



Gulf of Maine Association

Gulf of Maine Association Board Meeting Briefing Packet

Halifax, Nova Scotia

June 18, 2014

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Note: There is a “June 2014 Additional GOMA Briefing Documents” for this meeting sent under separate cover that includes:

- *GOMA Financial Documents*
- *GOMA All Contractor Scope of Work Document*

Gulf of Maine Association Board of Directors Meeting

(All times in agenda are ADT)

(Teleconference Information: Call in number: 1-866-700-8265; Code: 5243873#)

Wednesday, June 18, 2014 • Delta Halifax Hotel Bluenose Ballroom, 8th Floor • Halifax, NS		
7:30 AM	Welcome and Introductions <i>W. Donald Hudson, Chair</i>	
7:35 AM	Consent Agenda A. December 3, 2013 Gulf of Maine Association Meeting Summary B. GOMA Contractor Fee Report	✓ For Approval (A. p. 2-3; B. p. 3-4)
7:40 AM	GOMA Executive Committee Appointments/Changes <i>W. Donald Hudson, Chair</i> <i>Cynthia Krum, GOMA Executive Director</i>	✓ For Approval (p. 5-6)
7:45 AM	Fund Development Update <i>James Boyle, GOMA Fund Development Coordinator</i>	✓ For Information and Discussion (p. 6-8)
8:05	Fund Development Next Steps <i>W. Donald Hudson, Chair</i> <i>Cynthia Krum, GOMA Executive Director</i>	For Decision after GOMC Council Meeting (p. 8-9)
8:15 AM	July 2013 – June 2014 Budget vs. Actual <i>Lori Hallett, Finance Manager</i>	✓ For Approval ("June 2014 Additional GOMA Briefing Documents" attachment sent via email & on website; p. 1)
8:20 AM	July 2014 – June 2015 GOMA Operating Budget, Allocation of Board Designated Funds and Associated All Contractor Scope of Work Document <i>Lori Hallett, Finance Manager</i> <i>Cynthia Krum, GOMA Executive Director</i>	✓ For Approval ("June 2014 Additional GOMA Briefing Documents" attachment sent via email & on website; p. 2-27)
8:45 AM	Canadian Association Financial report <i>Robert Capozzi, Canadian Association Secretariat</i>	✓ For Information
8:50 AM	Other Business/Items Removed from Consent Agenda/Conflict of Interest Policy	✓ For Information ✓ For Approval (COI Policy p. 10-11)
8:55 AM	Recess	

Consent Agenda:

Gulf of Maine Council on the Marine Environment Meeting Briefing Note					
Title of Agenda Item: Tuesday, December 3, 2013 Meeting Summary for the Meeting of the Gulf of Maine Association					
Submitted by: Lori Hallett, Cynthia Krum					
Type of Item (place X in appropriate box)	For Decision	X	For Direction	For Information (internal GOMA)	For Information (External)
Meeting Summary for the Meeting of the Gulf of Maine Association Tuesday, December 3, 2013 4:45 – 5:00 PM AST					
<p>Board Members in Attendance: Lee Sochasky; Rob Capozzi (proxy for Bruce Fitch, NB Environment and Local Government); W. Donald Hudson; Priscilla Brooks; Kevin Lucey (proxy for Thomas Burack, NH Department of Environmental Services)</p> <p>Board Members Not in Attendance: Kathleen Leyden (called in for first agenda item but was unable to re-join call after call line disruption), Bruce Carlisle, J. Ruairdh Morrison</p> <p>Contract Support: Cynthia Krum, Lori Hallett</p> <p>Others: Randy Libby, Marshall & Libby, LLC</p> <p>1. Welcome and Introductions by Don Hudson The start time of the meeting was delayed. All introductions were made and verification of quorum met. Since the time remaining was very minimal, Don quickly changed the agenda to address items that needed an approval.</p> <p>Don began the meeting by informing the group that by the end of February a “plan B” Budget for 2015 will be provided. The plan B budget will be clearer to define priorities and provide a better picture if funding does not materialize. The planning will include Management & Finance, GOMA Executive Committee, Association Board and Council by the end of February. The intention is to address the worst case scenario. Council urged us to provide the information to best position ourselves in the event of an unlikely outcome. Don felt it was the fair thing to do. Over the coming 3 months all will be kept up to speed.</p> <p>2. FY 13 Audit Presentation and Indirect Rate by Randy Libby of Marshall and Libby, LLC Don informed the group that 10 minutes remained. Randy presented the Audited Financial Statements through June 30, 2013 along with supporting documents and Indirect Rate Cost Allocation of 18.14%. Randy commented that it was a clean audit. Compliance and Internal Control are very clean. He also commented on Board designated funds shown on Page 4.</p> <p>Acceptance of the FY 13 Audit and Indirect Rate was: Moved-Lee Seconded-Priscilla Approved - All</p> <p>3. Consent Agenda</p>					

- A. September 6, 2013 Gulf of Maine Association Meeting Summary
- B. Support of Independent Contractor Status Update
- C. Fund Development Process / Roles Flow Chart (also in GOMC Briefing Packet)
- D. Budget vs. Actual FY 14 Financial Report July 1 – October 31, 2013

Moved-Lee
 Seconded-Priscilla
 Approved - All

Meeting Summary report prepared by Lori Hallett, Finance Manager, Edited by Cynthia Krum, Executive Director

Actions, Outcomes or Decisions Requested (optional):

For consent agenda vote.

