

KVCOG Board of Directors' and General Assembly Meeting Minutes

June 14, 2011

9:30 – 11:00 am

Board and General Assembly Members Present:

Stefan Pakulski, President – Readfield

Ann Beverage – Waterville

Roland Michaud

Joshua Reny – Fairfield

Dana Wrigley – Oakland

Clif Andreasen – Farmingdale

Irene Belanger – China

Robert Worthley – Anson

John Doucette – Skowhegan

Michael Duguay – Augusta

Steven Steward – Bingham confirmed his vote to approve the FY 2012 KVCOG budget via email.

Staff Present:

Ken Young, Executive Director

Chris Huck, Planning Director

Cole Palmer, RLF Director

Sarah Lombard, Office Administrator

1. Welcome:

Stefan Pakulski, President, opened the meeting. Introductions were made around the table.

2. Approval of Minutes:

Mr. Pakulski asked for a motion to approve the minutes of the April 12, 2011 meeting. Robert Worthley moved approval; Ann Beverage seconds. The motion is approved.

3. Revolving Loan Fund Activity Report:

Cole Palmer, Revolving Loan Fund Director, gave a brief report on RLF Activity.

- Loans Recommended for Charge-Off

Borrower	Trade Name	Address	Loan #	Original Principal Default	Net Recovery	Recommended for Chargeoff	Note
Machining Solutions	Same	Winslow, ME	165	\$90,880.68	\$58,925.63	\$31,955.05	Liquidated yielded additional \$14,061.18 in int. and penalties.
Machining Solutions	Same	Winslow, ME	175	\$50,000.00	\$19,525.42	\$30,474.58	Liquidation yielded additional \$7,097.55 in int. and penalties.

Robert Hafford	Grandeur Sun, Coyote Country, Haffords Saloon	Waterville, ME	194	\$142,152.90	\$0.00	\$142,152.90	All assets have been liquidated at auction.
Calm Real Estate	Gilley's Gym	Waterville, ME	199	\$86,674.82	\$0.00	\$86,674.82	Continue with 2nd mortgage residence - no equity available.
				\$369,708.40	\$78,451.05	\$291,257.35	

Notes to Above: All remaining accrued interest, late fees and other costs to be charged off as well.

Mr. Pakulski asked for a motion to approve the write-off of the RLF Loans listed above. Ann Beverage moved approval; Clif Andreasen seconds. The motion is approved.

- IRP LOANS – KVCOG has been approved for additional loan funding through USDA Rural Development for \$174,000 at a rate of 1% for a term of 30 years. The first three years would be interest only with level principal and interest payments due over the final 27 years. Currently, KVCOG has \$420,000 in USDA money to lend. This additional funding from the USDA is very important, as KVCOG's loans have been very successful in saving jobs that would have otherwise been lost. This year alone, 284 jobs have been saved or created with the help of the RLF program. Additionally, the larger the portfolio, the better the program runs as we gain additional amounts of interest and fee income by lending out these incremental dollars.

Mr. Pakulski asked for a motion to approve the USDA loan funding in the amount of \$174,000 and to authorize Ken Young, KVCOG's Executive Director to execute the necessary documents. Robert Worthley moved approval; Josh Reny seconds. The motion is approved.

4. Ken Young – Executive Director Report:

Project Updates:

- EDA - The U.S. EDA will be conducting its triennial evaluation of KVCOG's performance in the CEDS process. Mr. Young feels that there are significant accomplishments to discuss with the EDA Evaluators, as well as some improvements including working to identify new EDA projects. Mr. Young would like to invite two or three board members to speak with the evaluators regarding KVCOG's performance.
- COMMUNITY DEVELOPMENT (CDBG) - The 2011 grant year is wrapping up. The final opportunity for this year is round 3 of the Economic Development grant program. Letters of Intent are due on August 12, 2011 and applications are due on September 23, 2011. These grants offer \$200,000 for business support or \$300,000 for municipally-owned infrastructure in support of an identified business. There was a 15% federal cut to the program, and an anticipated cut of somewhere between 15 and 20% for the 2012 program year. The Office of Community Development is considering how to apply those cuts: across the board, elimination of specific programs, or reduction of specific programs.

- **BROWNFIELDS** - KVCOG is the recipient of a \$1 million Revolving Loan Fund grant for cleanup of Brownfields sites. KVCOG's history of grant administration, its capacity to run a successful RLF and its performance with its two Brownfields assessment grants were all factors in the decision. Only 13 RLF grants were awarded nationally. The grant allows KVCOG to provide low-interest loans to developers of Brownfields properties, and to grant up to 40% of the funds to communities for cleanup of their own Brownfields sites.
- **KV ENTREPRENEURIAL NETWORK (KVEN)** – The KVEN is now in summer recess following a very successful few months. Shelley Payne, who had been assisting with the KVEN, will be leaving KVCOG at the end of June. Please join us in thanking Ms. Payne for her hard work, and wishing her luck in her future endeavors.
- **KV GAS COMPANY** – KVCOG continues to host ongoing negotiations with the KV Gas Company regarding the proposed natural gas pipeline which would run from Richmond to Madison, with the most recent meeting taking place on June 9th. The members of the negotiating subcommittee are working toward a TIF agreement with the developers. If this occurs, the subcommittee will brief all committee members, with each member bringing the agreement back to his/her municipality for approval. The next meeting of the subcommittee will be taking place at KVCOG on June 27th.

5. Review and Adoption of KVCOG FY 2012 Budget:

Mr. Young presented KVCOG's Budget for fiscal year 2012. The budget reflects anticipated cuts in government funding, such as the EPA Brownfields program. Even with the anticipated cuts, KVCOG expects to be able to place money on the bottom line, as it has in past years. Mr. Pakulski asked for a motion to approve the KVCOG FY 2012 budget. Joshua Reny moved approval; Robert Worthley seconds. The motion is approved.

6. Review and Adoption of the CEDS Annual Report:

Mr. Young presented KVCOG's 3rd Annual CEDS Annual Report. This report is used by the EDA to assess KVCOG's performance in accordance to the goals and objectives identified in the 5-year CEDS Plan. The Report discusses the composition of the CEDS Committee, describes economic development activities in the area and changes in the area's economy. Mr. Pakulski asked for a motion to authorize KVCOG staff to submit the CEDS Annual Report to the EDA pending CEDS Committee approval. Irene Belanger moved approval; Joshua Reny seconds. The motion is approved.

7. Member Roundtable:

Irene Belanger - China

- The town of South China has completed its sidewalk project, with a new walking bridge and culverts. China's Transfer Station had a fee-free day with a great turnout. The transfer station has purchased a new horizontal bailer; bringing the total to 5 bailers at the facility. This has encouraged more recycling in the area.

- China is currently working on their Comprehensive Plan, with the implementation committee meeting every Thursday. They are completely revamping the land use ordinance.
- The Thurston Park venture is on board. Grant applications are currently being submitted for work on the park, and China is discussing using the assistance of the National Guard to help with road and trail work.

Mike Duguay – Augusta

- Augusta has received a \$400,000 CDBG grant to help build a new public library and community center. Also, it is possible that construction will start next week on the off-ramp for the new hospital. Mr. Duguay, who also works with the KV Entrepreneurial Network, stated that the KVEN has had a great year.

6. Next Meeting:

The next meeting will be the Annual Meeting, taking place in September. Date to be announced.