

Bert Jongerden

Subject: Bert Jongerden's Zoom Meeting
Location: <https://us02web.zoom.us/j/81398090653?pwd=ZUo1SHRpU1NjVmFWbkQxenFYUKJaUT09>

Start: Thu 8/20/2020 3:00 PM
End: Thu 8/20/2020 5:00 PM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: Bert Jongerden
Required Attendees: Avis Leavitt; esanborn@gpmetro.org; Matt Tarasevich; Nick Alfiero; Nick Mavodones; Rob Odlin; Tim Merrill; Tom Valleau (tvalleau36@gmail.com)

zmMeetingNum: 81398090653

Bert Jongerden is inviting you to a scheduled Zoom meeting.

Join Zoom Meeting
<https://us02web.zoom.us/j/81398090653?pwd=ZUo1SHRpU1NjVmFWbkQxenFYUKJaUT09>

Meeting ID: 813 9809 0653
Passcode: 714925
One tap mobile
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+13017158592,,81398090653#,,,,,0#,,714925# US (Germantown)

Dial by your location
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**Notice of Meeting & Agenda for the
Board of Directors for the Portland Fish Exchange
August 20th, 2020
3 pm via Zoom**

- 1) Call the Meeting to order and declare a Quorum**
- 2) Motion & Vote June 18th, 2020 Meeting Minutes**
- 3) Management Report**
- 4) Update on Oyster Handling Project**
- 5) Board of Directors Term Updates**
- 6) Mid Coast Fisherman's Association Letter**
- 7) Reduce Stand-By-Letter of Credit from a minimum of \$15K to \$10K**
- 8) Update on GM Search – Tom Valleau**
- 9) Other Business**
- 10) Adjourn**

List of Documents:

- 1) Agenda**
- 2) Meeting Minutes June 18th, 2020**
- 3) Management Report**
- 4) Sum_Fin_results_july21**
- 5) BOD Roster CY20**
- 6) Mid-Coast Fisherman's Association Letter**
- 7) GM Hiring Schedule**
- 8) Landings & Average Fish Pricing**

Call in number: 1 (929) 205-6099

Zoom Meeting ID: 813 9809 0653

Password: 714925

Board Comment: Tom Valleau felt that VSI & PFE have conducted numerous discussions and is not interested in having more due to lack of results, but is open to any specific ideas. Nick Mavadones answered that it is the Cities practice not to have the public join hiring panels, but would ensure that the recruitment process gave opportunities for input by all interested parties.

9) Adjourn

- *Adjourned at 5pm – on a Motion & Vote by Nick Alfiero. Roll Call Vote; For, Valleau, Sanborn, Mavadones, Alfiero, Leavitt. Against, none. Abstention, Tarasevich – lost connection. Motion passes, (5,0)*



PORTLAND FISH EXCHANGE

Management Report for August 20th, 2020

Groundfish Landings	<u>Actual</u>	<u>Budgeted</u>	<u>Variance</u>
May	45K lbs.	160K lbs.	(-115K lbs.)
June	63K lbs.	120K lbs.	(-57K lbs.)
<u>July</u>	<u>134K lbs.</u>	<u>160K lbs.</u>	<u>(-26K lbs.)</u>
Total YTD (5/01/20)	242K lbs.	440M lbs.	(-198K lbs.)

Off-auction landings			
May	0 lbs.	0 lbs.	0 lbs.
June	0 lbs.	25K lbs.	(-25K lbs.)
<u>July</u>	<u>0 lbs.</u>	<u>25K lbs.</u>	<u>(-25K lbs.)</u>
Total YTD (5/01/20)	0 lbs.	50K lbs.	(-50K lbs.)

Pumping			
May	688K lbs.	0 lbs.	+688K lbs.
June	651K lbs.	500K lbs.	+151K lbs.
<u>July</u>	<u>286K lbs.</u>	<u>500K lbs.</u>	<u>(-214K lbs.)</u>
Total YTD (5/01/20)	1.63M lbs.	1.M lbs.	+597K lbs.

