

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Sunday, February 23, 2014
Portsmouth Office

Members in attendance:

John Bush, Treasurer
Josh Davis
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:

Erik Cordes

Others attending the meeting:

Joe Watts, CEO

For Opening Words, Nick Dembsey chose “Winter Seascape” by John Betjeman:

The sea runs back against itself
With scarcely time for breaking wave
To cannonade a slaty shelf
And thunder under in a cave.

Before the next can fully burst
The headwind, blowing harder still,
Smooths it to what it was at first -
A slowly rolling water-hill.

Against the breeze the breakers haste,
Against the tide their ridges run
And all the sea's a dappled waste
Criss-crossing underneath the sun.

Far down the beach the ripples drag
Blown backward, rearing from the shore,
And wailing gull and shrieking shag
Alone can pierce the ocean roar.

Unheard, a mongrel hound gives tongue,
Unheard are shouts of little boys;
What chance has any inland lung
Against this multi-water noise?

Here where the cliffs alone prevail
I stand exultant, neutral, free,
And from the cushion of the gale
Behold a huge consoling sea.

Sharon Kennedy, President, called the meeting to order at 9:08 a.m.

Minutes. It was unanimously

VOTED: To approve the minutes of the January 28, 2014, meeting of Directors.

In late January 2014, it came to the Board's attention that a Committee on Appointments recommendation for a candidate for the Nominating Committee was inadvertently included in a December 17, 2013, vote of the Board. Upon motion duly made and seconded, following discussion, it was unanimously voted to correct the applicable December vote to read:

VOTED: To accept all of the following nominations:

Membership Committee

Tom Coleman as chair beginning in 2014

Committee on Appointments

At his request, remove Tom Coleman from a three-year term beginning in 2014, and appoint Tricia Coleman for a 1st three-year term beginning in 2014

Personnel Committee

Michelle Kunz for a 1st three-year term beginning in 2014

The CoA also wished to inform the Board of the following CEO appointments to an operating committee, and to request, for the record, that these appointments be reflected in the Board minutes:

Health Committee

Marlene Smurzynski for a 1st three-year term beginning in 2014

Estelle Best for a 1st three-year term beginning in 2014

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.

- Smith Monument. This year marks the 400th anniversary of Captain John Smith's mapping of the Isles of Shoals. Many events are planned around this commemoration, including several to take place on Star Island this summer. We are planning to apply to the Samuel P. Hunt Foundation for funds to be used to repair the Smith Monument on Star Island. Our application will require a Board vote, to be taken later in the meeting.
- Planned Giving. Our Planned Giving program, initially called the McGill Society, has been renamed the Star Island Legacy Society. Fred and Ginny McGill will certainly be remembered for all that they brought to the Star Island community over many years, and our Planned Giving materials will acknowledge this. Joe passed around a Planned Giving brochure, still in its early stages, which we are creating. Planned Giving material will be up on our website this spring.
- Combined Giving Program/Year-end Results. We are now in the last year of the combined appeal giving program that allocates certain gifts to Star between the Capital Campaign and the Annual Fund, if the donor so wishes. We have some multi-year capital pledges for both 2014 and 2015. Our 2013 year-end giving results were positive, though we did not reach our overall goals for the Annual Fund and the Capital Campaign. Fortunately, a variety of grants more than covered the shortfall. We are planning on contacting people who have already paid their Capital Campaign pledges and encouraging them to increase their Annual Fund gifts. A springtime Annual Fund appeal is in the works. We have increased our focus on recognition, which is really important: one example is sending a special thank you note to donors who gave in 2013 but had not given in 2012. A program of telephoning people to thank them for their 2013 gift was discussed. It was suggested, however, that many people find phone calls, at least those received at home, to be intrusive, and that we might consider handwritten notes, at least in the case of some of our older donors.
- Board Attendance at Star Events. No matter how great our love for Star Island might be, it is simply not possible for Board members to attend all Star events. This thought was spurred in particular by the many programs this summer on the Smith Monument. Joe agreed to draw up a priority list for events that Board members are urged to attend if at all possible.
- Facilities Report.
 - Alternative Energy Program. This topic was put off until later in the meeting.
 - Atlantic Fire Escape. In conversation with Rye Fire, this project is being redesigned this year for construction in 2015, as set forth in the capital budget.
 - Facilities Upgrades and Related Issues. We have many large facilities projects planned for this year, and keeping track of all the work, budgeting and financial

