

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

PLACE: NMDC, Caribou
DATE: February 13, 2014 12:30 p.m.

Attendance: Chair Don Guimond, Don Adams, Jim Bennett, Austin Bleess, Mary Anne Buck, Gene Conlogue, Ralph Dwyer, Norm Fournier, Jon Frederick, Denis Gagne, Jim Gagnon, Max Lynds, Ray Mersereau, Christy Sirois, Patricia Sutherland, Christina Therrien and Jim Tweedie.

Others Present: Bob Clark, Duane Walton, Ryan Pelletier, Judy Dinsmore, Jon Gulliver, Leane Page, Ruby Bradbury and Aroostook Republican.

1. Call to Order and Introductory Remarks:

Chair Guimond brought the meeting to order at 12:30 p.m. and instructed those Board Members who wished to receive travel reimbursement to pass their vouchers in to Ms. Dinsmore.

2. Approval of Executive Board of Directors Meeting Minutes of December 12, 2013:

MOTION:

Motion made by Mr. Conlogue, seconded by Ms. Sirois to approve the Executive Board of Directors meeting minutes of December 12, 2013 as presented.

VOTE:

Motion voted on and passed.

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

The Agencywide Revenue and Expenditure Statement Report was provided with the financials for the Board's convenience.

Financial Summary:

The benchmark for the period ending January 31 is 58.3%.

Total Revenues are \$4,496,448 representing 59.5% or 1.2 percentage points above the benchmark.

Total Expenses for the period were \$3,916,359 or 52.2% of budgeted expenses or 6.1 percentage points below the benchmark.

Agency Balance - \$580,089 of which \$500,000 is dedicated to the World Acadian Congress.

MOTION:

Motion made by Ms. Sirois, seconded by Ms. Buck to approve the Agencywide Revenue and Expenditure Statement for the period ending January 31, 2014 as presented.

VOTE:

Motion voted on and passed.

4. 2013-2014 Budget Revisions:

Ms. Therrien announced the Finance/Audit Committee met on February 4, 2014 to review the proposed budget revisions.

Ms. Bradbury updated the Board on the revisions.

Resource Summary:

Federal Grants – the EDA Mobilize Maine grant was increased due to all contracts with sub-recipients being signed. NMDC was not awarded the Advanced Manufacturing grant for \$251,400, but was awarded the Investing in Manufacturing Communities Partnership grant for \$200,000. The Healthcare ETA grant had expended more funds by the end of June than anticipated, therefore the monies available to draw were reduced. The same is true for the JIAC EDA and ETA grants. There were more funds available at the end of June for the JIAC SBA and RBOG Pilot program. There were no more funds to draw from the last Solid Waste grant and the new grant was for less than anticipated. The RD-IMCP is a grant in support of the EDA IMCP. WIA funding was decreased by \$166,577 which is due to the sequestration for the PY 13 funding.

The total change in federal grant funds is an increase of \$33,966 or .61%.

State Grants – CDBG WorkReady was not included in the original budget as it was anticipated to be done by June 30 of last year. We were not awarded the MTI Renewable Energy grant.

The overall change for state grants is a decrease of \$3,903 or 8.6%.

No changes to the dues category.

Loan Fund Administration had a slight increase of \$2,939.

Financial Packaging and Fees had a decrease of \$84,323 which is due to the contract with MEP no longer requires assessing fees and the difficulty in getting companies to participate.

No changes to Aroostook Partnership for Progress.

COCMA – we received \$750,000 from the state for this event, but had been asked by the Maine committee to defer the income. This has now been reversed.

NMDC Cash Contribution – the increase of \$29,095 represents the amount that NMDC is contributing towards the indirect for the Area 2 LWIB.

We are projecting \$163,302 for Contract Services. This increase is due to reclassification of the Rest Area Maintenance program as well as several new contracts (Ashland Community Center and Ecoshel).

In-Kind Income had a slight decrease.

Other Revenue Sources – included \$110,000 for the Washburn Dam project that is a pass thru. Also included is \$10,000 for the Epic Maine Youth Project that Area 2 LWIB is hosting in conjunction with several other agencies in their service area.

Total projected revenues are \$8,214,560. This is an increase of \$659,576 over the original budget. This represents an 8.7% increase.

