



## **ADDISON COUNTY ECONOMIC DEVELOPMENT CORPORATION BOARD OF TRUSTEES**

**Date:** January 16, 2025, 7:30-9:00 a.m. (Hybrid)

**Board Members Present:** Joseph Andriano (7:45), Chris Lapierre, Jason Larocque, Nicole MacTavish, Richard McKerr, Renny Perry, Ryan Bartlett, David Castle (left 8:26 a.m.) Bob Ortmyer, Darcy Tarte

**ACEDC Office Staff Present:** Fred Kenney, Camille Lyons, Nichole Bachand-Bartlett

**Members Absent:** Mark Foster, Gina Larrow, Susan Ritter

**Call to Order:**

Jason called the meeting to order at 7:35 a.m.

**Changes to Agenda – None**

**Introductions:** All members and staff in attendance introduced themselves.

**Minutes of the October 17, 2024, Board Meeting:** Jason requested a motion to approve the minutes of the October 17th Board meeting.

**7:36 a.m.:** Richard McKerr and Chris Lapierre seconded. Renny abstained.

**VOTE: 9-0-1.** Renny abstained because he was absent.

- **Introductions:** Fred Kenney introduced Nichole Bachand, our new Office Operations Manager.
- **December Staff Activity:**
  - Executive Director Transition, set up some interviews w/executive committee.
  - In December Fred set up a tour of eight businesses in Addison County for the Legislative Delegation. Four legislators attended.
  - Camille and Fred visited the previously known as 'App Gap Building' that is for sale. Tenants will stay but owner is looking to sell that building. Also toured buildings in the Town of Addison and worked on USDA/RD application for Town of Addison.
  - Met with Mountain Mac Cider and lenders involved in potential acquisition. Wants to acquire Happy Valley Orchard. ACEDC may make a loan for that out of ACEDC RFL, not USDA RFL. Will take application to loan committee soon.
  - Audit is done; waiting for a few borrower confirmations. Should be available in the February Board Packet.
  - **Grants:** Three of four BGS Building Community applications approved:
    - Mountainside Flooring in Leicester
    - Mountain Mac Cider
    - LuLu Ice Cream to help with expansion.
    - VT Business Magazine and Addison Independent picked up the story.

- VCRD Grant for Middlebury Thermal Energy Network approved for \$4,000. Media in Times Argus and Addy Indy.
- **Upcoming events:**
  - Addison County Alignment & Repair, County Tire's expansion, Open House Feb 1<sup>st</sup>, 2025.
  - Stonecrop Meadows large housing development in Middlebury, groundbreaking held in Middlebury on February 3<sup>rd</sup>, 2025. Will start at Town Hall Theatre and then go out to site for photo opportunity, flyer available in February Board Packet.
  - Town Hall Theatre opening events for various venues - first in early February for the new small theatre then throughout the summer.
- **Citizen Comments:** N/A
- **Board Resolution:**
  - ACEDC Bylaws require a Board resolution to commit resources. USDA/RD Rules require a Board Resolution to apply.
  - Working with the town of Addison to help them determine the highest and best use of *three* buildings on the town green, the old town hall, town clerk's office and the old school/Community Center.
  - ACEDC is proposing an application to USDA to Rural Business Development Grant program to conduct a study of the buildings and the land.
  - ACEDC would hire a consultant.
  - Project could tie up ACEDC funds for short intervals between when we pay consultant until USDA reimburses. No other ACEDC's funds would be committed but staff time would be a resource used.
  - Resolution in packet lays out what the project is and includes a draft motion.

**7:43 a.m.** Renny Perry makes the motion to authorize ACEDC staff to prepare and submit an application to the USDA/RD Rural Business Development Grant program, in the amount of up to \$50,000, on behalf of the Town of Addison to fund a study of the best and highest use of several municipally-owned facilities and properties, authorize the application of ACEDC staff time as an in-kind contribution, if required, and authorize the Executive Director to sign the grant application and grant documents on behalf of ACEDC. No ACEDC cash is authorized for in-kind contribution purposes. Richard McKerr seconds the motion.

