

Board of Directors Meeting – January 29th, 2020 – 3PM - Agenda

Islesboro Economic Sustainability Corporation

1. Call to Order & Quorum
2. Approve Minutes of December 5th, 2019 and December 19th, 2019
3. Reports
 - a. Fundraising Status – RogerH
 - b. Financial Report – RogerH
4. Topics
 - a. Recap Sky & Marianne Purdy Island Market Meeting – TomT & RogerH
5. Review, Discuss & Update *Done Doing To Do* List – Note Items in Bold
6. Rough Date for Next Meeting?
7. Other Business and Public Comments?
8. Adjourn

Board of Directors Meeting – December 5th, 2019 - 10AM - Minutes

Islesboro Economic Sustainability Corporation

1. Call to Order & Quorum

- The meeting was called to order at 10AM at the Islesboro Town Office meeting room. Board members Gabriel Pendleton, Janet Anderson, Tom Tutor and Roger Heinen were present as a valid quorum. Visitors included: Jennifer West, Lauren Bruce, Bonnie Hughes and Page Clason.

2. Review, Discuss and Approve Bylaws

- Discussion ensued on the *platinum draft* version of the bylaws prepared by Michael Quinlan of Jensen Baird and included in the board book materials. Gabe Pendleton suggested that the mission statement wording be expanded to make in clear that the mission includes supporting individuals, entrepreneurs as well as businesses per se. A consensus formed on the change. Tom Tutor made the motion to accept the Bylaws as amended. Seconded by Gabe Pendleton. Approved unanimously.

3. Elect Officers for Operating Period Prior to a Larger Board Being Appointed

- Discussion ensued on how to proceed given the small initial board and the expectation that the Select Board would soon appoint additional board members with specific needed skills. It was noted that there was significant work to be done by the current four members. Tom Tutor suggested that given the size of the current board that we elect a Chair and a Vice Chair, but leave the office of Secretary/Treasurer vacant until a future board meeting following appointment action by the Select Board. Tom then made the motion to nominate Roger Heinen as Chair. Gabe Pendleton seconded. Unanimously approved. Gabe then motioned to nominate Tom Tutor as Vice Chair. Janet Anderson seconded. Unanimously approved.

4. Review, Discuss

- **Status of filings, EIN assignment, etc.** Roger updated the board that Jensen Baird had confirmed that though the corporate registration was complete the EIN SS-4 submission had not yet been confirmed.
- **Corporate Calendar Overview – rough schedule for meetings, filings, reporting,...** Discussion ensued on the draft corporate calendar included in the board book materials. The board will review the calendar at every regular meeting as a hint to preparing a to do list and assuring that all critical board actions are completed in a timely manner.
- **Director Job Description – for informing Select Board on appointments –** Discussion ensued on the draft director job description included in the board book materials. Tom had prepared this as a guideline for the Select Board to use in considering people to appoint to the board. One suggestion was made to include the board demographics bylaws as a reminder to the Select Board re the provisions on size, residency, etc. There was a lively discussion, with public input, on the importance of the Select Board process being an open one. A consensus formed on a clearly delineated role for the IESC board in aiding this Select Board nomination and appointment process. The role of the IESC Board is delineated to provide, among

other things, advise on key skills and characteristics needed and the interviewing of potential appointees. For example, via a job description.

- **Startup Operating Controls – necessary & sufficient to get started** Discussion ensued on the draft controls and policies document included in the board book materials. Roger had prepared this as a starting point in enumerating the operational and financial controls that the corporation will need going forward. Of note was that the draft delegated many of the control tasks to the secretary/treasurer. Given a small board it was the consensus that a better approach was to word the controls such that a board member or staff person could be delegated by the board to oversee a particular control or group of controls. Gabe Pendleton took the task of developing the next draft.

