

**Northern Maine Development Commission
Executive Board Meeting Minutes of
August 18, 2016**

PLACE: NMDC Offices, Caribou

DATE: August 18, 2016 3:00 p.m.

Attendance: Chair Austin Bleess, Don Adams, Keith Brown, Mary Anne Buck, Tom Clowes, Dave Cyr, Dave Dionne, Larry Duchette, Norm Fournier, Jim Gagnon, Don Guimond, Max Lynds, Dan McClung, Jim Nadeau, Martin Puckett, Jim Risner, Wendell Spooner, Patricia Sutherland, Jim Tweedie and Fred Ventresco.

Others Present: Kim Rohn-Congressman Poliquin's Office, Bob Clark, Jon Gulliver, Judy Dinsmore, Julie Corey, Mary Dahlgren and Chris Bouchard-Aroostook Republican.

1. Call to Order and Introductory Remarks:

Chair Bleess welcomed everyone in attendance and reminded those Directors who wanted travel reimbursement to pass their vouchers in.

He stated a new attendance sheet was handed out which indicates the date the new board members were elected.

At this time Chair Bleess recognized former board member Sandra Fournier who was in attendance and presented her with a plaque of appreciation for her volunteer service on the Board.

2. Approval of Executive Board of Directors Meeting Minutes of June 23, 2016:

MOTION:

Motion made by Ms. Sutherland, seconded by Ms. Buck to approve the Executive Board meeting minutes of June 23, 2016 as presented.

VOTE:

Motion voted on and passed.

3. Approval of Annual Meeting of Members Meeting Minutes of June 23, 2016:

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Dionne to approve the Annual Meeting of Members minutes of June 23, 2016 as presented.

VOTE:

Motion voted on and passed.

4. Report of the Finance/Audit Committee:

Chair Bless reported the Finance/Audit Committee met on August 16th with management and John Bernier, auditor with RHR Smith and Company. The Committee reviewed the year-end financial statements and the year-to-date financial statements for the period ending July 31, 2016.

Mr. Bernier explained the audit process to the Committee and stated that WIA would be the major federal program to be audited for this year. The Committee also discussed the Indirect Cost Recovery plan and reviewed the indirect cost budget and expenditures to date.

The Committee also reviewed and approve the dues assessments for 2017-2018.

A. Acceptance of the Agencywide Revenue and Expenditure Statement for the Period Ending June 30, 2016

Ms. Dahlgren presented this to the Board indicating the benchmark for the period ending June 30, 2016 is 100%.

Total revenues are \$3,682,201 representing 91.12% or 8.88 percentage points below the benchmark.

Total expenses for the period were \$3,836,733 or 100.50% of the budgeted expenses or 0.50 percentage points above the benchmark.

Agency balance of (\$154,532)
Accounts receivable is at \$343,029
Cash on hand is at \$7,107
Total available resources is \$350,136
Accounts payable of \$242,134
Due vendors \$63,314 – all current
Pass thru funds \$74,469
Loan admin payable \$30,243
TA payable \$74,108
Operating line of credit \$730,000
Equipment line of credit \$0.00

Indirect cost pool is at \$756,433
Base for distribution is at \$1,031,307
Year to date indirect cost rate would be 73.3470% based on basis for distribution
Fixed indirect cost rate is 50.10%
Fixed indirect costs applied \$516,685
Under applied indirect costs \$239,748

MOTION:

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

VOTE:

Motion voted on and passed.

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

Ms. Dahlgren presented this to the Board indicating the benchmark for the period ending July 31 is 8.33%.

Total revenues are \$279,036 representing 10.99% or 2.66 percentage points above the benchmark.

Total expenses for the period were \$153,344 or 6.53% of our budgeted expenses or 1.8 percentage points below the benchmark.

Agency balance of \$125,692
Accounts receivable is at \$277,213
Cash on hand is at \$4,774
Total available resources is \$281,987
Accounts payable of \$166,256
Due vendors \$30,195 – all current
Pass thru funds \$24,410
Loan admin payable \$23,045
TA payable \$88,606
Operating line of credit is \$715,000
Equipment line of credit is \$0.00

Indirect cost pool is at \$51,364
Base for distribution is at \$74,499
Year to date indirect cost rate would be 68.9445% based on basis for distribution
Fixed indirect cost rate is 50.1%
Fixed indirect costs applied \$37,324
Under applied indirect costs \$14,040

MOTION:

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

VOTE:

Motion voted on and passed.

