

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Tuesday, September 28, 2010
at The NonProfit Center, 89 South Street, Boston

MINUTES

Members in attendance:

Dave Brown
Stan Corfman, Treasurer
Josh Davis
Brad Greeley
Kris LoFrumento
Sharon Kennedy, Vice President
Karen Mathiasen, Clerk
Suellen Peluso
Russell Peterson, President
Jan Prochaska
Sally Russell (by phone)

Absent:

Suzanne May
Jordan Young

Others attending the meeting

Vicky Hardy, CEO
Angela Matthews
Sonya Merritt
Christopher Soltys, Pel Representative (by phone)
Charlie Stauffacher
Kristi Vazifdar

As Dave Brown was going to be delayed in getting to the meeting, he asked Sharon Kennedy to read the opening words on his behalf. *The Legacy* was written by Dave in praise of his father:

I don't recall if I've ever recounted how I became a deacon in the Lovell United Church of Christ. Much like the Star Island Corporation, I am not a member. I don't even attend services there.

My father had been a deacon in the church for twenty years until he passed away in 2001 from cancer. My dad led a very interesting life. He was a 10 year man in the Air Force and after his discharge, he worked for Air America. Yes, that is the CIA. In 30 years, I never got so much as a sentence fragment out him in regards to what he did in either the Air Force or CIA. My grandmother once told me that he was part of the team that built the bomb casings for the Hiroshima and Nagasaki atomic bombs. Other than that, he bragged about winning a bet with a guy in Guam over who could eat more of a particular hot pepper. Still, he gave me nothing of bravery or James Bond.

A few weeks after my dad was bed ridden, he called me to come over so he could get a few things off his chest. I really expected that this would be the time that he would come clean on the whole "Black Ops" part of his life. I sat down while we talked about how I should get used to the Red Sox not winning the world series since, like him, I would never live to see it happen. He reminded me that while my mother is a

capable woman, there's no chance she will ever be able to do her own taxes. The neighbor across the street borrowed my dad's circular saw and out of principle he'd like it back. Then he spent the next 3 hours telling me everything that needed to be done at the church. He rambled through when the steeple would need to be painted again, where I can find plumbing for the bathrooms, which of the deacons could be trusted with counting the collections.

Anyway, I realized that he didn't consider any of the things he did for the government to be as important as his everyday life for the church and for his family. It was an interesting lesson he gave me on values. For him, making sure I refinished the woodworking in the sanctuary was of real importance, bragging about a secret life in Thailand, not so much.

Now, I don't know if being a deacon in the Lovell UCC is a hereditary title, like being in the House of Lords. I do know that when I attended the Easter service in 2007, I noticed listed on the program as one of the deacons, David Brown. I had never attended any church meetings. I think I wandered into a couple of the picnics and bean suppers. I am positive no one ever asked me if I would serve. The only possible request was from my dad, when he said "David, people are counting on you...don't screw this up." Yeah, I could always quit, but then who would paint the steeple, and not before I get to carry one of those cool collection baskets with the long poles. I really would like to do that once and be official.

So my opening words are from Harvey Miles Brown, a great man on his 85th birthday. "People are counting on you...don't screw it up!"

Russ Peterson, President, called the meeting to order at 2:07 p.m. The Clerk took the minutes.

Kris LoFrumento introduced Charlie Stauffacher, who will soon be succeeding her as President of the Star Island United Church of Christ, Inc., and by virtue of that office will be joining the SIC Board. Charlie spoke of his and his wife Sue's love of the Island. The Board members then introduced themselves to Charlie.

Consent Agenda. Pursuant to our Consent Agenda, the following motion was duly made, seconded, and unanimously voted:

VOTED: To approve the minutes of the August 24, 2010, Board meeting as slightly amended.

Director of Development Report. Angela Matthews, Director of Development, gave the report.

- **Annual Fund.** Angela noted that the Annual Fund is now over the \$300K mark, and that we expect to reach our revised goal of \$450K. A current priority is to contact donors who have given \$1K or more annually in the past, but have not given yet this

year. Angela noted that thus far in 2010 the average Annual Fund gift is \$210. Last year the average gift was \$247, and \$228 in 2008.

