

North Kitsap Fishline

Board of Directors Meeting Minutes

August 14, 2017 Poulsbo City Hall – Council Chambers

Board members present: Tom Eckmann, Bruce McCain, Bob Linz, Betty Herman, Stuart Grogan, Judy Granlee-Gates, Tom Nelson, Rod Reed, Michael Philbrick, Judy Dougherty, Tracy Russell, Nick Johnson and Roger Zegers

Board members absent: Becky Hall, Becky Erickson, Danielle Murphy, Karen Timken

Guests: Larry Hurley, Hearthstone CPA Group

Staff Present: Mary Nader

President Tom Eckmann called the meeting to order at 6:00

Presentation of 2016 Audit Report: Larry Hurley presented the draft report of the 2016 audit. There were no significant issues discovered during the audit. Larry had a couple suggestions which the Board will review in the coming months. 1. Although there were no concerns with the current procedures, Larry suggested that we develop an Accounting Procedures manual to avoid future problems in the event of employee turnover. 2. Establish an Audit Committee to meet 3-4 times annually.

Minutes: Minutes of the July 17, 2017 minutes were approved as presented.

Executive Director's Report: Mary answered questions about the ED report. The consensus of the Board was that the Executive Director's Report should be added to the Fishline website. Nick will make the revision to the site and Roger will post the ED report monthly, along with the approved minutes.

Transforming Lives Project: The contract with FPH Construction is being reviewed by their lawyer. We expect to hear from them by the end of the week.

Tom led a discussion about CSC risk management options. They include 1. creating a new LLC to own/operate the CSC; 2. Purchase additional insurance to cover exposure; 3. Do nothing and assume potential risk. After much discussion of the pros and cons of all options, it was determined that at this point no action is necessary. This decision will be reviewed in 12 months, or earlier if deemed necessary.

Construction Committee: Bruce updated the Board on the issue of hiring an Owner's Representative for the Transforming Lives project. ***Motion 17-14: Be it resolved that Richard Potter be contracted as Owner's Representative for the Transforming Lives project. Contractor will meet weekly with the Tiger Team (Fishline) and FPH Construction management team. He will be paid at the rate of \$100.00/hr, not to exceed \$15,000. Motion carried.***

Motion 17-15: The Board authorizes payment of \$7,990.00 for landscape design services provided by Fischer-Bouma. Motion carried.

Treasurer's Report: Becky Hall was on vacation, but had previously emailed the monthly reports.

Motion 17-16: Tom Nelson shall be added as an authorized signatory on the First Security Bank and Kitsap Bank accounts. Motion carried.

The revised Financial Policy was presented and discussed. The primary reason for the revision was to update the requirement for a second signature on checks of \$5,000 or more. While a second authorized signer is still required to authorize the check, the new policy allows such authorization to be given via email for those occasions when the second signer is not available on-site. In those situations, the printed email authorization shall be attached to the original check documentation. **Motion 17-17: Be it resolved that the revised Financial Policy, dated August 14, 2017 be adopted. Motion passed.**

Transforming Lives Project: Tom Eckmann presented the most current Transforming Lives project budget. The legal fees line item was changed from \$3,000 to \$10,000 (\$7,000 increase). We have received an exemption from the State for the LEED certification, which will save us \$50,000.

The Fishline Financial Policy requires that we maintain an operating reserve equal to at least 50% of the prior year's operating budget. However, it also allows for a temporary reduction of the reserve to as low as 25%, with a supermajority vote. It was discussed that we should exercise this option at this time in order to allow more flexibility in financing the Transforming Lives project. **Motion 17-18: Be it resolved that in accordance with the Fishline Financial Policy, the operating reserve requirement shall be temporarily reduced to 25% of the 2016 operating budget. Motion passed unanimously.**

The future of the 3rd Avenue property being used for Second Season Home was discussed. Efforts to increase the sales and to evaluate the viability of the store continue. However, it was determined that in the mean time we should sell the property to further the financing for the Transforming Lives project. **Motion 17-19: Be it resolved that the 3rd Avenue property shall be put on the market, with proceeds to be used to fund the Transforming Lives project. Final price and terms must be approved by the Fishline Board of Directors. Motion carried.** Bob Linz has volunteered to head up this project.

Tracy reported that the committee has had the final meeting with the space planner. Kitsap Mental Health will be responsible for their own space planning.

Development Report: Mary reported that she is finalizing the transition of taking over the responsibilities of donor development. She has been in contact with all the donors and organizations that Holly had been working with in order to ensure a smooth and uninterrupted transition.

Mary confirmed that the brick fund raising project has 3 sizes of bricks (4x8, 8x8 and 12x12). A new donor form has been prepared with this updated information.

Second Season Thrift Boutique: A lease has been signed for the new location. Jan Hinson is coordinating with the landlord for tenant improvements.

Website: Nick continues to take care of any needed updates and additions to the website. He is also working on materials for the annual auction.

Salesforce Project: Michael has gotten staff 'sign-off' on the receiving module. He is working with Lucy to define all the case scenarios for client check-in.

Next Meeting: 6:00, September 18, 2017. Poulsbo City Hall (Executive Committee meets at 5:00)

The meeting was adjourned at 8:19.

Respectfully submitted,

Roger A. Zegers,
Secretary