

Islesboro Economic Sustainability Corporation

Board of Directors Meeting

Tuesday May 26th, 2020 – 10AM Teleconference Agenda

Public Welcome

Dial Info: 929 205 6099 Meeting ID: 929 4136 5718 Password: 851669

- All Participants on Call to Mute Their Lines
- Call to Order & Establish Quorum when everyone can hear and be heard.
- Approve Minutes of 4/28/20 Meeting
- Financial Status Report & Fundraising Update
 - P/L (attached) ties roughly to CNB account balances of \$601,163
 - \$605,585 in contributions received to date from 29 donors
 - Approx. \$630,000 in known contributions in transit
 - \$1.23M in working capital
 - Accounting & Insurance Update
- Review and Discuss
 - Island Market property purchase terms and conditions as tentatively approved by IESC, buyer, et al.
 - *\$550,000 (the asking price) for the entire property - market building, garage, house. Seller will install new conventional septic system or provide a credit toward a more extensive system. Purchase contingent on Phase II environmental assessment - cost to be shared by buyer, seller and equipment owner - any remediation is the responsibility of seller and equipment owner. Other typical real-estate purchase contingencies included.*
 - *Action Needed -IESC Board authorizes the Phase II expense and the drafting of the P&S by the corp's Jensen Baird attorneys.*
 - Loan Policy
 - Evaluation procedure, due diligence & checklist
 - Partner with a bank for them to originate and administer loans – IESC underwrites risk/insures
 - Silas Babbidge loan application (document is confidential to board)
 - Proposed ByLaw changes:
 - Separate Treasurer from Secretary in Executive Committee
 - Add statement that IESC will strive to maintain a mission separate from other island organizations.
- Other Business
- Public Comments
- Review Identified Action Items
- Adjourn

Islesboro Economic Sustainability Corporation

Board of Directors Meeting

Tuesday April 28th, 2020 – 3PM Teleconference Agenda

- Call to Order & Establish Quorum when everyone can hear and be heard.
 - Present: Roger Heinen, Bonnie Hughes, Gabe Pendleton, Janet Anderson, Lois Chiles. Several callers could not dial in due to Free Conference technical issues.
- Approve Minutes of 3/3/20 and 3/27/20
 - Motion by Gabe. 2nd by Bonnie. Approved without objection.
- Financial Status Report
 - Reviewed board materials showing \$566,000 in cash on hand.
 - Reviewed Fundraising. \$570,000 of donations received to date net of expenses. An additional \$30,000 will be received in the next week or so. Total of 29 donors from several hundred \$s to \$200,000 from one individual. Gilder/Chiles matching grant is approved and awaiting office opening post Covid crisis. Several asks are still in progress including several family foundations that support island causes.
 - RogerH reviewed his progress to date on D&O insurance and accounting engagement – all delayed by Covid crisis.
- Review and Discuss
 - Covid-19 Loan Program
 - No activity to date.
 - Island Market
 - RogerH read Tom's update as he was unable to dial in. IESC is awaiting the report from Campbell (that was funded by IESC) re the gas pump facility. That review was done 4/23. Once report is in hand the subcommittee (RogerH, GabeP, TomT) will reconvene to discuss next moves.
 - Arcadia Alliance Passenger Ferry Proposal Update
 - RogerH reviewed the Arcadia proposal to the DOT for a new MSFS vision for island transportation that would include electric high-speed passenger service running Islesboro to Belfast. Discussion ensued re details. Questions were raised re: potential for IESC involvement; wisdom of this being a MSFS operated service v. private enterprise; expansion of proposal to serve other islands in Pen Bay. Board asked RogerH to draft letter of support for review.
- Other Business
 - Board urged more brainstorming on how IESC could support island businesses post the Covid crisis.
- Public Comments
- Review Identified Action Items
 - RogerH to draft letter to DOT for email review by board.

