

**STAR ISLAND CORPORATION  
BOARD OF DIRECTORS MEETING**

Sunday, February 24, 2013  
At the Portsmouth Office as part of the Board's Winter Retreat

**MINUTES**

Members in attendance:

John Bush, Treasurer  
Erik Cordes  
Josh Davis  
Nick Dembsey (by phone)  
Sharon Kennedy, Vice President  
Gary Kunz  
Karen Mathiasen, Clerk  
Suellen Peluso  
Russell Peterson, President  
Sally Russell  
Charlie Stauffacher (Pres., SIUCC)  
(by phone)

Absent:

Tom Smurzynski (Pres., ISAUU)  
Jordan Young

Others attending the meeting

Joe Watts, CEO

For opening words, Charlie Stauffacher offered a reading from *The Outermost House* by Henry Beston.

Russ Peterson called the meeting to order at 9:20 a.m. He began with a recommendation for the Nominating Committee. Upon motion duly made and seconded, no discussion being necessary, it was unanimously

**VOTED:** To recommend to Corporation members the election of David Anderson to the Nominating Committee.

**Consent Agenda.** It was unanimously

**VOTED:** To approve the minutes of the January 22, 2013, meeting of Directors.

**CEO Report.** Joe Watts, CEO of the Star Island Corporation, presented some highlights from the report, including some items pertaining to the Director of Development's report.

- The John Smith 400<sup>th</sup> Anniversary/Smith Monument. We are seeking ways that we might allow public access to the Smith Monument. We might provide an easement around the monument in return for funding to restore the monument, but we should consider how this might affect landing rights at Star. Discussion followed on the pros and cons of granting easements/landing rights. The 400<sup>th</sup> anniversary in 2014 of John Smith's mapping of the Isles of Shoals is a major event, and we are in conversation with various organizations as to how it might be celebrated.

- The Regatta. The Regatta is on Saturday, June 8. Overnights are possible. We are expanding our network of local business partners and hoping to double the number of Regatta sponsors from last year. We are putting together a package of benefits for such sponsors, which will be presented to potential sponsors at a March 19 event at the 100 Club in Portsmouth. We can regard such an effort as both augmenting our existing Regatta and providing a possible model for larger efforts in the future. The Fund Development Committee and the Outreach and Engagement Committee have also been discussing advertising and sponsorship for the event, and are supportive of our approach for the 2013 Regatta. The concept of sponsorship in general needs much more discussion beyond the Regatta. This is something we would be doing with an eye towards launching something in 2014, not this year. Meanwhile, we should treat the Regatta as a unique event.
- The Recognition Wall. The proposed Wall, which is supported by the Fund Development Committee, would recognize donors to the Capital Campaign and would also include significant events, along with significant volunteer efforts. We do have a Gift Acceptance Policy, but it does not directly address gift recognition in this context. A thorough discussion of the Recognition Wall and the Gift Acceptance Policy will take time, and we informally agreed to defer it until a future meeting. Meanwhile the Board will review the Gift Acceptance Policy and any pertinent Property Standards Committee policies. We will not proceed with the Recognition Wall until at least after we have achieved resolution on the preceding.
- Other
  - Board Calendar. Joe reminded us of the new calendar, including new assignments for opening words. We need to find a new date for the late summer Board retreat. Joe will investigate what late August and September dates might be available.
  - Unitarian-Universalist General Assembly (GA). We continue to look for people to staff the Star Island table at GA in June.

**VOTED:** To accept the CEO Report, including the report of the Director of Development.

**Treasurer's Report.** John Bush, Treasurer, gave the report.

- 2012 Results. For 2012, we have an operating surplus of ca. \$140K, which is good news; however, we must recognize that we are not where we want to be for the long-run, as some of this surplus is due to one-time events, timing of revenues and expenses, and the receipt of funds from the Capital Campaign. While we are getting a handle on the budget, we still need to increase revenues.
- 2012 Audit. The audit subcommittee has already held the 2012 kick off meeting with the auditors. We would like for our auditors to join us at a Board meeting in April. John reminded us that we do have the Go-to-Meeting video option, which we can use for the

meeting with the auditors.

