



Chamber and Economic Development of the Rutland Region Board of Directors Meeting
Tuesday, September 20th, 2022 | 8:00 a.m.

Via Zoom:

<https://us02web.zoom.us/j/85287569383?pwd=YXJXY1ZmaG80eUp0cTlHalFxOEI3dz09>

Agenda

- Call to Order Shana Louiselle, Vice President
- Approval of Minutes from August 16th, 2022 (pages 2-3) Shana Louiselle, Vice President
- Executive Director's Report Lyle Jepson
 - West Central Vermont Economic Development Strategy, Devon Neary and Tyler Richardson
- Committee Reports
Nicole Kesselring, Chair
MaryAnn Goulette, Co-Chair
Russ Marsan, Chair
Eric Mallette, Chair
Karen Garrow, Chair
Tyler Richardson
Shana Louiselle, Co-Chair
 - Real Estate (see attached materials, pages 4-5)
 - Marketing (see attached materials, page 6)
 - Business Development (see attached materials, pages 7-8)
 - Events (see attached materials, page 9)
 - Finance (see attached materials, pages 10-25)
 - Policy
 - DEI Committee
- Old Business
- New Business
 - Change in Board Meeting Start Time
- Adjournment

Upcoming Meetings and Events:

Weekend Getaway Meet & Greet (at Still on the Mountain) – Thursday, September 22nd, 5:00 p.m. – 7:00 p.m.
DEI Committee – Friday, September 30th, 12:00 p.m. – 1:00 p.m.
Real Estate Committee – Wednesday, October 5th, 8:15 a.m. – 9:15 a.m.
Marketing Committee – Thursday, October 6th, 11:30 a.m. – 12:30 p.m.
Finance Committee – Tuesday, October 11th, 8:15 a.m. – 9:15 a.m.
CEDRR Mixer (Allen Pools & Spa) – Tuesday, October 11th, 5:00 p.m. – 7:00 p.m.
Business Development Committee – Wednesday, October 12th, 8:15 a.m. – 9:15 a.m.
Events Committee – Thursday, October 13th, 8:15 a.m. – 9:15 a.m.
Board of Directors – Tuesday, October 18th, 8:15 a.m. – 9:15 a.m.



Board of Directors Meeting Minutes | Tuesday, August 16, 2022, 2022 | Via Zoom

Present: John Casella II, Shana Louiselle, Karen Garrow, Nicole Kesselring, Rolf Hirschmann, Amy Laramie, Kelley Robinson, Brennan Duffy, Maryann Goulette, George Hodulik, Mark Werle, Devon Neary, Bill Moore, Russ Marsan, Kim Griffin

Staff: Karly Haven, Lyle Jepson, Tyler Richardson, Chrispin White, Lori Pinkowski, Olivia Lyons

The meeting was called to order at 8:02 am

Motion: Rolf moved to accept the minutes from June 21st, 2022. The motion was seconded by Mark and passed unanimously.

Lyle introduced Karly Haven as our new Concierge Coordinator on a part time basis. Karly comes to CEDRR from Ann Clark Ltd.

Lyle introduced George Hodulik who is the newest representative of Rutland Young Professionals.

Lyle / Tyler introduced Kim Griffin who is the new Executive Director of The MINT, Rutland's Makerspace. Kim reported the space has lots of energy with more to come with new Programming supported by a grant. The grant has been approved for next year and they have a STEAM focus as well as expanded programs with a focus on youth including a social and emotional aspect. Kim asked the Board to help with marketing the MINT to get the word out that the Mint is here and available. She suggested The MINT could be a space for the Board to reconnect and engage in the space as a group and she hoped that the Board would be cognizant of sustaining the space through other grants. An expansion was discussed, and it was decided that The MINT will stay in its current space as long as it keeps working for them. Brennan mentioned possible expansion into the CSJ space to tie into the Recreation Department and Theatre.