- Adjourn at 3:37PM

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Islesboro Economic Sustainability Corporation

PROFIT AND LOSS

January 1 - May 22, 2020

	TOTAL
Income	
Donations	605,585.26
Interest Received	267.01
Total Income	\$605,852.27
GROSS PROFIT	\$605,852.27
Expenses	
Ask My Accountant	0.00
Legal & Professional Services	3,945.75
Office Supplies & Software	789.04
Total Expenses	\$4,734.79
NET OPERATING INCOME	\$601,117.48
NET INCOME	\$601,117.48

**Islesboro Economic Sustainability Corporation
Bylaws**

Adopted December 5th, 2019

ARTICLE I

Name, Seal, Purpose, and Location

1. Name. The name of the corporation shall be Islesboro Economic Sustainability Corporation (IESC).
2. Type of Organization. The Corporation is formed as a Maine nonprofit corporation pursuant to the Maine Nonprofit Corporations Act, 13-B M.R.S. §101 *et seq.* The Corporation exists as a quasi-municipal corporation as defined in 30-A M.R.S. § 2351. The Corporation is tax exempt as an affiliate of a governmental unit pursuant to Section 115 of the Internal Revenue Code of 1986, as amended.
3. Seal. The Corporation may have a seal of such design as the Board of Directors may adopt.
4. Mission and Purpose. The IESC mission is 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. IESC activities will complement the Islesboro Comprehensive Plan by: promoting a sustainable year-round population; supporting local businesses and entrepreneurs; protecting the island environment. The IESC will:
 - A. Work with the Islesboro community to define such *essential services and businesses*.
 - B. Facilitate on-island job growth and population growth
 - C. Purchase, own, lease, or otherwise deal and trade in and with property, both real, and personal, of every kind and description, or any interest therein, land and buildings, structures, and other improvements thereon and therein, and to sell, convey, mortgage, lease, or otherwise dispense of the same, to do any and all lawful acts and things necessary pertaining, convenient, or incidental to the foregoing purposes, or any part thereof tending to increase the value, usefulness, comfort or convenience of the property, or any part thereof at any time held by such Corporation.
 - D. Underwrite loans or other financial instruments to small businesses or entrepreneurs in support of the mission
 - E. Enter into loans or other financial instruments for the benefit of the mission
 - F. Support the maintenance, expansion and upgrade of infrastructure and land for the benefit of the mission.
 - G. Receive and re-cycle funds from donations, grants, leases, interest payments and other sources.
 - H. Promote the economic sustainability of Islesboro in any forum and to any organization or individual.
 - I. Assist the Select Board in Tax Increment Financing (TIF) programs and coordinate town TIF efforts.

- J. Keep current on all federal, state and regional business and economic development programs.
- K. Hire and fire professional assistance to support the mission
- L. Exercise all the rights, powers, and privileges appertaining to corporations of a similar nature organized and existing under the laws of the state of Maine; provided, however, that,
 - i. Upon a vote of the directors to dissolve the Corporation or terminate its activities, the assets of the Corporation remaining after the payment of all its liabilities shall be distributed to the Town of Islesboro as determined by the Board of Directors upon dissolution.
 - ii. The Corporation shall be an equal opportunity and affirmative action employer, and it shall not discriminate on the basis of age, race, religion, color, gender, creed, sex, sexual preference, handicap, financial status or national origin:
 - 1. in the persons served or in the manner of service; or
 - 2. in the hiring, assignment, promotion, salary determination or other conditions of staff employment, or
 - 3. in the membership of the Board of Directors.
 - iii. The Corporation shall neither have nor exercise any power nor shall engage directly or indirectly in any activity that would invalidate its status (1) as a corporation which is exempt from federal income taxation as described in Section 115 of the Internal Revenue Code of 1986, as amended, or (2) as a corporation, contributions to which are deductible under Section 170(c) (1) and (2) of the Internal Revenue Code of 1986, as amended.
- M. Distinct Mission. The Corporation shall at all times strive to maintain its economic development mission distinct from other Islesboro organizations and avoid duplicative, overlapping efforts wherever possible.

5. Location. Said Corporation shall be and is located and shall have its principal office in the Town of Islesboro, in the County of Waldo, State of Maine.

ARTICLE II

Board of Directors (Board)

- 1. The Islesboro Select Board (Select Board) shall:
 - a. Appoint a minimum of three (3) Directors and a maximum of nine (9) Directors to serve three-year terms.
 - b. Appoint any person, whether a resident or not, whom they believe has interest in the economic sustainability of Islesboro as well as the skills needed to aid the IESC mission; provided, however, that at all times at least a majority of Directors shall be residents or property owners of Islesboro.
 - c. Designate a Director to a specific organization or role. Such a designated Director is assumed to have resigned immediately when he or she becomes unassociated with that

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host organization. The Town Manager of Islesboro as well as a member of the Select Board shall be so designated as Directors.