Expenditure Revisions:

Salaries – there is a slight change due to changes in staffing.

Workshops – this has a decrease of \$4,500 as we did not host as many workshops as anticipated due to programs ending.

Direct program expenditures have been increased by \$260,213 as all contracts are now signed with the sub-recipients for the EDA Mobilize Maine 2 grant.

Service Provider Aroostook County – there is an increase of \$90,000 which is due to the new NEG grant for Maine Military Authority.

Service Provider Washington County – they are drawing down funds at a slower rate. EMDC's balances left under their old contracts are now known and understood better.

A new line item Uncollectible Accounts Receivable – this is due to NIST not awarding the 2012 funding to MEP subs. This will be written off.

MOTION:

Motion made by Ms. Therrien, seconded by Ms. Sutherland to accept the Finance/Audit Committee's recommendation for approval of the budget revisions as presented.

VOTE:

Motion voted on and passed.

5. Report of the Loan Review Committee:

Mr. Walton announced we have 116 loans totaling \$9,701,000. There are 97 loans current and 11 loans delinquent with 8 in default greater than 60 days.

Loans approved under staff authority last quarter – HAH-dba Harry's Motor Sports, Shelley Murphy-PMP

Loans beyond staff authority last quarter:

Restructuring Northern Maine Distilling Company
 Credit renewals for Caldwells
 Portage Angora restructure debt and working capital
 Aroostook Milling Company for inventory
 Assumption of Giggey's Auto by Caldwells
 RL Todd subordination to finish their camp
 Virtual Managed Solutions for renewal of balloon
 Andy and Roxanne Tardie for working capital

Charge offs: Starch Partners, Penobscot Executive Search, Sweet Dreams Candy

Mr. Walton presented the Fund Report to the Board. A copy of which is attached and made a part of these minutes.

Approved under staff authority:

G-Force Laser Tag – Working Capital
 Dexter Cowperthwaite dba Westar Logistics – Assumption of Loan and Working Capital
 Troy Haines – Working Capital
 Jeff Baker – Working Capital and Equipment
 Roger Beaulieu dba MadTown Clothing – Renovations
 Marla Raymond – Purchase Building
 JB Sheet Metal Company – Working Capital and Equipment

The LRC recommends charging off the Guidod loan in the amount of \$2,887.07.

Mr. Walton announced we have received a request from the Town of Madawaska to administer their RLF funds. NMDC will service 14 loans for the Town.

Mr. Walton announced the IRP fund does not have enough monies in it to fully pay out. We have asked to forgo any more activity and waive any more administrative fees. Historically, we have been charging \$20,000 to that fund.

Brownfields: There is \$230,000 in RLF petroleum loans available, \$220,000 in the hazardous loan grant monies has been expended. There is a need throughout the state for loan funds. We wrote a letter to request to expand our territory. The request was supported by EPA to partner with other communities in the state.

Mr. Walton announced a workplan would be submitted to extend the program statewide.

MOTION:

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

VOTE:

Motion voted on and passed with Ms. Therrien abstaining due to Madawaska contracting with NMDC for loan portfolio management..

5a. Assumption Agreement Between NMDC and Washington Hancock Community Agency (WHCA) for WHCA RMAP Loan and Technical Assistance Funds

This is a small RMAP loan. There is a match requirement on loan funds which WHCA will fund the loan loss reserve account with \$7,500. A match requirement on TA will be necessary next year which is estimated at \$600 which NMDC will fund.

It was stated Sunrise County is not involved in this due to the loss of their previous Executive Director who took a position at Maine Development Foundation. Currently they are in transition mode.

Mr. Walton announced this is a good opportunity for NMDC to expand our horizons to that area.

MOTION:

Motion made by Mr. Fournier, seconded by Ms. Buck to approve the assumption agreement with WHCA as presented.

VOTE:

Motion voted on and passed.

6. Ratification of Service Contracts:

None noted.

