

**STAR ISLAND CORPORATION  
BOARD OF DIRECTORS MEETING**

Saturday, November 22, 2014, from 11:00 a.m.-3:00 p.m.  
In Person Meeting at the Office of the Corporation  
30 Middle Street, Portsmouth, NH 03801

Members in attendance:

John Bush, Treasurer  
Tom Coleman  
Josh Davis  
Nick Dembsey  
Debbie Duval (President, SIUCC)  
Sharon Kennedy, President  
Gary Kunz, Vice President  
Karen Mathiasen, Clerk  
Suellen Peluso  
Russell Peterson  
Sally Russell

Absent:

Erik Cordes  
Jordan Young

Others attending the meeting:

Joe Watts, CEO  
Kristi Vazifdar (part of meeting; by phone)

For Opening Words, Suellen Peluso read two poems, “Consider the Lilies of the Sea” and “Living Things” by Anne Porter.

CONSIDER THE LILIES OF THE SEA

Their salt wet life erased, eroded, only  
The shells of snails lie on the sand,  
Their color darkens toward the whorl’s conclusion,  
The center is nearly black. Even the fragments  
Faithfully observe their tribal custom  
Of involution; the motionless whirlpool  
Is clearly written on the broken shield.

The two joined petals of a small  
Tooth-white clamshell stand ajar, and mimic  
The opening of wings or of a songbook;  
Leaves that a minute and obscure  
Death spring open in a depth of sea;  
Held in one’s hand, they still present  
The light obedient gesture that let go of time.

And close to these frail scattered, and abandoned  
Carvings which were the armor and the art  
Of dark blind jellies that the fish have eaten,  
The big Atlantic cumulates and pours,  
Flashes, is felled, and streaks among the pebbles  
With wildfire foam.

## LIVING THINGS

Our poems  
Are like the wart-hogs  
In the zoo  
It's hard to say  
Why there should be such creatures

But once our life gets into them  
As sometimes happens  
Our poems  
Turn into living things  
And there's no arguing  
With living things  
They are  
The way they are

Our poems  
May be rough  
Or delicate  
Little  
Or great

But always  
They have inside them  
A confluence of cries  
And secret languages

And always  
They are improvident  
And free  
They keep  
A kind of Sabbath

Sharon Kennedy, President, called the meeting to order at 11:15 a.m. The Clerk took the minutes. Sharon introduced new Board member Tom Coleman, the recently elected president of the ISAUU, who joins us as an *ex officio* member by virtue of having been elected to that office.

**October 28 Board Minutes.** It was unanimously

**VOTED:** To approve the minutes of the October 28, 2014, Meeting of Directors.

### **Reports**

- **CEO Report.** Joe Watts, CEO of the Star Island Corporation, gave the report.

- Development Report. Joe reported that we are using a somewhat novel approach this year in that we wrote to people who had already given, thanking them for their support and encouraging them to make a further gift. Suellen stated that the process of hiring a new Director of Development was going well. We used a search firm, and staff members were also involved in the process. We are pursuing two grants. One is to provide for lightning mitigation at the pier. At the request of the grantor (the State of New Hampshire Department of Safety Hazard Mitigation Programs), we are submitting supplemental information to the application we submitted in 2012, after the Board approved a \$41,250 grant application (of \$55,000 total project cost). The other grant request, drafted by Irene Bush and Kyle Belmont, is for \$25K from Museums for America, Institute of Museum and Library Services, for funds for Vaughn Cottage work, described later in these minutes. This action will require Board approval. No matching funds are permitted for this grant. Joe also reported that we continue to feel that we are on track to reach our Annual Fund goal of \$455K, though there remains a significant yet attainable gap to close in December.
  - Island Volunteer Report. Our volunteers are crucial to maintaining Star Island. The focus in this report is on the island volunteers, whose good work during open-up, close-up, and the conference season generated some 11,288 hours of total island volunteer time. This works out to approximately 1,613 days, and is worth an estimated \$97K. This is somewhat ahead of last year's total hours of 10,058, approximately 1,436 days, and an estimated \$86K of island volunteer work. Added to the total island volunteers are hundreds of people who volunteer countless hours, on the Board and on committees, in our Portsmouth office and at other mainland locations, on behalf of the Star Island conferences, and for the ISAUU and the SIUCC, among many other activities.
  - CEO Evaluation Update. Sally noted that we could use a better functioning Board email list, as some people did not receive her email.
  - Facilities Report. Our two big projects are the solar energy plant and the pier project. The big news is that the solar energy plant passed its operating test, going live on November 19. To the delight of everyone, it works! Russ reported that the solar plant is very impressive. The Island Institute has awarded Star Island Corporation the Island Innovation Award for this and our other green initiatives. Several people who were involved with the solar plant were present for the event. The pier project was slowed by bad weather, but we are getting back on track. This work will likely extend into December.
- Treasurer's Report. John Bush gave the report, noting that there are some challenges ahead as a result of our need to fund a new wastewater treatment facility. John noted that there is stress on our finances due to debt financing, much of which is because of the solar project. In particular, should we fail to meet our \$455K goal for the Annual Fund by a certain margin, this could impact our debt coverage ratio. We currently project having about \$30K to work with to satisfy this bank requirement. We should, however, look at the situation as an opportunity for investment rather than a drain on resources, as