Gulf of Maine Association Consent Agenda Meeting Briefing Note

Title of Agenda Item: GOMA Contractor Fee Report

Submitted by: W. Donald Hudson

Type of Item (place X in appropriate box)	For Decision	X	For Direction	For Information (internal GOMA)	For Information (External)
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Background (required):

At the Council meeting in December I, Don Hudson, volunteered to gather information for a review of compensation for three core contractors of the Gulf of Maine Association, who do work central to the vision and goals articulated by the Gulf of Maine Council on the Marine Environment.

All of the contractors (GoMA's Executive Director and Finance Manager, and the Council Coordinator) work in Maine. Due to this fact I decided to focus my research on Maine.

I relied on confidential surveys prepared by others, which saved considerable time and computational effort. Suffice it to say, the help of colleagues in other organizations willing to share these confidential surveys has been invaluable.

The compensation for our contract employees is different than that for a typical NGO: typical employees draw a salary and their benefits are provided elsewhere in the operational budget of the organization, as are indirect carrying costs of providing an office for an employee. The value of benefits varies widely, from as little as 20% of salary to as high as 30% or more, looking across the landscape of state-wide organizations. Those benefits routinely include federal income taxes (7.65% of salary), disability and life insurance (1-2%), health insurance (variable; 5 -10 or 12%), and retirement contributions (0-7% or higher). Indirect expenses include the institutional carrying costs of an office and all of the related expense that comes with it. These expenses also vary widely, from as little as 7 or 8% of salary to as high as 15 or 20% depending on the institution.

Given the wide variability of fringe benefits and indirect expenses across the spectrum, I chose to use the figure of 27%--the lowest end of the range--with which to compare the total compensation provided to our contractors. Thus, I adjusted the three contractor fees by reducing each by 27% before comparing them

to the surveys.

Finally, it must be noted that no two organizations are alike. One survey to which I was privy ranked salaries for organizations with fewer than 25 employees and those for organizations with more employees (at three different levels of budget). GoMA's budget has routinely been higher than most organizations with more employees. I looked at both comparisons to see where our adjusted compensation falls.

Looking first at organizations with fewer than 25 employees, our compensation right at the average for the Executive Director (\$68,620 adjusted as compared with \$68,500 in the survey) and is below average for the Finance Manager (\$54,020 adjusted as compared with \$57,450 in the survey). Council Coordinator adjusted (based on same level of effort as Executive Director) would be \$62,380 and fits within the average for this position.

Since GoMA is not a typical organization with a typical work plan, it made sense to me to also look at the relevant tier of statewide organizations with an overall budget the size of GoMA's. In this case, our compensation for all positions is well below average, falling within the 25th percentile of those included in the survey. Mean salary in the relevant tier for Executive Directors is \$78,925 (which also applies to the Council Coordinator in our case because she is paid a little less than the ED); for Finance Directors it is \$67,086.

In summary, I conclude and submit that compensation for GoMC's Council Coordinator and GoMA's Executive Director and Finance Director are in line with comparable non-profit organizations in Maine, and below average (in the 25th percentile) of organizations with a similar budget and comparable complexity of program.

Actions, Outcomes or Decisions Requested (optional):

For consent agenda vote.

Action Agenda:

Gulf of Maine Association Action Agenda Meeting Briefing Note					
Title of Agenda Item: GOMA Executive Committee Appointments/Changes					
Submitted by: Cynthia Krum					
Type of Item (place X in appropriate box)	For Decision	X	For Direction	For Information (internal GOMA)	For Information (External)
Background (required): The GOMA Officers elected June, 2012 for a three year term are as follows: Don Hudson as Chair Jackie Olsen as Vice Chair (currently vacant) Lee Sochasky as Secretary Priscilla Brooks as Treasurer Recommended changes are: Lee Sochasky as Vice Chair Priscilla Brooks as Secretary Steve Couture as Treasurer					

Please note that Chair will remain the same (W. Donald Hudson) and Secretary and Chair, as allowed in bylaws, will maintain check and other document signing privileges.

Actions, Outcomes or Decisions Requested (optional):

For action agenda vote.

