement for the Period Ending February 28, 2015:

Financial Summary:

The benchmark for the period ending March 31 is 75%.

Total Revenues are \$4,379,425 representing 62.2% or 12.8% points below the benchmark.

Total Expenses for the period were \$5,185,561 or 67.8% of the budgeted expenses or 7.2% points below the benchmark.

Agency Balance of (\$806,136). The COCMA fund balance in the amount of \$581,462 was used as well as \$37,244 of the Special Tourism Grant.

MOTION:

Motion made by Mr. Tweedie, seconded by Mr. Gardner to approve the Agencywide Revenue and Expenditure Statement for the period ending March 31, 2015 as presented.

VOTE:

Motion voted on and passed.

6. Report of the Loan Review Committee:

Mr. Walton presented this to the Board stating at the end of the quarter, there are 15 delinquent loans with 4 greater than 60 days. There is a total of 122 loans which total \$9,220,463.

Total of fund as of April 6, 2015 was \$12,757,374.

Brownfields has \$239,000 left to loan, but there is not a large demand for it. On the hazardous side there is \$113,000 available which is mostly spoken for.

There is \$660,000 in microloans which is hard to loan out at \$50,000 per loan. There is not a lot of demand.

There have been a few loans been paid off.

There have been no loans yet in the Community Advantage program with Katahdin Trust. At this time the program has not shown a lot of demand, but we will be presenting a new campaign to help with this.

Contracted Funds Balance is \$2,650,343 with \$1.4 million outstanding. Not a lot of activity with this program.

Robert St. Peter, Caribou – Working Capital – closed
SFE, Caribou – Modification to loan, amortizing out – approved
Tamarack Hill, Eagle Lake – request to payout – approved

Charge Offs: Yusefs, Northern Maine Restaurant, Starch Partners, and Kenneth Dionne

LRC Membership:

It is the recommendation of the Loan Review Committee to appoint Butch Asselin of Houlton and Scot Allen of Easton to the Loan Review Committee as “business at large” members from the southern part of the County.

MOTION:

Motion made by Mr. Tweedie, seconded by Ms. Buck to accept the Loan Review Committee’s report as presented and to include the appointments of Mr. Asselin and Mr. Allen to the LRC Board.

VOTE:

Motion voted on and passed.

7. Ratification of Service Contracts:

Town of Houlton – Outer North Street Highway Zone -	\$2,800
Town of Houlton – Update Landuse Ordinance -	<u>\$1,870</u>
	\$4,670

MOTION:

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

VOTE:

Motion voted on and passed.

8. Acme Monaco Expansion Project:

Mr. Larry Clark presented this to the Board. He explained Acme Monaco's main office is in New Brittan, Connecticut and is the world's largest manufacturer of orthodontic appliances. They expanded to Presque Isle in 1989 with 11 employees. Today they have grown to 80 employees who work out of two buildings at the Presque Isle Industrial Park. In 2006, the Presque Isle facility began manufacturing medical appliances as well. Mr. Clark explained that 30% of their sales are in orthodontic exports.

Acme Monaco is a family-owned company and is now being lead by the third generation. They have grown out of their building in Presque Isle and will need a larger space. The new space will entail a building with special needs for the company, which will cost approximately \$3.1 million dollars. A clean assembly medical room will be needed as well as a titanium room.

Mr. Clark announced they will need grant monies for this project and have been working with NMDC on two grants and recently added the third grant. The project will be Community Development Block Grant job related. The new expansion will create 23 new jobs.

Funding Breakdown:

EDA - \$ 1.6 million

NBRC - \$250,000

CDBG - \$690,000

He explained they should hear by July if they are successful. The final design will be completed in December, 2015 and will go out to bid in January, 2016. It is hopeful the relocation will take place by October, 2016.

He explained meetings were held with John Butera-DECD, Brian Whitney and the Governor on this project. This was made possible due to teamwork with NMDC.

Mr. Clark stated the City of Presque Isle will invest \$625,000 in the spec building. Acme Monaco designs and builds their own equipment and will invest \$600,000 in new equipment

9. Update on Aroostook Partnership for Progress Activities:

Mr. Dorsey updated the Board on APP's activities.

