

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Saturday, June 28, 2014
In Person Meeting at Star Island Corporation Office,
Portsmouth, NH

Members in attendance:

John Bush, Treasurer
Erik Cordes
Josh Davis
Nick Dembsey
Debbie Duval (President, SIUCC)
Sharon Kennedy, President
Gary Kunz, Vice President
Karen Mathiasen, Clerk
Suellen Peluso
Russell Peterson
Jordan Young
Tom Smurzynski

Absent:

Sally Russell

Others attending the meeting:

Dash Davis, Pel Representative
Jack Farrell, Island Manager/Director of
Facilities
Joe Watts, CEO

For Opening Words, Russell Peterson read a selection of “Elevator Speeches about Star”: Brief statements that you might share with a fellow passenger before you reach your floor. These statements were extracted from various conferee writings of this year’s Natural History Week conference.

Star Island is a state of mind.
The ocean meets the splendor of the scarlet sunset.
Spectacular views, sail boats, lighthouses, cliffs rising from intensely blue waters
With flights of birds and song.
Mixed generations rocking in wicker chairs; Young, Old and Older
Inspiring each other as they indulge in the art of conversation,
The lack of ordinary conveniences compensated by the
Remarkable people who are drawn to this spot in the vastness of the Atlantic.

Giovanna LaMarca, Cliffside Park, NJ

Star Island is a bit of heaven. A small island with sea views at every turn and a wrap around porch complete with rocking chairs.
It’s a place to renew yourself; it’s a place to find yourself; it’s a place to explore and have fun.
Won’t you come, too?

Linda H. Watkins, Newton Highlands, MA

A simple, elegant escape on a sparkling island in the Atlantic. Basic accommodations, splendid scenery, unforgettable sunsets, and interested, creative people who actually talk to each other.

Howard LaMarca, Cliffside Park, NJ

“Ode to Star Island”

Star Island, an inspiration
Nestled near Appledore.
Transcends all
Far out to sea
Remote –
Unbelievable peacefulness
Star – surrounded
by water.
An Impact
Felt by all.

Lu Knox, Northampton MA

Sharon Kennedy, President, called the meeting to order at 10:15 a.m.

Minutes of May 27 Meeting of Directors and of June 10 Special Meeting of Directors. It was unanimously

VOTED: To approve the minutes of the May 27, 2014, Meeting of Directors and of the June 10, 2014, Special Meeting of Directors.

Reports

- **CEO Report.** Joe Watts, CEO of the Star Island Corporation, began by introducing and welcoming Dash Davis as the newly elected Pel Representative. Dash will give the Pel Report later in the meeting. Joe then presented several topics to supplement the written CEO Report, including a Registration update, a Development report, and a very brief Facilities report, as Jack Farrell was at the meeting to present a substantial update.
- **Registration Update.** At 16,885 bed night registrations, we have reached 88% of our 2014 bed night goal of 19,250, with 2,365 bed nights to go to achieve the goal. Even without factoring in bed nights for the Institute for Religion in an Age of Science (in order to achieve better comparison between 2013 and 2014 bed nights), we are 851 bed nights ahead of last year at this time. Six weeks are already filled. The biggest concerns are Lifespan Religious Education and to a lesser extent Star Gathering 1, both of which still have space. Staff and others are working hard to fill these places. Through yesterday (6/27), we were at 17,513 bed nights (91% of our goal). We feel good about the numbers overall, but we still need 1,737 bed nights to reach our goal. We didn't pass 17,000 bed nights last year till 8/1/13.

- Development Report. Joe gave the report on behalf of Angela Matthews.
 - Annual Fund. We are currently at 19% of our 2014 Annual Fund goal of \$455K, but it is too early in the season to know how to evaluate this.
 - Capital Budget. \$135K allocated to the capital budget is from the recent *Shining the Star* capital campaign, including gifts already received and some pledged. We may receive more than this by year's end, due to some unexpected gifts.
 - Fundraising for Solar Project. Joe distributed a "talking points" memo for the Green Gosport Initiative. The Initiative, approved in 2012, is designed as a model of sustainability to decrease reliance on fossil fuel and encourage environmentally sound practices, and is especially useful for fundraising for the solar power project. Our success in receiving grant funds for work on Oceanic has given us considerable encouragement in fundraising for the solar project. We have decided not to apply for the USDA grant, as we have determined that our project is not eligible for this program. We are exploring other grant opportunities, and we are in the process of formulating a targeted fundraising campaign with a goal of up to \$110K to be launched in the fall or early next year.
 - Grant for Smith Monument. We have received \$22K from the Samuel P. Hunt Foundation to refurbish the Smith Monument and related trail access.
 - Hiring of New Development Director. This project is on track. We continue to work with our HR consultant.
 - UU General Assembly has been going well, and Joe had some good meetings. He reported that the Star Island booth looked "terrific."
 - Marketing Plan. We are working on a marketing plan designed to inform our actions three to five years out; it includes substantial media and press components.
- Facilities Report. This month's facilities report, being quite substantial, will be presented later in the meeting by Jack Farrell, the Island Manager/Director of Facilities. One facilities-related matter brought up at this time was the recent Bathroom and Shower Survey. Our thanks to Justina Maji for undertaking this project, with considerable help from the Conference Services Committee. This is a good example of staff/operational committees working together. We might consider a focus group of people who have never been to Star and might be interested in attending, perhaps people from a UU or UCC church.