Financial Report	<u>Net Income</u>	<u>Budgeted</u>	<u>Variance</u>
May	\$87K*	\$158K*	(-\$71K)
June	(-\$22K)	(-\$6.5K)	(-\$15.5K)
<u>July (5-week month)</u>	<u>(-\$32K)</u>	<u>(-\$11K)</u>	<u>(-\$21K)</u>
Total YTD (5/01/20)	\$33K	\$158K	(-\$125K)

**Budgeted \$111 in PPP revenue for May*

***Booked \$22K in revenue for Waterfront Maine's Marine Use Fee in May*

****Received \$135K in June from COP reimbursing the FY19 deficit*

Financial Notes:

- Current receivables, (7.31.20) are \$171K – checkbook is \$107K. No LOC in use
- Total net cash & receivables are \$278K
- Maine Technology Institute had approved PFE's grant request for the oyster project and have received the \$25K, along with \$12.5K from Running Tide Technologies and \$12.5K from PFE
- Cozy Harbor rent A/R is \$41,369.99 for May-August
- Dropping Springs rent A/R is \$32,435.50 for April-August
- PFE rent is due for April, July & August \$9,225
- Had an unexpected repair expense of \$5K for chiller system

Credit Card Processing:

- In consideration of requests to accept credit cards and a desire to reduce unsecured receivables, PFE will be accepting credit cards in the short-term – fees are \$10/month, \$70 for the device and a 2-4% deduction per transaction based on card presented. PFE at some point could potentially consider using card accounts for fish fees instead of check payments or replacing Stand-By Letters of Credit

Landings Notes

- Landings improved in July– though below budget
- Pogie quota has been harvested – only the daily individual 17-bushel limit can be caught – not expecting any additional pumping revenue for balance of the fiscal year
- Fish prices are improving – but not to profitable levels for harvesters-have included a comparison document

Operations Notes:

- Progress on construction in Browne’s former space has been held-up by permitting – may be another 2 months before they can return
- Continuing to improve Covid19 protocols

Facility Report

- Anode replacement has been completed
- Hale will be completing pile work this month around the piers & Net Yard

Legislative/Regulatory/Misc. news

- Amendment 23 is working its way through a public comments period – assume it will be on the September New England Fisheries Management Council agenda for discussion & vote

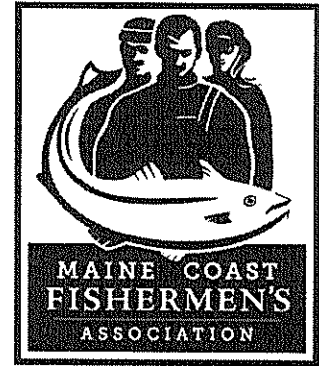
Portland Fish Exchange
Summary Financial Results
Fiscal July 2021
 5 week month

	Current Month			YTD			Total Budget to Actual		Prior YTD	Variance
	Actual	Budget	Variance	Actual	Budget	Variance	FY21 Budget	% Actual	Actual	from Prior Year
Landings in Lbs										
Groundfish	134,196	160,000	(25,804)	241,493	440,000	(198,507)	2,000,000	12.1%	782,311	(540,818)
Off-Auction	0	50,000		0	75,000		150,000	0.0%	354,271	(354,271)
Pumping	286,400	500,000	(213,600)	1,625,300	1,000,000	625,300	1,500,000	108.4%	330,600	1,294,700
Net Revenue	\$ 64,300	\$ 84,138	\$ (19,838)	\$ 288,033	\$ 348,152	\$ (60,119)	\$ 1,124,338	25.6%	\$ 317,328	\$ (29,295)
COGS	6,253	8,683	(2,430)	13,368	22,901	(9,533)	102,200	13.1%	38,309	(24,941)
Gross Profit	\$ 58,047	\$ 75,455	\$ (17,408)	\$ 274,665	\$ 325,251	\$ (50,586)	\$ 1,022,138	26.9%	\$ 279,019	\$ (4,354)
Operations Labor	\$ 35,389	\$ 39,237	\$ (3,848)	\$ 100,368	\$ 109,767	\$ (9,399)	\$ 413,132	24.3%	\$ 114,033	\$ (13,665)
Operations Expense	\$ 2,345	\$ 3,375	\$ (1,030)	\$ 6,324	\$ 11,375	\$ (5,051)	\$ 40,500	15.6%	\$ 6,095	\$ 229
Adminstration Expense	\$ 52,687	\$ 43,369	\$ 9,318	\$ 126,176	\$ 125,199	\$ 977	\$ 485,037	26.0%	\$ 121,885	\$ 4,291
Total Expenses	\$ 90,421	\$ 85,981	\$ 4,440	\$ 232,868	\$ 246,341	\$ (13,473)	\$ 938,669	24.8%	\$ 242,013	\$ (9,145)
Net Income	\$ (32,374)	\$ (10,526)	\$ (21,848)	\$ 41,797	\$ 78,910	\$ (37,113)	\$ 83,469	50.1%	\$ 37,006	\$ 4,791
Direct cost per lb.	\$0.26			\$0.42			\$0.21		\$0.15	
Labor		\$ lb	%	Revenue	% to Total	Fish fee/lb.	Avg fish /lb.			
Direct	\$ 22,418	\$0.17	63%	Fish Fees	\$ 30,530	47%	0.23	\$ 1.29		
Temp	\$ -	\$0.00	0%	Pumping	\$ 882	1%				
Taxes	\$ 2,266	\$0.02	6%	Tote/Pallets	\$ 88	0%				
Benefits	\$ 6,978	\$0.05	20%	Boxes	\$ 4,376	7%				
Work Comp	\$ 1,427	\$0.01	4%	Misc	\$ 675	1%				
Overtime	\$ 175	\$0.00	0%	Warehousing	\$ 5,038	8%				
Net Operations Labor	\$ 33,264	\$0.25	94%	Weighing	\$ 1,477	2%				
Lumpers	\$ 2,125	\$0.02	6%	Berthing	\$ 1,201	2%				
Total	\$ 35,389	\$0.26	100%	Rental	\$ 16,507	26%				
				Lumping	\$ 1,917	3%				
				Other	\$ 1,609	3%				
				Total	\$ 64,300					