Real Estate Committee

Nicole reported that Bodycote is looking to vacate a portion of their space in January, of which their lease does not expire until April, 2024. Fortunately, there is another business looking to take over approximately 12,000 square feet of the space Bodycote has requested to vacate. Conversations surrounding lease rates and terms are being discussed with the potential new tenants. Brennan asked if there was a process as to when we need new tenants and Lyle reported not at this time as the situation has not come up recently. The paving is done at The MINT thanks to many hands. The Committee continues to watch the TIF District in Killington, and the progress being made on Rutland's TIF discussions.

Marketing Committee

Maryanne reported the Weekend Getaway is moving along and Olivia reported there are five families that were chosen to come to Vermont, and they are working on things to do for them based on their interests. Olivia also mentioned that the increase of awareness for Real Rutland was immense and increased our website presence over 200%.



Business Development Committee

Lyle reported Trevor Weltman visited the committee. He brings a background in organizational and business development and is looking forward to making connections with the Makerspace in Poultney and the MINT. The move in time for the HUB has been delayed due to supply chain issues. We are purchasing equipment with a \$50,000 grant from USDA for the HUB. The plan, once we move in, is to hold an Open House and the Annual Meeting at the same time. Lyle and Tyler met with Bob Fine, Executive Director of the International Virtual Reality in Healthcare Association over two days in early August. Bob will put forth a proposal for a conference in the region and activities at the HUB. They toured The MINT and the HUB, the Paramount, and Castleton University. Bob was impressed with all that is happening in the Rutland Region.

Events Committee

Chrispin reported that plans for the Whoopie Pie Festival & Parade of Heroes is coming together nicely. The schedule is all set with street performers, face painters, caricature artists, jugglers, a magic show, live music, the Newly Wed game at the Paramount and concluding with fireworks. We are in need of volunteers for the day – most commitments are only two hours. We have a mixer coming up on September 13th at NewStory Center from 5-7. A Real Rutland Feud meeting will take place in September for planning purposes for the February event. Plus, the Annual Meeting and Hub CoWorks Open House will take place in October/November.

Finance Committee

Karen reviewed the financials and reported that all looks good, and we are showing a profit. The Audit is almost done and will be presented to the committee in September. Paving expenses more than budgeted but it was work that needed to be done. There have been no applications to the Revolving Loan Fund. Discussions are taking place regarding the delinquent loan with other lenders. There has been an increase in the budget for FY 2023 to include expenses and repairs at 112 Quality Lane. Tyler reported that we have a diversified budget, and the revenue is flattening out so that the organization is not relying on one or two revenue lines, but instead has several.

Motion: Russ motioned to accept the budget as presented, Maryanne seconded, and the motion passed unanimously.

DEI Committee

Shana reported the committee reviewed the results of the survey and it was decided that the group needs to keep working on diversifying. A press release was sent out for a call to potential new Board members. The information was in our Newsletter and five people have responded so far. At the meeting next month, the committee will review the candidates.

Old Business: None

New Business: John reported that there were several requests to get back to in-person meetings and we should explore hybrid options for virtual and in-person.

Meeting adjourned at 9:08 am

Real Estate Committee Meeting Minutes | Wednesday, September 6th, 2022 | Via Zoom

Present: Nicole Kesselring (8:30), Mark Foley, Mike Doenges, Andy Paluch, Heather Starzynski, Chris Keyser Lyle Jepson

The meeting was called to order at 8:04 a.m.

Tenant Transition at 112 Quality Lane

1) 112 Quality Lane - Lyle

- a) Tenant Transition –BodyCote anticipates they will not need 11,920 sq/ft as of January, 2023. The lease does not expire until April 30, 2024. Lyle will be meeting with a BodyCote representative and potential tenant in the coming days. If a satisfactory arrangement can be made, CEDRR will consider a change to the lease agreement.

Mark suggested creating an outline of the current tenants and terms of agreement with corresponding revenue projections.

- b) Paving – Paving is complete. John Casella is working on a potenail donation of time from the contractors towards the project.
- c) Short-term and Long-term maintenance plan – Lyle suggested that it might be time to get an updated building inspection report for 112 Quality Lane. The last report was provided by Criterium Lalancette Engineers on May 15, 2013. From this report we can review our short-term and long-term needs for budgeting purposes. Lyle will connect with Criterium Lalancette for a proposal to update the report and will update the committee on scope and cost before moving forward.

