

Economic Development Committee Minutes  
Council Chambers  
8/1/2017  
4:30pm

Attendance

Committee Councilors:  
Cody McEwen (Chair)  
Mike Madore  
Gilda Stratton

Councilors:

Public:  
Lucy Van Hook  
Bob Peterson

Meeting called to order by Chair McEwen at 4:58pm.

**Special Presentation: Lucy Van Hook - Community Engagement/Economic Development**

**Our Katahdin**

- Our Katahdin non-profit was formed to try and boost the Katahdin region economy focusing on the communities surrounding Katahdin.
- Our Katahdin economic development platform lies on three main parameters. Modern Forest Products, Tourism, and Digital Broadband Access.
- We also have three tiers for community engagement. Our primary platform is community projects and connecting with our community leaders. Our other tiers are attracting entrepreneurs and industrial development.
- Our projects span throughout Millinocket, East Millinocket, and Medway.
- We are currently on our 26th project with 50,000 raised overall for those projects.
- Making Headway - Grow Smart Maine has been an ongoing project that helps identify common themes and values between the three towns. This focus is to bring everyone together so we can identify resources to celebrate and work toward our future.
- The Making Headway celebration will be held at the Medway Recreation Area (Public Beach/Field) during the Penobscot River Fest on Sunday August, 20th 2017 from 2pm-4pm.
- Broadband has been expanded in Millinocket with three WiFi hotspots along Main Street - Penobscot Avenue. We are working to get one installed in East Millinocket. There is an ongoing grant process to expand Fiber Optics (Fios) in the downtown area of Millinocket.
- Working on entrepreneur development. Looking to Maine Accelerates Growth Initiative and how this model could assist this region.
- We are building a network of entrepreneurs such as a bio-products base such as The Forest Byproduct Research Institute at the University of Maine. Looking at exploring potential avenues for the mill site.
- Our partnership with the Town of Millinocket has been a huge success.
- Our goal is to have circular economies on the mill site. In a sense, companies that work with each other to utilize products and resources to each others advantage.

- I.e\ a company creates a raw material from forest products that another company on the site could use to create their product.
- We are constantly working to attract people to the site. We understand and are working with our liabilities.
- Our site planning process is ongoing and is looking at the assets at the site to find the best use for each area of the site.

### **Katahdin Collaborative**

- The Katahdin Collaborative is a group consisting of businesses and organizations interested in economic development that are trying to bring dollars into the region.
- Some examples of our members would be - and are not limited to - the Katahdin Tourism Partnership, Katahdin Area Chamber of Commerce, New England Outdoor Center, DesignLab, Millinocket Memorial Library.
- We consider economic development initiatives that work with each other and not against each other.
- Our current focus is a visioning process for all seven towns along the scenic byway. We are contracting with a consultant in September with our goal of kicking off the process in October.

### **Comment:**

McEwen - Thank you for the presentation. Floor opened for questions.

Madore - How are we doing with the mill building.

Lucy - working on replacing the roof and working on mold and mildew remediation. This should be happening any day now.

Madore - How are you involved or are you in contact with the National Monument?

Lucy - Tim Hudson is involved in the collaborative but we have not had any specific conversations about the monument in relation to economic development.

Madore - 26 projects? are you getting more ideas for projects from East Millinocket/Medway?

Lucy - It would be great to increase projects. Please send any projects to myself at [lucy@ourkatahdin.com](mailto:lucy@ourkatahdin.com). We are currently working on more outreach in these towns.

Stratton - What uses could the pipeline that connects the mill sites between East Millinocket and Millinocket possibly be used for?

Madore - May need to use pipeline for other business use for wastewater. It might be able to be retrofitted for other uses other than pulp like before.

Madore - This would be a huge investment of capital and could be very promising.

Lucy - I'm not entirely sure on the uses of that pipeline but could look into that further.

## **Special Presentation: Bob Peterson - Experiences of Millinocket Regional Hospital as it Relates to Economic Development**

