



KVCOG Board of Directors Meeting Minutes

December 17, 2009

9:00 – 11:00 am

Board Members Present:

Larry Post – Hartland
Irene Belanger – China
Roger Averill – Benton
Roland Michaud – Winslow
Clif Andreasen – Farmingdale
Steve Steward – Bingham
Mary Sabins – Vassalboro
Dana Wrigley – Oakland
Norman Dean – Madison
Bob Worthley – Anson

Staff Present:

Ken Young, Executive Director
Chris Huck, Planning Director
Cole Palmer, RLF Director
Heather Carey, Office Administrator

Visitor:

Jennifer Hight, CPA, Runyon, Kirsten
& Ouellette, auditors

Welcome:

Larry Post, President, opened the meeting. Introductions were made around the table.

A. Approval of Minutes:

Mr. Post asked for approval of the Minutes of the June 17, 2009 meeting and of the Minutes of the Annual Meeting, September 23, 2009. The motion to approve the minutes was made by Roger Averill. The motion was seconded by Dana Wrigley. The motion was approved.

B. Auditor's Report

Jennifer Hight, CPA, of Runyon, Kirsten & Ouellette gave the report of the auditors. KVCOG received an unqualified report with no adjustments. Assets (cash and equivalents) increased. Notes payable decreased. Unrestricted net assets increased. There were no disagreements with management. Overall, KVCOG is in good financial shape.

The Board thanked the staff for their attention to the financial management of KVCOG.

C. Revolving Loan Fund Activity Report:

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

RLF Report – December 17, 2009

Four loans are past due. Nine are in liquidation. We are working with these borrowers to help them get caught up on payments and or to recover funds in the process of liquidation. In most instances, we will be looking at a modification of terms to help them. Economic conditions have not improved for most borrowers. Loan demand is up modestly and the quality of the projects we are seeing is improving. Newer applications are for investments in land and buildings and machinery and equipment rather than for working capital as had been the norm for the last 12 months.

Additionally, we have approximately \$500,000 in prospective loans in the pipeline in various stages of analysis, so opportunities appear to be improving.

Portfolio Status Report: As of November 30, 2009

| <u>Loan Status:</u> | <u>Number of Loans:</u> | <u>Total Dollar Amount</u> |
|-----------------------------------|-------------------------|----------------------------|
| Current: | 36 | 2,521,412 |
| Past Due: | 4 | 225,694 |
| In Liquidation/ Bankruptcy: | 9 | 866,188 |
| Available to Lend: As of 11/30/09 | | 965,224 |

Mr. Young reviewed the process of how the RLF Committee functions in relation to the Board of Directors.

4. Ken Young – Executive Director’s Report:

Mr. Young invited all Board members to attend CEDS meetings. He also reminded Board members that the membership dues will remain the same for this next fiscal year.

Discussion Items:

A. Effect of State of Maine FY 2010 and 2011 Budget on Members:

Mr. Young discussed the possible effect of the FY 2011 state budget cuts that shift significant costs to the local property tax on members and the possible effects of rising local property taxes on KVCOG membership. Mr. Young believes that some members will choose not to join in FY 2011.

B. Member Retention: KVCOG Outreach Program:

Mr. Young presented a plan that the KVCOG staff put together to demonstrate the value proposition of continuing KVCOG membership. Each staff member is assigned a portion of the members and is contacting each of our municipalities to review current needs and to offer our services.

Roland Michaud proposed that a questionnaire be sent out to all of the members asking about their needs, etc. The results will give us a better idea of what we can do for them and what we can do better.

KVCOG’s Joint Purchasing program is serving the members well saving many members more than the cost of KVCOG membership.

C. Current Projects – Updates:

- CDBG: Community Development Manager, Gail Chase, is working with several communities on various CDBG projects.
- Kennebec River Initiative: KVCOG is sponsoring two workshops, in Bath and Augusta, to review ways to add conservation and land protection projects to municipal comprehensive plans and to move to implementation through expanding partnership with other organizations and governments.
- Workforce Development/Economic Development: These areas are coming together as joint projects. Several projects are in the works. In particular, finding skilled people to fill open jobs.
- Mobilize Maine: There is a new effort driven by the State to deal with the funding issues that this group is having. They will be meeting again in January.
- US EDA Planning Grant: Maine DECD is proposing that the KVCOG and the other EDDs take over the existing DECD’s business development specialists that serve the EDD’s. DECD would pay \$60,000 annually, which is about 60% of the state’s cost. Negotiations continue.

D. New Items:

Mr. Young let the Board know of changes to our phone system. We will be switching providers that will cut our monthly bill in half. We are also going to consider purchasing a new phone system to replace our outdated system for approximately \$7000.

The Town of Fairfield did a reevaluation of our property concluding that KVCOG's building was worth \$295,000. KVCOG requested abatement and supported the request with a new "broker's opinion of value" that placed the value at \$183,000-\$203,000.

5. Member Roundtable:

Roger Averill – Benton

- Building is staying about the same as last year.
- CMP has asked for a new transfer station, which will be a significant help to Benton's tax base.

Roland Michaud – Winslow

- Dallaire Street has reached the point of demolition.
- The Sebasticook River Committee has been terminated after fulfilling their duties.
- Development of an in-town walking trail that will connect to Waterville via the Two Cent Bridge is in process.
- Budget process is underway.

Irene Belanger – China

- The suckers (New York Brown trout) have been depleted in China Lake. They are trying to find a source for replenishment.
- The one-room schoolhouse is back on its foundation with the help of the grant they received.

Dana Wrigley – Oakland

- Brownfield cleanup at Cascade Mill is progressing.
- The second phase of the sewer connect is underway.

Mary Sabins - Vassalboro

- Working on trying to find funding for rehabbing the old woolen mill.

Bob Worthley – Anson

- Received a \$60,000 CDBG grant for Cousineau to expand their laminate products with the intent to increase staff and to reopen the sawmill next spring.

Steven Steward – Bingham

- No report at this time

Norman Dean – Madison

- No report at this time

Clif Andreason – Farmingdale

- Working with the Town of Hallowell on a Fire Department Corporation

Next Meeting: February 17, 2010, 9-11 AM at KVCOG

Agenda: Jacob Blondin, VP for Development, International Wood Fuels, Burnham