5. Authorize Startup Actions

- **Post Office Box** – Tom begged forgiveness for arranging that PO Box 108, Islesboro become the permanent mailing address for the corporation. No further action.
- **Checking Account and bank relationship** – Discussion ensued on how to select a bank or other financial institution to participate in the operations of the corporation and the implementation of its investment policies. It was noted that we needed a bank with a broad spectrum of account types, locality, safe deposit boxes, QuickBooks integration and online features to reduce the operational burden on the board members in handling the day-to-day banking activities. Gabe suggested that we look for a bank that has online approval and check cutting capabilities. Roger also suggested that we should look for a banking partner that might be interested in helping the corporation process and administer loans. Bonnie Hughes recommended that we speak to Bangor Savings Bank who has an office in Camden. Roger will visit several banks to see what they could offer and returning to the board for a fact-based discussion and selection.
- **QuickBooks account and set up** – there was a consensus that an online Quickbooks accounting package was the right approach to having a general ledger capability. Roger to set up.
- **Web, Email Presence – Website name?** – review at next meeting
- **Printing of Letterhead for Correspondence** - Tom to ask the ISC high school art class for help in the design.
- **Legal Support** – review at next meeting
- **Accounting Support** – review at next meeting
- **Procedure for Accepting Donations in 2019** – Consensus formed on the too-tough process outlined in the controls and policies draft being enough for the near term.
- **Seek help from ArchG on fundraising** – Noted that Arch Gillies was already helping to facilitate founder contributions from 50+/- people.

6. Brainstorm Obvious To Dos

- **Building Community Consensus on Essential Services and Businesses** – Tom led the discussion on how we are to build a community consensus on the high priority services and businesses. He suggested a combination of a broad online survey in January, presentation/discussions with community organizations (Sporting Club, Sewing Circle, charitable organization boards) and individual

outreach. Consensus formed on Tom driving this to a report to the Select Board at the end of January, early February.

- **Fund Raising** – Roger led a discussion on the basic fund-raising strategy and status. To be reviewed at the next meeting.
- **Preparing an Operating Budget** – Roger to pull together a proforma for the next meeting.
- **Lawyer's suggestion to file for a separate 501c-3** – Discussion ensued on the subject of explaining the tax-exempt status of the corporation to certain donors and prospective donors. Letter attached. It was noted that we had a draft rep letter from Jensen Baird that we could send to donors and that for the most part this was a non-issue except for foundations that restricted donations to 501c-3 organizations. For those organizations, Jensen Baird recommended that we consider a side-car 501c-3 organization with a narrow mission to grant all contributions to the IESC. The board could not make a decision on this absent understand the cost of supporting a side-car 501c-3 organization both in terms of time and expenses. Roger will follow up with prospective audit partners on the cost of handling the 501c-3 filings, etc. and report back to the board.

7. **To Do List & Rough Date for Next Meeting** – The board updated the Done Doing Status report and concluded that a special meeting should be held on December 19th at 5PM in the town office to continue progress.

8. **Other Business and Public Comments?**

9. **Adjourn** -A motion and vote to adjourn was made at roughly 11:30AM.

Special Board of Directors Meeting – December 19th, 2019 – 5PM - Minutes

Islesboro Economic Sustainability Corporation

1. Call to Order & Quorum

- *The special meeting was called to order at 5PM with all directors present – R. Heinen, J. Anderson, G. Pendleton and T. Tutor. No visitors present. R. Heinen recorded the minutes and chaired the meeting.*

