

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Tuesday, January 27, 2015
By “Go To Meeting” App and Telephone Conference Call

Members in attendance:

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

Absent:

Josh Davis

Others attending the meeting:

Dash Davis, Pel Liaison
Joe Watts, CEO

For opening words, Jordan Young read the following by Adrienne Rich:

Prospective Immigrants Please Note

Either you will
go through this door
or you will not go through.

If you go through
there is always the risk
of remembering your name.

Things look at you doubly
and you must look back
and let them happen.

If you do not go through
it is possible
to live worthily

to maintain your attitudes
to hold your position
to die bravely

but much will blind you,
much will evade you,
at what cost who knows?

The door itself
makes no promises.
It is only a door.

Sharon Kennedy, President, called the meeting to order at 7:07 p.m. The Clerk took the minutes.

December 16 Board Minutes. It was unanimously

VOTED: To approve the minutes of the December 16, 2014, Meeting of Directors.

Reports

- **CEO Report**

- **Development Report**

Joe reported that Pam Smith, our new Director of Development, has been with us for a week, and he is very pleased to be working with her. With our combined appeal (Annual Fund plus certain funds from the Capital Campaign) we achieved \$853K in 2014 (which includes \$18K in unpaid pledges). The Annual Fund came up a bit short of budget (\$443K vs. \$455 budgeted). In summary, 2014 gifts and grants came in at:

Annual Fund	\$443K
Capital Campaign	136K
Permanent Trust	66K
Other restricted gifts	99K
Grants	113K

We expect to show a net operating gain of ca \$480K, which gives us a 1.35 debt service ratio, meeting the requirements of our loans with Eastern Bank.

We are in the silent phase of a fundraiser for the solar energy project, as set forth in the December 16, 2014, Board minutes. Thus far we have raised \$47K in gifts and grants against our goal of \$110K. We should consider broadening our use of “environmentally sensitive projects,” as we need to be mindful of other environmentally oriented projects that are going on around us.

The very large storm that struck the Northeast literally today did not spare Star Island. Cottage B suffered a loss of shingles, and there was damage to the pump station. Wind speeds hit 68 mph.

We have signed our annual contract with ISAUU. We are looking at various arrangements with the goal of protecting Appledore Island in perpetuity. The contract just signed permits options including a conservation option.

We are delighted that IRAS (Institute for Religion in an Age of Science) has voted to hold its annual conference on Star indefinitely. Both IRAS and Star are mission oriented, making for a good fit. We expect the number of IRAS conferees to increase with their new location. For at least 2015, IRAS will be sharing the island with Star Gathering 2 (SG2); the combination of IRAS and SG2, in conjunction with the other conferences, is expected to put us over our target of 20,000 bed nights. Joe indicated that there will be movement in the conference calendar beginning with 2016.

- **Treasurer's Report.** As we will be discussing our banking relationships later in the meeting, John indicated that he did not have anything to add to Joe's comments at this time.
- **Pel Report.** Dash Davis, Pel Liaison, gave the report. Following on from last month's remarks, Dash emphasized the importance of communication both ways – from the Pels to the Board and from the Board back to the Pels - with the Pel Liaison communicating with the Pel community. Dash is drafting a letter to the Pels, and asked the Board for some assistance, which the Board is happy to provide.

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

Old Business

- **Board Evaluation Update.** Joe will be asked to do an evaluation of the Board similar to the evaluation that the Board does of Joe. We will work on this at the February retreat.
- **Appointment of Committee Chairs and Liaisons.** Debbie Duval led the discussion. We have put together a streamlined process, with a goal of increasing communication.

VOTED: To approve the "Appointment of Committee Chairs and Liaisons" as presented to the Board.