- d. Fill vacancies for the remainder of the unexpired terms.
- e. Remove a Director at any time for any reason.
- f. Appoint a Director mid-term in order to maintain staggered terms.
- g. Directors may resign at any time by giving written notice of such resignation to the Select Board.

2. Responsibilities. The Board of Directors

- a. Maintain a duty of loyalty and care to the organization, its assets and its mission.
- b. Undertake all organizational matters except those otherwise indicated in these Bylaws.
- c. Hire and fire personnel and professional assistance to support the mission.
- d. Enter into contracts, receive funds and disperse funds associated with its activities required to manage the affairs of the IESC not expressly prohibited by statute.
- e. Lobby on behalf of Islesboro at State, Federal and other venues that may help promote the mission.
- f. Maintain and operate the IESC activities within an approved operating budget.
- g. Establish appropriate operating policies, financial controls and set forth the strategic and long-range objectives of the IESC. Such policies will include the retention of books of account, work papers, meeting minutes and other such materials.
- h. Advise the Select Board on the necessary skills and composition of the Board. When requested, interview potential candidates and advise the Select Board. When requested, develop a slate of candidates for recommendation to the Select Board.
- i. Present periodic reports to the Select Board and Town. Reports will be submitted on a schedule as requested by the Select Board, but no less frequently than an Annual Report which shall include a profit and loss statement, balance sheet and auditor's report.

3. Meetings. The Board shall hold regularly scheduled meetings no less frequently than four times per year including an Annual Meeting held during the 1st quarter of the fiscal year. Special meetings may be called by the Select Board, any of the officers or by petition of any three Directors. All meetings must be preceded by a notice and proposed agenda with any action to be taken to be provided to all directors and the Select Board at least three business days prior. Meeting notices and agendas may be by fax, post, or E-mail. Minutes shall be taken at all meetings.

4. Quorum. A quorum to conduct business at a regular or special meeting shall require a majority of the Board. Directors may participate via appropriate teleconference, pursuant to which all participating Directors are able to hear and be heard by all other participating Directors. All decisions at a meeting of the Board shall be made by majority vote of those present. Unless otherwise stated in the bylaws, the organization shall be governed by the most recent edition of Robert's Rules of Order.

5. Open Meetings. All activities of the Corporation, including any activities of the Board, Executive Committee, special committees or task forces appointed hereunder, shall be

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subject to the provisions of Maine’s Freedom of Access Act (FOAA), 1 M.R.S. §§ 401 *et seq.*, including, without limitation, that all public proceedings shall be open to the public and noticed as required under the FOAA, and that all documents of the Corporation that are deemed public records under the FOAA are subject to public inspection and copying.

6. Conflicts of Interest and Compensation.

- a. Board members and officers shall serve without compensation but may be reimbursed for reasonable direct expenses incurred by the Board member.
- b. No part of the net earnings of the Corporation shall inure to the benefit of any member, director or officer of the Corporation or any associated private individual (except that reasonable compensation may be paid for services rendered for the Corporation in carrying out one or more of its purposes), and no member, director or officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the Corporation.
- c. The Corporation shall not enter into a conflict of interest transaction, as such term is defined in the Maine Nonprofit Corporation Act, 13-B M.R.S.A. Sec. 718, except in accordance with the disclosure and approval provisions of such statute. No conflict of interest transaction shall be voidable or grounds for imposing liability on a director or officer of the Corporation if the transaction was fair at the time it was entered into or is approved in accordance with 13-B M.R.S.A. Sec. 718
- d. Board members shall notify the Board and recuse themselves from discussions and decisions where there may be an explicit or implied conflict of interest.