2. Review, Discuss, Authorize (as necessary)

- **Interim fund-raising and donation process and Lawyer's suggestion to file for a separate 501c-3**
 - *Board discussed the current fund raising status and process for receiving contributions either directly or via designated contributions to the Town, Discussion ensued re the value and costs of establishing a "501c-3" charitable organization – i.e., The Friends of the IESC – which could accept contributions and have the discretion to make grants to the IESC as well as other Islesboro economic sustainability projects. The consensus of the board was that such an entity would help donors feel more confident in making contributions as well as facilitate contributions from foundations that limit contributions to 501c-3 organizations. The discussion concluded with R. Heinen taking a to do item to meet with Michael Quinlan, the IESC outside attorney with the goal of preparing a proper IRS application form for approval at the next board meeting.*
- **Bank for checking account including possible deeper bank relationship**
 - *R. Heinen reviewed his bank reconnaissance with Camden National and Bangor Savings. Both have offices in Camden and their small business services are essentially identical. Discussion ensued. It was noted that the island has good connections to CNB at the executive level and that the Town has its accounts at CNB. T. Tutor made a motion to use CNB as our initial bank and establish a checking account and other accounts we need to get started. G. Pendleton seconded. Approved. R Heinen and T. Tutor will follow up with CNB.*
- **Legal support via Michael Quinlan at Jensen Baird**
 - *T. Tutor made a motion to approve Michael Quinlan at Jensen Baird as the IESC outside counsel. G. Pendleton seconded. Approved.*
- **Outside accounting support**
 - *R. Heinen reviewed his discussion with Marge Hall at BTR-CPA, the accounting firm that the Town uses. The IESC is seeking an outside accounting firm to monitor the IESC QuickBooks General ledger activity, prepare a year-end audit report, prepare any filings, and provide accounting consulting on an hourly basis. Marge committed to prepare a letter of engagement for the IESC in January that provides a blended hourly rate for all these services. Matter tabled until the letter is ready for review.*
- **Process to help Select Board with their efforts to appoint additional directors**
 - *G. Pendleton reviewed the process the Select Board is using to source and appoint other IESC directors. Discussion ensued. The consensus of the board is*

that G. Pendleton has the appropriate data from the IESC and is representing IESC interests at the select board.

- **Outside meeting list with timeframes**

- *R. Heinen and T. Tutor updated the board on their recent phone calls with the EMDA, DECD, Vinal Haven/Island Institute and FAME. Next steps include a meeting with the EMDA so explore how the IESC can leverage the EMDA capability.*

3. Review & Update *Done Doing To Do* list

- *R. Heinen will update and distribute a revised status document to reflect the actions of this meeting.*

4. Rough Date for Next Meeting

- *Consensus that a Regular Quarterly Meeting should be held in late January.*

5. Other Business and Public Comments?

- *None.*

6. Adjourn

- *G. Pendleton made a motion, seconded by T. Tutor to adjourn at roughly 6:05. Approved.*

DRAFT

Board Meeting Financial Report

Islesboro Economic Sustainability Corporation
For the period ended December 31, 2020

Prepared on
January 26, 2020

Profit and Loss

January - December 2020

	Total
INCOME	
Non-Profit Income	262,200.00
Total Income	262,200.00
GROSS PROFIT	262,200.00
EXPENSES	
Interest Paid	-20.77
Legal & Professional Services	1,227.50
Office Supplies & Software	441.75
Total Expenses	1,648.48
NET OPERATING INCOME	260,551.52
NET INCOME	\$260,551.52

Expenses by Vendor Summary

January - December 2020

	Total
Jensen Baird	1,227.50
RHeinen, Reimbursement	441.75
Not Specified	-20.77
TOTAL	\$1,648.48

Balance Sheet

As of December 31, 2020

		Total
ASSETS		
Current Assets		
Bank Accounts		
Non Profit Checking (5715)		17,430.75
Promise Premier MoneyMarket (5798)		243,120.77
Total Bank Accounts		260,551.52
Total Current Assets		260,551.52
TOTAL ASSETS		\$260,551.52
LIABILITIES AND EQUITY		
Total Liabilities		
Equity		
Retained Earnings		
Net Income		260,551.52
Total Equity		260,551.52
TOTAL LIABILITIES AND EQUITY		\$260,551.52

