

# MAINE STATE LEGISLATURE

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January 22, 2013

Honorable Justin Alfond  
President  
Maine Senate  
3 State House Station  
Augusta, ME 04333

Honorable Mark W. Eves  
Speaker of the House  
Maine House of Representatives  
2 State House Station  
Augusta, Maine 04333

Subject: Government Accountability Report (5 MRSA §12023)

Dear Mr. President and Mr. Speaker:

In compliance with the requirements of the Government Accountability and Oversight Law for quasi-independent State entities (5 MRSA §12023), I am submitting this report on behalf of the Board of Trustees of the Midcoast Regional Redevelopment Authority (MRRRA). MRRRA was created in 2006 by the Maine Legislature (5 MRSA §13083-G) as a municipal corporation charged with the responsibility to implement the reuse master plans for Naval Air Station Brunswick (NAS Brunswick) and the Topsham Annex, which closed as a result of the 2005 Base Realignment and Closure (BRAC) process. The Authority is entrusted with the acquisition and management of properties within the geographic boundaries of NAS Brunswick. The enabling statute creating MRRRA established very detailed description of its powers and duties. MRRRA began its operation on September 27, 2007 when the newly appointed Board of Trustees called to order its first meeting and hired Steven H. Levesque as its new Executive Director.

The Board of Trustees adopted policies early on to assure accountability and transparency for all of the actions of the agency, including the adoption of Bylaws, Mission and Goal Statements for all standing committees of MRRRA, a Personnel Policy, a Purchasing Policy, a Conflict of Interest Policy, an Accounting Policy and Procedures Manual, Annual Work Plans, Annual Operating Budgets and annual Five Year Capital Improvement Budgets. It provides for an annual independent audit of our Financial Statements and Single Audit Act report for federal grant auditing purposes.



Consistent with the Act's requirements, the list below is provided to report on policies required by §12022:

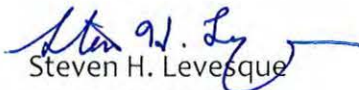
1. **Consistency with Authorizing Law.** The Board of Trustees adopted a set of Bylaws on September 27, 2007 limiting its authority to that provided by law. They have only been amended once, March 16, 2010. Mission and Goal Statements have been prepared and adopted by the Board for all Standing Committees of MRRA establishing the authority and mission of each committee. The Board also adopts Annual Work Plans, Operating Budgets, and Five Year Capital Improvement Plans to carry out the mission and activities of MRRA which must reflect the goals, mission and authority of the agency.
2. **Compliance with Financial Policies and Procedures.** The Board adopted a Purchasing Policy on February 19, 2008. The policy has been amended three times (June 17, 2008, March 15, 2011 and July 25, 2012). An Accounting Policies and Procedures Manual was adopted by the MRRA Board of Trustees on May 20, 2008 and has been amended three times (October 22, 2009, September 20, 2011 and July 25, 2012). The Bylaws also provide for a Treasurer and a Finance Committee. The Finance Committee meets monthly and reviews the monthly budget report, Balance Sheet, Bank Reconciliation Statement, and a detailed transaction report for the month. Each quarter the Finance Committee also reviews a detailed transaction report of all business attraction, meeting and travel expense reports. All financial statements are also provided to the Board of Trustees.
3. **Selection of Vendors.** The Board adopted a Purchasing Policy on February 19, 2008. The policy has been amended three times (June 17, 2008, March 15, 2011 and July 25, 2012). The Policy requires that the agency will acquire all equipment, materials, and services in a manner that results in the most efficient delivery of services considering cost and value received. Purchases will be made within budget limits and to meet goals and objectives approved in MRRA's budget. Potential purchases that are not within budget limits will be pre-approved through a budget amendment process.
4. **Contributions.** Membership dues and fees are annually considered by the Board of Trustees through the annual operating budget adoption process. All membership dues and fees are tracked through a separate line item in our annual operating budget, Dues and Memberships 50402. The only donations made by MRRA to outside organizations comes from a requirement of the United States Navy and Air Force as a condition of participating in an air show. Some portion of the proceeds from the Great State of Maine Air Show must be used for a community purpose. For the two shows that MRRA has hosted it established a publicly noticed competitive grant application process for regional not for profit

entities to submit grant proposals. In 2011, MRRA gave out \$25,000 in donations to ten organizations. In 2012 MRRA made twelve grants totaling \$10,000.

5. **Travel, Meals and Entertainment.** The Board of Trustees adopted a Personnel Policy on December 17, 2007. It has been amended three times (November 17, 2009, December 15, 2009 and February 8, 2011). The Personnel Policy contains a Business Expenses and Travel Reimbursement policy that governs and limits travel, meal and business expenses necessary to accomplish the agency's mission and activities, along with documentation of expenses. Travel and business attraction proposed budgets are reviewed by the Finance Committee and considered annually by the Board. All of these expenses are tracked through individual line items. Each month the Finance Committee receives a detail transaction report on all expenses. Each quarter, the Finance Committee also reviews a detail transaction budget report solely on business attraction activities, travel, training and meeting expenses.
  
6. **Lobbyist.** MRRA does not employ or contract for a lobbyist.

I would also note that on January 15, 2013 MRRA submitted a thirteen page detailed narrative and financial report on the activities of MRRA for calendar year 2012 to Governor Paul LePage consistent with the requirements of 5 MRSA §13083-S.

Sincerely,

  
Steven H. Levesque  
Executive Director

- cc. MRRA Board of Trustees  
Jeffrey K. Jordan, Deputy Director  
David E Boulter, Executive Director of the Legislative Council