Gulf of Maine Association Action Agenda Meeting Briefing Note

Title of Agenda Item: Fund Development Update

Submitted by: James Boyle

Type of Item (place X in appropriate box)	For Decision	For Direction	For Information (internal GOMA)	X	For Information (External)
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**Fund Development Report, James J. Boyle, Fund Development Contractor, GOMA
December 2013 – May 2014**

I. Research

- Approximately 200 private foundations and corporate funders were researched via Foundation Directory, IRS 990 returns, and individual websites to assess funder priorities.
- Federal government grant opportunities that related to Council programs were researched regularly, as new funding announcements were made over the past 6 months.
- Those funders with priorities aligned with GOMA/GOMC program priorities were included in a Master Prospect table and discussed with GOMA Executive Committee.
- The current master list of funding prospects includes 35 private foundation, 21 corporations and 12 public funding sources.

II. Outreach to Funders

- In depth discussions were conducted with program officers or foundation CEOs at 6 foundations that make significant grants to environmental or marine-related organizations; two major energy corporations were also contacted but did not respond to repeated requests for discussions.
- Interviews were also conducted with Ad Hoc Fund Development Committee members, and former contractors and Councilors with fund development or foundation expertise.
- Funder feedback was shared with GOMA Executive Director, Board Chair and relevant contractors, plus a comprehensive summary to all for the cross-cutting initiative calls.
- Other funder contacts were suspended due to slow committee responses and inability to quickly develop compelling proposals which matched funder interests. Those key interests, as reported in cross-cutting call briefing, were: citizen science, climate change adaptation, sea level rise, ocean acidification, environmental education, demonstrated impacts of data gathering & monitoring, assisting municipal officials, and providing corporate funders with vehicles for positive publicity.

III. Proposals Submitted & Results

- Two concept papers/letters of interest were submitted and funding was declined; Geo Connections Canada (ESIP), and Barr Foundation (CN).
- More in depth proposals were submitted to Davis Conservation Foundation (CN), RBC Blue Waters renewal grant (HR) and Quimby Family Foundation (HR). These were developed via a team approach, with the committee contractors and Executive Director.
- As of this report, Quimby and RBC have declined funding; no decision as yet from Davis Conservation Foundation.

IV. Program Development Process

- Some major potential funders have “left the door open” for proposal submissions: Maine

Community Foundation, New Hampshire Charitable Foundation, Elmina Sewell Foundation. These funders have requested innovative cross-cutting program ideas that better match their missions.

- GOMA Executive Director and GOMC Coordinator suggested cross-cutting meetings as an impetus for program development, held March 26 & 31, with a dozen participants. Result was to focus on climate network initiatives that included components from other GOMC program areas.
- Program development discussions are continuing with contractors and committee leaders. List of potential funders and their priorities have been shared with these parties.
- Many contractors will have fund development duties as part of their scopes of work on July 1. Fund Development Coordinator will work with contractors on grant opportunities over next four months, but his priority focus will be on major endowment/mitigation funding and special body of water designation.

V. Mitigation Endowment and Special Body of Water Designation Initiatives

An Ad Hoc Committee on Special Body of Water has met twice, to formulate a rationale and strategy for achieving this designation. The consensus is that on the US side Congressional advocates (primarily US Senators: King, Collins, Ayotte, Shaheen, Warren & Markey) need to support an approach to the Department of the Interior, without initial funding “strings attached.” Canadian representatives have been included in discussions to map out this multi-year strategy. More discussion needs to take place to determine cross-border designation.

The Fund Development Coordinator believes that the mitigation endowment concept is the best hope for substantial private support for operating future GOMC/GOMA programs. A concept paper has been developed and will shortly be discussed with GOMA’s Executive Committee. It will focus on energy companies operating in the Gulf as the primary prospects for funding this initiative. Without that multi-million dollar endowment, or significant new federal funding, small grants from foundations and corporations will not be able to sustain the organization’s annual operating needs; however, private grants will help to develop or enhance important Council programs which address the urgent need to safeguard the Gulf of Maine ecosystem.

VI. Recommended Strategies & Next Steps for Fund Development

Challenge	Recommended Solution
Stale programs that lack innovative approaches & committee structure inhibits internal collaboration	Program development (underway) with CN focus, citizen science, new technology, emerging issues, future orientation
Council culture has been inward looking, not focused on meeting the needs of external funders or interacting in funding marketplace	If committee structure remains, each contractor should have assigned development duties and each committee should set annual fund goals
“Convening” goal not a priority to private funders	Clearly demonstrate actions/programs resulting from meetings, important program impacts that otherwise would not have occurred
Data sharing must demonstrate impacts, benefits to end-users, and #s to document use	PR initiative: issue press releases about data findings, launch a Speakers Bureau on data
Perception that GOMA is “government,” not a true NGO needing private financial support	Demonstrate what important projects would not have happened without private giving; have a physical presence at funders’ meetings
Funders asking for a “Strategic Plan” focused on future vision and priorities – current Action Plan does not suffice	Ask Working Group to lead the drafting of a plan, then get endorsement from GOMA Board and Councilors who will advocate for it

