

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Tuesday, January 28, 2014
By “Go To Meeting” App and Telephone Conference Call

MINUTES

Members in attendance:

Nick Dembsey
Debbie Duval (President, SIUCC)
Sharon Kennedy, President
Gary Kunz, Vice President
Karen Mathiasen, Clerk
Suellen Peluso
Russell Peterson
Sally Russell
Tom Smurzynski (Pres., ISAUU)
Jordan Young

Absent:

John Bush, Treasurer
Erik Cordes
Josh Davis

Others attending the meeting:

Joe Watts, CEO

In honor of his new grandson, Emerson Cypress Kunz, born January 26, 2014, Gary Kunz chose for Opening Words several quotations from Ralph Waldo Emerson:

Don't waste life in doubts and fears; spend yourself on the work before you, well assured that the right performance of this hour's duties will be the best preparation for the hours and ages that will follow it.

The purpose of life is not to be happy. It is to be useful, to be honorable, to be compassionate, to have it make some difference that you have lived and lived well.

Do not be too timid and squeamish about your actions. All life is an experiment. The more experiments you make the better. What if they are a little coarse, and you may get your coat soiled or torn? What if you do fail, and get fairly rolled in the dirt once or twice. Up again, you shall never be so afraid of a tumble.

Finish each day and be done with it. You have done what you could; some blunders and absurdities have crept in; forget them as soon as you can. Tomorrow is a new day; you shall begin it serenely and with too high a spirit to be encumbered with your old nonsense.

Is it so bad, then, to be misunderstood? Pythagoras was misunderstood, and Socrates, and Jesus, and Luther, and Copernicus, and Galileo, and Newton, and every pure and wise spirit that ever took flesh. To be great is to be misunderstood.

Whatever course you decide upon, there is always someone to tell you that you are wrong. There are always difficulties arising, which tempt you to believe that your critics are right. To Map out a course of action and follow it to an end requires courage.

Sharon Kennedy, President, called the meeting to order at 7:06 p.m.

Minutes. It was unanimously

VOTED: To approve the minutes of the December 17, 2013, meeting of Directors.

Reports

- **CEO Report.** Joe Watts, CEO of the Star Island Corporation, presented some highlights from the CEO Report, including items from the report of the Director of Development.
 - **Development Report.** Joe gave the report on behalf of Angela Matthews, Director of Development.
 - **Gifts.** Overall, we are doing better than last year. The 2013 Annual Fund stands at ca. \$418K, including the Annual Fund's ca. \$31K allocation from the Combined Appeal. Capital Campaign gifts were ca. \$263K, including the Capital Campaign's ca. \$27K allocation from the Combined Appeal. This is the second of three years for Combined Appeal pledges (which are being allocated 53% to the Annual Fund and 47% to the Capital Campaign). As the year was ending, we had almost \$30K in unpaid pledges. Staff has been following up, with good results. The Annual Fund comparison report, by which we can compare one fund year to another, including various categories and subsets of information, has been implemented. It still has a few typos and misallocations that need to be corrected.
 - **Grants.** The FEMA (Federal Emergency Management Agency) funds in the amount of \$260K require a 25% match by the grantee, which works out to about \$65K. Fortunately, we are able to apply indirect costs (e.g., our labor expense) towards the 25% requirement. We are also planning to apply to the Heritage Preservation CAP program for a grant of \$3,500 to support an assessment of Vaughn Cottage and Thaxter Museum with regard to the structure as housing for museum collections, etc. We also expect to apply to the Thaxter Foundation to fund an intern for the Thaxter Museum.
 - **Contracts Recently Signed.** We have signed several contracts recently, including (i) a contract with Altus Engineering for civil engineering services relating to the wastewater treatment plant and (ii) our annual contract with SFC, our fire safety consultants (more on SFC in the February CEO report).
 - **IRAS.** We are delighted that the IRAS (Institute for Religion in an Age of Science) conference has voted to return to Star for their 2014 and 2015 conferences. Using a

collaborative approach to resolve outstanding issues, several people worked hard to achieve this good result. Joe thanked Debbie Duval for her part in helping facilitate IRAS's sharing the island with Star Gathering 2 in 2015.

- **Treasurer's Report.** In the absence of John Bush, who was traveling, Joe gave a brief report. The year end financials are still being readied. Based on early-stage draft financial statements, we hope to see a substantial net operating surplus of \$280K-\$290K or even a bit more. On the expense side, we were able to save some money this year. On the income side, although we fell a bit short of our 2013 bed night goal, the income from various grants was very helpful for both 2013 and 2014. The grant awards along with IRAS's commitment to return to Star Island in 2014 (and 2015) bodes well for the coming year. As we expend funds for capital projects, we need to be cognizant of our debt service coverage ratio with Eastern Bank. The many upcoming projects, when added together, have created for Star Island the largest capital project load in memory. We therefore must plan many projects; Jack Farrell is undertaking a lot of the planning.
- **Pel Report.** In the absence of the Pel Liaison, there was no Pel Report.

VOTED: To accept the CEO report, including the report of the Director of Development, and the Treasurer's report.