2) Updates - Lyle

- a) CSJ feasibility study – It is ongoing.
- b) Rutland Airport Business Park NBRC Grant Award – staffing discussion. Discussion included the success that the region is having in receiving grants. This creates a reporting, management and compliance staffing need, for which few organizations have a professional solution. Solutions ranged from subcontracting to an organization like the RAA, having organizations hire individually from a subcontractor, or having one organization hire a staff member and doing contract work for others. Lyle and Tyler will continue initial conversations that they have had with Elisabeth Kulas, who is working with the VFFC, about potential solutions.

3) Commercial activity – Andy reported on Rutland County commercial, residential and multi-family sales, compared year over year. The results included:

County residential sales are down 30% (777 in 2021 compared to 555 in the same period in 2022.) Inventory is low and prices are up on an average of 24%.

Rutland County is uniquely positioned in the commercial market. Andy's goal is to get more properties listed. Prices have risen, on average, 59%. (22 properties sold in 2021 compared to 24 in the same period in 2022.)

Multifamily sales prices have risen 15%. There is stock available. Now is the time to sell. (66 properties sold in 2021 compared to 76 in the same period in 2022.)



- 4) VHIP funding and consumer housing demand – Heather pointed out that the next round of VHIP funding will roll out soon. They are preparing a press release that she will share with CEDRR to advertise the opportunity widely. She will also be working on the process for market rate housing access to the ARPA (\$400k) fund that the City has made available through the RRA. NeighborWorks will oversee the fund, once the process is put in place. In addition, NeighborWorks has money to lend. Heather shared her thoughts on the housing market, including the difficulty that moderate income Vermonters are having with first time homeownership. Many have been priced out of the market. The need for wraparound services for homeless individuals who are entering housing is a significant need. A Strategic Plan for housing in the region is needed. She and Lyle will discuss this has an agenda topic for a future meeting.
- 5) New Business – Lyle asked if the committee meetings can start at 8:15am and not 8:00am. The request was approved.
- 6) Old Business - None
- 7) Next Meeting – Wednesday, October 5th, at 8:15 a.m.
- 8) Adjournment at 9:05 a.m.

Agenda October 5th 8:15-9:15am

- 112 Quality Lane tenant agreement overview and revenue projections
- Regional Plan for Housing

Marketing Committee Meeting Minutes | Thursday, September 1, 2022 | Via Zoom

Present: Lyle Jepson, Olivia Lyons, Steve Costello, Mary Ann Goulette, Michael Talbott, Bill Ackerman, Polly Mikula, Kelley Robinson, Brennan Duffy, Joe Gunter, and Karly Haven.

The meeting was called to order at 11:34 a.m.

Introduction of Karly Haven

Olivia Lyons introduced Karly Haven, CEDRR's new Real Rutland Concierge Coordinator. Karly told the committee about herself and the projects she is currently working on.

Whoopie Pie Festival and Parade of Heroes Marketing Efforts

The committee recapped the Whoopie Pie Festival and Parade of Heroes. Marketing for the event was successful considering how many people attended. Steve Costello estimates about 2,000 people attended. CEDRR will reach out to vendors for written statements about the festival to use for marketing next year. Lyle will write an op-ed for the Rutland Herald thanking the community. The blue tents were a hit. Olivia relayed a message from most Center Street businesses who said they were busy all day.

Weekend Getaway Updates/Campaign Analytics

The five households selected for the Weekend Getaway from outside of Chicago, Los Angeles, New York City, Texas, and North Carolina were announced. Olivia is in the final stages of planning the weekend getaway activities and is asking the families what they would like to do while they are here. The marketing for this on social media reached almost 357,000 and there were 4,605 link clicks.

Real Rutland Campaign Updates

We are getting ready to launch another Real Rutland Campaign. This is similar to ones before with photos like "The mountains are calling," and a link to Real Rutland. We will also utilize Google and Microsoft ads this time around in addition to social media. Steve suggested getting new quotes from people who moved here and fixing the spelling of a name on the Real Rutland website.