- **Discussion:**

**Chris Lapierre** asks Fred Kenney to talk about the probable revenue or expenses that ACEDC would incur in administering the grant. **Fred Kenney:** Primarily it would be staff time. We've put in roughly 6 hours so far for meetings with the Select Board. It will require staff time to put together the application, roughly 4 hours. Requires submission by the end of February. Administration of the grant is simple, research and hire a consultant, may already have someone interested that knows the town. Must create an MOU or contract with the consultant. Wait for USDA to decide. If approved final steps include getting invoices from the consultant, dispersing money, checking their work, payment of invoices and grant tracking. Grant has potential for up to \$50,000 in funding. ACEDC receives 10% of the grant amount. If \$50,000 is awarded ACEDC receives \$5,000. ACEDC processed two of these grants before – reference Eco Global Plan and Food Hub. Food Hub ACEDC did not use the entire 10%. Fred believes \$5,000 would cover ACEDC's staff time for this town of Addison project. We will track time already committed and future staff time.

**7:46 a.m. VOTE: 9-1-0. Chris Lapierre opposed.**

- **Presentation: Thermal Energy Networks – A Tool for Sustainable Economic Development**  
[Thermal Energy Networks Presentation.](#)
  - **Debbie New** shared with ACEDC staff and board members about the work Thermal Energy Networks is doing in Middlebury and statewide with community groups to educate businesses about thermal energy and how they can implement thermal energy networks to save energy and costs.
    - **Darcy Tarte Question:** Regarding the bore hole drilling being the most expensive, are there other expense barriers to getting this moving forward and more known?”  
**Debbie** explains that in terms of technology any system that operates on steam is the hardest to convert to a low temp system. Financing is a concern and they help municipalities understand the long term cost savings by digging once. There needs to be more support from the State, not through taxpayer dollars but perhaps there’s a way to form a statewide or regional entity, not necessarily funded by the State, possibly a non-profit, that could support the towns, not expect towns to do it on their own. Up front costs to building owners are minimal because the system operator bears the costs of installation and connection which is then recouped through monthly payments by system rate payers.
    - **Renny comment and question** – The Elderly Services building in Middlebury is putting in a geothermal system, are you involved with that?  
**Debbie:** I am not, they did it on their own by applying for and receiving grants. It’s possible if another network was developed nearby, they could connect and potentially lower their costs. We have been in touch with them to make sure they are aware of the potential for other thermal networks in Middlebury.
    - **Debbie’s Question to ACEDC:** Read in ACEDC Newsletter that ACEDC is working on forming an Economic Development District and working on an economic development strategy, for future consideration. Is there a place where TENS could contribute to that planning and strategizing?  
 Fred CEDS is already written. The regions involved in the West Central CEDS- Chittenden, Addison, Rutland and Central Vermont- have applied to EDA to be designated as an Economic Development District (EDD). The current CEDS does not specifically mention thermal energy. We will ensure that it is included in the first update. Also, Fred has talked to Adam Lougee at the ACRPC about including thermal energy in the update of the energy section of the Addison County regional plan.
- **Quarterly Financial Report and Budget Update:**
  - Mid-year report is in the budget.
  - Your packet includes the mid-year Balance Sheet and Profit & Loss Report.
  - The Balance Sheet compares December 31st of 2024 to 2023.
  - The Profit & Loss Report compares actual revenue and expenses through December 2024 against the budgeted amounts for Fiscal Year 2025 through December 2024.
  - On the Balance Sheet, we are about \$87,000 ahead of 2023 in assets, but we have about \$118,000 more in liabilities primarily due to the new IRP loan from the USDA.