- Capital Campaign. We have gone from \$2.0M to \$2.5M since July. Pledges to both capital projects and planned giving have gone up. We are working towards greater publicity for the McGill Society. The Capital Campaign timeline is as follows: Complete the quiet phase between now and the spring, with the public campaign to begin next summer. We are still striving for \$5M.
- Other. Angela thanked Josh Davis for his gift of furniture to SIC's Portsmouth and Island offices. The Board congratulated Angela on her wonderful work on the September 19 Regatta.

VOTED: To accept the Director of Development report.

CEO Report. Vicky Hardy gave the report.

- Impact of Hurricane. The September hurricane did not do any significant physical damage to the Island, but it did cost us several bed nights of lost revenue. Vicky noted that for 2010 we budgeted a total of 21,076 bed nights (both Conferees and Personal Retreatants) and achieved 19,230 bed nights.
- Oceanic Roof. The repair work has begun. The new red roof tiles are almost the same color as the Summer House and look wonderful. As the work got underway, we were pleased to discover that the roof rot was only minimal, and that the money saved there could be used to fix the leak in Elliot.
- Strategic Facilities Planning Committee (SFPC) and Property Standards Update. Vicky met with the Committee to discuss, among other topics, reallocating the work load for the near future in view of Keith Noyes's departure. As we are in a historic district, Landscaping has been added to Property Standards.
- Unwelcome Wildlife. We have succeeded in removing rats from the buildings, but now we have a problem with the rats in the outdoors. We are considering the introduction of predators. We also had a room with a bed bug infestation, which we are now treating.
- Fire Safety. SFC, our fire safety consultant, has drafted an update to our fire safety plan. Fortunately, there were no surprises in the report. We need to distinguish between suggestions and requirements. We will have to deal with some fire alarm system issues. Vicky emphasized that it is important for every Board member to be familiar with the SFC report. Board members requested that we have an executive summary of the report. We walk a fine line between the Rye Historic District Commission and Rye Fire. Technically we have no code violations; however, we have some temporary waivers and need to take some remedial actions in due course. It is important to be sure that waivers are up to date. The Board needs to be familiar with the waivers.

- Personnel. We are looking at the concept of a Facilities Superintendent.

VOTED: To accept the CEO report.

Marketing Task Force Report. Sally Russell gave the report.

- Marketing Documents. The Board has already received the Public Relations Plan, the Business Development Plan, and the Marketing Plan.
- “Gap Week.” We are trying to develop a proposal for the week before Labor Day, our so-called Gap Week. The focus here is on one-week family conferences and “kindred purposes” conferences. Staff is encouraged to develop a proposal for that week. Already Gap Week has gelled into three distinct efforts with a goal of 750 bed nights that week:
 1. The History of Gosport Village. NH Community Development might provide a grant; there are other grant possibilities in the works,
 2. “Standing on the Side of Love,” a GLBT-oriented conference, and
 3. Music Conference. Susie Allen of Star Gathering is organizing a four-day conference.
- Island Ambassadors. It was suggested that we focus on the Ambassador program in the autumn, and that we bring it up at the Conference of Conferences meeting in October. It was pointed out that Conferences with Ambassadors tend to do better with registrations. We need to keep emphasizing the concept of Island Citizenship, and promote the Star Island experience generically rather than through specific conferences. We need a point person for each Conference.
- Conference Evaluations. In general, the on-island evals have been very positive. We received 699 responses.

Financial Aid Task Force Report. Sharon Kennedy gave the report. The Task Force group unanimously felt it was an effective program and paid for itself in generating new business. In 2011 the program will have three deadlines instead of two. The question was raised as to the tax deductibility of contributions to the scholarship program. Although contributions to the SIC itself for financial aid programs administered by the SIC would be tax deductible, donations to the conferences themselves generally do not meet the criteria for 501(c)(3) programs; running the funds through the SIC does not help. Russ thanked Sharon and her committee for a great start to our financial aid program.