Platform change from Airtable to Insightly

We had been using Airtable to store data for the Real Rutland Concierge Program because of LIFT. We will transfer all data over to Insightly, a CRM platform Karly is familiar with. This will help us keep in better contact with people and make it easier to pull data about people interested in/who move here.

Vermont Welcome Wagon

Mary Ann told the committee after she, Steve, Lyle, and Olivia met with the Vermont Welcome Wagon people, we have decided we will keep in contact, but not join their program.

Next meeting: Thursday, October 6

Possible topics:

Weekend Getaway Recap

Social media analytics/Real Rutland Campaign

Insightly Update



Business Development Committee Meeting Minutes Wednesday, September 14th 2022 | Via Zoom

Present: Rick Gile, Jerry Hansen, Jenney Izzo, Mark Werle, Mark Foley, Traci Moore, Mike Doenges, Lyle Jepson

Guest: Kim Griffin

Call to Order

The meeting was called to order at 8:16 a.m.

Motion to Approve Minutes

Jerry made a motion to approve the minutes from 8-10-22 as written. Mark Foley seconded the motion, which passed unanimously.

Introduction: Kim Griffin

Lyle introduced Kim, who is in her 9th week as the first full-time executive director at the MINT, Rutland's Makerspace. Kim pointed out that membership has climbed 10% in the last month. Having someone available each day for tours is a benefit. She outlined that there is small scale manufacturing occurring. A wood products manufacturer is about to begin production, as is a book binding operation. Collaborations with Art77 and the Carving Studio are bearing fruit. Marketing efforts will be critical. Story telling and outreach will support membership growth and fundraising efforts. Kim recently met with Mary Ann Goulette (CEDRR Marketing Committee Chair) and Olivia Lyons (CEDRR Communications and Marketing Manager.) The MINT is also investigating the option of CU Interns. Labs that have "taken off" with interest include textiles and pottery.

Kim outlined the fact that the MINT is attracting new members who have recently moved to the area from Brooklyn NY, Seattle Washington and Ohio. The reasons for moving are varied, but the issue of finding housing is a common problem.

Kim explained that she is in need of staff and funding. She is looking for an Education Coordinator to work with the MINT's K-12 population for 15-20 hrs./wk. There is funding from a grant for after school programming. A strategy for sustainability (fundraising) is on her agenda and for which she will need support.

HUB Update

Lyle indicated that CEDRR continues to await the results of the EDA grant application. Approximately \$95,000 worth of equipment has been ordered using USDA and donated funds. Special thanks to Mike Doenges for his support with sourcing the equipment. Rick, Liz, Tyler and Lyle have been interviewing Program Director applicants. There are at least two that have great promise.

Lyle expects that CEDRR will hold a Hub CoWorks Open House, combined with CEDRR's Annual Meeting, on Thursday, November 10th. Tours will take place from 5:00-6:00pm, followed by the Annual Meeting at 6:30pm.



Rick pointed out that, thanks to Tyler (and Steve Cassarino at Ryan Smith & Carbine), Rutland's Tech Startup Incubator, located in the Hub CoWorks has been approved as a 501c3 non-profit organization. This will allow for donations to be made, which can be considered tax-deductible.

Old Business

Zion Growers have closed on the Proctor Marble Building. They have provided the Marble Museum with a 99-year lease for designated space in the building. CEDRR is in the process of helping to advertise approximately 7,000sq/ft of light manufacturing space that is available.

New Business

There is currently 30,000sq/ft of manufacturing space available at the former Melansen Building located at 126 Spruce Street, Rutland. Contact Tim Crean at 802-236-3668. Tcrean2000@yahoo.com

Adjournment

The meeting adjourned at 8:45am.

Next meeting – Wednesday, October 12th, at 8:15 a.m.



Events Committee Meeting, Thursday, September 8, 2022, 4:00 pm

Present: Jess Anderson, Eric Mallette, Penny Inglee, Bill Ackerman, Chrispin White, Lori Pinkowski

Whoopie Pie Festival/Parade of Heroes: Rough number of marchers was over 250. Rough number of WPF attendees was 1,500. Overall, the event went well, and we received many great comments on it – Vendors were very happy.

