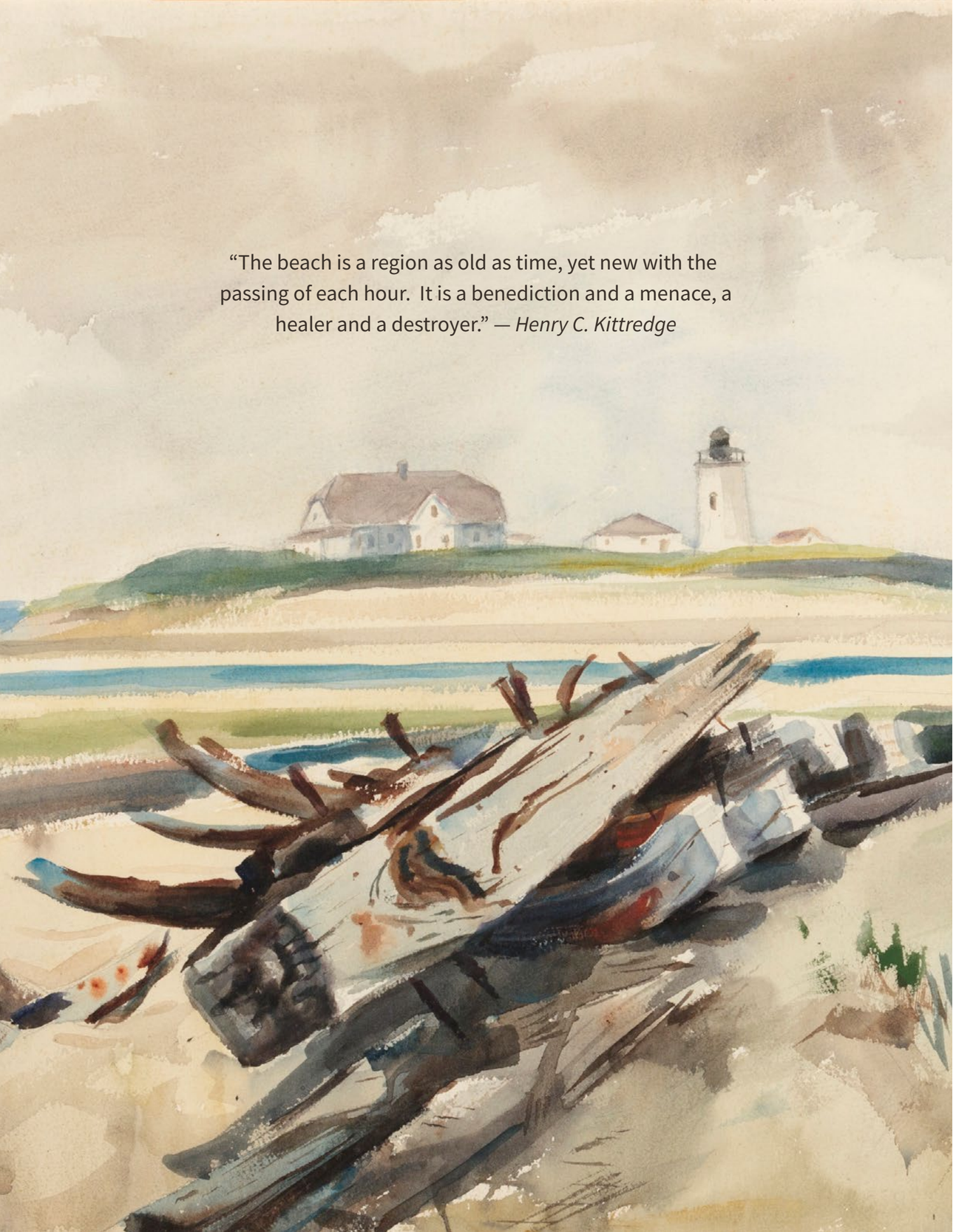
Annual Report 2016 Seamen's Bank



"The beach is a region as old as time, yet new with the passing of each hour. It is a benediction and a menace, a healer and a destroyer." — *Henry C. Kittredge*

Courtesy Cape Cod National Seashore, gift of Bernard Collins

The sea draws us. For food. For commerce. For fun.

