

Economic Development Committee Minutes
Council Chambers
April 19, 2018
3:30pm

Attendance:

Committee Councilors

Cody McEwen (Chair)

Mike Madore

Gilda Stratton

Councilors

Steve Golieb

Meeting called to order by Chair McEwen at 3:30pm.

Below is a synopsis on the results of the discussion and review of previous policy concerning the Revolving Loan Fund [Micro-Loan Program] including proposition of reimplementation.

Discussion on the floor was opened by Chair McEwen and gave an overall summary of the past policy; The micro-loan program was a Community Development Block Grant policy adopted by the town, facilitated through the state of Maine - Department of Economic and Community Development. Various examples from previous loan administration, guidelines, and overall implementation were presented during the workshop. The program as it was is no longer under the same designation, though programs similar to the Micro-Loan program still exist under different structure with some similar guidelines.

Councilors Golieb, Madore, and Stratton joined the conversation. Councilors Madore and Stratton provided personal testimony from when this program existed during their previous terms on the council; the program had many struggles through its implementation. Although some successes were determined, records prove that an overall deficit was acquired through several outstanding account receivables. The program ultimately ended approximately in 2012/2013.

It was agreed upon by this group that the previous guidelines in this policy — most of which were mandated by the State due to funds being allocated through said organization — were very restrictive in determining loan designees and required the hiring of employees based on levels of loan allotment. It can be assumed that the obligations of the loan program combined with the decline of the Millinocket economy most likely left loan recipients with the inability to pay off outstanding debts to the town.

The review of the policy left the committee with several points of further discussion. If the loan program were to be implemented in the future, the town has three main options. The first would be to research current programs for grant funding and implement policies that coincide with said program guidelines. The second, would be to allocate funds within the town, model a form of micro-loan programming, and create guidelines that coincide with the needs of the community. The third, would be to not move forward with programming and decline either option.

The option of possible policy adjustments and reimplementation of the program sparked discussion concerning guideline criteria. A main theme moving forward would be how to reimplement the policy under two possible structures: Facade Improvement Program and/or Business Capital Improvement Program. Either program or combination of programming would constitute several workshops which would be open to the public. A main principle is to be able to provide a loan service that 1) provides the business community with a form of low interest financing to make improvements either aesthetically, for business capital, or structural integrity and 2) after initial monetary allocation, the loan program would be able to pay for itself in accumulated interest. It was decided that at a later date discussion would continue on the possible implementation of programming at some level.

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Meeting adjourned at 4:15pm.