
From: Mann, Melissa [REDACTED]
Sent: Fri 10/13/2023 7:24:45 PM (UTC-04:00)
To: Mike Martin ([REDACTED])
Subject: FW: [External] Information for Executive Committee Meeting

Hi Mike,

Sorry for the delay. An accident on the route kept Howard & I on the road longer than anticipated. I believe Jim's email below is what you wanted. Please let me know if there's anything else you need. Have a great weekend!

Melissa

As for my timeline of the last few weeks, PHMC's goal was to take the Niagara to shipyard this fall and as Billy was informed, the agency has committed funding to the project. However, the time required for the commonwealth procurement process made a fall shipyard impossible via that route. The only route available to get Niagara to shipyard within a short timeframe was to work with FNL via our current contract. Going this route would have required FNL to have enough cashflow to front 30-60 days of services since services rendered would have been paid through reimbursement as outlined in the contract. I authorized Jim to propose this possibility to Billy and to ask if FNL had the necessary cashflow to accomplish this. He did this on September 13 at their weekly meeting. We understood that FNL was having cashflow issues and that there was a good chance that FNL would not be able to accommodate. Billy's initial response to Jim on 9/13 was that FNL did not have the cashflow and that the organization was looking at having to lay off a good deal of its staff on September 17. However, he also said that he was scheduled to speak with [REDACTED] about a loan to FNL in order to sustain the organization until it received the settlement from PHMC. On September 25, PHMC received an email from Billy stating that FNL intended to take the ship to shipyard. Jim sent an inquiry on the same day asking Billy to explain how FNL's financial situation had changed so dramatically, enabling a trip to shipyard. Billy provided a response on September 26. Due to a biennial BHSM staff retreat, PHMC staffers were unable to meet and discuss Billy's response until October 2. Jim and Billy met on October 3. They had further discussion on PHMC's concerns regarding the cashflow issue and Billy told Jim that the [REDACTED] donation was not in hand and was actually predicated on FNL raising a dollar-for-dollar match. PHMC made the decision to postpone the trip to shipyard until spring 2024 and Billy was informed on October 10.

At no time from September 13-October 9 did PHMC authorize FNL to take the ship to shipyard.

Melissa L. Mann | Director | she/her/hers
Bureau of Historic Sites & Museums | Pennsylvania Historical & Museum Commission
400 North Street E-107 | Harrisburg, PA 17120
[REDACTED]
www.phmc.state.pa.us



Pennsylvania Historical & Museum Commission

From: Hall, James <[REDACTED]>
Sent: Monday, September 18, 2023 4:49 PM
To: William Sabatini <[REDACTED]>
Cc: Michael P. Martin <[REDACTED]>
Subject: RE: [External] Information for Executive Committee Meeting

Melissa wanted to expound with more details regarding my last comment on the email I sent this AM

As I explained in our meeting on 9/12, I have cleared it with the Executive Director and Legal that we can treat the settlement (monies owed FNL for the period of January 1-July 30, 2023) as a separate contract and not count those monies against the \$350,000 outlined in the current contract with FNL as we had previously planned. Doing this will give us immediate access to use the \$350,000 in the contract for shipyard and the two post-July 31 invoices FNL has already submitted. Legal concurred with this plan because the scope of work for shipyard as presented by FNL is focused on survey and evaluation and not major repair which would require a separate agreement (i.e. off-season Keystone project). So, in the big picture, PHMC has \$700,000 with which it will pay the settlement and fund a trip to shipyard this fall. I want FNL to clearly understand that PHMC is not asking them to front the cost to go to shipyard without a way to immediately reimburse them. However, if FNL is unable to work with us on a fall trip to shipyard, we will do as originally planned and take the settlement out of the current contract's \$350,000. Please relay this to Billy. You can forward my email if you like.

From: Hall, James
Sent: Monday, September 18, 2023 9:51 AM
To: William Sabatini <[REDACTED]>
Cc: Michael P. Martin <[REDACTED]>
Subject: RE: [External] Information for Executive Committee Meeting

Billy:

I broke this up for a reply which you would be welcome to use or at least include in your presentation to the Executive Committee later today.

Comments are in red. – JIM

Mike and I met with Melissa, Charlie, Jim, and Howard on July 13th, 2023 and July 20th, 2023 concerning the prop. During the July 13th meeting I asked Melissa about the status of the Invoice # 9208 as I expected the payment to arrive any day since it had been over 60 days since we had submitted the invoice and I knew that it had been reviewed and all was good.

Based on Melissa's notes, your inquiry at that meeting was about the

final two invoices (9285 & 9335) for the off-season Keystone project. She then sent an email to our fiscal office on 7/13 asking them to look into how close they were to payment.

I asked if the budget impasse would hold up that payment as well as the last 2 keystone invoice payments since they were for the prior fiscal year. She informed us that the payments will not be held up by the budget impasse but Invoice # 9208 would not be paid until the contract was signed but due to the fact that the invoice was past due it would be expedited for immediate payment.

