

Islesboro Economic Sustainability Corporation – Board Meeting

Wednesday May 15th, 2024 – 3:30PM – Town Office Conference Room and via Zoom

Join Zoom Meeting

<https://us06web.zoom.us/j/81328325938?pwd=y2l3On0Rmj2RrwITXUJGgb4VEWIEQB.1>

Meeting ID: 813 2832 5938

Passcode: 415011

Find your local dial-in number: <https://us06web.zoom.us/u/kmZbkKB2S>

Agenda (All Materials Posted on www.sustain04848.com)

- All Online Participants Mute Their Lines
- Call to Order, Establish Quorum & Determine Everyone Can Hear and Be Heard.
- Opening Comments – Roger Heinen
- Board Meeting
 - Approve Minutes February 27th, 2024 Board Meeting - *attached*
 - Recurring Reports & Topics - *attached*
 - Financial Reports
 - Discuss/Review status of loan program and the status of assets at risk
 - Review Short-term Line of Credit proposal – attached
 - Review/Discuss Any Actions re Delinquent Loan to Seth Wilbur
- Business
 - 111-113-115 Main Property Status & Discussion –
 - House and Market Building Maintenance Work
 - Parking Lot Upgrade and Arrangement with JPA
 - Action: *Determine Who/What/When re Further Activity*
 - Brainstorm how to help island entrepreneurs with financial controls/software, health care,...
- Other Business?
- Wrap Up Comments
- Adjourn

IESC Board Meeting Minutes 2/27/24 at Town Office and via Zoom

Attendees:

- Board Members: Barry Wherren; Bonnie Hughes; Glad Jones; Janet Anderson; Lois Chiles; Roger Heinen; Tom Tutor.
- Guests: John Rex-Waller

Meeting called to order at 3:30pm

Minutes:

- Motion to approve minutes of IESC meeting of 12/18/23 seconded by Tom and Lois. Motion carries by hand vote.

Recurring Reports:

- Motion to approve current size of loans and continue with the program. Glad seconded. Discussion: Decided to wait until later in the meeting to see if an increase in loan amounts would be wise, after discussions of current loans status.

Tom's IESC recipient's party:

- In January 2024 Tom hosted a gathering of 4-5 recipients of IESC loans for them to interact and share issues and concerns about the program. Maggie was there and recorded the sentiments of the recipients about the program and published those comments in an article in the Islesboro Island news. Tom read a quote from Bruce Babbage (Clean Woods) which highly praised the program, and said his business had grown beyond his expectations.

Island Market:

- **Building Project:** Barry reported that the foundation was completed and ready for Peter Mills to begin construction. Peter was supposed to have started 2 week ago, and Barry has asked James Nelson to 'nudge' Peter to begin the project.
- **Generator:** Barry reported that the generator is operational. Bonnie indicated that the well for the market is shared with the house, and the house supplies power for the pump. Barry will investigate methods to get the pump on the backup system. During the generator set up, Sky supplied the list of circuits that were to be on the generator and this one got overlooked.
- **Parking Lot:** Tom released an RFP for the parking lot work through flyers and the stores, post office, ferry terminal, etc as well as an email to all IESC earth moving contractors to solicit bids. No one responded except JPA, and he said he would do it on a time and materials basis, but could not do it till the Sept/Oct time frame. After much discussion it was decided that we need to have a written agreement, that if not an actual bid, can include T&M approach but must have at least an estimate of what the costs will be. Tom will send the parking lot plans to Janet and she will speak with Peter Coombs to see if an interest. Tom will also work with JPA to see if they can work out a deal. It was mentioned that it would be preferred to have the work completed before the summer season.
- **Rent Increase for Market:** There is a believed understanding with Sky that once some of the improvements were made at the market, there would be a rent increase. The

monthly rent would increase by \$500.00, from \$1300 to \$1800. It was decided to do it in a stepwise manner, with going to \$1550 now and then to \$1800 when the parking and all other projects were complete. Roger to send note to Sky.

Loan Program:

- **Delinquent Loans:**
 - **Seth Wilbur:** Discussion. Tom to follow up with Seth, and continue to follow-up in good faith and help him back on track.
 - **Kim Grindle:** A certified letter was sent to her regarding the matter, but was refused. Discussion. Roger directed to have the IESC attorney draft a proposal with Glad to review to move this issue to resolution.
- **Other Loan Program Discussion:**
 - **JPA:** Bonnie reported an issue with a recent check. Sara Babbage, JPA's accountant, contacted us that a payment for \$51,000.00 they received from a client was deposited in JPA's account, and the check for the IESC loan payment was written and mailed to IESC. Subsequently, the client check bounced, forcing the payment check to bounce.
 - **Should we have a short-term cash flow loan program?** This bounced check issue prompted a discussion about the feasibility of establishing a IESC short-term credit system to aid loanees through periods of cash flow which are caused by the cyclic/seasonal nature of Islesboro businesses. Discussion. Bonnie, Roger and Tom to create a proposal for a line of credit program to support loanees for Board Review.
 - **Loan Percentage?** Glad wondered if we should perhaps increase the loan percentage rate? Discussion. He will research comparable organizations to see how our loan rates matchup.
 - **Loan Amount Outstanding at Risk?** Tom wondered about the loan 'Headroom', ie the current max that we can loan. Perhaps tying this to a line of credit?
- **Loan Program at Risk?** Roger made a motion to accept the current \$332,851 at risk in the loan program and to direct the executive committee to continue the program. Glad seconded. Motion carried via show of hands.