Over 3,000 shipwrecks, one third of them off Wellfleet and Truro, were recorded in 300 years of Cape Cod history. An unexpected nor'easter, mechanical failure on Georges Banks or meeting with the shoals off the back shore can mean serious injury. Death. We know the risks yet New Englanders continue to go to the sea.

And people on shore continue to fearlessly and selflessly go to the rescue.

Early townspeople rushed to the beach at the cry of "Ship ashore! All hands perishing!" According to Kittredge, even mooncussers heeded the call, "Adventurous, greedy, and brave, like the rest of mankind, saving lives, looting cargoes, floating wreck, and going at last to their account with as clear a slate as most of us."

Life-saving efforts have become organized and the challenge of getting to distressed vessels has spurred innovation. The ingenious breeches buoy was a pair of breeches attached to a ring buoy set on a lifeline that could be shot to a wreck by a small cannon and then brought back, one passenger at a time, via a pulley system. The Emily (Emergency Integrated Lifesaving Lanyard), a robotic device invented within the last ten years, can bring back up to six people in one trip.

What hasn't changed is the willingness of so many — professionals and laypeople — to give their time and to risk their lives to save the lives of others.

Left: *Wellfleet Harbor* **Marston Hodgin 1960** **Courtesy Provincetown Art Association and Museum**

Front Cover: *Draggers in Storm* **Charles Kaeselau 1942**

"Everybody here loves the water. Everything we do is for that moment when we rescue someone; we just want to be able to serve our community with the best of our abilities." — *Richard Dailey, Petty Officer, USCG*

Cape Cod Village **Leon Bibel 1938** Courtesy Provincetown Art Association and Museum
Background: Provincetown fishing fleet before 1900 Courtesy Cape Cod National Seashore

Letter from the President and CEO

To Our Community:

"A more bleak or dangerous stretch of coast can hardly be found in the United States than at this station." As a boy growing up in Provincetown, the beach off Peaked Hill always brought romanticized images of old mooncussers and shipwrecks. Indeed, Peaked Hill bars was called the "ocean graveyard" during the times of the United States Life Saving Service and the view of the ocean from that lonely beach can still appear quite menacing. This year's Annual Report is dedicated to the Life Saving Service and the United States Coast Guard of today which continues to be an integral part of our seacoast communities. It was only three years after the Service was founded in 1848, that Seamen's Bank began serving the community in the Union Exchange Building at the foot of Union Wharf in Provincetown's West End.

We believe that we have a Bank that recognizes the value in our community and a community that understands the value of Seamen's Bank. For that we are grateful.

Institutions evolve with the times. Like the Life Saving Service/Coast Guard, community banks have changed while essentially providing the same service. Delivery channels for banking products represent a major transition in operations but the forces that complicate that process come in the form of increased technology expenses and in the regulatory burden under which we operate. The President of JP Morgan Chase admitted in an interview that the increasingly complex regulations actually benefit the megabanks because Chase can afford to navigate under the new rules while smaller banks cannot, all of which makes it more expensive for smaller players and tougher for them to compete. Statistics show, however, that even though they operate under a disadvantage, local banks outperform their larger counterparts in several key areas including efficiency and profitability. By channeling more of their resources into the community where they exist, they incur less risk and are much more adept at handling the needs of small business. They are building the economy of the community rather than increasing the wealth of their stockholders. In essence, this is the mission of Seamen's Bank.

A necessary complement to our Campus in Truro, this past year saw the opening of our new Loan Operations Center. The Robert F. Silva Building now houses our Loan Operations staff and provides additional room for us to grow an essential part of our business. With the completion of this building, we're well equipped from a fixed asset viewpoint to meet future expansion needs. Further strengthening the foundations for growth, our capital position increased to a strong 11.6% bolstered by an increase in our net income position even though that continues to be impacted by the current margin squeeze and regulatory costs.