Melissa said that the Keystone project invoices would not be held up by the impasse because the funding was already allotted, and we had permission to spend Keystone in that category. However, by July 13, FNL had known for months that all monies owed for the period of January 1 through the date of contract execution would be required to be paid via the settlement agreement. Both Mike & Melissa were stressing that you send in the monthly invoices so that BHSM's review of documentation would be done before the contract for sailing services was fully executed. PHMC's goal was to have the agreement drafted and ready to sign on the date the sailing contract was fully executed. That did not happen because FNL did not provide the invoices and documentation until 8/26/23.

She also asked that I send her the next invoice that would cover until June 30th, 2023 and that I date it for June 30th, 2023 to help with getting it paid during the budget impasse but it might not.

Again, FNL knew for months that this payment would be part of the settlement. Both Mike & Melissa were stressing to you to send in the monthly invoices so that BHSM's review of documentation would be done before the contract was fully executed. PHMC's goal was to have the agreement drafted and ready to sign on the date the sailing contract was fully executed.

I had the opportunity to meet with the Lt. Governor shortly after and he offered to assist if he could to help get the contract signed. On August 24th, 2023 we were informed that the contract had been signed and that Melissa now needed a third invoice to cover from July 1st, 2023 until July 30th, 2023. Both invoices 9907 and 9909 were provided to her as instructed.

Invoices for the period of 4/25/23-7/30/23 were provided to PHMC on 8/26/23 despite the fact that PHMC and Mike asked for the May-June documentation to be provided months earlier.

I asked Melissa for clarification about payment for invoice # 9208 when I submitted invoice # 9907 as well as information concerning the settlement agreement. She did not respond to that or any subsequent

email I have sent seeking guidance and asking for information.

Melissa's responses were made to Mike Martin as they have been throughout this entire process. Billy's PHMC liaison is through Site Administrator James Hall.

Since then I have asked Jim Hall the same questions both in person and in email form and got the answer above. Until Wednesday I still thought that what Melissa had told us in July would hold true and that at least the first invoice # 9208 would get paid quickly and have been surprised to not see it hit the bank.

Am unsure where this belief came from because FNL has known since 5/12/23 (via mtg between MMann & MMartin) that all monies from the January 1-date of contract execution would be paid via a settlement agreement.

Additionally, Jim informed me that PHMC cannot pay for the Prop/Survey shipyard period this Fall that they have planned on doing since they released the press release on July 24th, 2023.

PHMC can pay for it and is very willing to do so. However, procurement rules cause timelines issues. The quickest way for us to get the ship to shipyard is to do it using the current contract for sailing with FNL which does not terminate until December 31. We could work freely with FNL to get the ship to shipyard and reimburse the costs (like we do for a Keystone project) via the current contract. If they invoiced us in a timely manner for the costs, they could get paid in 30-60 days.

Due to the length of time for the procurement process they could only pay for it in the Spring.

No, PHMC can pay for it now, but the procurement process will take a month which pushes us to sailing in December (something FNL & PHMC agree should not be done due to safety).

The only way that Niagara can go to yard this Fall is if FNL pays for it and gets reimbursed afterwards. I asked if this would be done as a keystone project as it is less than \$300,000. Jim didn't know what Melissa or Andrea was thinking but thought that would work.

We would be utilizing their current contract to complete this work – PHMC legal office was approached regarding this specifically & they concurred that it could be done under current contract.

From: William Sabatini <[REDACTED]>
Sent: Sunday, September 17, 2023 6:38 AM
To: Hall, James <[REDACTED]>
Cc: Michael P. Martin <[REDACTED]>
Subject: [External] Information for Executive Committee Meeting

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Jim,

I will be meeting with the FNL Executive Committee Monday. This is the information (below) I am sharing with them. Could you please confirm or correct so I can be sure they have accurate information?

I met with Jim on Wednesday for our weekly meeting. He was able to update me on where we stand with our outstanding invoices. He informed me that the review of the invoices should be done Friday (today) and that a settlement agreement should be written up sometime next week. At that point it will be sent out for signatures. Once that is complete the full sum of the 3 invoices will be submitted as 1 invoice for payment. We should receive payment in 6 - 8 weeks after that which should be sometime around Thanksgiving if the signature process goes quickly. The invoices not part of the settlement agreement that are for 2023 Sailing services contract will also be submitted for payment once the settlement agreement is signed.

The Settlement Agreement invoices are:

9208 - \$153,331.61 dated May 4th, 2023

9907 - \$119,422.59 dated June 30th, 2023

9909 - \$58,747.06 dated August 31st, 2023

Total: \$331,501.26

The 2023 Sailing Services invoices are:

9911 - \$1540.50 dated September 6th, 2023

9910 - \$2449.00 dated September 6th, 2023

Total: \$3,989.50

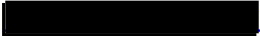
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Thanks,

William Sabatini
Executive Director
Fleet Captain
Flagship Niagara League





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