- Treatment of Contributions to the Island. Gifts that have been accepted by the Board in accordance with our Gift Acceptance Policy need to be allocated to a contribution category. This is usually determined by the donor's intent. John has suggested the following, which the Finance Committee has endorsed for 2013:

Star Island Corporation Contribution Policy

- Unrestricted contributions for current use – typically, gifts to the Annual Fund
- Temporarily restricted contributions for general purposes – typically, gifts made to the Permanent Trust Fund for general use in the future
- Temporarily restricted contributions for a specific purpose – to be used now or later for a specific purpose
- Permanently restricted contributions for general purposes – only the income from the gift is to be used, and may be used for general purposes
- Permanently restricted contributions for a specific purpose - only the income from the gift is to be used, and only for a specific purpose

There are other considerations. Gifts should be of at least some minimum amount in order to be permanently restricted; otherwise, we could have a large number of small funds, which is inconvenient to administer. If these small funds are also restricted as to purpose, we can end up with gifts that cannot be put to good use. Thus, we should discourage gifts that are permanently restricted for a specific purpose.

John and Russ will work on another draft of the Contribution Policy.

It was unanimously

**VOTED:** To accept the report of the Treasurer.

**Solar Power Purchase Agreement (PPA) Project Presentation at SIC Annual Meeting in April.** In the interest of transparency, we will report on the PPA project and entertain questions and comments. We will not, however, put approval of the PPA project to Corporation members, as such a vote is the purview of the Board.

**2013 Board Goals - Summary.** Sharon Kennedy led the exercise, assisted by Suellen Peluso; both drew on yesterday's lengthy discussion with the Board and several invited guests as part of the Winter Retreat.

1. Update Financial Plan
2. Establish Path to Financial Sustainability
3. Act on Energy Studies: Solar, Waste Water, and Water

4. Post-Capital Campaign Analysis Plan
5. Track and Achieve Budget Goals
6. Examine Policy Governance Approach
7. Collaboration and Communication with Constituencies
8. Oversee Compliance and Island Appearance

Sharon Kennedy will flesh out these categories, drawing on yesterday's session led by Jan and Jim Prochaska.

**Executive Session.** At 2:15 p.m., the Board voted to go into Executive Session, the minutes of which are kept separately. The purpose of the meeting was to review the summer marine transport arrangements, to discuss our relationship with the Shoals Marine Lab, and to select one or more awardees for the Bringer of Light award. It was unanimously

**VOTED:** To grant the Bringer of Light award to the nominees presented at the meeting.

The Board meeting was reconvened at 2:35 p.m. in order to continue the agenda.

**Board Self-Evaluation Results.** Sally Russell reported on our self-evaluations of our Board work in 2012. Our greatest strengths, as we saw them, include our working well with the staff and the Board's ability to get a lot done. Among our greatest challenges is to communicate more effectively with Corporation members and conferees. We also need to stay on top of financial challenges (recognizing that we have come a long way on that goal during this past year). Collaboration and communication came out rather low, so we will add that as a goal for 2013.

**CEO Evaluation Process.** Sally Russell noted that, although Joe has officially been CEO only since late October, he began taking on CEO duties during the transition period as Vicky Hardy headed towards retirement. We therefore have a sufficient period of time to undertake a meaningful evaluation.

**Annual Meeting Items.** We will hold a "Church Fair" type event to showcase our volunteer activities and to encourage Corporation members and others to get involved. We will also have sessions on the Alternative Energy Plan, our Three-Year Strategic Plan, and the Capital Campaign.

**Membership Committee Update.** This year we have thirteen nominations for membership, and we are losing fourteen people due to resignations, deaths and lapsed membership. We are seeking to put the membership process online, and to have a rolling approach to new membership. When someone resigns, we should (i) offer them emeritus status and (ii) do an exit interview.

**Alternative Energy Project.** An initial contract is being drawn up, which will be reviewed by legal counsel, the Ad Hoc Solar PPA Review Committee, and others. Only then will we sign it. Revolution Energy will then be able to seek funding for the project in earnest. Anything that we sign must be in anticipation of their getting funding.

**Evaluation of the Winter Retreat.** We got off the agenda today, but the conversation that took place was useful. We noted that yesterday's meeting with several invited guests turned out to be mostly current and former Board members. We need some new faces. The Revolution Energy presentation was useful, but we needed a longer session today. In general, we tried to do too much in the time allotted. We realized that we are shifting too much work previously done by the Board onto the CEO. It is important that everyone has a chance to speak. It is also important that the Board and the staff have non-work opportunities to get together. Last night's delightful dinner at the Petersons' is an excellent example of such occasion.

Our next meeting is on Tuesday, March 26, 2013, by conference call.

There being no further business, it was

**VOTED:** To adjourn the meeting.

The meeting was adjourned at noon.

Respectfully submitted,

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Karen Mathiasen, Clerk