Too many “Gulf of Maine” organizations, resulting in confusion, duplication and lack of “brand” recognition for GOMC/GOMA	Communications campaign needed to differentiate from GMRI, GOMI, MERI with nearly similar missions, but not bi-national
Lack of a culture of philanthropy: no individual donors; prior engagement and stewardship of foundation grantors was infrequent; donors do not perceive that their gift will make a difference aside from replacing former public funding	Either align with an organization with an established fund development program, or fast track personal membership & board giving, corporate engagement via programs to benefit them via sponsorships, recognition & advisory group involvement
Gulf of Maine not considered “impaired” by most – lacking the sense of urgency needed to inspire grant making and gift giving	Communicate the real threats looming for the ecosystem if no monitoring is done and if current Council programs are discontinued
Stable source of operational funding needed annually, and to accomplish longer range planning & vital program development	Mitigation endowment initiative discussions are underway internally; no outreach to funders as yet
Actions, Outcomes or Decisions Requested (optional):	
For information and discussion.	

Gulf of Maine Association Action Agenda Meeting Briefing Note					
Title of Agenda Item: Fund Development Next Steps					
Submitted by: Cynthia Krum, Donald Hudson					
Type of Item (place X in appropriate box)	For Decision	X	For Direction	For Information (internal GOMA)	For Information (External)
Background (required): Jim Boyle started December 2, 2013 with a contract that was to end June 30, 2014. Due to hindrances in progress, Jim has offered to extend his contract through September, 2014 with no additional fee. He would continue to work on special body of water designation and mitigation endowment funding in support of ESIP, monitoring, climate and restoration. He would also assist with restoration and climate proposals. Please see GOMC committee updates in the GOMC Council briefing packet for Climate Network and ESIP status/ideas. Focus would be on federal and mitigation funding. The other option would be to not extend Jim’s contract due to issues outlined in the update. Contingent on Council direction, GOMA, without a Fund Development Coordinator, could continue with federal funding requests through September.					
Restoration Background There was \$7,500 of GOMC dues allocated to restoration that were not used as match due to availability of other match sources. The proposal below request \$1,600 of these funds to develop a plan that would be used for Fund Development efforts.					
Restoration Proposal Habitat Restoration (cross-cutting with Climate Network - Disseminating Successful Strategies)					

and Models)

Stream Smart Road Crossings: Coordinate a plan for GOMC-facilitated multijurisdictional initiative to raise awareness of the problem of roads as stream barriers using the Stream-Smart brand and approach. The plan for a Stream-Smart outreach approach would be developed with the cooperation of jurisdictional representatives from all five Gulf of Maine states/provinces. This would be geared to create new perceptions about the value of stream connectivity and accommodation for shifting sea level rise and increased flows due to climate change. The plan will address changes in practices to complement existing regulatory mechanisms.

Development of framework for near term projects -- \$1,600

Actions, Outcomes or Decisions Requested (optional):

For action agenda vote pertaining to July – September, 2014.

Conflict of Interest Policy for the Association of US Delegates to the Gulf of Maine Council on the Marine Environment (Gulf of Maine Association)

Article I - Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Gulf of Maine Association) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization 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 nonprofit and charitable organizations.

Article II - Definitions

1. Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, 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 or investment interest in any entity with which the Organization has a transaction or arrangement,
- b.** A compensation arrangement with the Organization or with any entity or individual with which the Organization 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 Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III - Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee 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 the governing board or committee 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 governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c.** After exercising due diligence, the governing board or committee shall determine whether the Organization 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization'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 inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b.** If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV - Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a.** 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 board's or committee's decision as to whether a conflict of interest in fact existed.

b. 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

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI - Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such 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 Organization 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 Organization 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:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information...

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization'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 Organization 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.

Additional Guidelines in Regards to RFP's and Contracting

a. The Gulf of Maine Association will adhere to applicable Federal regulations regarding sub-contracting of federal grants.

b. An individual who contributes to writing an RFP may not apply for it.

c. Individuals of a proposal review committee or panel shall abstain from participating in the review and/or selection of proposals generated by organizations of which these individuals are members. An individual may not comment or vote on decisions affecting the awarding of a contract for which that member has submitted a proposal.

f. Individuals must treat all materials during an RFP review as strictly confidential. Violation of that confidentiality may constitute a conflict of interest if it gives unfair advantage to any party.

Board Member Agreement

I, _____, Gulf of Maine Association Board member, agree to abide by this conflict of interest policy while performing my Gulf of Maine Association Board role.

Name _____ Signature _____

Date _____