

ISLE AU HAUT

COMMUNITY DEVELOPMENT CORPORATION

POST OFFICE BOX 99, ISLE AU HAUT, MAINE 04645 USA

ICDC Board of Directors Meeting

Location: Conference call

MINUTES

Date: Sunday, January 21, 2018

Time: 5:00 pm

1. ATTENDANCE

On the call: Tricia Barter, Bill Calvert, Nick Filler, Dana Perry, Catherine Richards, Derrick Sibbald, Robin Tannenbaum and Gerry Wurzburg. Absent: Jerry Kriegel, Bob Olney and Carl Wilson

2. APPROVAL OF THE 12/3/17 MINUTES

A motion was made to approve the minutes by Gerry Wurzburg, seconded by Nick Filler. The minutes were unanimously approved.

3. COMMITTEE REPORTS

a. Facility Maintenance

Highlights were as follows:

Our Maintenance system is working. All urgent maintenance repair items were completed this month. The estimate cost remains at \$2000. Luther is now addressing the non-urgent repair items. He sent work details, photos and bills to Dana Perry.

The repair tracking form is finalized and will reside in the Dropbox shared file.

Although discussions occurred with MSHA and Maine Fuel Board about the placement of the Village House kerosene tank relative to the monitor vent, there remains no final decision to date.

A question arose regarding the Village House refrigerator and whether it had been returned inside the house. Gerry will email the tenants to confirm its status.

b. Building

The winterizing work was delayed due to extreme weather and lack of workers. Luther promises a start date of February 2018.

c. Technology

- 1) Website-The community profiles of the schoolteacher, storekeepers and local business owners are written, approved and edited. Tricia may be able to help with photos.
- 2) Facebook page-The page needs a volunteer to keep it up to date. Robin will speak with Gerry about this role. Example postings might be board meeting updates or advertising for the Micro Loan program.
- 3) Dropbox-There was a delay in getting the account established. Catherine and Gerry have discussed the various categories/files needed. It should be up and running very soon, and the Board will be notified about next steps for access.

d. Development

There was no report given.

e. Finance

Highlights were as follows:

A large Micro Loan repayment came in recently.

Dana has paid all outstanding bills.

When Dropbox is set up, all of ICDC's old Form 990's should reside there.

f. Housing

All rent payments are up to date. Catherine created a rent status spreadsheet, which she will share with Tricia. We also agreed to reevaluate rental rates upon lease renewal to ensure our annual costs are covered. This will occur in April and May. The last increase occurred in the spring of 2016.

g. Micro Loan Program

Because of the large, recent loan repayment, the account balance is approximately \$70K.

Our recent interest rate reduction (2% down from 4%) has not generated any loan requests. What are other ways to encourage applications? Dana suggested a summer pitch competition or soliciting an Island Advantages article about our program. Perhaps more promotion on island is needed, too. A question arose as to more flexible use of the monies such as towards a house purchase. It was reconfirmed that the loanee needs to be income producing and the money used for an island business.

4. OTHER BUSINESS

As agreed, we spent the remainder of our time diving into the Housing topic. Nick Filler facilitated the conversation.

Nick suggested we not spend lots of research time on what IAH really needs in the future, but evaluate the situation from a different perspective. To build the case, he shared some overall observations about IAH and ICDC as follows:

1. It is important to have ample rental housing stock.
2. A small portion of the stock should be offered at an affordable rate.
3. ICDC could provide 4-6 houses at the \$600-\$800 level. If we reached this quota, we have done our job.
4. In the past, there has been success with the rent-to-own model. Every few years, this would be a good model to continue.

If the above observations are acceptable, then there are a few other options to consider next. Build vs. Buy... In the foreseeable future, ICDC could build 4-5 new houses on our available land. At the moment, we also know of 4 year-round houses for sale: Ben Macdonald, Charlie Bowen, Deborah Schrader and Bel Macdonald. One might suit ICDC's needs. A third option is Habitat for Humanity (HFH). They look for donated land and build a house with/for the approved applicant, who then pays HFH back over time.

There are also two other proposals pending ICDC's further consideration. The first is the Schrader property, which the Town reluctantly owns and rents. It has been operating at a loss to date. The Town is considering selling the property. If ICDC became interested, we ran numbers to calculate the only viable amount to offer. The second opportunity is HFH that Judi Burke initiated. This involves ICDC donating land so that a house is built for a year round resident who's been approved by HFH. The Board reviewed the process and desired future stipulations for this proposal. Possible stipulations were receiving a portion of the monthly mortgage OR being repaid land donation value if the new house is sold. There was mixed sentiment about the HFH opportunity.

We then circled back to the overall notion of ICDC achieving a goal of 4-6 houses in its rental stock. Each board member had a chance to share their thoughts. The overall consensus was as follows: slowly increasing our housing stock is acceptable; people appreciated Nick's thorough analysis and desire finding ways to piggyback on infrastructure costs.

To wrap up, Nick provided a summary of our conversation. Follow the advice to do one house at a time. With that, our goal for 2018 is to focus on increasing our rental

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stock by one property with little cash outlay and no deficit. Only consider the HFH model if we get paid for the land over time and can share costs.

In terms of next steps, Nick suggested the creation of 2 subcommittees: one each to look at the acquisition and build side. Nick will take the lead on the former and hopes Gerry might on the latter.

TO DO- Nick will circulate a response to both the Selectmen and Judi Burke. The Board will review the draft first.

The next ICDC Board meeting date was set for Sunday, March 11, 2018 @ 5:00PM via conference call.

The meeting adjourned at 6:30 PM.

Minutes submitted by: Catherine Richards, Board Chair