

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Tuesday, December 16, 2014, from 7:00 – 9:00 p.m.
By “Go To Meeting” App and Telephone Conference Call

Members in attendance:

Tom Coleman (President, ISAUU)
Josh Davis
Nick Dembsey
Debbie Duval (President, SIUCC)*
Sharon Kennedy, President
Karen Mathiasen, Clerk
Suellen Peluso
Russell Peterson
Sally Russell
Jordan Young

Absent:

John Bush, Treasurer
Erik Cordes
Gary Kunz, Vice President

Others attending the meeting:

Dash Davis, Pel Representative
Joe Watts, CEO

*part of meeting

For Opening Words, Sharon Kennedy read “Going to Walden” by Mary Oliver:

It isn't very far as highways lie.
I might be back by nightfall, having seen
The rough pines, and the stones, and the clear water.
Friends argue that I might be wiser for it.
They do not hear that far-off Yankee whisper:
How dull we grow from hurrying here and there!
Many have gone, and think me half a fool
To miss a day away in the cool country.
Maybe. But in a book I read and cherish,
Going to Walden is not so easy a thing
As a green visit. It is the slow and difficult
Trick of living, and finding it where you are.

Sharon Kennedy, President, called the meeting to order at 7:10 p.m. The Clerk took the minutes.

November 22 Board Minutes. It was unanimously

VOTED: To approve the minutes of the November 22, 2014, Meeting of Directors.

- **Committee on Appointments Report.** As Debbie Duval had to leave the meeting early, Sharon asked if there were any objections to moving the Committee on Appointments (CoA) report to be the next item on the agenda. There being no objections, Debbie gave the report, which consisted of the CoA’s recommendations for appointments as shown below. Before voting on the recommendations, the Board wished to discuss them.

First Executive Session. At 7:20 p.m. the Board voted to go into Executive Session. The purpose of the meeting was to discuss the CoA's recommendations. No votes were taken.

The Board meeting was reconvened at 7:30 p.m. The Board proceeded to vote on the CoA's recommendations. Upon motion duly made and seconded, no further discussion being necessary, it was, with one abstention,

VOTED: To accept the following nominations:

Property Standards Committee

Brian Murphy for a first three-year term beginning in January of 2015

Kathleen Sandberg for a first three-year term beginning in January of 2015

Membership Committee

Diane Parsons for a first three-year term beginning on December 15th of 2014

Robbie Pletz for a first three-year term beginning on December 15th of 2014

Jesse Lore for a first three-year term beginning on December 15th of 2014

Fund Development Committee

Caroline Stewart for a first three-year term beginning in January of 2015

Committee on Appointments

Dave Reynolds for a first three-year term beginning in January of 2015

Strategic Facilities Planning Committee

Tom Mansfield for a first three-year term beginning in January of 2015

Dick Case for a first three-year term beginning in January of 2015

Jon Denham for a first three-year term beginning in January of 2015

Reports

- **CEO Report.** Joe Watts, CEO of the Star Island Corporation, gave the report.
 - **Development Report.** Joe reported with great delight that we have hired Pam Smith as Director of Development, beginning January 15. He described her background, noting that she comes to us from many years at the University of New Hampshire. Suellen praised the substantial help that the Search Committee received from many volunteers in the hiring process. As of yesterday the Annual Fund had reached \$396K against a goal of \$455K. We remain cautiously optimistic that we will reach our goal. In 2015 we will be launching a targeted campaign of \$110K (outside of the Annual Fund) to support the Solar Project. Thanks to the generosity of four Star donor households plus the McIninch Foundation, this targeted campaign is already at \$47K.

- **Facilities Report.** Joe gave an update on our two biggest projects, the solar energy plant and the pier project. This year will be a big one for projects. Karen praised Joe for his excellent CEO reports, and Sharon echoed Karen's sentiments, adding how grateful we are for the work of the staff.
- **Treasurer's Report.** Joe gave the report in place of John Bush, who was unable to attend today's meeting. Yesterday there was a meeting with our new audit firm of Berry Dunn. They will begin their work for us in early January. Our debt coverage ratio, currently at 1.51, should end up at 1.57. We are on track for the highest operating gain ever. Russ extended his praise.
- **Pel Report.** Dash Davis, Pel Representative, gave the report. It is currently Pel hiring season. In our 2014 season, a significant number of Pels were new to Star, some even being new Shoalers. Joe reminded us that the 2015 budget calls for a 3% increase in Pel salaries, and invited Dash to pass on the good news to the Pel community. We asked about the level of staffing as perceived by Dash. He described it as a lean crew, but not a skeleton crew. In thanking Dash for his report, we reminded all present that communication between the Board and the Pel Rep is a two-way street: it is important for the Pel Rep to communicate with both the Pel community and the Board, and for the Board to communicate with the Pel Rep.