- Stewardship Installation. We have been receiving many compliments and no complaints about the stewardship installation in the first floor Gosport Hallway.

- **Treasurer's Report**

- Cash Flow. The solar power project is a substantial part of our 2014 budget, and involves significant amounts of inflow and outgo; we might not have a lot of control over when these events happen. For example, we might receive a substantial grant payment, or conversely need to make a substantial outlay in conjunction with the solar power project. This can be deceptive as to the health of our finances. At a given time, we might appear to be cash rich, and soon thereafter to be cash poor, or vice versa. We need to keep this in mind when dealing with cash flow.
- Vote to Revise the 2014 Operating Budget. With the activity around the new solar contract, there is an increase in various expenses, including professional fees, which will impact this year's cash flows. It will be important to review at least annually how our projections are comporting with actuals. A motion was made and seconded. Discussion followed on the pros and cons of amending the budget. It was, with eleven ayes and one nay,

VOTED: To revise the 2014 operating budget as proposed by staff.

- Possible Change of Fiscal Year End. Along with sending out RFPs to potential new auditors, we are also considering changing our fiscal year end to March 31 (which information is being included in the RFP packets). This would potentially allow us to enjoy lower audit fees, because we would not be competing with many other organizations who are trying to make deadlines based on a December 31 year end. Further, our cut off date for end-of-year contributions is felt by some to be unclear. One downside of this change is that our audited financial statements would not be ready in time for the Annual Meeting. Such a change could also be confusing to some of our membership. It was pointed out that the Finance Committee did not feel strongly about proceeding with a change of fiscal year end, and has not yet made a recommendation about changing the fiscal year end.
- Bank Loans. We currently have three loans with Eastern Bank: (i) a revolving line of credit, (ii) a term loan, and (iii) a boat loan (the latter coming due March 31, 2015). We need to begin the process of going out to bid, if we intend to do this. We would like to know how we compare to other, similarly sized organizations in terms of the amount of debt we have.
- **Financial Aid Committee Report.** Debbie Duval gave the report. We are in the second of three rounds of allocating awards. Most people apply online, which is preferred by the Committee. Jordan has made some changes to the spreadsheet, which has helped to streamline the process. The Committee feels that we must find a way to work more closely with the conferences in allocating awards. In many cases, conferences gave larger awards than did the Financial Aid Committee, not necessarily a bad thing, but the

Committee needs the information. Debbie reported that the Committee is of the opinion that four people is the right size group for the Committee.

- **Pel Report.** Dash Davis, our new Pel Representative, gave the report, saying how pleased he was to be serving as our new Pel Rep. (And, it is noted, the Board is equally pleased to have Dash on board after more than a year of the Pel Rep position being essentially vacant.) One of Dash's goals is to make the Board more visible to the Pel community, reminding us that the Pel community is very strong and that the Pels are excited about Star Island projects and their part in them.

VOTED: To accept the CEO Report (including the Development, Facilities, and Registration Reports), the Treasurer's Report, and the Pel Report.

Old Business

- **Facilities Update.** Jack Farrell, Island Manager/Director of Facilities, gave the update. There is an incredible amount of work going on. Jack thanked the staff for their support.
 - **Stewardship Installation.** The Stewardship Installation, in Elliott Hall, is complete and has been well received. It is a beautiful project and very welcoming. Along with the Installation, we restored a hallway and entrance.
 - **Regulatory Relationships.** Our relationships are in very good shape. Our staff works very collaboratively with our regulators. The Rye Fire Department works with us very well. Some personnel changes are taking place at Rye Fire, but we expect the outcome to be positive. The NH Department of Environmental Services, including the Assistant Commissioner, is supportive of our efforts. We are also enjoying a positive working relationship with the NH Air Resources Board; they indicated that they like our solar project very much.
 - **Waste Water Design.** We are replacing existing systems by systems that are simpler, use less power, and are less expensive and more reliable. The Waste Water Treatment Plant and the Reverse Osmosis Plant were the proper equipment to install in the past, but technology has brought changes, and we now need more reliable, less expensive equipment. We are making progress in figuring costs, but it is premature for the Board to discuss them at this time. We are hopeful that we will be ready with this by the end of August. The next step is to have a permit-ready design. The final design must be extremely accurate because it will be used in the permitting process. For the record, Jack Farrell thanked Dick Case for his tremendous efforts in moving this forward. The contract with Ayer has yet to be signed; a few issues are still being worked out.
 - **Wi-Fi Upgrade.** SIC has received an anonymous gift to upgrade wi-fi on island. This is expected to bring our bandwidth to very high levels. This raises the question of how accessible we want to be from a cultural standpoint. This question will be discussed at upcoming Board meetings and at the October Council of Conferences meeting.