- Continue to support broadband bill and mining rules
- Leads Northern Forest Products Industry Cluster
- Supports bills that helps forest sector growth
- Planning 2015 Education Summit (August) to help raise the awareness of teachers as to the jobs in the area
- Promoting Diversified Agriculture awareness
- Supporting manufacturing growth
- Tracks investments and new jobs.

Mr. Dorsey explained in the last 3 years, \$315,000 have been invested and creation of 413 new jobs. First Wind has estimated 15 new jobs and EDP Renewables estimated 12 new jobs. There is a potential for jobs in forestry/manufacturing, agriculture, railcar manufacturing, and mining. APP is looking to generate more collaboration with the economic development agencies.

10. Update on Brownfields Project:

Mr. Kamm reported this project is in collaboration with NMDC, EPA, DEP and County Environmental Engineering.

It pays for two aspects:

- Phase I – Environmental Site Assessments (identify recognized environmental conditions)
- Phase II Environmental Site Assessments (assess recognized environmental conditions (ground)).

Sites assessed since 2008:

- 17 Phase I ESAs
- 13 Phase II ESAs
- 8 Sites in VRAP
- 10 Active Businesses (new and existing)

- Fort Fairfield 24 hour gas station (former gas station and maintenance garage) 2 Employees
- Aaron's in Presque Isle (former tractor repair and service garage) 6 Employees
- Northern Storage, Limestone (former gas station and maintenance garage)
- UMFK Biomass Plant (former Maine Army National Guard armory with indoor firing range)
- Ashland 1 Stop (active gas station and convenience store) 12 Employees
- Shannon's Repair, Houlton (vacant maintenance garage) 9 Employees
- Coffin's General Store, Ashland (active gas station) 5 Employees

- VRAP – No Further Action Sites (Mapleton Auto Repair & Sales, Steve’s Cycle and Marine-Fort Kent, JJ Paradis-Van Buren)

11. Community Guided Planning and Zoning (CGPZ) Update:

Mr. Kamm reported the CGPZ Steering Committee believes in the creation of an Aroostook County specific Small Business Development sub-district. The purpose is to encourage a range of small business development in rural areas that are compatible with and complementary to, Aroostook County’s natural resource-based land uses.

- Natural resource based businesses are those that do small scale processing, storage, sale and distribution of wood products and agricultural products. Examples might include sawmills, firewood processing, slaughterhouse, value-added food production and farm stands.
- Facilities for commercial outdoor recreation – Examples might be guide services, fish and game processing, packing and shipping, recreational equipment rental and storage, bait sales, shooting range, motorized and non-motorized recreation centers. These may be located in more remote areas and have a maximum land area for development of 3 acres.
- Retail, restaurants, offices and similar small businesses with maximum floor area of 2,500-4,000 sq. ft. depending on use.
- Larger scale commercial facilities for manufacturing and assembly plants, contracting and construction businesses, automobile service and repair with maximum size of building floor area of 20,000 sq. ft.

The Steering Committee recommends townships based on a set of criteria - that being the township, town, or plantation have a major public road.

Public Meetings (all begin at 6:00 p.m.):

April 13 – Van Buren Community Center

April 14 – Fort Kent Town Office

April 15 – Dept. of Conservation in Ashland

April 16 – Oakfield Community Center

12. Comprehensive Economic Development Strategy (CEDS) Update for 2015:

Mr. Gulliver presented this to the Board explaining the CEDS is designed to bring together the public and private sectors in the creation of an economic roadmap to diversity and strengthen regional economies. An update is done every year with a new CEDS completed every 5 years.

Currently, we are looking at value-added wood products that will leverage the most concentrated wood resource in the US, and the rail car manufacturing at the Loring Commerce Center (280 new jobs).

Some challenges that drive the strategy: energy cost, distance to market, access to Canadian markets, and declining workforce, to name a few.

Priority industry clusters for Aroostook/Washington Economic Development District:

- Alternative energy
- Manufacturing
- Agriculture
- Forest resources
- Tourism
- Marine resources

Other areas of focus in the CEDS:

- Entrepreneurship and innovation
- Education and Workforce Development
- Access to capital
- Infrastructure and environment
- Leadership

Priority Project:

- Acme Monaco expansion on the Presque Isle Industrial Park

The CEDS will be submitted to EDA by April 30, 2015.