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**Portland Fish Exchange
Board of Directors
January 2020**

Director	Seat	Term Expires	Telephone	Address
Tom Valleau <i>President</i>	Public Class C	10/31/20	774-3600 H	375 Pride Street, #35 Westbrook, Me 04092 tvalleau@maine.rr.com
Matt Tarasevich <i>Vice-President</i>	Public Class C	10/31/21	899-7291	14 Hillis Street Portland, Me 04103 mtarasevich@bernsteinshur.com
Tim Merrill	Buyer Class B	10/31/21	773-1321 W	681 Forest Avenue Portland, Me 04103 tim@pjmerrillseafood.com
Ellen Sanborn <i>Treasurer/Secretary</i>	City Class D		517-3023 W 650-7834 C	114 Valley Street Portland, Me Ellen Sanborn esanborn@metrobus.org
Nick Mavodones	City Class E		831-1091 831-1091 C	389 Congress Street Portland, Me nickm@cascobaylines.com
Rob Odlin	Seller Class A	10/31/21	671-8930 C	PO Box 6456 Scarborough, Me 04070 rodlin1@maine.rr.com
Nick Alfiero	Buyer Class B	10/31/20	775-0251	9 Custom House Wharf Portland, Me. 04101 nick@harborfish.com
Avis Leavitt	Seller Class A	10/31/20	885-9888 749-7828 C	2 Cranberry Pines Road Scarborough, Me 04074 avisleavit@aol.com



August 10, 2020

Dear Tom and members of the Board of Directors of the Portland Fish Exchange:

The Maine Coast Fishermen's Association (MCFA) is an industry-based nonprofit which identifies and fosters ways to restore the fisheries of the Gulf of Maine and sustain Maine's iconic fishing communities for future generations. Established and run by Maine fishermen, the objectives of the MCFA are to provide a voice for our fishing communities, to rebuild the Gulf of Maine ecosystem, and to support diverse fishing businesses throughout Maine.

As part of our programmatic work, MCFA created and manages the Maine Coast Community Sector which is comprised of 53 members owning a combined 88 permits. Twelve of those boats landed roughly 700,000lbs of groundfish and monkfish at the Fish Exchange in F/Y2019. MCFA is also actively involved in working to protect, preserve, and reinvest in the working waterfront of Maine and passionately believe the Portland Fish Exchange is one of the most crucial pieces of infrastructure along our coast. That being said, it is clear that the Fish Exchange is at an important juncture in its history and that the decisions made over the next few months will impact fishing businesses along our coast for years to come. As such, we write today with some suggestions as to how the Portland Fish Exchange can better embrace its mission of supporting Maine's fishermen through the COVID-19 economic crisis and beyond.