- **Other.** The Gosport porch is being rebuilt from the ground up and is nearly completed. The Oceanic work is also nearly done. The Atlantic fire exit will be rebuilt next year as a tower rather than the former fire escape. Our various water projects are working well with the *Thomas Laighton*. We need careful management of our various water standards. We have moved to single stream recycling; people are asked to bring cans rather than bottles to the island. Jack ended his report by noting we are within budget with some contingency funds left.
- **Council of Conferences (CoC) Meeting Follow-up.** It is good to see this organization re-engage. Gary Kunz reported that the breakout sessions were good at the Annual Meeting. At the Fall meeting the discussion is expected to include the impact of broadband on the Star culture.
- **Bylaws Review Update.** Gary will be sending out annotated versions of the bylaws to the Bylaws Subcommittee, indicating concerns. It could turn out to be easier to rewrite the bylaws completely rather than annotating the many changes. According to the Membership Committee, some people have indicated that do not want to change the 400 upper limit for membership. The Board responsibility for this needs to be looked at. We will have to get any issues in front of the Corporation. The Special Nominating Committee also will have relevant comments, perhaps recommendations, for Membership. We should consider the implications of this for a Board that is supposed to be a policy board.
- **Policy Review Update.** Jordan, Josh, and Russ are working on this.
- **Board Goal Check-in.** Gary distributed copies of a one-page document entitled “Board Goals in relation to the strategic plan and the target goal for 2014.” In addition to assessing how we are doing with Board operational goals, we noted several upcoming events in the area of Board outreach and engagement. We also noted successes with the Thank-a-Thon program and the Council of Conferences.
- **Bringer of Light Award.** Long before March, we need to solicit nominations, perhaps going beyond Corporation members. We will take this up again in August.

New Business

- **Property Standards Liaison Report.** Jordan gave the report. This Board Committee is very operational and meets about four times a year. The Committee gives approval for various endeavors on Star; recent actions include approving the location of the solar field, the planting of a tree to shade the children’s playground, and further work on the Oceanic railings. There is concern over succession planning because of some upcoming retirements due to term limits. Joe reminded Board members to ask their committees to review their committee charges at least annually. The Board was requested to keep Property Standards apprised of long-term developments so that the Committee has adequate time to consider requests. A discussion followed of the domains of each of Property Standards and Facilities, noting that staff has a substantial role.

- **Membership Committee**. We have an obligation to review and publish the Membership application standards and processes annually. The Membership Committee should be involved with developing those standards, not just rubberstamping the proposed list of members. Gary is Board liaison to the Membership Committee. There is a request from the Membership Committee to allow staff to become Members. We will take this up at our August meeting. Meanwhile, we would like to take advantage of online tools. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To approve the membership criteria and processes as currently published on the Star Island website and to authorize the Membership Committee to implement an online membership process in keeping with those published materials.

- **August On-Island Board Retreat**. The retreat is August 23-25, with arrival late Saturday afternoon and departure on Monday afternoon. The retreat itself is on Sunday and the business meeting on Monday.
- **Committee on Appointments (CoA) Recommendations**. Debbie Duval led the discussion on behalf of the CoA. The CoA recommends the following appointments by the Board: Upon motion duly made, no second being necessary, it was unanimously

VOTED: To accept the following nominations and the request regarding the operating committees:

The CoA recommends the following appointments by the Board:

Membership Committee:

Miriam Coe for a second three-year term beginning in January of 2015

Committee on Appointments:

Laird Kelly (co-chair) for a second three-year term beginning in January of 2015

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

Rutledge Marine Lab Committee:

Nick Bresinsky for a second three-year term beginning in January of 2015

The CoA recommends that the Board propose the following candidates for the **Nominating Committee** at the next Annual Meeting of the Star Island Corporation (to be voted on by the members), consistent with the SIC bylaws:

Janice Prochaska (co-chair) for a second three-year term beginning at the Annual Meeting in 2015

Executive Session. At 1:45 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 review certain corporate compliance issues and to approve the minutes of the May 27, 2014, Executive Session.

The Board meeting was reconvened at 1:55 p.m.

The next regular Board meeting is scheduled for Tuesday, July 22, 2014, from 7:00 p.m. – 8:30 p.m. by conference call. As several Board members will be on island for their own conferences, we will hold this meeting only if really necessary. The regular monthly meeting for August is Monday, August 25, as part of our on-island retreat.

There being no further business, it was

VOTED: To adjourn the meeting.

The meeting was adjourned at 2:00 p.m.

Respectfully submitted,

Karen Mathiasen, Clerk

[Clerk's Note: The July 22 meeting was subsequently cancelled; thus there were no Directors' meetings in July.]