C. Approval of the 2017-2018 Dues Assessment

Mr. Clark announced this is the 14th year that we have not raised our dues.

Our member towns are 57 out of the 71 or 80%
Population – 70,666 of 74,073 which equals 95%
Valuation - \$4,753,750,000 of \$5,157,450,000 which equals 92%
Dues amount - \$141,582 of \$150,962 or 94%
Per Capita basis - \$2.00 members and \$2.04 for all towns
Formula – 50% valuation and 50% population
Smallest town is Glenwood Plantation (3 people)

Mr. Clark explained for 2016-2017 our largest decrease is Caribou for \$263.52 and largest increase is the Unorganized Territories for \$276.60 (Bancroft deorganized)

MOTION:

Motion made by Mr. Guimond, seconded by Ms. Sutherland to approve the 2017-2018 dues assessments as presented.

VOTE:

Motion voted on and passed.

5. Report of the Loan Review Committee:

Ms. Corey indicated the following loans were approved, closed or declined by the Loan Review Committee:

Shannon Curry, Portage Lake – purchase of existing business – approved
Larry Scott, Houlton – moratorium – approved
Clarks Variety, Linneus – equipment, real estate, working capital – approved
Robert and Julianna Palmer, Presque Isle – loan maturity date extension City Dry Cleaners – approved with suggestions
Kevin Simmons, Caribou – loan with Machias Bank to pay us off, we then will pay off their CEGC loan and waive life insurance – approved
Aroostook Driving School, Caribou – start up approved

Ms. Corey explained they received a request in excess of the Loan Review Committee's authority. This was a subordination to the bank which increased the Caldwell's Auto loan above the original approved amount. The request was approved by the Loan Review Committee.

MOTION:

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

VOTE:

Motion voted on and passed.

A. Resolution on Sale of Loans

Ms. Corey reported they received requests to sell some loans in the past. This would be selling loans to another funding agency who has money to loan out. It amounts to approximately \$200,000. The Loan Review Committee will review all loans that would be sold to others with the exception of the Community Advantage program which it would be to our advantage to sell on the secondary market.

It was noted the Resolution had a couple typographical errors and should be revised prior to placing in the permanent file. (i.e., delete “to authority” in the second sentence and in the last sentence, change “made” to “may” be sold.)

MOTION:

Motion made by Mr. Fournier, seconded by Ms. Sutherland to approve the resolution on sale of loans as amended.

VOTE:

Motion voted on and passed.

B. Loan Request in Excess of Loan Review Committee’s Authority

This agenda item was included in the Report of the Loan Review Committee above.

6. Ratification of Service Contracts:

There were no contracts to be ratified.

7. Appointment to the Executive Board:

Chair Bless stated the Officers received 4 nominees for appointment to the seat vacated by Christy Sirois of St. Agatha. The Officers recommend Gary Picard, Town Manager of St. Agatha to fill the seat.

MOTION:

Motion made by Mr. Risner, seconded by Mr. Dionne to appoint Gary Picard of St. Agatha to fill the vacancy left by Christy Sirois on the Executive Board of Directors.

VOTE:

Motion voted on and passed.

8. Standing Committee Appointments:

Chair Bless stated the Officers have reviewed the list and recommends the appointments as presented on it.

MOTION:

Motion made by Mr. Cyr, seconded by Mr. Nadeau to approve the list of Standing Committee Appointments as presented.

VOTE:

Motion voted on and passed.

9. Authorization to Apply for an EDA Economic Adjustment Grant in an Amount up to \$200,000:

Mr. Gulliver indicated NMDC is requesting EDA Economic Adjustment funding of \$221,500 to grow the population of the Aroostook Washington Economic Development District (AWEDD) by developing capacity to assist agricultural entrepreneurs in locating to the region to farm underutilized land, which remains fallow or near fallow due to the long-term decline in commodity crop acreage.

