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January 6, 2016

Honorable Michael D. Thibodeau
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), please consider this letter of transmittal for the required report on behalf of the Board of Trustees of the Midcoast Regional Redevelopment Authority (MRRA) due by February 1, 2016.

Please contact me if you have any questions or need additional information. Thank you.

Sincerely,

Jeffrey K. Jordan
Deputy Director



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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. The MRRRA Board held its first meeting 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. Operations began on January 1, 2008.

In compliance with the Government Accountability Act please find below our responses to the statutorily required questions:

- A. A list of all procurements exceeding \$10,000 in the preceding year for which competitive procurement was waived under the policies adopted pursuant to section 12022, subsection 3, including procurements exceeding \$10,000 that were made under contracts previously entered into for which competitive procurement was not required. The list must include the names of the vendors and costs associated with those procurements;**

The Midcoast Regional Redevelopment Authority did not procure any goods or services that exceeded \$10,000 without first having solicited competitive bids during calendar year 2015 with the following exceptions.

Two years ago MRRA entered into a Memorandum of Agreement (MOA) with the Brunswick Sewer District to conduct spot repairs to the sanitary sewer collection system at Brunswick Landing. During calendar year 2014, MRRA engaged the District in projects totaling \$55,774.10 for sewer repairs. This MOA allows MRRA to have repairs made at below market rates and also allows the District to learn more about our sanitary sewer system, which one day they will take over.

In January of 2014, MRRA was approached by AFLAC insurance for employees for critical care, accident and cancer coverage. MRRA agreed to amend our personnel benefit package and offer this plan within our cafeteria plan. In 2014, AFLAC received \$13,156.50 in premium payments.

In 2015, MRRA spent \$18,996.39 with Brunswick Tour and Travel for travel to various conferences and business marketing and attraction activities. We regularly check the internet for flight information and pricing and do book travel with Brunswick Tour and Travel periodically. This service was not put out to competitive bid, as pricing this service is not usually done in the marketplace. Brunswick Tour and Travel looks for the best flight prices on behalf of MRRA.

In 2015 MRRA spent \$20,568.59 with Eastern Fire Protection to provide repairs and testing of sprinkler systems for a number of buildings at Brunswick Landing. Eastern Fire Protection was the company that the Navy used to install and test sprinkler systems at NAS Brunswick, so it had the history and knowledge of the system when MRRA first started taking over a few buildings. On December 18 MRRA issued a request for proposals for fire protection services and advertised in the *Maine Sunday Telegram* on December 20. Bids are due on January 15, 2016.

In 2015 MRRA spent \$20,505.53 with Northeast Security to repair or install fire alarm panels and electronic monitoring of those systems for a number of buildings owned by MRRA. In 2011, when MRRA began to receive buildings from the Navy we looked at various options for fire alarm monitoring of the Navy's radio wave fire alarm system that it had set up. With only a few buildings, we contracted with Northeast Security. As we have added buildings over time the cost of this service and new panel installs has grown. We would note that we did bid for the panel and alarm install in Hangar 5 last year and Northeast Security was the lowest price of the three bids we received. On December 18 MRRA issued a request for proposals for fire alarm monitoring services and advertised in the *Maine Sunday Telegram* on December 20. Bids are due on January 15, 2016.

In January of 2015, we had a water break in Hangar 6 with repairs costing over \$135,000. MRRA's purchasing policy allows the award of bid in an emergency situation to a contractor who can most readily meet our needs. In this case we contacted ServePro to dry and clean damaged areas for \$25,984.30 and Frohmiller Construction Company to remove and reinstall sheet rock for \$60,573.00. The balance of the repairs was made by the Thayer Corporation, our contracted HVAC vendor.

B. A list of all persons to which the entity made contributions greater than \$1,000 in the preceding year and the total amount contributed to each; and

On December 29, MRRRA transferred title of the former Navy Chapel to the Brunswick Naval Museum and Memorial Garden and is holding a demand promissory note for \$220,000. The demand note will not be called unless the Museum group fails to successfully operate the Naval Museum and Memorial and meet its fiduciary responsibilities.

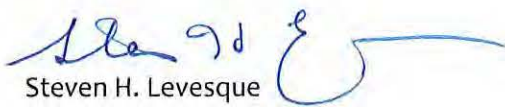
This year MRRRA provided the venue for the Race the Runways and Color Me Rad Road Race held by two not for profit organizations. Those organizations shared a portion of their entrance fees with MRRRA. MRRRA donated those proceeds (\$12,000) to the Midcoast Charitable Foundation of Maine, a 501(c)(3) which will in turn make donations to community organizations that will improve the quality of life, economic viability and sustainability of the communities and not for profit in the Midcoast region.

C. A description of changes made in the preceding year to the written policies and procedures required by section 12022 or to the procedures used by the governing body to monitor compliance with those policies and procedures.

The Board of Trustees did not change or amend the Accounting Policies and Procedures Manual or the Purchasing Policy during calendar year 2015.

I would also note that next week, MRRRA will submit a thirteen page detailed narrative and financial report on the activities of MRRRA for calendar year 2015 to Governor Paul LePage consistent with the requirements of 5 MRSA §13083-S.

Sincerely,


Steven H. Levesque
Executive Director

cc. MRRRA Board of Trustees
Jeffrey K. Jordan, Deputy Director
Grant Pennoyer, Executive Director, Legislative Council