A few downside comments were that a lot of people didn't know about it – we discussed the advertising: social media, newspaper, radio and banners. Jess suggested we print flyers and posters next year and distribute those as well.

Another comment was that the event was a little disjointed with almost too many things going on and event was too long of a day. We discussed not having the green street as part of the event and changing the event from 11 – 4 since we will not have the Parade next year and holding in the fall around mid-late September when the weather is cooler and the whoopie pie filling won't melt.

Jess suggested we add a money-maker element to the event like a race of some sort or sell tickets to win a car or something big.

Mixers: September mixer 9/13, Newstory Center, Marble Valley Kitchen will be catering the event and hard cider will be available. October mixer 10/11, Allen Pools and Spa; November mixer – Date TBD possibly the Hub in conjunction with our Annual Meeting and Open House and also in conjunction with the Partnerships' evening of their Sip and Shop but that part is TBD. December Mixer 12/13 – HFCU, Annual Christmas Mixer.

Real Rutland Feud – a committee meeting will be held in the coming weeks to start planning for next year. Date set for February 25.

Next meeting, Thursday, October 13th at 4:00 pm



Finance Committee Meeting Minutes | Tuesday, September 13th, 2022 | Via Zoom

Present: Karen Garrow, Jess Anderson, Scott Dikeman, Mark Foley, Jr., Rolf Hirschmann, Chris Keyser, Norm Ladabouche, Andrew Simonds, Lyle Jepson, Tyler Richardson, Bret Hodgdon, Aida Volpone

The meeting was called to order at 8:17 a.m. Chris moved to accept the minutes from August 9th, 2022. The motion was seconded by Andrew and passed unanimously.

Audit Presentation

Tyler introduced Aida Volpone and Bret Hodgdon from Davis & Hodgdon to present on the audit. Since this audit period is the first year of the merger, it's hard to compare the audit and the organizational performance of this year to the previous year, as the organization is very different. The audit was favorable with a lot of good information presented. The committee thanked Aida and Bret for their time and effort. Their presentation is attached as a part of these minutes.

CEDRR Internal Financials

The committee reviewed the financial reports including the CEDRR P&L, balance sheet, and regional marketing activity. There was a loss this month due to an increase in expenses for the building and the Whoopie Pie Fest.

Revolving Loan Fund

All loan clients are current on payments except for loan #108-01-01. Tyler has met with the borrower and the other lenders on this project to continue discussions and determine steps forward. The other lenders are working on a restructuring, and Tyler will have something to present for the board to consider at the next meeting.

Old Business

None.

New Business

Tyler wrote four Regional Economic Development grants for four area businesses for a total of around \$98,000.

Adjournment at 9:07 a.m.



PRESENTATION OF SEPTEMBER 30, 2021
AUDITED FINANCIAL STATEMENTS

SEPTEMBER 13, 2022

CHAMBER AND ECONOMIC DEVELOPMENT OF THE
RUTLAND REGION

Required Communication

- Unmodified opinion in accordance with Generally Accepted Auditing Standards (GAAS)
 - Reasonable but not absolute assurance that financials are free from material misstatement
- Significant accounting policies - noted in Note 1 of the financial statements
- Management judgments and accounting estimates
 - Allowance for bad debts/collectability of receivables
 - Depreciation
- Audit adjustments
 - 9 entries (all very minimal - largest entries related to deferred revenue to be consistent with treatment in prior years)
- Disagreements with management - None
- No difficulties encountered when performing the audit
- Good initial meetings and weekly communications helped streamline the audit process



Highlights and Comments

- Statement of Financial Position
 - Assets
 - Increase in cash of \$234K
 - Mainly due to positive operating results (\$313k) offset slightly by loan advances
 - Increase in accounts receivable of \$31K
 - Mainly due to additional AR from the Chamber activities
 - Increase in notes receivable, current portion of \$192K
 - A few notes due in full in FY22
 - Decrease in property and equipment of \$35K
 - Due to depreciation expense