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Fournier to approve the CEDS 2015 as presented.

VOTE:

Motion voted on and passed.

13. MEP, PTAC and Regional Planning Program Changes:

Mr. Clark reviewed the recent staff changes at NMDC.

- Eric Scott retired 2013
- Dave Spooner left PTAC position to replace Eric Scott in the Business Finance Department
- Dana Delano, MEP Manager picked up the PTAC position. In July Dana will be doing PTAC full time. MEP has been minimal, but needs to generate some match. We have advertised for this position. Received 3 applications to date with applications due by April 17
- Mike Eisensmith retired this month
- Jon Gulliver has assumed most of Mike's responsibilities with Alain Ouellette picking up the rest
- Tourism will be picked up by other staff members and some duties will be sourced out

A new organizational chart will be developed for the May Board meeting.

MOTION:

Motion made by Mr. Gardner, seconded by Ms. Sirois to ratify the program changes as presented.

VOTE:

Motion voted on and passed.

14. MDOL Commissioner's Letter to CLEOs Requesting New Fiscal Agent:

Mr. Clark discussed the letter that Commissioner Paquette sent to all 5 CLEOs. Mr. Clark stated we have maintained appropriate internal control and discussed the infractions.

He stated MDOL has not paid NMDC since December, 2014 and has taken a call to the Commissioner to get MDOL to communicate with us. There are some issues MDOL is doing that need to be addressed. Mr. Clark stated NMDC is in the process of creating a response which will be provided to the Executive Board and AWWIB. Once this information has been provided, NMDC staff will meet with the Governor.

Mr. Fournier added Commissioner Paquette wants another fiscal agent to be selected. The Commissioner indicates she is willing to work with NMDC. The Commissioners from Hancock, Piscataquis and Penobscot are looking at another entity to be their fiscal agent.

Mr. Fournier stated some of the issues were due to when the County administered the program. They did not have the proper system to administer it. These issues were before NMDC picked up Tri-County WIB. The state would like to see one fiscal agent for the state. By doing this, it gives the state local control and some monies that our area should be receiving could end up in urban areas.

Ms. Fournier asked why MDOL waited 6 months to respond. Mr. Fournier explained MDOL was asked the same question by the CLEOs and got the response that they were too busy during that timeframe.

15. Ratification of Notice to Terminate MOA with TCWIB and CLEOs:

Mr. Clark discussed this with the Board explaining NMDC will continue to provide fiscal agent services to TCWIB until a new fiscal agent is appointed or on June 30, 2015.

Ms. Sutherland inquired what the status of Joanna Russell and Angela Oechsle's position and salary would be now that Ryan Pelletier has been reassigned as Interim Executive Director for Aroostook and Washington WIB. Mr. Clark indicated there has been no cut in pay nor a demotion for either of them, but if the State does not pay NMDC soon, discussion will have to take place regarding laying them off as we cannot continue to carry their salary and benefits without being paid by the State.

MOTION:

Motion made by Mr. Tweedie, seconded by Mr. Gardner to ratify termination of the TCWIB MOA effective March 24, 2015 as presented.

VOTE:

Motion voted on and passed with Mr. Fournier abstaining.

16. Line of Credit Increase for Extenuating Circumstances:

Mr. Clark indicated this request is in response to MDOL withholding payments to NMDC since December, 2014 totaling \$80,000 to date. These monies will only be used if absolutely necessary if this is a prolonged battle with the State and will only be used for cash flow. Some of our grants and contracts are taking 90-120 days to pay.

MOTION:

Motion made by Mr. Gagne, seconded by Mr. Lynds to increase the line of credit to \$800,000 for extenuating circumstances as presented.

VOTE:

Motion voted on and passed.

17. Other Business:

None noted.

18. Executive Director's Report:

No report provided.

19. Adjournment:

There being no further business to conduct, Chair Guimond declared the meeting adjourned at 5:15 p.m.

Respectfully submitted,

Austin Bleess
Secretary

AB/jd