Partners:

Aroostook Partnership
Northern Maine Development Commission
Sunrise County Economic Council (SCEC)

Potential Partners:

Maine Farm and Sea Cooperative
Maine Farmland Trust
Maine Food Strategy
University of Maine Cooperative Extension
Maine Organic Farmers and Growers Association

Next Steps:

Pre-application
Letters of support
Full application

Mr. Tweedie inquired how this will be done. Mr. Gulliver stated by advertising and by hiring a consultant. We will be contracting with SCEC for them work on this in Washington County. He stated yams and other bean crops will be looked at. We are looking for niche farmers and crops.

Mr. Clark reported an Oregon family started Aroostook Beef and are doing well. We are focusing on attracting young families. This will align with our CEDS for the Aroostook Washington district.

MOTION:

Motion made by Mr. Cyr, seconded by Mr. Gagnon to authorize the submission of the EDA Economic Adjustment Grant as presented and to authorize the Executive Director to execute all documents pertaining thereto.

VOTE:

Motion voted on and passed.

10. Report of the Aroostook County Tourism (ACT) Board:

Ms. Sutherland reported ACT has 13 members on the Board. ACT went out to RFP for their marketing plan. A sub-committee was formed to review our brand, product list, development of a 5-year plan, and what are the biggest tourism and recreation attractions by month and when will they be promoted.

ACT's 2016-2017 goal is to increase interest and awareness with the core target audiences and increase inquiries and requests for vacation planning tools (online and offline).

Target audiences are:

Balanced Achievers: Ages 40-50 with family and disposable money. They tend to plan their vacations online.

Genuine Originals: These individuals tend to be older, plan their vacations online and want to do something adventurous and different. They may not come back to the same campground or hotel.

This year ACT will be reaching out to our geographic audience, which is New Brunswick, Eastern and Southern Maine, and northern New England.

ACT Brand: "Aroostook County captures the delight of nature today and the traditions and standards of hospitality of yesterday". Ms. Sutherland stated this needs to be sold to the audiences and those of the County.

ACT's Personality: Taking pride in the heritage of our people and balance between relaxation and adventure. The word "fun and adventurous" will be frequently used.

Ms. Sutherland explained customer experience is a challenge, therefore we need to enhance the customer experience by showing respect, honesty and being responsive. She stated the brand can be translated into customer experience by providing key word scripting for customer relationship staff, sharing brand positioning and personality details through storytelling online and in print materials, and sharing value and brand personality through relationship specific adventure story messages.

ACT's primary Core Products are soft to medium adventure tourism, winter sports, lake and river fishing; and fall colors.

Secondary Core Products are cultural opportunities, neighborhood opportunities and two-nation vacation opportunities.

Ms. Sutherland stated our key tactics will be email marketing, ACT blog, Aroostook brand marketing, network customer service scripting, social media marketing and digital advertising.

She explained we also looked at time of year planning - in what months are we going to talk about various activities. We need to make sure our promotions and messages go out in a timely manner.

ACT's next steps are to confirm timeline, budget and evaluation metrics, and develop an implementation plan.

At this time, Ms. Sutherland announced the resignation of Joe LaChance from the ACT Board due to scheduling difficulties.

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Cyr to accept the resignation of Joe LaChance with regret.

VOTE:

Motion voted on and passed.

Mr. Tweedie suggested reaching out to senior groups to bring bus tours to our area with an overnight stay. Ms. Sutherland stated ACT attempted to package trips in the past, but there has been some reluctance to do this. ACT will be revisiting this in the future.

MOTION:

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

VOTE:

Motion voted on and passed.

11. Energy Update:

Mr. Gulliver announced Aroostook Partnership continues to work on this. Rate hikes resulted with the \$17 M approved for 2016. This raised transmission rates to \$51 kw/yr from \$34 kw/yr for a 50% increase for one year. Rates could increase to over \$12-14 per additional \$10 M. The PUC is currently reviewing this with the Houlton Water Company who is negotiating for Aroostook County.