Fund Raising Report – January 29th, 2020

Islesboro Economic Sustainability Corporation

- **Goals:**
 - Raise \$1.5-2M in working capital during 2020 and 2021 to fund IESC projects and provide financial assistance to Islesboro's essential services and businesses.
 - Can say publicly... "100% of the Islesboro community has helped IESC."
 - Maintain and increase donor base year to year for additional project funding
- **Contribution Process:**
 - Contributions should be made to: Town of Islesboro, designated for the IESC
 - Janet Anderson, Town Manager...
 - Sends contributor a thank you acknowledgement for tax purposes.
 - Gathers contributions into a Select Board warrant to authorize passing on the contributions to the IESC. *NB: The Select Board acts under an annually approved Town Meeting warrant authorizing the Select Board. Janet has asked the town attorney for guidance - should have an IESC-specific warrant.*
 - Cuts a check to the IESC along with a list of the contributors and their contact information.
 - IESC
 - Deposits the check
 - Records each contribution in the QuickBooks general ledger.
 - Records the contributor's contact information in the IESC donor database.
 - Sends a personal thank you letter to each contributor.
- **Approach:**
 - Arch Gillies aided us via 1x1 approaches to a list of more than 50 potential contributors he has reason to believe are committed to the future of Islesboro. This effort has yielded 14 +/- *founding* contributions or pledges to date.
 - IIN articles & www.sustain04848.com website mention how to make contributions.
 - 2020:
 - *Friends and Family* campaign in the late spring and summer toward the smaller contributions and our 100% goal.
 - Summer event to thank *founding* contributors and approach others.
- **Results to Date:**
 - Deposited \$262,200 - two \$100,000, two \$25,000, one \$5,000, one \$2,000, five \$1,000, two \$100.
 - Two \$1,000 contributions received by the Town last week but not yet processed.
 - Specific pledges of approx. \$275,000 for 2020 plus a further \$250,000 in out years.
 - Matching pledge of \$500,000 hurdle will be met shortly
 - 2020 working capital estimate is in excess of \$1M.

Recap of Meeting Sunday January 12th, 2020 re Island Market

Islesboro Economic Sustainability Corporation

Background Information for Discussion by Board...

Sky and Marianne Purdy requested a meeting Sunday 12th at 1PM of all involved with their considering the purchase of the Island Market business from Shake & Loony Mahan. Others present were Phil & Audrey Berry, Craig Olson, Tom Tutor and me.

Sky grew up on the island attended ICS. He and Marianne have until recently been the managers of a remote seasonal lodge in Alaska. They are quite interested in the island and in owning the market for the long term. Both seem to have their lights on and come across as highly practical, whip-smart and studious – lights are on.

Sky kicked off the discussion explaining that he was confident he could finance the purchase of the Island Market business from Shake & Loony, but that the financing would be contingent on having a 10-15-year lease agreement for the building or owning the building. Phil & Audrey are unwilling to provide such a lease. He has developed his own valuation but did not share it. He did not go into the details of the financing except to mention that Associated Grocers the Island Institute would be part of the consortium. He is unable to finance the purchase of the business plus the property as the combination would not be economically viable given the go forward cash flow from the Island Market. He did not disclose and was not asked the terms of any valuation, offer or deal with the Mahan's. Bottom line, he is unable to continue the discussion absent some situational change.

The market property is owned by the Berry's. Phil & Audrey explained that they are not actively marketing/selling the property, however, would consider \$550,000 a fair, but non-negotiable offer. They understand the importance of being good citizens. The property contains the garage, store building and updated full-time residence. They have recently purchased from the Boardman family a small triangle property at the back of the market in order to enlarge the property footprint a bit. Vern Ziegler told us some months back that the tax valuation of the property is \$410,000 or so. Phil added that the out-of-date twin 1000gal gas-tanks and septic system must be important buyer considerations. Though they are technically compliant any changes would necessitate significant investment. Shake & Loony lease the store building on a month to month lease at \$1,300 per month. My observation is that there may be some flexibility in the asking price and/or as Phil is a land-prep contactor, maybe he could be convinced to provide labor and materials in exchange for meeting their asking price.