Highlights and Comments

■ Statement of Financial Position

■ Liabilities

- Increase in accounts payable of \$23K
 - Primarily due to amounts payable at 9/30/21 that weren't payable at 9/30/20: amount due to Lift Marketing of \$5,095, due to O'Brien Shortle of \$8,080
- Decrease in accrued expenses of \$11K
 - Mostly due to decrease in accrued payroll of \$12K due to timing of pay dates
- Increase in contract liabilities of \$28K
 - Due to increased deferred memberships/sponsorships of \$10K, deferred rent revenue of \$11K, and advance payments for events of \$8K
- Increase in long-term debt
 - Due to \$150K of new loan proceeds offset by \$115K in loan payments



Highlights and Comments

■ Statement of Activities

- \$309K increase in Contributions
 - New line item for fundraising contributions as a result of the merger (includes \$183K of donations from Chamber as part of the entry to close out the Chamber's books)
- \$130K increase in Grants and contracts
 - \$45,800 in PPP loan forgiveness
 - \$16K increase in VT Agency of Commerce and Community Development Contract
 - \$43K increase in other state grants
- \$138K increase in Membership Contributions
 - Result of the merger (includes membership contributions previously recorded by Chamber)
- \$66K increase in Event income
 - New line item as a result of the merger (includes Community Raffle income and Parade of Heroes temporarily restricted sponsorships)
- \$20K decrease in loan loss recoveries/expenses
 - Amount fluctuates as loan loss reserve is adjusted



Highlights and Comments

■ Statement of Activities

- Total Operating Expenses increased \$351K
 - \$138K increase in personnel costs due to additional hiring and merger; \$81K increase in regional marketing, \$40K increase in repairs and maintenance, \$20K increase in events expense, \$15K increase in office expenses
- Program Services Expenses:
 - 27% decrease as a percent of total support
 - 53% and 80% of total support in 2021 and 2020, respectively
- Management and General Expenses:
 - 3% decrease as a percent of total support
 - 12% and 15% of total support in 2021 and 2020, respectively
- Fundraising Expenses:
 - 4% increase as a percent of total support
 - 6% and 2% of total support in 2021 and 2020, respectively



Statement of Financial Position Ratios

	2017	2018	2019	2020	2021
Days cash on hand	444	696	487	347	338
Current ratio	5.51	3.94	8.12	7.28	4.46
Quick ratio	5.41	3.88	3.81	2.75	3.31



Income Statement Ratios

	2019	2020	2021
Program expense %	81.5%	81.5%	74.5%
Management expense %	16.5%	16.6%	16.6%
Fundraising expense %	2%	1.9%	8.9%

*Increase in fundraising expense in FY21 primarily a result of the merger.