ARTICLE III

Officers

- 1. Positions. Officers shall include a Chair, Vice Chair, Secretary ~~and~~ Treasurer. The Chair, Vice Chair, ~~Secretary and~~ Treasurer shall be elected at the Annual Meeting by the Board of Directors.
- 2. Chair. The Chair of the Board of Directors shall preside at all meetings of the Board and may call such meetings as deemed likely to increase the usefulness of the Corporation. The Chair shall supervise the affairs of the Corporation and act as the Affirmative Action Officer for the Corporation. The Chair shall also serve as the President of the Corporation.
- 3. Vice Chair. The Vice Chair of the Board of Directors shall act in the absence of the Chair.
- 4. Secretary. The Secretary shall perform such duties as may be delegated by the Board of Directors shall conduct the official correspondence; preserve all books, documents, and communications; keep and maintain accurate records of the proceedings of the Board; and perform all other duties incidental to that office, subject to the direction of the Board. At the expiration of the term of this office, the Secretary shall deliver to the Board all books, papers, records and property of the Corporation.

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5. Treasurer. The Treasurer shall perform such duties as may be delegated by the Board of Directors or any Finance Committee appointed by the Board and shall perform all other duties incidental to that office, subject to the direction of the Board. At the expiration of the term of this office, the Treasurer shall deliver to the Board all books, papers, records and property of the Corporation.
6. General Powers and Duties. The officers of the Corporation shall also have such powers and shall perform such duties as may from time to time be specified in resolutions or other directives of the Board of Directors. In the absence of such each officer shall have the power and authority and shall perform and discharge the duties of officers of the same title serving in similar corporations having the same or similar general purposes and objectives as this Corporation.
7. Resignation, Removal and Vacancies. Any officer may resign at any time by giving written notice of such resignation to the Board of Directors. Any officer may be removed at any time by a majority vote of the Board. The Board can elect officers to fill the remainder of the vacant term.

ARTICLE IV Committees

1. The Executive Committee of the Board. The three (3) Corporation officers: Chair, Vice Chair, and Secretary-Treasurer shall constitute the Executive Committee. The Executive Committee shall be responsible for the general day-to-day operation of the Corporation. A quorum to conduct business at an Executive Committee meeting shall require two committee members. The Executive Committee shall meet monthly, or more frequently, as required. All Executive Committee actions are reported to the Board of Directors at the next regular meeting.
2. Special Committees. The Board of Directors may appoint special committees and/or task forces to undertake specific projects. Members of special committees and task forces need not be Directors. All special committees shall include at least one member of the Board of Directors.
3. Authority. All committees and task forces shall make recommendations to the Board of Directors, which shall have sole authority to represent the positions and recommendations of the organization unless the Board of Directors delegates specific authority to the committee or task force.

ARTICLE V Funds and Fiscal Year

1. Funds. In furtherance of the purposes of the Corporation, the Board shall have the power to purchase, hold, sell or lease real estate, construct buildings and mortgage same, incur debts, borrow money, and enter into contracts of every kind and nature, and to perform such other acts and duties as may be legal and necessary in furtherance of the purposes of this Corporation.
2. Fiscal Year. The fiscal year of the Corporation shall follow the fiscal year of the Town of Islesboro and commence on July 1 of each year and end on June 30 of the following year.
3. Positive Net Equity. The Corporation shall at all times strive to maintain positive net equity meaning the fair market value of its assets exceeds its liabilities.
4. Property Taxes. The Corporation shall pay property tax or payment in lieu of tax to the Town of Islesboro on properties the Corporation owns that are used for commercial purposes by a non-exempt entity.
5. Contributions. The Corporation may accept donations and contributions, in cash or in kind, to further its purposes; provided, however, that no donation or contribution to the Corporation shall be accepted with the purpose or intent of benefitting a specific individual or business.

ARTICLE VI

Indemnification

To the extent permitted by the laws of the State of Maine as they may now or hereafter exist, the Corporation shall indemnify any officer or director of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, by reason of the fact that he or she is or was an officer or director of the Corporation, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding; provided that no indemnification shall be provided with respect to any matter as to which he or she shall have been finally adjudicated in any civil proceeding not to have acted in good faith in the reasonable belief that his or her action was in the best interests of the Corporation or in any criminal proceeding, to have had reasonable cause to believe that his or her conduct was unlawful.

ARTICLE VII

Amendments

These Bylaws may be amended by a two-thirds vote of the Board of Directors attending any Board meeting provided that proposed amendments, alterations, or repeals shall be plainly stated in the notice of the meeting at which they are to be considered.

ARTICLE VIII

Effective Date

These Bylaws shall take effect from the time of their adoption by the Board of Directors.

Proposed

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