1. **PFE General Manager:** As the Fish Exchange goes through the process of hiring a new general manager, we encourage you to include at least one fisherman, preferably two, who land at the Fish Exchange as members of your hiring committee. We would also suggest that you bring a number of different perspectives into the hiring process so that you can better assess the values, skill, and knowledge that this position will need to be successful in a new and evolving world. As I have mentioned in previous conversation, I am happy to help craft an open and transparent hiring process in partnership with your team if that would be helpful.
2. **Focus on the fishermen:** In every discussion with the Fish Exchange, I hear repeatedly about how many pounds of fish are coming across the dock and how that is impacting the budget. As a non-profit and semi-governmental organization, I think the focus on budget first, and mission second, is a misstep. The fishermen are not happy with how the fish exchange is being run, this is mostly due to the low price of fish and lack of innovation or change within the institution. Fishermen are leaving Maine, or hanging up their nets, because of prices. The only fishermen still left landing at the exchange are the ones who cannot leave or who have no other options. This creates a cycle of failure which undermines value, budgets, and stability. To be successful, the

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Fish Exchange should consider embracing a new comprehensive organizational vision and strategic plan that puts the fishermen first and strives towards creating high priced and high-quality product. The auction model may no longer serve the fishermen who it was created to support and regardless of the final decision, an in-depth analysis should be conducted.

- COVID-19: Fishermen need help. Prices are low, landings have been down, value has collapsed. Below is a quick chart made from public data at the Fish Exchange, this only represents groundfish landings.

may, jun, jul	Av Price	sold	% scratche	Value
2015	\$2.23	545,532	11%	\$1,216,536
2016	\$2.53	494,565	4%	\$1,251,249
2017	\$2.40	321,693	13%	\$772,063
2018	\$2.08	350,474	15%	\$728,986
2019	\$2.26	372,004	12%	\$840,729
5-year average	\$2.23	416,854	11%	\$961,913
2020	\$1.82	142,060	27%	\$258,549
CHANGE	-18%	-66%		-73%

From the five-year average, thus far this fishing year landings are down 66%, the percentage of scratched fish have more than doubled, and value is down by 73%. The comparison is only slightly better when we only look at 2020 vs 2019 but results are still jaw-dropping and scary. Fishermen are on the verge of going out of business and now is the time for innovative ideas that directly support creating value and reducing cost to fishermen. A few we have pulled together in discussions with fishermen and others within the seafood industry are:

- Reduce lot sizes and have one special auction a week where restaurants and small-scale buyers could come and purchase directly from the exchange.
- Make a proposal to the Fish Pier Authority to cover costs for the next few months and remove landings fees on fishermen at the exchange.
- Reduce or remove the need for buyers to have a line of credit.
- Work with fishermen to improve quality with feedback loops, better understanding of how grading takes place, and create incentives for quality and value.

An ad-hoc group of fishermen and industry experts could quickly and easily be pulled together to outline other opportunities we are currently missing to support local fishermen through COVID-19 and we would encourage you to consider undertaking that type of outreach.

- Economic Development: There are currently numerous marketing and development initiatives taking place throughout the seafood industry. Having the Portland Fish Exchange as a part of conversations that are shaping the future of the industry is crucial for groundfish to succeed. This may be a role for the new General Manager but having board members who are engaged in local projects like the EDA Marine Resource Economy Initiative etc. will create new opportunities for innovation and investment.

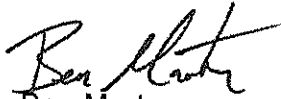
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6A

Processors in Maine cannot keep up with the demand for seafood product, yet at the exchange fish are not being sold, prices are depressed, and value is greatly diminished. The Maine groundfish fleet is already struggling and if the Fish Exchange cannot quickly adapt and evolve, we may lose an entire generation of groundfish fishermen. MCFA is invested in your success and we hope you will see us as a partner through this crisis and leadership transition. Now is the time to take some risks, try some things out, ask for help, and build a stronger future of the fishing industry of Maine.

Thank you for your attention to these matters.



Ben Martens
Executive Director

Cc: Portland Fish Pier Authority Board and Jon Jennings, Portland City Manager

GM HIRING SCHEDULE

Monday August 31	Wednesday September 2	Wednesday September 9	Thursday September 17
Advertising ends	Search Committee holds listening session on Zoom	Search Committee meets selects 3 or 4 finalists	Finalists interviewed in person by full Board
Select resumes sent to Search Committee for review		Then Bert gives a tour to each finalist	One is selected
Full Board also gets copies			Compensation is set
			Offer is made subject to background check

Month	Sold weight	Avg Fish Price/lb.
January	116,496	\$1.38
February	57,197	\$0.94
March	59,681	\$1.14
April	72,055	\$1.44
May	24,533	\$0.85
June	37,346	\$1.12
July	99,890	\$1.29