Our community outreach program continues unabated with record donations from the Seamen's Bank Charitable Foundation, employee and board participation in community events, memberships on community boards, and another successful Walking Home campaign. Safety patrols, education, rescue, and non-profit volunteering are all part of our local Coast Guard. Like Seamen's Bank, seeing the value in Community is an essential part of their organization. We believe that we have a Bank that recognizes the value in our community and a community that understands the value of Seamen's Bank. For that we are grateful and we remain confident that our 165-year old legacy as an independent and financially strong institution will continue throughout the coming decades.

Respectfully,

John K. Roderick
President and CEO

Serving Our Customers and Our Community

Chairman of the Board
John K. Roderick

President/CEO
John K. Roderick

Clerk of the Corporation
Paul R. Silva

Honorary Trustees
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Mylan J. Costa
Mark R. Silva

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John E. Medeiros
John K. Roderick
Paul R. Silva
Paul M. Souza

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Timothy F. McNulty*
John E. Medeiros
Donald E. Murphy
Donald R. Reeves*
John K. Roderick
Steven E. Roderick*
Paul R. Silva
Sandra L. Silva
Paul M. Souza

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Ernest L. Carreiro, Jr.
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Christopher E. Enos
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Eliza S. Fitts
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Michael Janoplis
W. Scott Kerry
Christopher W. King
Manuel Macara, Jr.
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Christine McCarthy
Mary Joy McNulty
Timothy F. McNulty
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John E. Medeiros
Robert Montano
George M. Mooney
Donald E. Murphy
Donald R. Reeves
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Warren J. Roderick, Jr.
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Craig Russell
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Fred E. Sateriale, III
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Jason Silva
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Michael K. Silva
Paul R. Silva
Sandra L. Silva
Paul M. Souza
John Thomas

Dory in Storm Charles Kaeselau n.d.

Prevalent risks to life and limb caused by malfunctioning equipment and inclement weather make commercial fishing one of the world's most dangerous industries. A priest's blessing, meant to ensure a safe and bountiful season, is the foundation of the Blessing of the Fleet, a centuries-old Catholic tradition imported by the Portuguese. Today the Blessing of the Fleet is a joyous occasion celebrated on boats and on shore.

Provincetown History Project Archive, Town of Provincetown, MA

Administration
John K. Roderick, *President/CEO*
Lori F. Meads, *Vice President*

Treasurer
Michael K. Silva

Human Resources
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Don Macaulay, *Vice President*
Nicole Dutra
Diana R. Gilbert
Marie T. Parker
Amy Silva

Consumer Lending
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Linda Macara, *Assistant Vice President*
Michelle Allmon
Erin Barrepski
Amy Smith Costa
Sabina Grab
Arlene Houser
Dianne Peters
Steve Sollog
Ross Sormani

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Jean Leonard, *Senior Vice President*
Cheryl Friese, *Assistant Vice President*
Elaine Cabral
Nicole Conrad
Lynn Costa
Tim Johnson
Arielle Leonard
Denise Lisbon
Peter Roderick

Chief Risk Officer
Maria Larouco, *Vice President*

Security Officer
Brian Anderson

Purchasing
Teresa Morris

IT Administration
Lucas Strakele, *IT Director*
Michael Andrini, *IT Systems Director*

Compliance/Audit
Aime Mulligan

Main Office
Trevor McCarthy, *Manager*
Dee Lane, *Assistant Manager*
Ann Marie Boni
Christine Lavenets
Amanda Morris
David Perry
Mecka Perry
Violeta Peters
Sheva Sparks-Russell
Christine Sylvia

Shank Painter Road Complex
Rosa Buttrick, *Manager*
Carole DeStefano
Julie Hight
Lisa Souza-Toomey