Tom explained to the group that the IESC mission might include owning the property but did not include being in the grocery business. He explained further that property purchases are board-level decisions, had not discussed this and that the IESC did not presently have the funds to purchase any property. That said, he felt that the Berry's property could be considered the key-stone property of the Post Office area town center. If properly improved it would support the store, a full-time residence and a small number of other commercial leased spaces. Parking, traffic flow, street presentation could all be improved given the right design and financial means.

I said, that this was helpful status/data and that we'd discuss this subject at the next IESC board meeting currently planned for the later part of January. As these are public meetings, all would be invited to attend and speak. I explained that we would get back to the group with a summary of the IESC board discussion/actions, whatever the outcome.

Possible IESC Board Questions:

1. Is owning the Berry property as a commercial town center keystone in the IESC wheelhouse? Does it help with our commitment to essential services and businesses?
2. What are the purchase financials? Could the IESC get a buyer's mortgage to leverage available cash? What are the financial implications of any necessary or desired property improvements? How would we get a handle on these?
3. What is the financial plan post purchase? Lease revenue v. taxes & insurance, etc.?
4. What will we not be able to do if we went forward with this?
5. What are the logistics of the board getting to a financial plan and negotiated deal with the Berry's? How long will this take? Will we need an architect? Property evaluation? To buy time, do we negotiate a standstill or right of first refusal with them to work out the details?

Draft

Islesboro Economic Sustainability Corporation – Code of Conduct

This Code of Conduct is drafted to assist board members in fulfilling their duties to the corporation. The board is collectively responsible for promoting the success of the corporation and furthering its mission to be a catalyst for the *essential services and businesses* that will serve to improve the viability and sustainability of the Islesboro community for both full-time and seasonal residents. To that end, board members must adhere to certain standards including but not limited to:

Duty of Care

A board member must exercise reasonable care when he or she makes a decision as a steward of the Corporation. This duty is commonly expressed as care that an ordinarily prudent person would exercise in a like position and under similar circumstances.

Duty of Loyalty

The duty of loyalty is a standard of faithfulness; a board member must give undivided allegiance when making decisions affecting the organization. This means that a board member can never use information obtained as a member for personal gain and must act in the best interests of the organization.

Freedom of Access Act and Document Retention

All documents and meetings are open to the public pursuant to 1 MRSA §408-A. All Board Members must complete a course of training on the requirements of FOAA after being appointed to the board and can meet the training requirement by conducting a thorough review of the material on the FAQ section of the State's Freedom of Access website at www.maine.gov/foaa/faq/index.shtml. The certificate of completion form is available here:

<https://www.maine.gov/foaa/Training/CertificationofCompletion.pdf>

All documents, emails, agendas, reports, website content, presentations, notes, articles and other written or visual content that pertain to the operation of the corporation – collectively *documents* are to be retained for operational, historical and legal reasons. Good practice is to at least retain the most current editable version as well as printable versions showing the document's historic evolution. The corporation maintains a safe-deposit box, digital *dataroom* via Google Drive and email archiving system to facilitate this policy. All emails regarding the Corporation must cc a *Dead-letter* email address so as to preserve emails sent to/from board members and staff.

Conflict of Interests

In accordance with Maine law, the corporation shall not enter into a conflict of interest transaction as defined in the Maine Nonprofit Corporation Act, 13-B M.R.S.A. § 718. Pursuant to this obligation the corporation has adopted a Conflict of Interest Policy which must be read and signed each year by all board members.

Whistleblower Policy

The Corporation is committed to lawful and ethical behavior in all of its activities and requires directors, volunteers, employees to act in accordance with all applicable laws, regulations and policies and to observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities.

