



LORING COMMERCE CENTRE

Loring Development Authority of Maine
Board Meeting Minutes
October 21, 2019
154 Development Drive, Suite F
Loring Commerce Centre, Limestone, Maine

1. Call to Order

The meeting was called to order by Chair Miles Williams at 9:13 a.m.

LDA Board Members present: Carol Bell.

LDA Board Members participating by conference call: Miles Williams, Janet McGillan, Richard Ezzy, Mark Wilcox, Doug Damon, Jim Cote, and Mike Edgecomb.

LDA Board Members absent: Steve Levesque, Dan LaPointe, Dana Saucier, Jim Clair and Heather Johnson.

Others present: Trisha House, Senator Collins' Office; Barb Hayslett, Congressman Golden's Office; Sharon Campbell, Senator King's Office, and Paul Towle, Aroostook Partnership.

LDA Staff present: Carl W. Flora, Neal Haines and Donna Sturzl.

2. Introduction of Board Members, Staff, and Guests

Roll call was taken by Chair, Miles Williams.

3. Minutes of Meetings of September 18, 2019

MOTION: Motion was made by Doug Damon and seconded by Mark Wilcox to accept the minutes of the September 18, 2019 meeting as presented.

VOTE: Motion was voted on and passed unanimously.

4. Treasurer's Report for June 2019

Mr. Flora stated that revenues for the year total \$2,476,000, which is below the \$3,069,000 budgeted for the year. The \$100,000 received from the China investor group is deferred and is not included in revenues. Under expenses there's nearly \$940,000 in depreciation and a \$37,000 asset adjustment expense to correct the value of buildings; a duplicate entry for a building was removed. The utilities expense is \$210,000 over budget due to heating unleased buildings. The statements are in line with the audit report.

MOTION: Motion was made by Carol Bell and seconded by Doug Damon to accept the June 2019 Treasurer's report as presented.

VOTE: Motion was voted on and passed unanimously.

5. Audited Financial Statements for 2019

Mr. Flora stated that the net position decreased by \$1.2M. This year's lease and state revenues decreased and expenses increased due to utilities and uncollectable accounts expense. As noted before, the revenues do not include the \$100,000 from the China group; and revenues also do not include \$75,000 of the \$300,000 received from Bangor Gas's pipeline lease. (Please see Note-7 in the audit report pages 9 – 10)

Revenues (\$2,556,261) are comprised of 29% from leases, 55% from the state, 1% from the remainder of a federal grant, 12% from water and sewer fees and 3% from other operations. The year-end net position and the change in net position for 2019 and 2018 are outlined on pages II and III. Operating revenues are down almost \$300,000; depreciation expense is also down, but the uncollectable expense is larger than in 2018. The uncollectable account is from the aviation lease for storage, but they are still in communications with us.

The discussion on debt includes the line of credit use; it was partially paid down in July, but it is being used again. USDA and MMBB loans are long term; other loans will be paid within the next few years.

Vehicle painting equipment received from MMA, valued at \$207,000, is recorded as an asset and also as a long-term liability. The equipment will be paid for over a ten-year period as the equipment is leased and generates revenue; 25% of the lease revenue is due to the state.

The audit report received an unmodified opinion; the financial statements fairly present the LDA's financial position according to generally accepted accounting principles.

In the audit notes, Note-11 includes a summary of the allowance for doubtful accounts; Note-14 outlines long-term debt; Note-15 discusses the ten-year agreement with the state for the MMA equipment; and Note-21 details OPEB (Other Post-Employment Benefits) information.

Mike Edgecomb joined the meeting at this time.

MOTION: Motion was made by Carol Bell and seconded by Doug Damon to accept the LDA's 2019 Audited Financial Statements as presented.

VOTE: Motion was voted on and passed unanimously.

6. President's report

Mr. Flora reviewed the status of several projects and provided miscellaneous updates. Loring Industries is working with a manufacturer of tanks for delivery trucks. Demand for product is very high and the expectation is that the work will begin in the next few months. A distilled spirits company is hoping to move forward and is considering options with the US/China investor group for distribution in Asia. A new biofuels project has been identified. Mr. Wilcox urged caution regarding any commitment to exclusivity with the biomass project. The small-scale solar project is on course; the larger solar project may need additional capacity in the distribution system before it can move forward.

7. Other

SFE Manufacturing would like to extend its lease for three years under the same terms. The rent would remain the same for the first year, subsequent years would include a 2% increase annually.

MOTION: Motion was made by Mark Wilcox and seconded by Jim Cote to approve the extension of the SFE Manufacturing lease as proposed.

VOTE: Motion was voted on and passed unanimously.

8. Public Comment and Media Question and Answer Period

None.

10. Executive Session: Confidential discussions concerning personnel, economic development and real estate matters pursuant to Title 1 M.R.S.A. Section 405 Subparagraphs 6.C. and 6.E.

MOTION: Motion was made by Carol Bell and seconded by Mark Wilcox to enter into executive session to discuss personnel, economic development and real estate matters pursuant to Title 1 M.R.S.A. Section 405 Subparagraphs 6.C. and 6.E.

VOTE: Motion was voted on and passed unanimously.

** End Executive Session **

Return to public session.

MOTION: Motion was made by Carol Bell and seconded by Jim Cote to authorize a modification to Carl Flora's employment agreement revising his work schedule and compensation in accordance with a proposal outlined by Chairman Miles Williams.

VOTE: Motion was voted on and passed unanimously.

12. Adjourn

MOTION: Motion was made by Carol Bell and seconded by Jim Cote to adjourn the meeting at 9:50 a.m.

VOTE: Motion was voted on and passed unanimously.

Respectfully submitted,

Dana Saucier
Secretary