controls will be a challenge. Joe reminded us that Star is doing a lot more with less people on staff. Joe used the IT upgrade project as an example: this is an exciting project to improve our IT infrastructure. There are many projects like this, and a discussion ensued about ensuring we have enough project management support so that not everything is left on the shoulders of the Island Manager/Director of Facilities. Staff has tried to budget larger projects with a substantial margin in case there are unforeseen overruns. The capital budget has had a substantial review, and in general the bottom line is not expected to change for 2014. Staff is working with the related committees to create an Integrated Facilities, Financial and Development Planning model to assist with multi-year planning over several areas.

- Registrations

- Registration Process. As of February 14, we were at 3,870 bed nights, 20% of our 2014 budgeted goal of 19,250. We continue to work on our online registration process, which is working well. A discussion ensued about our plans to simplify our registration process over time, with a goal of completing the process by 2016. Examples include simplifying the conference overnight guest process and offering some consideration for early registrants.
- General Assembly. To encourage new people to register for a conference, we will have a presence at the UU General Assembly (GA), which meets this year in Providence, Rhode Island, from June 25-29. We need volunteers to help staff the Star Island table. Persons who are interested are asked to contact Joe.

- Treasurer's Report. John Bush gave the report. He noted that we have a great Finance Committee.

- Closure Reserve and Related Topics. After consultation between John and the staff, it was decided not to show the \$10K closure reserve as an expense on our income statement. We will likely treat the \$10K as a set aside. In any case, a staff-Finance Committee group will look at building reserves during 2014 and will recommend a policy for us to consider at the August retreat.
- Some 2014 Projections. It appears that we are likely to meet our bed night numbers in 2014. We projected about \$135K income from the Capital Campaign, with less in 2015 as pledges are paid off. Our 2014 planned capital budget of \$764K is the highest ever. It is the grant monies that permit this level of spending. We are looking at a 2014 operating gain of about \$419,000. Some funds received in 2013, particularly from grants, were put in a restricted fund. They can now be treated as income for 2014, mostly for capital projects.
- Bank Relationship. Our 2014 debt-service ratio with Eastern Bank is projected to be 1.81. This amounts to a cushion of about \$55,000, so we need to be mindful that larger shortfalls in areas such as the Annual Fund could bring us uncomfortably close

to the required ratio of 1.25. We paid off our revolving line of credit with Eastern Bank last November and do not anticipate needing to access it again before April.

- Auditors. We would like our audit firm to meet with us again this year to discuss the audit results. They are scheduled to “visit” us at our April meeting using GoToMeeting.

- 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

- Items from February 22 Board Retreat Needing Further Action

- Board Goals and Strategic Plan. We need to continue integrating our Board Goals for 2014 with our new Three-Year Strategic Map. Gary agreed to do this and send it out to the Board in time that we may have a quick review at the March meeting.
- Alternative Energy System Project. Discussion followed in response to Revolution Energy’s request that the solar agreement include a provision that requires SIC to fund up to \$200K of the project’s funding requirement. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To approve Revolution Energy’s request that the solar agreement include a provision that requires SIC to fund up to \$200K of the project’s funding requirement, but only if all of the terms of the final agreement are subject to approval by the Board by future action, and without limiting the generality of the foregoing, that such agreement requires no other payment obligations by SIC (other than PPA payments proportionate to power provided) nor the granting of a security interest in any collateral.

During discussion, it was noted that our changes in energy generation have already reduced some of our costs, and in any case, reducing our generation of greenhouse gasses is part of our mission.

- Fundraising Transition Update. Director of Development Angela Matthews is planning to retire at the end of this year. We have funded some minimal overlap between and her successor. Joe would like for Angela’s successor to be identified by November. We are in the process of establishing the hiring timeline and reviewing the job description. We may have an opportunity to expand our development department in 2015 to take on more in the areas of grants, corporate sponsorship and volunteer coordination.
- Permanent Trust Liaison Report. Josh Davis, Board liaison to the Permanent Trust, gave the report. It is important to nurture the relationship between the Trustees of the

Permanent Trust and members of the SIC Board (recognizing that there is considerable overlap between these two groups). As Josh put it, “Trusts don’t want surprises.” Our relationship with the Trustees is very good. Some months ago, Michael Charland took over for John Wilkins as Wilkins Investment Council’s liaison to the Trust. Michael has well demonstrated that he understands the workings of not-for-profit organizations. The Trust needs someone to fill the unexpired term on the Trust of George Brandenburg, who died last September. The Nominating Committee is working on this; further discussion was deferred until the Executive Session. Two of the Trustees are in the process of reviewing the [Star Island] Trust Agreement, dated April 4, 1998, to ensure that it is up to date.