7. Appointments to the Community Engagement Standing Committee:

Christina Therrien – Madawaska
 Austin Bleess – Caribou
 Jim Gagnon – Wallagrass
 Jon Frederick – Castle Hill
 Gene Conlogue – Houlton
 Christy Sirois – St. Agatha
 Patricia Sutherland – Chapman
 Barb Pitcairn – Portage Lake
 Tom Clowes – Unorganized Territories

MOTION:

Motion made by Mr. Tweedie, seconded by Mr. Gagne to appoint those recommended to the Community Engagement Standing Committee as presented.

VOTE:

Motion voted on and passed.

8. Authorization to Submit a Brownfields Assessment Application to EPA for \$200,000:

Mr. Kamm presented this to the Board.

We are seeking \$200,000 to continue the community-wide Brownfields assessment program in NMDC's service area. The Northern Maine Brownfields initiative will identify and review potentially contaminated sites located within the service area, screen sites for assessment using pre-determined selection criteria and make recommendations for mitigation, remediation and effective re-use of the properties.

The goal of this assessment project will be to perform six Phase I Environmental Site Assessments (ESA) and six Phase II ESAs on hazardous substance sites. Three of the six sites will be homes or apartments that have been identified as having methamphetamine laboratories. This will be the first pilot project in Region 1 that looks at the longer term environmental impact of meth labs in these types of structures.

He explained an environmental site assessor will be hired and continue to do community outreach.

This is a three year grant. We should find out in May or June if we are successful.

Partners:

Upper Valley Economic Council
 Environmental Protection Agency
 Northern Maine Finance Corp.

St. John Aroostook RC&D
 Leaders Encouraging Aroostook Development
 Aroostook Partnership for Progress
 Maine Department of Environmental Protection

Mr. Bless asked if there were any cleanup funds available. Mr. Kamm indicated there were not, but there are grant funds that are available.

Mr. Guimond asked if there is any law enforcement partnering in this in which Mr. Kamm announced they are as law enforcement is not a community based organization.

9. Authorization to Apply for USDA Solid Waste Management Grant in the Amount of \$39,405:

Mr. Kamm announced there are three tasks associated with this grant:

- Paint Recycling Education
- Backyard Composting Classes
- Waste Management Technical Assistance

We are requesting \$39,405, in which we should be notified in May-June, 2014 if we are successful. Work under this grant will begin October, 2014 and is for a one year grant period.

Partners:

Tri Community Recycling and Sanitary Landfill
 City of Presque Isle
 Aroostook Valley Solid Waste Disposal District
 Valley Recycling
 Maine Department of Environmental Protection
 Pine Tree Waste

MOTION:

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

VOTE:

Motion voted on and passed.

10. Authorization to Submit a Concept Proposal for the Kessler Foundation Signature Grant Opportunity for \$363,400:

Ms. Page presented this to the Board explaining NMDC, Tri-County WIB and AWWIB are seeking \$363,400 for a 2-year project to launch a social enterprise to bring training to

individuals with disabilities. The enterprise will begin by offering driver training in an adapted vehicle for use during driver's education, pre-test road time, and at time of the road test. Currently, individuals are being referred by Maine Bureau of Rehabilitation Services to a vendor in Portland, Maine to be provided "specialized" adapted vehicle driver training which continue to be out of reach for citizens in our service area. Other programs will be developed as the enterprise matures. Job placement/employee recruitment and workplace training services will be offered for a fee to employers. For-profit activities will be developed to sustain the enterprise by the end of the 2 year mark. NMDC will provide the project management for this effort to be titled DRIVE.

MOTION:

Motion made by Mr. Fournier, seconded by Mr. Bless to authorize the submission of the concept proposal for the Kessler Foundation as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

11. Appointments to the Community Guided Planning and Zoning Steering Committee:

Mr. Clark reported due to the busy schedule of Ralph Dwyer, he has resigned from the Committee and it is recommended that Jim Nadeau fill the vacancy.

MOTION:

Motion made by Ms. Sutherland, seconded by Mr. Tweedie to appoint Jim Nadeau to the Community Guided Planning and Zoning Steering Committee as recommended.

VOTE:

Motion voted on and passed.

12. Appointments to the Aroostook County Tourism Board:

Mr. Gulliver announced the Aroostook County Tourism Board reviewed 5 applications to fill the vacancy on the ACT Board. After some discussion the ACT Board recommends Leslie Jackson be appointed to the ACT Board of Directors.

