

Bonnet Shores Fire District Land Trust Committee Meeting Minutes

Monday, January 13, 2025

Present: Joan Fandetti, Paulette Brousseau, Kevin Dolan, Kelly Sheridan

Absent: Joe Thomas

Call to Order

1. Meeting called to order by Joan Fandetti, Chair, at 6:33 PM
2. Pledge of Allegiance

Announcements

1. Ms. Fandetti noted that there has not been an update from the Animal Control Officer as to what happened to the osprey nest that was located near the Community Center.
2. She also noted that the Land Trust has successfully completed the acquisition of two lots in the Fire District.
3. Lastly, Ms. Fandetti noted that prior to tonight's meeting, the Land Trust Committee members were provided, via email, with copies of:
 - FORM 1023 (Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code)
 - Copy of the letter from the BFSD Treasurer to the Land Trust
 - Zoom links from previous Land Trust and BFSD Council meetings
 - Copy of the The Foundation Group Recovery Statement of Work, Terms and Conditions

Agenda

1. Ms. Fandetti asked for the November 18, 2024 Land Trust Committee Meeting Minutes to be approved
 - a. Motion to accept meeting minutes, P. Brousseau; Second, K. Dolan
 - i. Motion passed, 4 votes for, 0 against
2. Ms. Fandetti requests approval to keep the original colors of signage and match non-coordinating BFSD signage, with council approval (gray and blue with swan)
 - a. Motion to approve that the new sign match the old, K. Sherida, Second, P. Brousseau
 - i. Motion passed, 4 votes for, 0 against
3. Ms. Fandetti asked for a motion to consider and discuss a signed statement from George Monaghan to obtain color coded Land Trust maps
 - a. Motion to designate maps as property of the Bonnet Shores Fire District and Bonnet Shore Land Trust, K. Dolan, Second, P. Brousseau
 - i. Motion passed, 4 notes for, 0 against
4. Ms. Fandetti discussed the Land Trust 501(c)(3) designation.

The basis of the current 501(c)3 was unfounded. Furthermore, the 501(c)(3) was neither knowingly nor unknowingly improperly filed due to the following facts (discussion of which will be done in this public forum)

 - a. The council approved a \$2500 payment to The Foundation Group to gather research on the reinstatement of that 501(c)3 . The next step was the Land Trust report back to the Council with results before a decision was made. Nothing further should have been acted upon.

- b. An appointed member of the previous Land Trust took it upon himself to submit the application to The Foundation Group. The application/trustee then instructed the agency to file with the IRS for tax status, continuing to pursue this 501(c)(3) regardless of the “No” from the BFSF Council and without their knowledge. His pursuit was a success, attaining the 501(c)(3) which the Council later learned about after contacting the IRS.

The IRS application filed through The Foundation Group was 73 pages. Not all of the information written in those application pages was forthcoming. Some information sent to The Foundation Group that was used to file with the IRS was incorrect. The submitted Land Trust By-Laws were not Council approved. The submission conflicted with the Charter. Nor does the Land Trust have the ability to have a separate treasurer. There is no such thing as “appointing” Trustees in someone’s home, as Land Trust Trustees are elected at the BFSF Annual Meeting.

- c. **The Land Trust is an arm of the Fire district, they are not independent.**
- d. The BFSF treasurer, Laurie McCarthy, was erroneously listed on this application. Ms. McCarthy demanded that her name be removed. On 6/28/24, she sent a letter of resignation. Her only position is that of Treasurer of the Bonnet Shores Fire District.
- e. The Land Trust By-Laws submitted were never approved by the BFSF Council. These by-laws were not a requirement of The Foundation Group or the IRS. There was an alternate choice on the application to state how the Board of Directors were appointed. Instead this applicant/trustee chose to submit by-laws without permission or Council approval. The correct submission would have been our BFSF By-Laws and both BFSF Charter’s . This was unnecessary and deceiving.
- f. The applicant/trustee filed for a tax certificate in the State of RI. Chair Carol O’Donnell informed him the requirement was to be in the name of the Bonnet Shores Fire District. Without regard to her words, the trustee/applicant proceeded.
- g. The applicant/trustee had no authority to sign IRS papers nor to direct others to do so. These signatures were not BFSF Council approved. The results of this applicant/trustee’s actions were the following: the application fee paid to the IRS by the applicant/trustee with his personal credit card was denied reimbursement by the BFSF Council.
- h. Review of prior meeting minutes
 - i. Land Trust Committee Meeting Minutes from 12/11/18
 - ii. Land Trust Committee Meeting Minutes from 3/27/22
 - iii. Land Trust Committee Meeting Minutes from 1/9/23
- i. Motion to accept Bonnet Shores Fire District Treasurer’s letter requesting she be removed as a Land Trust Director and Land Trust Treasurer, K. Dolan, Second, P. Brousseau
 - i. Motion passed, 4 votes for, 0 against
- j. Motion to recommend to the Bonnet Shores Fire District Council that they dissolve the Land Trust’s 501(c)(3), P. Brousseau, Second, K. Dolan
 - i. Kevin Dolan noted that we should also recommend to the BFSF Council that they seek legal and CPA advice and revisit applying for the 501(c)(3) in the future, if legal counsel and/or the CPA advise us to do so
 - ii. Motion passed, 4 votes for, 0 against