The major impact will be to large industrials such as mills and hospitals. This could cause ReEnergy to close with a loss of tax revenue to towns and millions lost to the state. If ReEnergy closes, the \$3M would have to be absorbed by other businesses and residents, which is another 30% increase. This could potentially cause other mills to close that depend on sales to ReEnergy for 20% of their revenue. Future increases could also drive transmission rates into the \$80-90 range, which is a 250% increase over 2015 rates.

Mr. Gulliver indicated Aroostook Partnership formed an Energy Working Group to assist companies in staying informed and deciding on future action. The Maine PUC will be holding their hearing in the County in September.

12. Authorization to Create a Bylaws Committee and Appoint its Members:

Mr. Clark stated the last Bylaws update was in 2009. Bylaws require a review every 3 years. He explained we will be revising and expanding our purpose statement which will include business assistance & counseling, regional planning (CEDs and MNM), assistance to low income businesses and individuals, and assistance to marginal and at risk populations. State and federal rules and regulations need to be updated as established.

Chair Bless asked those who would like to serve on the Bylaws Committee to let him or Mr. Clark know.

MOTION:

Motion made by Mr. Dionne, seconded by Mr. Cyr to authorize the creation of a Bylaws Committee and authorize the Chair to appoint its members as presented.

VOTE:

Motion voted on and passed.

13. Authorization to Create a Strategic Planning Committee and Appoint its Members:

Mr. Clark stated our last strategic plan was completed in late 1996. A revision began in 2008, but didn't get completed. We began developing a new plan in early 2016. A Strategic Planning Committee will need to be created to identify a facilitator. The Committee will develop a work plan and timetable with Bob Clark and Jon Gulliver as the assigned staff.

MOTION:

Motion made by Mr. Risner, seconded by Mr. Dionne to authorize the creation of a Strategic Planning Committee and appoint its members.

VOTE:

Motion voted on and passed.

14. Executive Board Meeting Schedule for 2016-2017:

Mr. Clark presented the proposed 2016-2017 Board meeting schedule:

August 18, 2016
October 13, 2016
December 8, 2016
February 9, 2017
April 13, 2017
June 22, 2017

All of these will be on the second Thursday of the month with the exception of the Annual Meeting of the Members which will be scheduled later in the month of June.

MOTION:

Motion made by Mr. Tweedie, seconded by Ms. Buck to approve the Executive Board meeting schedule as presented.

VOTE:

Motion voted on passed.

15. Other Business:

None noted.

16. Executive Director's Report:

Mr. Clark stated the new Board Member orientation was held on August 3 with 7 Board Members in attendance.

At our Annual Meeting in June, the Board approved \$1,000 for the meeting. The total cost was \$1,128. There were 10 people that paid \$20 each so the net cost to NMDC was \$928.

Mr. Clark discussed the elevator pit project stating the pit continues to have standing water. BRSA was asked to provide us with an estimate for design and construction costs. They will construct a sump pump pit so water will drain and go out back. The project will cost \$7,500 and will be paid for out of the Rural Development Reserve account.

Mr. Clark announced Bob Dorsey, Don Tardie and Dana Saucier attended the Economic Development Assessment Team (EDAT) testimony in Millinocket. EDAT will be beginning its work with the forest products industry to create economic development strategies aimed at growing Maine's forest economy in the wake of several mill closures over the past few years.

Mr. Clark announced NMDC and LUPC received the Maine Association of Planners award for the first collaborative planning effort for the LUPC's new Community Guided Planning and Zoning (CGPZ) program.

Mr. Clark announced the Northern Border Regional Commission (NBRC) will be awarding \$1,996,186 to upgrade infrastructure and provide job training skills that will result in economic growth across Maine. Maine Department of Transportation (for the Sheridan Rail Bridge) and Northern Maine Regional Airport (to help construct a new hanger at the airport in Presque Isle) will receive \$250,000 each. NMDC will receive \$6,500 for being the grant administrator for both.

At this time Mr. Clark play the Aroostook County Tourism commercial.

17. Adjournment:

There being no further business to conduct, Chair Bless declared the meeting adjourned at 4:28 p.m.

Respectfully submitted,

Keith Brown
Secretary

KB/jd