Total Support and Revenue Analysis



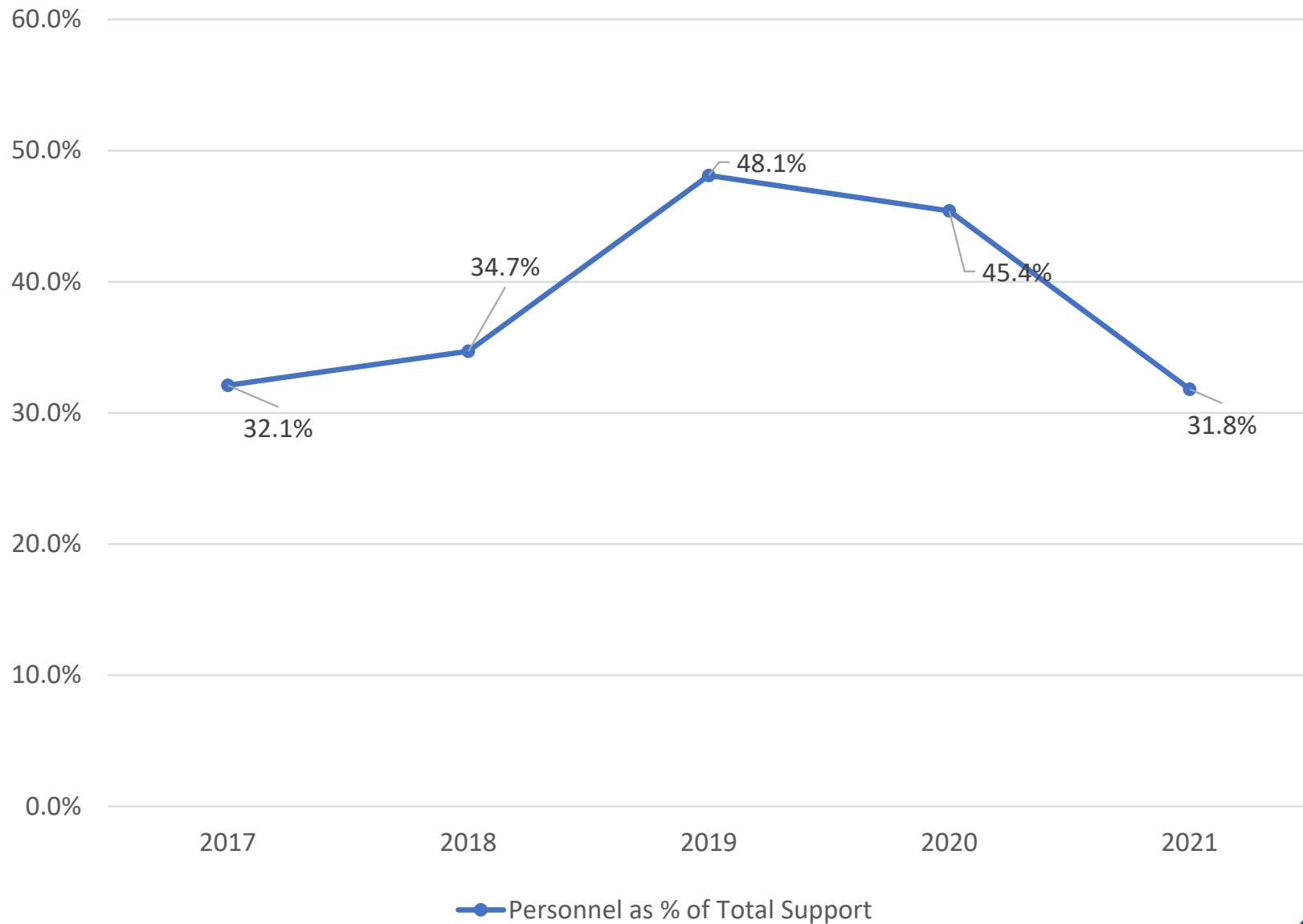
Change in Net Assets Analysis



Personnel Expenses Analysis



Personnel Expenses - % of Total Support



Discussion Items

■ Current Year

- Seward and Associates does a great job with the books.
- Maintain focus on internal control and “tone from the top”
- Consider preparing an accounting procedures manual
- Create written whistleblower, conflict of interest, and document retention and destruction, and credit card use policies.
- Consider having the Cold River Industrial Park land value re-appraised (last appraisal done 2009).
- Internal control recommendations:
 - Bank reconciliations should be reviewed on a monthly basis by someone other than the preparer and this review should be documented.
 - Review of journal entries should be documented.
 - Consider writing the account code (number or description) on invoices when approved for payment to ensure invoices appropriately coded.



Discussion Items

■ Current Year

- Open discussion topics to include:
 - How does the audit factor into the fraud detection/prevention area?
 - Management and those charged with governance bear the primary responsibility for prevention and detection of fraud
 - Cyber security...
 - Positive pay
 - Knowbe4 training tool
 - Whistleblower hotline
- Common fraud schemes/areas?



Discussion Items

- Lease Accounting Changes – Effective for FYE 9/30/23
 - FASB issued Accounting Standards Update (ASU 2016-02) Leases (Topic 842). The standard provides that non-profit entities recognize lease assets and lease liabilities on the balance sheet and disclose key information about leasing arrangements.
 - For the FYE 9/30/23, CEDRR will be required to record lease assets and offsetting lease liabilities for all leasing arrangements with a term of more than twelve months.
 - The adoption of this standard is not expected to have a material impact on CEDRR's financial statements, though an assessment of current leases will need to be completed to assess overall effect to the financial statements.