Treasurer’s Report. Stan Corfman, Treasurer, gave the report. We are now projecting a \$130K cash loss by the end of the year. We must also clear our line of credit with Eastern Bank. Fortunately, our credit rating is very good, and we have substantially paid down some of our indebtedness. We need to note, however, that we are still creating a new liability when we borrow again after clearing our line of credit, and that we need to continue to work towards financial sustainability.

Pel Report. Topher Soltys, the Pel Representative, gave the report. He will be checking in to see how close up is going. The top event in the Pel community is the creation of a Pel environmental sustainability program called P.O.S.S.E., Pelicans Offering Sustainable Solutions for the Environment. P.O.S.S.E. already has a Facebook and newsletter. Current areas of attention are (i) composting, (ii) the Pel garden, and (iii) preheating water for the hot water system using solar energy.

Updated Three-Year Strategic Plan 2011-2013. The Plan was sent to Corporation members and several responses have been received. One question is whether our current facilities help to realize our current goals. After motion duly made and seconded, it was

VOTED: To adopt the 2011-2013 Plan, incorporating the latest revisions, including those proposed at this meeting.

It was suggested that we review the Plan annually to see how we are doing.

Members Page. We need to consider what information properly belongs on the Members page. At the same time, we need transparency. Russ agreed to ask a few people to form a subgroup to look at this issue. This group should coordinate with the marketing group.

Budget Parameters

Two memos went out to the Board regarding parameters. We are not talking about decreasing the amount of time the island is open; 13 weeks is normal.

The operating budget contribution to sustainability means budgeting and attaining a surplus. We also need to consider the effect of the financial aid program. We might also need to take some extraordinary steps, such as a one-time infusion into marketing. It is important to make a big push to get new people to see the island. Our rates match those of Ferry Beach and Rowe (except for boats and parking).

The probable loss of IRAS in 2011 means the loss of ca. 1000 bed nights. Our Director of Finance feels that we do not have the financial resources to attract an entire new conference. Our marketing plan can address personal retreats and existing conferences. A room and board increase would help provide these financial resources. Vicky reminded us that we need a budget that is realistic and challenging and gives us the resources we need, which might require a room and board increase. She also indicated that the staff is exhausted from working so hard.

We need to understand the impacts of various measures, e.g., buffet service at lunch and dinner, where we must consider non-Pel personnel costs and personnel restructuring. It was noted, however, that there are space limitations and equipment costs involved with going to all buffet for our full large conferences. For example, our size is constrained in that while we have 297 beds and a maximum of 300 seats in the dining room if we serve family style, the

dining room capacity drops significantly below the number of available beds when we have buffet tables in the dining room.

We might consider using a “bounty hunter” to find conferees for new conferences, doing this on a commission sales basis; however, such an approach takes a great deal of staff time.

Our future is based on growth, not cutting. The New Hampshire Charitable Foundation might be a source of funding. We asked if we are willing to make an investment in growth, even if it means a deficit. We must challenge ourselves. We also need to share best practices among our constituents.

At the end of our discussion, we agreed that the budget should provide for 2% raises only for those staff that are deemed to have gone beyond the call of duty. There would be no across-the-board raises. The 2011 budget will be built around 20K bed nights.

SIC Bylaws. Sharon Kennedy and Karen Mathiasen have volunteered to review our bylaws. Sharon pointed out some areas of our bylaws, particularly relating to Membership and Nominations, that could use some upgrading. The Nominating Committee has asked us to take a look at the nominations issues. In some cases we would do better to take detailed procedures out of the bylaws and delegate them to the appropriate committee. Sharon and Karen will continue to review the bylaws, and suggested that the bylaw group could use a couple of additional members who were neither Board members nor lawyers.

Executive Session. At 6:15 p.m., the Board voted to go into Executive Session, the minutes of which are kept separately. The purpose of the Executive Session was to discuss two legal matters in which the SIC continues to be involved. The Board meeting was reconvened at 6:25 p.m. for the purpose of adjournment.

Next Board Meeting. The next Board meeting will be by telephone conference call on Tuesday, October 26 at 7:00 p.m.

There being no further business, it was

VOTED: To adjourn the Meeting.

The Meeting was adjourned at 6:25 p.m.

Respectfully submitted,

Karen Mathiasen, Clerk