we are on track to have a record net operating gain, and we are investing our gains in our infrastructure. Our new audit firm of Berry Dunn looks forward to a meeting with the Board.

- **Pel Report.** In the absence of Dash Davis, Pel Representative, there was no Pel Report.

**VOTED:** To accept the CEO Report (including the Development, Island Volunteer, and Facilities Reports) and the Treasurer's Report.

### **Old Business**

Kristi Vazifdar joined the meeting by telephone.

- **2015 Budget Presentation.** Joe, assisted by Kristi, gave the updated budget, incorporating the Board's comments and review from our October Board meeting. Highlights included an increase in certain adult room and board rates and a decrease in some youth rates. We were reminded that there is a tension between normal room and board rates and personal retreaters rates. As conferences fill, that leaves less space for personal retreaters, which is not necessarily a bad thing, as one of our goals is to fill as many conferee beds as we can. We would hope that the personal retreaters, including those who were unable to secure a reservation as personal retreaters, could be urged to attend as conferees. The 2015 budget highlights include a net operating gain of \$110K, a debt service coverage ratio of 1.78, bed nights totaling 19,550, a modest increase to adult room and board rates and a decrease to all youth rates, a modest increase to all staff salaries, and a capital budget of \$358K. It was noted that 2015 is the last year for the capital campaign pledges to be paid. For our solar fundraising for 2015, we are hoping to raise \$55K before we launch a targeted campaign to a broader audience, with a goal of raising \$110K overall in 2015. We are seeking \$30K to launch our tender, *The Thomas Dudley*, which would pick up visitors from their boats and bring them over to our dock where they can purchase lunch. A motion was made and accepted to approve the 2015 budget. John reminded the group that the Finance Committee unanimously voted to recommend the 2015 budget to the Board for approval. It was informally decided that before voting on the budget, the Board needed to address the issue of staff compensation.

Joe Watts and Kristi Vazifdar left the meeting.

**First Executive Session.** At 12:03 p.m. it was voted to go into Executive Session, the minutes of which are kept separately. The purpose of the session was to discuss staff compensation. The following vote was unanimously taken upon motion duly made and seconded, following discussion:

**VOTED:** To amend the salary of the CEO as presented in the Executive Session.

The Board meeting was reconvened at 12:20 p.m. Joe Watts rejoined the meeting.

The Board returned to the open motion to approve the 2015 budget. Further discussion followed.

The vote was called. It was unanimously

**VOTED:** To approve the 2015 budget as amended.

The meeting thereupon broke for lunch, reconvening at 1:00 p.m.

- **Bringer of Lights Award Discussion.** Sharon led the discussion, reminding the Board that we need to schedule discussions re possible award recipients earlier in the year than has been our practice, so that we have more time for discussion and decisions. She asked Board members to look over the corporation member list and to provide Sharon with names for consideration. We will add to our website the opportunity for corporation members only to email the SIC President with their suggested nominations for the Bringer of Lights award.
- **Committee Charge Check In.** Committee chairs were asked to review their committee charges to ensure that they are up to date and accurate.
  - Committee on Appointments, Debbie Duval reporting. The CoA report is accurate except that the date the report is due should be changed to February 15 to be in line with Membership.
  - Island Heritage and Artifacts Committee, Joe Watts reporting. Joe has approved the charge as presented, though the title therein will be changed from “Executive Director” to “Chief Executive Officer.” The staff liaison to this committee and the Rutledge Marine Committee is currently Justina Maji, but plans call for changing this to Kyle Belmont moving forward.
  - Personnel Committee, Sally Russell reporting. She announced that this committee has a major change in that the chair of the committee will now be responsible for the CEO evaluation.
  - Strategic Facilities Planning Committee, Nick Dembsey reporting. A new chair needs to be appointed, so we informally agreed to wait until then before finalizing the charge.