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

Old Business

- **Committee Charge Check-in.** This is the time of year that we do our annual review of our committees, in particular our committee charges. Suellen and Joe reported on progress in drafting/amending the charge to several of our committees.
 - **Status of Bylaw Committees.**
 - **Nominating Committee.** We need to take a good look at our Nominating Committee, which recommends new board members. Suellen's subcommittee is working with the Nominating Committee to improve their process.
 - **Membership.** The Membership process has been streamlined. The Membership Committee supports the proposed increase in the maximum number of members of the corporation.(See also Membership, below, regarding a Board vote.)
 - **Status of Various Board Committees.** The following committees have charges in progress: Finance and Audit, Fund Development, Property Standards, Strategic Facilities Planning. Charges for Appointments and Personnel were approved and reported on at the November 22 board meeting.

- **Status of Various Operations Committees.** The following committees have charges in progress: Rutledge Marine Lab, Health & Safety, Conference Services, Outreach & Engagement. The charge for Island Heritage and Artifacts was approved and reported on at the November 22 meeting. The charge for Outreach and Engagement has been approved and is included in the materials for this meeting.

Vote Regarding Membership Committee: Sharon noted that the Membership Committee is required to have at least one member who is also a Board member. Gary Kunz is Board liaison to the Membership Committee. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To appoint Gary Kunz as a full voting member of the Membership Committee.

Sharon asked that each of the Board and Operations Committees finish their charge review and possible update by the February Board Retreat. The Board was reminded that we need more corporation members, and that the deadline for nominations is January 15.

- **Bank Loan Update and Discussion.** Joe Watts led the discussion. A reminder that a banking review subcommittee, consisting of John Bush, Josh Davis, Sharon Kennedy, Joe Watts, and Kristi Vazifdar has been meeting to narrow down the number of banks under consideration. Russ reminded the Board that he has recused himself during discussions regarding selection of a bank, as he has for some time been a part owner of one of the banks in contention. The subcommittee met a week ago to review bank proposals.- Our requirements include bank approval to wrap our two loans and one credit line into a package containing a \$1.1 million term loan, a \$650K credit line, and a \$500K loan commitment for a wastewater treatment loan anticipated in 2016. As per the goal, the subcommittee has narrowed the number of banks to two, both of which are interested in our business and at least one of whose terms appears favorable. By the time of our next Board meeting on January 27, Joe expects the subcommittee and the Finance Committee to have a recommendation. Joe has also been in contact with Jon Skillman, Trustee Chair of the Permanent Trust, regarding the possible change in banks, as the Trust would have to approve a change. We would like to have the choice of bank settled on January 27, so that we can line everything up by March 1.
- **Board Policy Update.** Russ gave the update. He has drafted a suggested policy and circulated it to his colleagues on the committee; he is waiting to hear back from his colleagues. Sharon indicated that she would like to have this project ready for review by the Board following our February retreat. This document needs to be the work of more than one or two people. Once we have approved it, the subcommittee can revise our other Board policies.
- **Board Goal Check-in.** Sharon announced that we have made some progress on each of our goals. She noted that we have both annual and three-year goals. Discussion

followed as to how well we are doing with our Board goals, in particular with the first goal, to improve Board collaboration. We will look at goals again in February. We also do some checking in during the year.

- **Board and CEO Evaluation Processes.** Sally led the discussion, seeking affirmation that the Board is going in the right direction with the materials that Sally has been providing. She recommends that for evaluation purposes we use the New Hampshire Not for Profit materials, which is a set of rated questions on a scale, and a series of open ended qualitative questions.

New Business

- **Fund Development Committee Liaison Report.** Suellen gave the report. She feels the committee is at an exciting juncture, having a wonderful chair in the person of Peter Squires (who took office last year) and having hired Pam Smith as Angela's successor. Joe has been sitting in on some committee meetings and indicated that he is pleased at what he has seen.
- **Reflections on Reflections.** Sharon led the discussion, asking what we want the reflections to accomplish. We might consider moving "Reflections" to an earlier time in the meeting, so they are not so rushed. There are several topics needing fuller discussion than we have been able to give them. Some examples are collateral for our loans, mortgages, and banking relationships, all of which we have not found enough time for. Joe noted that the issue of mortgages has been primarily a staff-driven effort. It has become quite complex and Joe and Kristi have invested a good deal of time researching this issue, coming to the conclusion that using the Trust as collateral for the upcoming loan renewals is preferable to using Appledore. We will continue this discussion in January.

Dash left the meeting.

Second Executive Session. At 8:52 p.m., the Board voted to go into a second Executive Session for approval of minutes. No votes were taken except to approve the minutes of the November 22, 2014, Executive Session.

The Board meeting was reconvened at 8:55 p.m.

The next regular Board meeting is scheduled for Tuesday, January 27, 2015, by "Go To Meeting" App and telephone conference call.

At our February Board retreat, which runs from Saturday, February 21 to Sunday, February 22, Russ and Sue Peterson have kindly invited Board members and staff to Saturday night dinner at their home.

There being no further business, it was

VOTED: To adjourn the meeting.

The meeting was adjourned at 8:58 p.m., whereupon Board members wished each other happy holidays.

Respectfully submitted,

Karen Mathiasen, Clerk