- **Action on Smith Monument Grant Request.** We wish to apply to the Hunt Foundation for a \$22K grant to undertake repairs to the Smith Monument. The size of the grant being over \$10K, the application requires Board approval. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To approve the application to Samuel P. Hunt Foundation of \$22,000 to support repairs to the Smith Monument, provided that acceptance of the grant does not limit the Corporation’s control regarding public access.

- **Stewardship Installation.** Joe Watts brought us up to date on the plans for the installation, including mock ups of the close-to-finished design phase of the project. The project is composed largely of wallpaper and plaques. The concept is fully supported by the ad hoc group established to finalize the design, as well as the Fund Development Committee. The Property Standards Committee is on board with the current design. We have sought to make the Stewardship Installation as inclusive as reasonably possible by including all donors to the Capital Campaign in an amount of at least \$1,000. We are also including some extraordinary volunteers, without regard to their financial contribution. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To approve the general concept of the Stewardship Installation as presented to the Board.

- **Corporate Relations.** Discussion followed regarding further expansion of our corporation relationships. Upon motion duly made and seconded, it was

VOTED: To support an investigation regarding corporate relations policy with the intent to present a policy recommendation for discussion and action at our August 2014, Board retreat.

Suellen will work with others on this.

New Business

- **Annual Meeting Items.** The Annual Meeting is Saturday, April 26, in the afternoon at

the First Parish Unitarian Universalist in Lexington, Massachusetts. The Council of Conferences meeting will be held in the morning.

- Annual Reports. Board members are reminded to become familiar with the activities of our committees as set forth in the annual reports of the committees.
- Meeting Format and Topics. The “Church Fair” was good in many ways. For this year, we should consider including more space, having a “street plan” as to the exhibits, providing a summary of grants received and how we are employing the funds, and setting up a clear mechanism as to how people could express their interest in serving on committees. Having a Church Fair does not preclude also having break out sessions. For these sessions, two topics emerged from today’s Board discussion: (i) celebrating our success and (ii) the three-year strategic map.
- **Personnel Committee Liaison Report.** Sally Russell gave the report. Right now, SIC does not have a Director of Personnel but an HR consultant, thus the Personnel Committee has more of an advisory role than some other committees. The Committee meets four times each year. Sally emphasized the need to do some succession planning. At an appropriate time, she would like to step down as Chair of the Committee. Meanwhile, staff and our HR consultant, with input from the Personnel Committee, have drafted new policies relating to vacation rollovers, holidays, vacation days, and HSA/HRA health insurance
- **Committee on Appointments (CoA) Report.** Debbie Duval led the discussion on behalf of the (CoA). The CoA recommends the following appointment by the Board: Nick Bresinsky to a 1st three-year term on the Committee on Appointments beginning in 2014. Upon motion duly made, no second being necessary, it was unanimously

VOTED: To appoint Nick Bresinsky to a 1st three-year term on the Committee on Appointments beginning in 2014.

Executive Session. At 11:26 p.m., the Board unanimously voted to go into Executive Session, the minutes of which are kept separately. The purpose of the session was to (i) approve the minutes of the January 28, 2014, Executive Session (ii) to provide an update on the CEO performance review, and (iii) to discuss filling the Trustee seat left vacant by the death of George Brandenburg.

The Board meeting was reconvened at 12:21 p.m. for the purpose of discussing the Board Self-Evaluation form we recently filled out. On the whole, we are using our time well, but the schedule is extremely full, perhaps too much so.

The next Board meeting is scheduled for Tuesday, March 25, 2014, by GoToMeeting/conference call.

There being no further business, it was

VOTED: To adjourn the meeting.

The meeting was adjourned at 12:29 p.m.

Respectfully submitted,

Karen Mathiasen, Clerk