

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Tuesday, May 26, 2015

7:00 p.m.

By “Go To Meeting” App and Telephone Conference Call

Members in attendance:

Lisa Braiterman

John Bush, Treasurer

Tom Coleman (President, ISAUU)

Erik Cordes

Debbie Duval (President, SIUCC)

Sharon Kennedy, President

Gary Kunz, Vice President

Sally Russell

Mary Trudeau, Clerk

Jordan Young

Absent:

Josh Davis

Suellen Peluso

Nick Dembsey

Others attending the meeting:

Joe Watts, CEO

Chris Bertoncini, Insource

Opening Words. Debbie Duval opened the meeting with the reading of a poem by Hayfez, a Persian poet and mystic from Iran:

*Admit something. Everyone you see, you say to them, “Love me.” Of course you do not do this out loud otherwise someone would call the officials. Still though, think about this, this great pull in us to connect. Why not become the one who lives with a full moon in each eye that is always saying, with that sweet moon language, what every other eye in this world is dying to hear?
Love me.....*

Debbie added: “When I read this, and the words “this great pull to connect”, I was reminded of Star and the pull that it has and the way that it does fill that need and connect all of us together and I for one am so grateful for that pull.”

Call To Order: Sharon Kennedy called the meeting to order at approximately 7:09. The Clerk took the minutes.

Check-in. Sharon began by asking if anyone had news that he or she wished to share with the other Board members. Joe Watts introduced Chris Bertoncini, from Insource, the firm that is currently providing services and coverage in the Finance Department. Several people offered thoughts or brief updates on their life events and milestones.

Minutes of the April 21 and May 2, 2015, Meetings of Directors. It was unanimously

VOTED: To approve the minutes of the April 21 and May 2, 2015, Meetings of Directors

Reports

- **CEO Report - Development, Facilities, and Registrations.** Joe gave the following reports.

- Development. The Green Appeal is currently at \$72K and rising. The Annual Appeal was sent at the beginning of May, and Joe is confident that the Appeal will reach the pace of last year's contributions by the end of the month. To date, the Annual Appeal has raised \$81,310 dollars. Joe noted that the timing of the appeal letter was intentionally later in 2014, making it difficult to compare to the 2013 appeal returns at this point in the campaign.

Grants continue to be actively researched and pursued. Joe noted that while our recent FEMA mitigation grant project was deemed ineligible, conversations are continuing with FEMA officials to better understand the program requirements.

Staff will be asking the Board to approve an application for an LCHIP grant of up to \$125K later in the meeting. Joe noted that the work will be consistent with the Oceanic/Atlantic restoration or rehabilitation project.

An additional proposal for a FEMA grant was discussed. This project will likely involve creating safe access through the Island roadways by improving the condition of the existing accessways.

While the NHCF pitch camp did not award a financial grant to the Island, the opportunity gave Star great exposure to the Seacoast non profit community. Joe noted that the interest generated by Pam Smith's excellent presentation has resulted in an opportunity for Joe to present to the entire NHCF staff on June 2, 2015.

- Facilities. As of today, solar power is still providing all of our electricity. We have not yet found it necessary to turn on the generators. The solar viewing area and pathway has continued to develop, with a good result, despite a challenging design process. This has generated a discussion on process, which will continue in the upcoming months. Dick Case has been the official monitoring agent for the project, and is doing a fabulous job coordinating data from the array.

The wastewater disposal system development continues, and we expect to have a report from our design engineer (Altus) for the June Board meeting. Hopefully, Jack Farrell will be able to present the design to the Board, and to be available for a Q/A session on the system.

The Trust for Public Land appraisal should be completed this summer, and results available to the Board for review.

- Registration. As of May 15, we were at 15,094 bed nights against our budgeted bed night goal of 19,550 (77% of goal). This is very similar to our position on May 15,

- Other Items

- Finance Department transition is going well overall. Kristi is working on a very limited basis this month, and Insource has taken over responsibility for most of our finance functions. Insource has provided us with three (3) staff members: Chris Bertoncini (Finance Director); Kate Mombourquette (Finance Manager); and Trisha Allard (Bookkeeper).
 - Banking Update included reassurance that Optima Bank is extending their offer for another 90 day period, saving the Corporation another third of the prepayment penalty with Eastern Bank. Joe has asked for the commitment letter to be rewritten, with the same terms, to run through mid-September. Concurrently, we are working to renew our credit line with Eastern Bank, and this should be completed in a day or so.
 - There was a brief update on the long range integrated financial plan, with comment that a draft will be sent out prior to the June 27, 2015 Board meeting. Joe noted that this 2.0 version is more sophisticated than the 1.0 version, but will still require review and vetting of certain assumptions within the plan.
 - There is currently a tremendous amount of good things and positive energy surrounding the Island. Outside interest continues to expand and our presence on the seacoast is increasingly evident as quantified in media and social networking coverage.
- **Treasurer's Report.** John Bush, as Treasurer, gave the report, including briefly going over the financials to date. John summarized concerns of the new auditors, including: segregation of duties; monthly reconciliation procedures; and abandonment of the cash transfer account system. He noted that each of these issues is being addressed, and that Insource has provided support towards achieving these goals.