Each Board Member has an obligation to report what he or she believes is a material violation of law or policy or any questionable accounting or auditing matter by the Corporation, the Board, its officers, directors, employees, volunteers, agents or other representatives. The types of concerns that should be reported include, for purposes of illustration and without being limited to, the following:

- providing false or misleading information on the Corporation's financial documents, grant reports, tax returns or other public documents;
- providing false information to or withholding material information from the Corporation's auditors, accountants, lawyers, directors or other representatives responsible for ensuring compliance with fiscal and legal responsibilities;
- embezzlement, private benefit, or misappropriation of funds;
- material violation of Corporate policy, including among others, confidentiality, conflict of interest, whistleblower, ethics and document retention;
- discrimination based on race, gender, sexual orientation, ethnicity, and disability; or
- facilitation or concealing any of the above or similar actions.

Name of Board Member

Date: _____

Signature

Islesboro Economic Sustainability Corporation – Conflict Policy

Article I – Purpose

The purpose of this conflict of Interest policy is to protect the Islesboro Economic Sustainability Corporation's (the "IESC") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or employee of the IESC or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to the IESC. All directors, officers, members of committees and employees are expected, at all times, to act with the best interests of the IESC in mind, and not to be guided or influenced in a manner that does not represent the best interests of the IESC.

Article II – Definitions

1. Interested Person. Any director, principal officer, member of a committee with governing board delegated powers, or employee, who has a direct or indirect financial Interest, as defined below, is an interested person.
2. Financial Interest. A person has a financial interest if the person has directly or indirectly through business, investment, or family:
 - a. An ownership, investment or other economic interest in any entity with which the IESC has a transaction, agreement or arrangement.
 - b. A compensation arrangement with the IESC or with any entity or individual with which the IESC has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the IESC is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
 - d. The ability to use his or her position, confidential information or the assets of the IESC, to his or her personal advantage.
 - e. Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.
 - f. Any other circumstance that may or appear to make it difficult for the board member or employee to exercise independent judgment and properly exercise his or her official duties.
3. Conflicts of Interest: A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Organization. Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the authority. The perception of a conflict may occur if circumstances

would suggest to a reasonable person that a board member may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this policy.

Article III – Duty to Disclose

1. **Duty to Disclose.** In connection with any actual or possible conflict of Interest, an interested person must disclose the existence of the possible conflict of interest to the chair of the governance committee, together with all reasonable and pertinent facts relating to the matter. For purposes of this disclosure, this disclosure shall also be required if any employee, officer or director has reason to believe that another employee, officer or director has a potential conflict of interest.
2. **Determining Whether a Conflict of Interest Exists.** The board shall meet as soon as practical after referral of a potential conflict of interest matter to it. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.
3. **Procedures for addressing the Conflict of Interest.**
 - a. An interested person may make a presentation at a board meeting, but after the presentation he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The chairperson of the board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. In the event the interested person is an employee or officer, such employee or officer will not participate in the consideration of the matter giving rise to the conflict of interest.
 - c. After exercising due diligence, the committee or board overseeing the matter shall determine whether the IESC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the committee or board overseeing the matter shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the IESC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
4. **Violations of the Conflicts of Interest Policy**
 - a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall refer the matter to the Islesboro Select Board for review and recommendation as to any appropriate disciplinary action. The Islesboro Select Board may meet with any persons it finds necessary in its investigation and shall offer the person with the potential conflict of interest the information that forms the basis for the potential conflict of interest and afford the person an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Islesboro Select Board determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action in the form of up to and including termination or dismissal from the board as the case may be, depending on the severity of the matter in the opinion of the Islesboro Select Board and the impact to the IESC or the public perception of IESC conduct and business.
- c. All officers, directors, and employees shall promptly report any violations of this policy to the Chair, and if the potential violation involves the Chair, to the Vice Chair.

Article IV – Records of Proceedings

The minutes of the board overseeing a matter as reflected in this policy shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V – Compensation

1. A voting member of the board who receives compensation, directly or indirectly, from the IESC for services is precluded from voting on matters pertaining to that member's compensation.
2. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the IESC, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI – Annual Statements

1. Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such a person:
 - a. Has received a copy of the conflicts of interest policy;
 - b. Has read and understands the policy;
 - c. Has agreed to comply with the policy; and
 - d. Understands the IESC is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII – Periodic Reviews

To ensure the IESC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management IESCs conform to the IESC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in Inurement, Impermissible private benefit or in an excess benefit transaction.