Old Business

- **Alternative Energy System Project Update.** Revolution Energy (RE) has secured over \$1M in financing for this project. There is at present a requirement from a third party that SIC or another entity produce \$232K in cash. We have been researching how we might reduce this amount and/or mitigate the impact of the requirement on Star, even possibly to eliminate the requirement. Ron Cordes, Dick Case, and Jeremy Hill have conducted a fault tolerance test on the existing design. We are also looking into some grants. We need to evaluate the risks of action (i.e., proceeding with the project) versus the risks of inaction (i.e., doing nothing). Russ noted that the technical side of the process is going just fine, and the whole project is looking more real, but the financing part is clearly not done.
- **February Board Retreat Weekend.** Sharon reminded us to let her know our plans for attending the retreat so that we might have head counts for our various activities. We were reminded, too, to send the office \$30 for each attendee (ourselves and any guests we bring) at the Friday evening party at the home of Russ and Sue Peterson. One of our Corporation members manages the Best Western Hotel at the Portsmouth traffic circle, and has kindly offered discounted rates for Board members attending the weekend retreat. We produced a list of possible topics for discussion at the retreat:

CEO Evaluations and Board Self-Evaluation
Sponsorship
Smoking Policy
Membership Process

Things That We Generally Don't Do Monthly
Liaison Reports That Are Coming Up

We are asked to send our ideas for the retreat to Sharon by February 14.

- **CEO and Board Evaluation Process Update.** Sally Russell gave the report. The CEO evaluations from the Board had some good comments; we will do more on this at the retreat, after which Sharon as President will meet with the CEO.
- **Sponsorship Next Steps.** Suellen Peluso gave the report, noting that the Fund Development Committee was enthusiastic about having a sponsorship program. The Outreach and Engagement Committee is likely to support increasing sponsorship. We should not feel that we need to do the whole thing all at once; this is an emerging program. Suellen invited Board members to send her sponsorship topics, including what a sponsorship policy should look like. For example, one issue might be around avoiding possible conflicts of interest between sponsors and Star community leaders.
- **Ad Hoc Committee on Officers and Directors.** At its March 26, 2013, meeting, the Board, upon recommendation by the Special Nominating Committee, voted to establish an ad hoc committee of the Board to analyze the process of electing officers and directors and to make recommendations. The following people were proposed for committee membership: Debbie Duval, Suellen Peluso, Jordan Young, Kate Brady, someone from the Membership Committee, and perhaps one of the co-chairs of the Nominating Committee. Suellen will follow up. If it were possible for a proposal to be ready in time for our August Board retreat, we might be able to use the proposal to help inform the nominations process for next autumn, bearing in mind that any action requiring an amendment to the bylaws must have a vote of the membership.
- **Proposed Candidate for Nominating Committee.** Sharon led the discussion on behalf of the Committee on Appointments (CoA). The CoA has recommended that at the next annual meeting of the Star Island Corporation, the Board propose Annie Stewart for a 1st three-year term on the Nominating Committee, beginning in April, 2014, such proposal to be made consistent with the SIC bylaws. Upon motion duly made, no second being necessary, following discussion concerning certain voting protocol, it was, with nine ayes and one nay,

VOTED: At the next annual meeting of the Star Island Corporation, for the Board to propose Annie Stewart for a 1st three-year term on the Nominating Committee, beginning in April, 2014.

New Business

- **Special Nominating Committee for 2014.** Sharon reminded the Board that the Special Nominating Committee recommends to the Board the appointment of the President and the Vice President of the SIC. It is chaired by the chair of the Nominating Committee, and composed the Presidents of the associated organizations [ISAUU and SIUCC], the

Clerk of the Board and an additional member of the Board so designated each year by the Board prior to the Annual Meeting. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To appoint Nick Dembsey as the fifth member and Board Representative of the Special Nominating Committee.

- **Annual Meeting Location.** It is our custom, where possible, to alternate our Annual Meeting locations between a UU church and a UCC church, but this is not always possible. For our 2014 meeting, First Parish in Lexington has graciously invited us to use their beautiful church, which we also used for our 2013 meeting. For 2015, we are looking at a UCC church in the western suburbs of Boston.
- **Annual Review and Approval of Policies.** Sally Russell led the discussion, noting that each year the Board is asked to review certain policies towards keeping the island and our other facilities as safe places. There are currently four policies that need to be approved. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: That having reviewed the above four Policies, to reaffirm once again the Board's approval of these Policies as of the date of this vote:

Safe Community
Child Abuse
Sexual Harassment
Discrimination and Non-Sexual Harassment

- **Committee on Appointments Report/Annual Reports.** Sharon reminded us that in our charge to each of our committees, the template we used asked each committee to submit a written annual report to the Board by December 31 of each year. This report could then be used as the committee's annual meeting report, which would also give the Board the opportunity to review the reports before their distribution to the membership. Gary Kunz noted that we have thirty-one applications for Membership in the Corporation. This helps with our goal of having 400 Corporation members in 2014 on the 400th anniversary of Captain John Smith's making maps of the Isles of Shoals.
- **Vote on Heritage Preservation CAP (Capital Assessment Program) grant.** Normally the Board does not need to approve grant applications that are less than \$10K, leaving it to the discretion of the CEO. In this case, however, the application seems to require a Board vote, although it is ambiguous. Deeming it prudent in such cases to take a vote, we proceeded to do so. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To authorize the CEO to apply to the Historic Preservation CAP program for a grant of \$3,500 in order to support an up-to-date assessment of Vaughn Cottage and the Thaxter Museum.

Executive Session. At 8:48 p.m., the Board voted to go into Executive Session, the minutes of which are kept separately. The purpose of the session was to approve the minutes of the December 17, 2013, Executive Session and to discuss very briefly issues relating to the financing of the Alternative Energy System Project. No votes were taken.

The Board meeting was reconvened at 8:54 p.m. for the purpose of discussing the effectiveness of various conference call media.

The next Board meeting is scheduled for Sunday morning, February 23, 2014, at the SIC office in Portsmouth as part of our Winter Retreat.

There being no further business, it was

VOTED: To adjourn the meeting.

The meeting was adjourned at 8:59 p.m.

Respectfully submitted,

Karen Mathiasen, Clerk