Upon motion duly made and seconded, no further discussion being necessary, it was unanimously

**VOTED:** To approve the changes to the Committee on Appointments and the Personnel Committee, and to inform the Board that the charge of the Island Heritage & Artifacts Committee has been approved by the CEO.

- **Membership Number Limitation.** Gary Kunz led the discussion. As we noted at our October Board meeting, the SIC bylaws call for a membership of no more than 400 persons. Due to our efforts to expand membership, we might soon reach this limit. At the same time, some corporation members were concerned about dilution if the limit were

raised. That notwithstanding, the Membership Committee's majority opinion is to recommend raising the limit to 500 people. Discussion followed with emphasis on accommodating an expanding corporation membership. Upon motion duly made and seconded, no further discussion being necessary, it was unanimously

**VOTED:** To recommend to the Corporation that the bylaws be amended in order to raise the membership limit to 500 people.

- **Bank Loan Update and Discussion.** John led the discussion. Our banking relationships are very important to us, and we want to maintain them. Eastern Bank has been good to us. We have three near-term goals: to renew (i) our \$1.1 million term loan, (ii) our \$85K boat loan, and (iii) our \$650K revolving credit line. Mortgage loans might be a possibility, but several Board members were quite averse to mortgaging our real estate, preferring to use as collateral the Permanent Trust (which we currently do), from which we would need approval. John would like for us to move swiftly in asking banks to give us "comparables." If things are moving too slowly, we have some alternatives. Joe spoke of his visits to various banks. We still need to have more detailed conversations. John would like for the Finance Committee to discuss this again, and come back to the Board in December with a recommendation.
- **Other - Grant for Vaughn Cottage.** As mentioned earlier under the Development Report, Museums for America requires a Board vote in order for us to apply for funds. Upon motion duly made and seconded, no further discussion being necessary, it was unanimously

**VOTED:** To approve an application for a grant for \$25K from Museums for America, Institute of Museum and Library Services, for funds to repair and upgrade Vaughn Cottage, as set forth in a memo entitled "Vaughn Strategic Plan for Grants" (dated ca. 11/18/14) as presented to the Board.

### **New Business**

- **Nominating Committee Liaison Report.** Suellen gave the report. She described the Committee as being in full swing for next year. The group is taking a long view of our committee needs. We anticipate having several new members. The deadline for nominations is November 30. The Nominating Committee is reviewing the SIC officers but not the other Board members. The year-round staff, through the CEO, has been invited to submit suggestions to the Nominating Committee. Sharon offered to provide models of when and how staff evaluates Board members. Suellen feels the Nominating Committee is functioning well.
- **Committee on Appointments (CoA), including CoA Liaison Report and CoA Report.** Debbie gave the report, noting that the CoA is always looking for people from underrepresented conferences. The CoA is also looking for people under forty years old. Joe, Debbie, and Sharon are working on a protocol for assigning committee chairs in the future. The Committee on Appointments is working hard, and well.

- **Permanent Trust Liaison Report**. As we talk about banking relationships and collateral, the Trust might be averse to taking on significantly large encumbrances of its assets for collateral purposes. Over all, the relationship between the Trust and Star Island Corporation is strong for a variety of reasons, one of which is that SIC has not requested extra payouts recently, as has been the case in the past.
- **ISAUU**. Tom Coleman, ISAUU President, describes the Star Island community as a “mini-company,” one that is in need of more help, with volunteers of all kinds, including some younger people.

**Second Executive Session**. At 1:59 p.m. it was voted to go into Executive Session. The purpose of the session was to review staffing and structure in view of planned transitions in personnel. No votes were taken except to approve the minutes of the October 28, 2014, Executive Session.

The Board meeting was reconvened at 3:05 p.m.

**Meeting Reflections**. We need to do a better job of leaving time for reflections.

The next regular Board meeting is scheduled for Tuesday, December 16, 2014, by telephone conference call.

There being no further business, it was

**VOTED:** To adjourn the meeting.

The meeting was adjourned at 3:07 p.m., whereupon several Board members remained in Portsmouth for the Starry Night festivities.

Respectfully submitted,

---

Karen Mathiasen, Clerk