Truro
Sandra Valentine-Roda, *Manager*
Stacey White, *Assistant Manager*
June Hopf
Leeann Morris
Janice Roderick

Wellfleet
Jennifer Jones-Kish, *Manager*
Bridget Creech
Sarah Delaney
Vicki Hayes
Marie Pellegrino

Eastham
Colleen O'Duffy-Johnston,
Business Development Officer
Sharon Adams
Sam Brintnall
Nan Watts
Amy Wheeler

Top Left: Courtesy Cape Cod National Seahore. Top Right and Bottom Left: Courtesy Truro Historical Society
Bottom Right: Courtesy 1st Coast Guard District, Boston, by E. Lohr, 1969

"You have to go out but you don't have to come back."

The Regulations of the Life-Saving Service of 1899, Article VI Action at Wrecks, section 252, page 58: "In attempting a rescue the keeper will select either the boat, breeches buoy, or life car, as in his judgment is best suited to effectively cope with the existing conditions. If the device first selected fails after such trial as satisfies him that no further attempt with it is feasible, he will resort to one of the others, and if that fails, then to the remaining one, and he will not desist from his efforts until by actual trial the impossibility of effecting a rescue is demonstrated. The statement of the keeper that he did not try to use the boat because the sea or surf was too heavy will not be accepted unless attempts to launch it were actually made and failed, or unless the conformation of the coast — as bluffs, precipitous banks, etc. — is such as to unquestionable preclude the use of a boat."

Long Point Charitable Foundation

Seamen's Bank is honored to serve this community and pleased to support these worthy organizations.

Accessible Provincetown
Truro Center for the Arts at Castle Hill
Cape Cod Children's Place
Charles Moore Arena
Community Development Partnership
Eastham Library Fund
Fine Arts Work Center
Helping Our Women
Lower Cape Ambulance
Lower Cape Outreach
Nauset Regional High School Booster Club
Outer Cape Health Services
Pilgrim Monument & Provincetown Museum
AIDS Support Group of Cape Cod
Provincetown Art Association and Museum
Provincetown Center for Coastal Studies
Provincetown International Film Festival
Provincetown Portuguese Festival
Provincetown Theater
Sustainable Cape
Swim for Life
Truro Educational Enrichment Alliance
West End Racing Club
Wellfleet Oyster Festival
Cape Abilities
Carrie Seaman Animal Shelter
Great Schooner Regatta
Mass Appeal
Mustard Seed Kitchen
Nauset Regional Middle School
Pilgrims First Landing Park
Truro Concerts on the Green
Truro Historical Society
Alzheimer's Cape Cod
Animal Rescue League
Brewster Little League
Cape Cod Hospital Auxiliary
Cape Cod Museum of Natural History
Eastham Cultural Council
Eastham Historical Society
Eastham Firefighters
Family Pantry of Cape Cod
Homeless Prevention Council
Latham Center
Lower Cape Triathlon
Nauset Regional High School Project Graduation
Payomet Performing Arts Center
Provincetown Council on Aging
Provincetown Lions Club
Provincetown PTA
Provincetown Soup Kitchen
Seashore Point
Tennessee Williams Theater
Truro Council on Aging
Truro Fire and Rescue
Truro Recreation
Wellfleet Alzheimer's Association
Wellfleet Elementary School
Wellfleet Firemen's Relief
Wellfleet PTA