- Millinocket Regional Hospital has been on an upswing as we have been going through some changes.
- Hospitals are major employers in municipalities. In 15 out of 16 Maine counties, a hospital is among the top four employers. In 8 out of 16 Maine counties, a hospital is the largest employer.
- Hospitals are reasonable employers in town. They serve as economic engines to the town as they pay well, and have highly educated employees. Our employees in turn have more disposable income to spend throughout our communities.
- After the mill closures, MRH became the largest employer for the Town of Millinocket. This became a huge responsibility as we have over 250 employees covering a wide range of titles.
- Our mill era was a single pronged approach to the economy. We should respect that era and appreciate our history. We need to focus on a multi pronged approach to set the tone of a new economy for the next 100 years.
- Many people that we serve and employ have worked for the mills. The mills donated the land that the hospital was built on and a part of workers paychecks were voluntarily added to make that happen.
- Effects from the mill closure:
  - Hospital financial performance reached an all time low
  - The overall population of the area dropped which translated to less hospital volume
  - Those that stayed in the area were often times uninsured or underinsured. The hospital may have some volume, but we weren't being paid for it.
  - Timing of the Mill closures coincided with the implementation of ObamaCare. Although more people had insurance, the out-of-pocket cost increased for the rest of us. Those patients with means continued to come for care. Many others avoided needed healthcare services because they were now responsible to pay a portion of the bill. Food and rent took precedence over healthcare.
  - The population as well has quickly aged. Those who stayed were retirees; those who left were younger families looking for work.
  - All of these factors combined left our hospital in a \$2,000,000 operating loss.
  - In years past, the mill would bail out any deficit the hospital faced - in any given year!
- Hospital Board Direction:
  - Return the hospital to financial strength.
  - Preserve the independence of the hospital. I.e\ don't sell out or merge. The board felt that a merger would weaken the hospital, decrease services, lose jobs, and lose autonomy and local decision making.
  - Assure the hospital would be here for another 60 years. (At the time of new administration, the hospital was celebrating its 60th anniversary.
  - Reestablish the reputation of MRH as a premier rural hospital.
- Multi-Pronged Approach to the Hospital and Community:
  - Not one thing will replace the mill. Rather it will be multiple initiatives that will carry the town forward.
    - Try multiple things
    - Try things that are different
    - Improve existing services is critical
    - Don't be afraid to fail - not every idea will be successful
    - If something isn't working pull the plug and move on

- Being diverse is key!
- MRH Multi Pronged Approach:
  - 1 - Focus on the product. Our product is quality medical services and the delivery of those services to the patients; two distinct yet intertwined things. You will not be successful if you don't have both of these factors working at the same time
    - Quality of care is given. If the quality is lousy, patients will and must go elsewhere. First order of business is culture and expectations.
  - 2 - Focus on leakage. What services are leaving the Millinocket area and why? If we provide the service, we need to do it well.
    - Need to remember that much of hospital revenues come from outside sources such as Washington D.C (Medicare) and big out-of-state insurance companies. We need new dollars in Millinocket.
  - 3 - Become more things to more people. Activity breeds activity. We are expanding our service base to provide more healthcare options to the area. In this case, we should find less people leaving the area and heading South for medical services.
  - We have expanded our technology base so we are interconnected with outside medical services on-site. We can connect patients with doctors in Bangor and further to take readings on high-definition visual systems for feedback.
  - Services we expanded include:
    - Gastroenterology
    - Endocrinology
    - Rheumatology
    - Neurology
    - Sleep Medicine
    - Podiatry
    - Optometry
    - Ophthalmology
    - Walk-In-Care
      - A new walk-in-care facility is underway at the old bank building in East Millinocket.
  - 4 - Control our expenses. We have been reorganizing with our the need for layoffs. Increased productivity with Administration <-> Staff 100 day program. Goal oriented program that has been increasing the efficiency of the hospital by changing the way operations work.
  - 5 - We already talked about culture but add staff engagement to the list. You must have staff feeling good about their work and build a burning platform for success and performance.
  - 6 - Never be satisfied with the status quo. Penquis Valley Hospital, Mayo Hospital, and Houlton Hospital are watching us and reacting. We are doing very well for our area and they are trying to figure out how we are doing this. We are succeeding.
- Katahdin Region Approach to Economic Development and Re-Vitalization must be similar.
  - Hit a long of single wins. It will build to better accomplishments.
  - Diversify the economy so the loss of a business won't impact the whole so much.
  - Think outside the box
  - Never discount or dismiss any idea. It might work.
  - Stay fresh
  - Don't play catch up. By the time you do, the other towns are five steps ahead of you.
  - Talk is great, but talk is cheap. Strive for action!
  - Don't be afraid to fail. You learn much more from your failures than you do from your successes.

**Comment:**

McEwen, Madore, Stratton - Very great presentation.

McEwen, Madore, Stratton, Bob - Point of problem with many ambulance write-offs going 'uncollected'.

Bob - I will talk to Tom Malcolm. We can look into this process more to see how we can manage that. There may be a payment program that could be implemented.

Madore - Having less patients is definitely a big issue you've had to deal with. I think the walk in care is essential in East Millinocket and glad it is happening. The community was nervous that we were going to lose the hospital at one time. Diversification is the way to go.

Stratton - When our radiologist retired, did you experience any set backs?

Bob - Radiologists are here frequently to perform services. When they are not here, x-rays can be sent through our VRAD service - Virtual Radiology - to doctors that were there to read outside our facility in Bangor. Due to improvements in technology, a reading turn around time is greatly increased. There is also nighttime coverage through this services. There has been no lack of service since his retirement.

Committee adjourned at 6:30