MOTION:

Motion made by Mr. Tweedie, seconded by Ms. Therrien to appoint Leslie Jackson to the ACT Board of Directors as recommended.

VOTE:

Motion voted on and passed.

13. Investing in Manufacturing Communities Partnership (IMCP) Designation Application:

Mr. Clark announced we were awarded this in September, 2013. The purpose is to create globally competitive communities/environments that attract, retain and expand investment in manufacturing and spur international trade and exports. IMCP will build strengths in the forest products industry through:

- Workforce Training
- Specialized Research
- Strengthened Supply Chains
- Improved Transportation and Energy Infrastructure
- Export Promotion
- Better Access to Capital

The benefits of being designated as a “Manufacturing Community” are:

- Preferential Consideration for Funding (\$1.3 billion)
- Federal POC to Access Funding through 10 Participating Agencies
- Branding and Promotion as a “Manufacturing Community”
- Challenge Grant Awards (\$20 million)

Mr. Clark stated in order to be competitive we need to be in the top 3rd in the nation. A complete assessment in Aroostook and Washington will be done. We need to build consortium partners and anticipate at least 30.

The application is due March 14 and is limited to 30 pages. There will be up to 12 communities designated.

Vital Economy has been hired to help with the industrial assessment.

MOTION:

Motion made by Mr. Bleess, seconded by Mr. Conlogue to authorize the submission of the IMCP designation application as presented and to authorize the Executive Director to execute all necessary documents pertaining thereto.

VOTE:

Motion voted on and passed.

14. MDOL High Risk Grantee Status Response:

Mr. Pelletier indicated this was a 2010 designation in which we were one of two that was given this status. A policy has been created that outlines why an LWIB would be on this list and what to do to be removed from the designation.

Mr. Pelletier reviewed the response to MDOL which explained NMDC's action steps and the process in which we will need to go through to be removed from the list. He explained there are still some issues with vehicle allowance. MDOL will amend our contracts for us to be under general GSA guidelines. This requires us to provide more extensive backup materials for our draw downs.

MOTION:

Motion made by Mr. Conlogue, seconded by Mr. Bless to accept management's response to MDOL's high risk grantee status designation as presented.

VOTE:

Motion voted on and passed.

15. Other Business:

Mr. Bennett announced revenue sharing passed in the House and Senate and has been forwarded to the Governors office. He thanked NMDC for sending a support letter for revenue sharing.

16. Executive Director's Report:

Mr. Clark discussed the following with the Board:

- Press release for the World Acadian Congress economic component. This will be a legacy that will survive after the conference. NMDC will take the lead on the Fort Kent event on export and development of the North-American and international Francophonie markets (August 19-20).
- The mining rule public hearing will take place on February 24, 2014 at 9:00 a.m. – LD 1771 and LD 1772.
- Nominations are being taken for LEAD's Entrepreneur of the Year event. Nominations should be addressed to Ryan Pelletier at NMDC.
- Bear Baiting Referendum – A representative of Inland Fisheries and Wildlife will present at the Executive Board meeting in March on the referendum.
- NMDC received 8 applications for the Loan Officer II position in which 3 were interviewed. An offer has been made and we are waiting on a response.
- A representative from Honeywell Engineering conducted an energy audit recently. They will recommend the purchase of materials and equipment to install in the offices, the payback of which will be through energy savings.

- The March Executive Board meeting will be back on daylight savings time and will begin at 3:00 p.m.

At this time Jim Bennett left the meeting.

17. Executive Session:

- a. Pending Litigation – MRSA Title 1 §405.6.E

MOTION:

Motion made by Ms. Sutherland, seconded by Ms. Sirois to go into Executive Session to discuss the above pending litigation.

VOTE:

Motion voted on and passed.

Closed Session at 1:53 p.m.

Opened Session at 1:59 p.m.

18. Adjournment:

There being no further business to discuss, Chair Guimond asked for a motion to adjourn the meeting.

MOTION:

Motion made by Ms. Sirois, seconded by Mr. Conlogue to adjourn the meeting at 2:02 p.m.

VOTE:

Motion voted on and passed.

Respectfully submitted,

Austin Bless
Secretary

AB/jd