Surf Boat Gordon Grant c. 1910 **Courtesy Egeli Gallery**

Consolidated Statements of Income

Year ended March 31	2016	2015
Interest Income		
Loans	$ 9,361,000	$ 9,411,000
Securities	1,316,000	1,353,000
Federal Funds	64,000	37,000
Total Interest Income	**$ 10,741,000**	**$ 10,801,000**
Interest Expense		
Interest on Deposits	$ 956,000	$ 949,000
Other Interest	20,000	37,000
Interest Expense	**$ 976,000**	**$ 986,000**
Net Interest Income	**$ 9,765,000**	**$ 9,815,000**
Provision for Loan Losses	**$ 40,000**	**$ 120,000**
Non-Interest Income		
Fees on Deposits	$ 202,000	$ 215,000
Other Service Charges	437,000	410,000
Gain (Loss) on Security Sales	51,000	23,000
Other Gains and Losses	51,000	73,000
Other Non-Interest Income	117,000	170,000
Total Non-Interest Income	**$ 858,000**	**$ 891,000**
Non-Interest Expense		
Salaries and Benefits	$ 4,986,000	$ 5,095,000
Premises and Equipment	922,000	875,000
Other Non-Interest Expense	3,416,000	3,490,000
Total Non-Interest Expense	**$ 9,324,000**	**$ 9,460,000**
Income Before Taxes	$ 1,259,000	$ 1,126,000
State and Federal Taxes	414,000	333,000
Net Income	**$ 845,000**	**$ 793,000**

The Humane Society

With luminaries such as Paul Revere and John Hancock on its roster, the Massachusetts Humane Society was founded in 1786 to minimize the deaths due to shipwrecks. In 1802, the Humane Society built the first houses of refuge for shipwrecked mariners on Cape Cod. Each of the 8' x 8' huts contained a stove, firewood, water, straw or hay and a bench — creating primitive havens for many who would have perished even if they made it to shore.

Humane Society members were not paid, and the huts were maintained by local volunteers on a sporadic basis. The miles of hidden sandbars off the coast from Provincetown to Chatham caused so many shipwrecks the area became known at the Ocean Graveyard and created a need for aid that far exceeded the help supplied by these thoughtful efforts.

Courtesy Cape Cod National Seashore

The Life-Saving Stations

The United States Life-Saving Service, founded in 1848, replaced the Humane Society. In 1872, first nine Life-Saving Stations on Cape Cod were built high on the dunes and painted red to be easily identified from the sea. The stations housed the crews, rescue boats and apparatus. A keeper lived in the station year round, with trained surf men and boat handlers in service from August until June.

The surf men, known as storm warriors and soldiers of the surf, would watch the sea from an observatory, signal passing ships using a sixty-foot flagstaff, and patrol the shore from one station to the next. It is estimated that the men working the nine original stations (Race Point, Highlands, Peaked Hill Bars, Pamet, Cahoon Hollow, Nauset, Orleans, Chatham and Monomoy Point) saved over 100,000 lives.

"Endless hours of patrol were critical, especially at night and during storms when wrecks were most likely to occur. They were sometimes monotonous, but during foul weather the patrols were exhausting; surfmen often had to hold a wooden shingle in front of their faces to keep the sand out of their eyes as they patrolled. Patrols would meet at small halfway houses between stations and exchange metal tags, or punch time clocks to verify completion." *— nps.gov/caco/learn/historyculture/life-savers.htm*

In the first half of the twentieth century, Coast Guard cutters and helicopters replaced the rescue boats and the Life-Saving Stations were decommissioned. Some Stations were razed or moved, some became part of Cape Cod National Seashore, and some converted to private ownership. The Cahoon Hollow Station is now home to the popular restaurant and nightclub, the Beachcomber.

Consolidated Balance Sheets

Year ended March 31	2016	2015
Assets		
Cash and Due from Banks	$ 9,117,000	$ 11,872,000
Securities	85,690,000	82,874,000
Federal Funds Sold	6,951,000	4,821,000
Loans	222,874,000	225,390,000
Reserve for Losses	(2,781,000)	(2,699,000)
Fixed Assets	8,652,000	6,115,000
Other Real Estate Owned	–	–
Other Assets	3,442,000	4,113,000
Total Assets	**$ 333,945,000**	**$ 332,486,000**
Liabilities and Surplus		
Deposits	$ 294,580,000	$ 290,859,000
Other Liabilities	434,000	3,341,000
Total Liabilities	**$ 295,014,000**	**$ 294,200,000**
Undivided Profits	$ 38,425,000	$ 37,580,000
Net Unrealized Gains	506,000	706,000
Total Surplus	**$ 38,931,000**	**$ 38,286,000**
Total Liabilities and Surplus	**$ 333,945,000**	**$ 332,486,000**