Public Comment

1. Terence Beaty
14 Leonard Bodwell Road
As the last chair of the land trust, he was surprised to learn we are removing 501(c)(3), as it is important to have tax advantages of the 501(c)(3). He added that it was sought in 1991 and revoked in 2017 before the application was refiled in 2024. He believes we need to keep it for grant applications as in the 2024 watershed grant application, where we were awarded \$75,000 and that we'd be putting the money at risk and that there is no cost to keep it but great cost to losing it.
2. Steve Danuszar
120 Bonnet Shores Road
Mr. Danuszar has been doing research and would prefer to wait to make any decisions until we speak to the IRS and an accountant/lawyer. He would like a tax memo explaining the 501(c)(3) designation and property tax issues and believes we could edit Form 1023 to reflect accurate information, including what was not approved (such as the bylaws). He is investigating and hoping to get answers.
3. Nancy Cordy
230 Bonnet Point Road
Ms. Cordy feels the motion and vote was premature and that adequate discussion was not held. She believes the 2024 and 2018 grants are in jeopardy because they stated we were a 501(c)(3) and that the committee is not considering the reasons to remain a 501(c)(3). For example, what if the Fire District is converted to an Home Owners Association, would we need to start paying taxes on the land? She believes the Land Trust Committee is acting too quickly. She also noticed that from 2016-2018 she was a Land Trust Committee member and helped secure the Audubon Society land, and reminded us that the easement was granted under the 501(c)(3) designation.
4. Mary Weber
54 Bonnet Point Road
Ms. Weber has lived in the Fire District for 25 years and asked if we were only recommending getting rid of the 501(c)(3) because it was done incorrectly. She encouraged us to table this decision for three months to allow Mr. Danuszar to finish research and make a recommendation, as it would be difficult to reinstate even if it was done incorrectly. She would like to understand what we'd lose without the 501(c)(3) and believes if the decision goes to the Fire District Council the Land Trust would lose control. Would like to the Committee to wait and make a more informed recommendation.
5. Nancy Ricoltelli
7 Cross Road
Ms. Ricoltelli asked for clarification on what we are asking of the council. Ms. Fandetti reread the motion. Ms. Ricoltelli feels the 501(c)(3) is critical to Bonnet Shores and asked us to think about the decision.
6. Leslie McKnight
8 Clara Lane
Ms. McKnight shared that Laurie McCarthy, Bonnet Shores Fire District, is concerned about incorrect info unless we can make a correction. She asked if there was a risk in and of itself that incorrect information was submitted to the IRS and asked if we could avoid dissolution if it can be

corrected. Ms. McKnight asked if the Land Trust Committee knew definitively whether or not the Land Trust is tax-exempt and was referred to Section 7 of the Bonnet Shores Land Trust Charter which states "The trust and all its revenues, income, and real and personal property used by the trust for furtherance of its public purposes , shall be exempt from taxation and from betterment and special assessments, and the trust shall not be required to pay any tax, excise or assessment to the state or any of its political subdivisions." She asked if we'd have an opportunity to apply for additional grants and asked, given the contention in the district, if we'd considered what might happen if the Fire District was dissolved.

7. Lloyd Albert

133 Camden Road

Mr. Albert shared rendering of the signage for Land Trust properties, including for the walking trail and Camden Landing. He advised that these would be monument signs (not tall signs) and that they are being produced by the same company that manufactured the sign on the causeway. The cost for each sign is between \$400 and \$500 and would be installed by volunteers. T-shirt sale money was used to fund this project. Lastly, he asked if the signs should be created with the same colors as the causeway sign and asked for this decision to be added to the next Land Trust Committee meeting agenda. He also asked if the Committee voted before discussing the motion to dissolve the 501(c)(3) and further asked if the Committee could get an expert to weigh in.

8. Faith LaSalle

98 Colonel John Gardner Road

Ms. LaSalle thanked the Committee for doing due diligence on this topic and shared that the Fire District Council will continue to investigate. She reminded us that unfortunately, an incorrect application was filed, that Ms. McCarthy had to engage a personal attorney to correct her designation in the application (there was no provision in the Land Trust charter for a treasurer), and that there is no provision in state law for a public land trust to be a 501(c)(3). She would like an analysis of the pros and cons of the 501(c)(3) designation and the impact on our insurance.

Motion to Adjourn

1. Motion to adjourn, K. Dolan, Second P. Brousseau
Motion Passed, 4 votes for, 0 against
2. Meeting Adjourned, 7:35pm

Respectfully submitted,



Kelly R. Sheridan

Bonnet Shores Land Trust Committee Secretary