Other Business:

- **Annual Survey:** Roger asked members to review the survey that is about to go out and comment. It was suggested to add a question about the Quick Silver.
- **Report:** A report for Janet to include in the Town Meeting Report needs to be prepared.
- **Membership:** Need to fill a vacant board seat. Question was raised about the criteria for candidates. Tom suggested that they should be on-island, and have time to commit to the committee. Bonnie felt having an understanding of island culture was important.
- **Brainstorm Ways to Help Entrepreneurs More:** Ideas were: Bridge loans; Accounting Software; Attract a booking service; Business insurance; Health insurance; Workers comp.
- **Audit:** Bonnie and Roger to work with the auditor in preparation os a statement for the last fiscal year.
- **Next Meeting Topics:** Parking; Survey; Line of Credit

IESC Loan Recipient In Good Standing Line of Credit Program – Draft

- Loan Recipients in *Good Standing* (12 months of timely payments) will be sent a letter agreement offering:
 - Revolving Line of Credit Program to be signed by both parties.
 - Recipient may request any amount(s) totaling up to 10% of their original Loan amount.
 - Interest will be 1% over recipients' loan terms.
 - Payments will be set to repay the outstanding amount in 12 months or fewer. No prepayment penalties.
 - One or two business days turnaround from request to check.
 - Rescinded if Recipient lacks *Good Standing*.

Islesboro Economic Sustainability Corporation
Outstanding Loan Balances
May 15, 2024

	<u>Balance</u>	<u>Last Payment</u>
Babe Hatch	41,542.70	5/2/24
Bruce Babbidge	36,336.79	4/25/24
Dustin Reidy	50,683.15	4/30/24
Dylan Purington	12,832.49	5/7/24
John Apelquist	127,176.12	4/2/24
Josh Read	29,524.77	4/28/24
Kim Grindle	0.00	8/8/23
Pete Anderson	25,000.00	New loan
Seth Wilbur	25,000.00	None
Silas Babbidge #1	7,127.50	4/29/24
Silas Babbidge #2	34,513.07	4/29/24
The Fen	18,985.14	4/23/24
 TOTAL	 408,721.73	

Islesboro Economic Sustainability Corporation

Income by Category - Current Year to Date

July 2023 - April 2024

	HOUSE	ISLAND MARKET	LOANS	NOT SPECIFIED	TOTAL
Income					
Donations				5,000.00	\$5,000.00
Interest Earned			3,917.78	239.50	\$4,157.28
Investment Earnings				23,662.20	\$23,662.20
Rental Income	6,000.00	15,000.00			\$21,000.00
Total Income	\$6,000.00	\$15,000.00	\$3,917.78	\$28,901.70	\$53,819.48
GROSS PROFIT	\$6,000.00	\$15,000.00	\$3,917.78	\$28,901.70	\$53,819.48
Expenses					
Advertising & Marketing				150.50	\$150.50
Bank Charges & Fees				60.00	\$60.00
Insurance	1,900.00	4,392.27		2,776.00	\$9,068.27
Legal & Professional Services		105.00	504.00		\$609.00
Office Supplies & Software				970.00	\$970.00
Other Business Expenses				132.01	\$132.01
Property Tax	3,218.60	1,707.20			\$4,925.80
Repairs & Maintenance	322.37	621.04			\$943.41
Total Expenses	\$5,440.97	\$6,825.51	\$504.00	\$4,088.51	\$16,858.99
NET OPERATING INCOME	\$559.03	\$8,174.49	\$3,413.78	\$24,813.19	\$36,960.49
NET INCOME	\$559.03	\$8,174.49	\$3,413.78	\$24,813.19	\$36,960.49

Islesboro Economic Sustainability Corporation
Balance Sheet
As of April 30, 2024

ASSETS

Current Assets

Bank Accounts

 Checking (5715) 63,947

 MoneyMarket (5798) 123,381

Total Bank Accounts 187,328

Other Current Assets

Charles Schwab 6827-0461

 Charles Schwab Cash 278,301

 Charles Schwab Securities at Face Value 325,000

 Prepaid Interest & Premium (5,135)

Total Charles Schwab 6827-0461 598,166

Interest Receivable (Schwab) 2,992

Prepayments and Deposits

Total Current Assets 788,486

Fixed Assets

Accumulated Depreciation (11,878)

House - 111 Main Road 189,431

Island Market Building 230,224

Island Market Construction in Progress 33,717

Island Market Equipment 104,241

Land - 111/113/115 Main Road 120,808

Total Fixed Assets 666,543

Notes Receivable 399,208

TOTAL ASSETS 1,854,237

LIABILITIES AND EQUITY

Liabilities 0

Equity

 Retained Earnings 1,817,276

 Net Income 36,960

Total Equity 1,854,237

TOTAL LIABILITIES AND EQUITY 1,854,237