

**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.

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