- **Committee Charge Check-in.** Suellen and Joe reported on our continuing progress in drafting/amending the charges to several of our committees. In conjunction with this project, committee chairs were asked to review their committee charges to ensure that they are up to date and accurate. The Financial Committee had no revisions, thus no vote was needed. Upon motion duly made and seconded, no further discussion being necessary, it was unanimously

VOTED: To approve the changes to the Fund Development and Strategic Facilities

Planning Committees, and with CEO approvals of the Conference Services and Health Committees, to inform the Board that all operations committee charges have been approved by the CEO.

We will do Rutledge Marine Labs in February.

- **Bank Loans: Collateral and Next Steps.** John Bush, Sharon Kennedy, and Russ Peterson offered comments on funding issues regarding bank loans shortly to come due, which we are seeking to renegotiate. Among our goals, we wish to roll our first two loans and one credit line into a package composed of a term loan, a credit line, and a commitment for our wastewater treatment loan in 2016. Options discussed including using either Appledore Island or Permanent Trust funds for collateral. We are getting an appraisal on Appledore. Russ reminded us again that he has an ownership position in Optima Bank, and thus will take no part in the decision as to which bank to select. Sharon directed Board members to Optima's six-page commitment letter. This would be a twenty-year loan with the first five years being at fixed interest. Upon motion duly made and seconded, following discussion, it was - Russ Peterson recusing himself by voting "abstention" – unanimously

VOTED: Subject to the consent of the Permanent Trust, to approve the proposal put forth by Optima Bank in accordance with Optima's commitment letter.

Optima is willing to set up loan funds now through a collateral agreement. Joe was asked to work on this financing, which we would like to have done by March 1. A meeting of the Permanent Trust has been scheduled for Tuesday, February 10, by telephone conference call.

- **February Board Retreat Weekend.**
- **Board Guidelines.** Russ et al. are putting together an updated "How to" document – "this is the way Star operates" - which is aimed at doing for the Board the work we have recently been doing for committees.

VOTED: To approve Board responsibilities as to purpose, set forth in "Roles and Responsibilities," dated January 16, 2015, and subsequently amended.

New Business

- **Reports for Annual Meeting.** Joe briefly reported on what was needed.
- **Committee on Appointments (CoA) Report.** Debbie Duval, reporting, said that the CoA wished to inform the Board of the following CEO appointment to an operations committee, and to request, for the record, that this appointment be reflected in the Board minutes:

Island Heritage and Artifacts Committee

Chris Palazzolo for a first three-year term beginning in January of 2015.

- **Annual Review of Policies.** In February we are giving the below four policies an intensive review and discussion:
 - i. Safe Community
 - ii. Child Abuse
 - iii. Sexual Harassment
 - iv. Discrimination and Non-Sexual Harassment

- **Special Nominating Committee.** Suellen reminded the Board that the Special Nominating Committee recommends to the Board the appointment of the President and the Vice President of the SIC. It is chaired by the chair(s) of the Nominating Committee, and is comprised the Presidents of the associated organizations [ISAUU and SIUCC], the Clerk of the Board and an additional member of the Board so designated each year by the Board prior to the Annual Meeting. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To appoint Jordan Young as the fifth member and Board Representative of the Special Nominating Committee.

Meeting Reflections. Sharon is very pleased with the Board but expressed some concern that not all Board members were heard from today.

Executive Session. At 8:52 p.m., the Board voted to go into Executive Session for the following purposes: acceptance of minutes, legal update, Memorial Courtyard request, and CEO evaluation. The following votes were unanimously approved:

VOTED : To accept the minutes of the December 16, 2014, Executive Session.

VOTED: To authorize Joe Watts to engage legal counsel to represent the SIC in the matter of the Memorial Courtyard.

The Board meeting was reconvened at 9:48 p.m.

The next regular Board meeting is scheduled for Sunday, February 22, 2015, at the SIC's Portsmouth office.

We are considering whether or not to move the April Board meeting from April 21 to April 28, since our shift in the Annual Meeting date gives us a little more flexibility.

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 10:00 p.m.

Respectfully submitted,

Karen Mathiasen, Clerk