- We start paying against principal on that \$500,000 loan this year. Prior to this year we paid interest only for three years.
- The Profit & Loss Report: We are about \$30,000 behind projected revenue. This is primarily due to a grant expected from the Agency of Commerce, for which we still have not received a grant agreement.
- We are about \$15,000 below projected expenses. This also is a timing issue. We have not yet been billed by the auditor.
- Board Packet also includes an updated version of the budget document.
- Budget document has been adjusted for changes in revenue and expenses. The bottom-line deficit has been reduced to \$8,600 from the original \$24,000 projected deficit when the Board approved the budget.
- That will go down more if we are successful with the USDA/RD grant, which could include up to \$5,000 in revenue.
- We still maintain a healthy \$155,000 in reserves in ACEDC's CD and money market.
- Our revolving loan fund (RFL) is down to about \$181,000 available to lend from the USDA RLF. We are still waiting to hear about the new IRP loan from USDA to recapitalize the RLF. No other USDA loans are in the pipeline. We may use the \$80,000 in the ACEDC RLF for a loan to Mountain Mac Cider to acquire the Happy Valley Orchard, if approved.
- **RDC Legislative Properties:**
  - Included in Board Packet the RDC legislative priority document we will be submitting to legislators.
  - RDCs and RPCs will be in House Commerce on the morning of Friday, January 21st, 2025, to re-educate the members about ACEDC; who we are and what we do.
  - Herb Olson from Starksboro is on that committee, Fred spoke with him this week.
  - We'll also be doing our annual Legislator coffee on the Tuesday after town meeting week in the cafeteria.
  - Also participating in Manufacturing Day in February: Expo, coffee, and testimony.
    - If you know of any manufacturers who would like to participate, let Fred know. Dave Castle may be interested will talk to Dave Cole.
- **Board Stuff:**
  - Fred gave reminder to those who have not submitted their signed COI.
  - Officers: Tradition for officers to serve two years; all have agreed to serve in 2025, no elections required this year. We have two open seats: Bill Townsend's term ended, and Val Capel retired. Bristol will delegate someone to fill Val's seat, probably when they fill the Town Admin position. If you know anyone we should speak to about filling Bill's seat, let Fred know. They do need to be a member. Maybe someone who can bring more diversity to the board.
  - Current Ad Hoc Committees are:
    - Hiring Committee
    - Incubator Exploratory
    - Merger Exploratory
    - REDS: regional economic development strategy

- Exec has decided to keep REDS and Hiring and wait to form any new ones until after ED transition.
  - REDS will be reviewing Addison County Economic Development Plan developed by ACRPC and ACEDC staff.
- **MEMBER AND DUES CHURN:**
    - In the calendar year 2024, ACEDC had 86 members and received \$40,950 in dues.
    - In fiscal year 2024 ACEDC had 88 members and \$38,650 in dues.
    - That's about \$6,000 lower than budgeted for fiscal year budget and for calendar year dues based on when their membership started.
    - During calendar year 2024, ten members dropped membership, deducting \$3,700 in dues.
    - One retired; Two closed; One had financial difficulties; Two had Headquarters that stopped communicating with us; and four were based on cost to value or perceived need to be a member.
    - We gained eight new members in the calendar year 2024, gaining \$2,700 in dues.
    - It was a net loss of two members and \$1,000 in dues.
    - Another positive development was that three members increased their tier, so we had a gain of \$650 in dues.
    - The total net loss change in Dues was \$350 for calendar year 2024.
    - Reminder: at retreat, we decided to increase the dues tiers by 10% in 2025. An email will be sent to members next week with this news and as their dues become due, they'll see the new structure implemented. Will result in an increase of dues revenue of about \$3,000 based on current membership.
  - **Any questions, concerns, or Board sharing?**

Renny mentions the Vergennes Partnership. The former Executive Director, Julie Basol, retired. Julie was with them for over six years. Hired Christine Garrow, she has a great background and lives in Vergennes.

**8:45 a.m. Jason asks for a motion to adjourn:** Richard moved, and Nicole seconded.

*Respectfully submitted, Nichole Bachand-Bartlett, Office Operations Manager*