The Five Year Financial Plan will incorporate the funding of the wastewater treatment plant, and John reiterated that the Finance Committee continues to review various financing options. John pointed out that a tax exempt bond could be a good solution, and that the stability of the five year interest rate could be advantageous. This bond could still be held by Optima, and offers the opportunity to combine loans into a single instrument. A discussion ensued with concern over potentially onerous conditions; legal fees and other requirements associated with a bond option.

The auditors have expressed concern over timely reconciliation of data from the Island's hotel registration system and the Raiser's Edge CRM software. Joe noted that some of the issues with the software is a reflection of the auditors perception of the products rather than actual system glitches. Joe reiterated that the Board needs to let staff know if

reporting does not adequately track ongoing projects. Joe noted that the staff relies on the Board to request information if needed, as there are many, many ongoing projects being tracked by the office.

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

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

Shorter Term Business

Annual Meeting Recap:

- Breakout Sessions were well received by the meeting attendees and generated interesting conversations and ideas.
- Shorter Reports were appreciated by the audience.
- The Bylaw Change provided an opportunity for discourse and was done smoothly and without significant objections.

Joe complimented Sharon on her ability to run an efficient meeting!

- **Council of Conferences.** Gary noted that initial attendance was light, but that the number of participants increased as the morning proceeded. Workshops on the Centennial Celebration and Conference Web Sites provided opportunities for engagement and transfer of information. Gary noted that while conference web sites vary, a key component in successful sites is the ability to provide rich conversation about the Island.
- **Approval of Grant Applications:** Joe presented two ongoing grant preparation projects: LCHIP and a revised FEMA application. The LCHIP grant needs to be filed by June 26, 2015, thus requiring approval by the Board this evening if the filing is to be completed by the staff.

The FEMA grant is being revised to meet the guidelines for grants for Public Access or the Improvement of Public Safety, as well as the option to Preserve Buildings. Joe note that there were several projects that could be considered to improve access on the Island, including improvement of the perimeter road; expansion of the fire break; and expansion of the fire suppression system for brush fires. Grants can be awarded for up to 125K dollars, and a grant of this scale would require a cash match of approximately 25K by the Island.

The LCHIP grant provides a 50% percent match for a project of up to 125K, and is available only every other year. LCHIP is currently working with the office staff to

determine an appropriate project, and suggestions have included window replacement, siding work and restoration of porches. This proposal dovetails with the Islands plans for the Atlantic/Oceanic restoration work. Upon a motion made, and duly seconded, it was

VOTED: To authorize staff to submit an application to LCHIP for up to 125K (one Hundred Twenty Five Thousand Dollars) to rehabilitate and or restore the Atlantic/Oceanic Hotel.

Amendment of Conflict of Interest Policies. Members discussed the modifications to the Conflict of Interest Policies. Sharon noted that there were minor changes to both the Staff and Board certifications. Upon a motion duly made and seconded, it was unanimously

VOTED: To approve the Board of Directors Conflict of Interest Policies as amended.

Sharon requested that all Board Members submit the Pecuniary Questionnaire to her for review.

Upon a motion duly made and seconded, it was unanimously voted

VOTED: To approve the Staff Conflict of Interest Policy, as amended.

Logistics of June 27, 2015 On Island Board Meeting: The Centennial Celebration kickoff is the same day as the on island meeting, and those coming out for the day will be able to take a 9 am boat to the Island, and depart on a 6 pm boat. Joe invited Board members to stay Friday and/or Saturday nights, asking that reservations be made through Mike Bray by June 24, 2015.

Change in the address of the Corporation: The Board discussed the need to update the principal place of residence of the Star Island Corporation as the last address was the home of Karen Mathiasen, former Clerk of the Corporation.

Upon a motion duly made and seconded, the Board voted unanimously to change the address of the corporation to Mary Trudeau's address:

141 Lowell Street, Lexington, Massachusetts 02420

- **Longer Term Business.**
- **July 28, 2015 Board Meeting:** Sharon Kennedy noted that the July 28 meeting of the Board may or may not occur, but that the meeting is incorrectly noted as July 21 on the Board Calendar.
- **Celia Thaxter Museum Mission Statement:** On behalf of the Island Heritage and Artifacts Committee, Lisa Braiterman reported that we have a museum without a mission statement. The Celia Thaxter Museum, located in Vaughan cottage is without a formal mission statement. Noting that a mission statement is often a requirement of grant

On a motion made and seconded, the Board voted unanimously to approve the following Mission Statement for the Celia Thaxter Museum:

VOTED: The mission of the Celia Thaxter Museum is to inspire people of all ages to discover, explore, and learn about the heritage of Isles of Shoals and to ensure the preservation of its collections. To this end, the Celia Thaxter Museum:

- Collects and preserves paintings, documents, photographs, artifacts, oral histories, films, and books relating to the Shoals;
 - Interprets and promotes public understanding of our historical, genealogical, architectural, and cultural resources;
 - Makes these resources available to researchers, students, and the general public;
 - Creates exhibits both on and off island for diverse audiences, sponsors programs, communicates our holdings in multiple media, and holds special events for the enjoyment and education of those interested in the history of the Isles of Shoals and the celebration of its heritage.
- **Board Goal Check-In:** Gary Kunz reviewed the Board Strategic Goals and Operational Goals as approved at the March 16, 2015 Board Meeting. The Goals are summarized below:

Board Strategic Goals

- Improve Board collaboration and communication with constituencies.
- Spread the message that we (Star Island Corporation) are now transitioning from a culture of scarcity to one of abundance.
- Establish a long range integrated financial plan for sustainability
- Continue, support and finish the work that is already in progress on the 5 year integrated plan
- Develop and approve sponsorship policy for corporate relations in accordance with the values and principles of Star Island Corporation in progress.
- Track, achieve, and exceed budget goals
- Develop benchmarks for measuring ‘sound fiscal management’ to help guide the Board in assessing progress going forward.
- Change Strategic goal from having a balanced budget to a budget that nourishes our Capital needs.

- Actions needed for energy studies:
- Wastewater – Approve an actionable waste water treatment plan and support staff in implementing and financing the plan

Board Operational Goals

- Continue to Assess overall reporting (e.g., from committees and staff), define and address Board needs
- Need to review after we go through a full reporting cycle.

- Assess the state of our bylaws and communicate possible changes with SIC community.
- Examine and make recommendations for changing the existing Bylaws or replacing them.

- Review, recommend and take action on governance structure
- What is the right number of committees?
- What is the right composition of the Board? Should we have a minister, Representation from all types and sizes of conferences

- Review and act on the following policies:
- Safe Community
- Child Abuse
- Sexual Harassment
- Discrimination and Non-Sexual Harassment

Longer Term – Ongoing and No Less Important

1. Increase Board Outreach and Engagement
2. Oversee the following:
 - Compliance
 - Island facilities
 - Amenities
3. Build leadership, e.g., grow corporation and committee membership, cultivate future Board members
4. Visioning the future of the island – Anticipate and plan for future needs to create a vision for the island
5. Examine and develop strategies to recognize generational engagement issues

The discussion included commentary that we should work on improving opportunities and connections for sponsorship. Gary noted that Pam Smith is working to review our Gift Acceptance Policy, and that sponsorship is a type of gift. There was some

discussion concerning improving our “benchmarks” to evaluate occupational goals. Consensus was that reports to the Board, particularly from Development, have been improving.

Board members noted that the Bylaws may need to be reviewed for updating and revisions, and that there is continued discussion concerning the number of committees currently operating for the Board and Corporation.

- **Board Directory:** The Board agreed to review the new directory and send any corrections to Kate Brady.
- **Committee on Appointments Report:** Tom Coleman reported that the Committee had recommended the appointment of Martin Schrage for a second three year term to the Fund Development Committee beginning in 2015, and the appointment of Debbie Duval to the Personnel Committee for a first three year term beginning in 2015.

VOTE: Upon a motion duly made and seconded, the Board voted to make the appointments of Martin Schrage and Debbie Duval as proposed by the Committee on Appointments.

The motion was approved with one abstention.

Tom also reported the following appointments made and approved by the CEO: Dr. Mark Seymour was appointed to the Health Committee for a second three year term beginning in 2015 and Amy Meek was appointed to the Rutledge Marine Lab Committee for a first three year term beginning in 2015.

Other. Sharon Kennedy noted that financial “tutoring” is available to Board members. Interested parties should contact Sharon or Joe to make arrangements.

- **Meeting Reflections.** It was agreed that the meeting was valuable, and that there had been good discussions and information disseminated through conversation as well as the various memos.

Executive Session. At 9:08 p.m., the Board voted to go into Executive Session. The purpose of the meeting was to discuss the upcoming contract negotiations for the CEO contract which will expire in December of 2015.

The Board meeting was reconvened at 9:24 p.m. for the purpose of adjournment.

The next Board meeting is scheduled on Island on June 27, 2015.

There being no further business, upon a motion duly made and seconded, it was

VOTED: To adjourn the meeting.

The meeting was adjourned at 9:25 p.m.

Respectfully submitted,

A handwritten signature in blue ink that reads "Mary Trudeau". The signature is written in a cursive style with a large initial "M".

Mary Trudeau, Clerk