Article VIII – Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the IESC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Draft

Islesboro Economic and Sustainability Annual Conflict Statement

1. Name: _____ Date: _____

2. Position:

- a. Are you a voting board member? YES NO (circle one)
- b. Are you an Officer? YES NO (circle one)
- c. If you are an Officer, which position do you hold? _____

3. I affirm the following:

- a. I have received a copy of the IESC Conflict Policy. _____ (initial)
- b. I have read and understand the policy. _____ (initial)
- c. I agree to comply with the policy. _____ (initial)
- d. I understand the IESC is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. _____ (initial)

4. Disclosures:

- a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest Policy with FSELS?
YES NO (circle one)
 - i. If yes, please describe it, including when (approximately):
 - ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest Policy? YES NO (circle one)
- b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest Policy with FSELS? YES NO (circle one)
 - i. If yes, please describe it, including when (approximately):
 - ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest Policy? YES NO (circle one)

Signature of Board Member

Date: _____

Date of Review: _____

Board Member Term Expirations

Pursuant to the Corporation's Bylaws, each director is appointed by the Select Board for a three year term. The purpose of this document is to track the expiration of each term to facilitate compliance with the bylaws.

Board Member	Date Appointed	Term Expiration
Gabriel Pendleton	11/26/2019	11/26/2022
Janet Anderson	11/26/2019	11/26/2022
Thomas Tutor	11/26/2019	11/26/2022
Roger Heinen	11/26/2019	11/26/2022
Lois Chiles	1/8/2020	1/8/2023
Glad Jones	1/8/2020	1/8/2023
Bonnie Hughes	1/8/2020	1/8/2023

IESC Done, Doing, To Do -1/29/2020

Done

- Startup Items
 - PO Box 108
 - By Laws approved
 - Director Job Description to Select Board 12/11
 - Jensen Baird filed papers and received EIN
 - Board: Heinen(Chair), Tutor(Vice Chair), Pendleton, Anderson, Hughes, Chiles, Jones - appointed
 - Camden National Bank Checking & Money Market opened
 - Online shared *Dataroom* document repository
 - www.Sustain04848.com created
 - Separated legal billing from Town
 - Berry-Talbot-Royer CPA – awaiting engagement letter for board approval
 - QuickBooks set up and connected to Camden National
- Contribution recording and thank-you process in place

Doing

- Founder fundraising gaining momentum – ArchG & Board
 - Update *donor database* and send IESC thank you letters w/newsletter to contributors & prospects – TomT & RogerH
- **Essential Services and Businesses Consensus – TomT**
 - Survey partnered with 1xMany meetings with key groups
- **Controls, Code of Ethics, Conflict of Interest - next drafts – GabeP**
- **Review By Laws, Controls to spread out workload, consider bigger exec comm - All**
- **501c3? – RogerH**
- **Off-Island Meetings to Build Our Social Network – All invited**
 - Bank partnership for ES&B loans – TBD - TomT via King
 - Eastern Maine Dev Auth joint mtg to educate us – TBD - RogerH
 - Deborah Johnson, DECD – TBD - RogerH & TomT
 - Matthew Lewis, MaineStream Finance – TBD - RogerH
 - Finance Authority of Maine - TBD – RogerH
 - www.imdesignllc.com (Giardino) architects – TBD - TomT
- Select Board appointments for remaining two seats – GabeP

To Do, Not Yet Assigned or Hang Ups

- What do we need to say about individual contributors, dates and amounts?
- Broad-based Fund-Raising Plan - ?
 - Spring-Summer goal 100% island participation
 - Donor attention to increase numbers year over year
- Operating Budget - ?
- IESC Goals, Non-goals, Strategy and Business Plan - ?
- Loans - Bank partner or IESC Process & Application?
- Project Criteria, Process & Application?