Changes in Equity Capital

March 31	April 1, 2015 to March 31, 2016	April 1, 2014 to March 31, 2015
Total Capital	**$ 38,286,000**	**$ 37,103,000**
Net Income	845,000	793,000
Prior Year Changes	(706,000)	(316,000)
Other Comprehensive Income		
Net Unrealized Gains (Losses) on Securities	506,000	706,000
Ending Equity Capital	**$ 38,931,000**	**$ 38,286,000**

"A ship in harbor is safe — but that is not what ships are built for." — *John A. Shedd*

Settled **Jonathan McPhillips 2015** Courtesy Addison Art Gallery

The Coast Guard: Past and Present

Congress consolidated the Life-Saving Service with the Revenue Cutter Service (a police and safety force) in 1915 to create the United States Coast Guard. Today the Coast Guard has approximately 42,000 people on active duty, 8,000 reservists and 9,000 civilian employees. In addition to performing rescues, active duty personnel assist by working at the Soup Kitchen in Provincetown and for Habitat for Humanity, and can be seen ensuring safety around many community events including fireworks displays, parades, the Great Provincetown Schooner Race, Swim for Life, etc.

31,000 auxiliarists assist Coast Guard employees. These volunteers provide boating safety education and inspections, and participate in safety patrols and rescues.

Top Right: Crew members of an early Outer Cape Coast Guard Station Courtesy Truro Historical Society
Top Left: Nauset Coast Guard crew, 1920-1930s Courtesy Cape Cod National Seashore
Bottom: Petty Officer Richard Dailey and Auxiliarist Howard Gostin
Background: Race Point U.S.Life-saving Service crew in a Monomoy boat Courtesy Cape Cod National Seashore

Ensuring Safety Together

August 24, 2014 was another beautiful Cape Cod day. While on a routine patrol, Harbormaster John DeMatteis witnessed a small boat explode in Provincetown Harbor. He pulled one of the two people found in the water aboard. The second individual was retrieved by Harbormasters Luis Ribas and Dan DeGruttola who had arrived on a second boat. The survivors were taken to the courtesy float where the fire/rescue team was waiting. The more seriously injured was medi-vacced to Boston.

The Coast Guard and Environmental Police then joined the Harbormasters to address the burning power boat. The crews attached a line to the boat and corralled it out of Provincetown Harbor traffic to Beach Point.

Between the pier and the breakwater "something had gone terribly wrong." And something definitely went right. Speaking on the Provincetown Harbormaster's Office relationship with other aid organizations, Harbormaster Rex McKinsey said, "We train together. We work together. We're joined in our commitment to keep our community safe."

Boat on Fire Elmer Brown 1942 **Courtesy Egeli Gallery**

Courtesy Provincetown Harbormaster

We thank those who honor our heritage and have assisted in this report including: the Orleans, Eastham, Wellfleet, Truro and Provincetown Libraries; Provincetown Harbormaster Rex McKinsey; Petty Officer Richard Dailey and Auxiliarist Howard Gostin of the United States Coast Guard; Christine McCarthy and James Zimmerman of the Provincetown Art Association and Museum; Susan Moynihan and William Burke of the Cape Cod National Seashore; James Sullivan of the Truro Historical Society; Doug Johnstone and the Town of Provincetown; and so many others.

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Rough Waters **Herman Maril 1957** **Courtesy Provincetown Art Association and Museum**

"Cape Cod's life savers are known the world over for their intrepid, enduring bravery, gallant deeds, and the success in rescuing life that they have achieved in their hazardous duties along the most dangerous winter coast of the world." — *J. W. Dalton*


SEAMEN'S BANK
MEMBER FDIC/DIF
Charles Reasoner
1912