

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Tuesday, December 13, 2011
By telephone conference call

MINUTES

Members in attendance:

John Bush, Treasurer
Josh Davis
Sharon Kennedy, Vice President
Gary Kunz
Karen Mathiasen, Clerk
Suzanne May
Suellen Peluso
Russell Peterson, President
Jan Prochaska
Sally Russell
Tom Smurzynski (Pres., ISA-UU)
Charlie Stauffacher (Pres., SIUCC)
Jordan Young

Absent:

None

Others attending the meeting

Vicky Hardy, CEO
Danny Corfman, Pel Representative
Angela Matthews (part of meeting)

Gary Kunz offered as opening words the following thoughts on Wisdom:

“It is characteristic of wisdom not to do desperate things.”

Henry David Thoreau

“The perfection of wisdom, and the end of true philosophy is to proportion our wants to our possessions, our ambitions to our capacities, we will then be a happy and a virtuous people.”

Mark Twain

“Nine-tenths of wisdom consists in being wise in time.”

Theodore Roosevelt

“It's so simple to be wise. Just think of something stupid to say and then don't say it.”

Sam Levenson

“The teacher who is indeed wise does not bid you to enter the house of his wisdom but rather leads you to the threshold of your mind.”

Khalil Gibran

“A child of five would understand this. Send someone to fetch a child of five.”

Groucho Marx

Russ Peterson, President, called the meeting to order at 7:03 p.m. The Clerk took the minutes.

Minutes. It was unanimously

VOTED: To approve the minutes of the November 15, 2011, meeting of Directors as amended.

CEO Report. Vicky Hardy offered brief remarks in addition to her written report.

- **Employment Matter.** A former employee filed with the New Hampshire Department of Labor for unemployment compensation. In New Hampshire, not-for-profit organizations are not required to pay unemployment compensation, so that matter was quickly resolved in our favor.
- **Ocean Transport.** We are looking for alternatives arrangements for days that ISSCo is not running. We might be able to get the *Perseverance* certified for a small number of paying passengers. The *Uncle Oscar* leaves from Rye on a daily basis.
- **Conferences.** There was brief discussion on the appropriateness of Home Schooling as a conference. It was generally, but not necessarily unanimously, thought that it would be appropriate.
- **Film Project.** The film project outlined in last month's minutes has been postponed until next year for reasons to do with the film maker.

VOTED: To accept the CEO report.

Director of Development Report. Angela Matthews gave her report. She noted that the Annual Fund goal of \$425K was ambitious. The plan now is to focus on forty-eight people/households who have customarily given in the past, but not yet this year. Should each of these people contribute at their prior level, we could expect to reach \$400K. Earlier today, Angela emailed to-call lists to various Board members. All Board members expressed their willingness to make calls. It was asked if the Star community really understands the need for contributions. There was tremendous financial support in 2007 and 2008 in the wake of the Island's 2007 closing, but contributions have fallen off a bit since then.

VOTED: To accept the Director of Development report.

Angela left the meeting at 7:40 p.m.

Treasurer's Report. John Bush, Treasurer, gave the report. We continue to be deeply concerned about cash flow. The Annual Fund, originally budgeted for \$450K for 2011, is now forecast to bring in only \$400K. The net proceeds from our recent Starry Night came in at \$8K under projection. We need to pay off our \$200K bank line of credit by December 31. Possibilities for doing this include (i) use \$50K from the 2011 capital campaign gifts received, (ii) ask the Permanent Trust for a prepayment on our 2012 income, and (iii) borrow from one of

our restricted accounts. John reminded us that when we established the line of credit, we gave Eastern Bank certain covenants, which might be difficult to deal with this year. John will review the loan documents. If we are going to have a problem, we need to discuss it with the Bank immediately. John reminded us once again that we need to get on a sustainable financial path.

VOTED: To accept the Treasurer's Report.

Pel Report. Danny Corfman, Pel Representative, reported that the Pels will be having a Pel Reunion in Boston on New Year's Eve.

Planning for Alternative Energy. We are continuing to pursue funding for the Island Institute Alternative Energy proposal. We are looking at two different New Hampshire Charitable Foundation (NHCF) programs: (i) a pool of donor-designated funds and (ii) Program Related Investment, which is a loan fund; we have received a \$20K capital campaign pledge that we could use for collateral. NHCF can make grants "out of cycle"; we are hopeful that we will get funding in the next two weeks. Island Institute is ready to begin work once we inform them that we have obtained funding.

Committee on Appointments. On behalf of the Committee on Appointments, Jan Prochaska presented recommendations for several Board appointments. Upon motion duly made and seconded, following opportunity for discussion, it was unanimously

VOTED: To accept the following recommendations as presented to the Board:

Membership Committee

Miriam Coe for a 1st three-year term beginning in 2012

Finance Committee

Montie Brewer for a 1st three-year term beginning in 2012

Fund Development Committee

Martin Schrage for a 1st three-year term beginning in 2012

The Committee on Appointments has also made a recommendation for Nominating Committee. Upon motion duly made and seconded, following opportunity for discussion, it was unanimously

VOTED: To accept the recommendation of the Committee on Appointments that the Board propose the following candidate for the Nominating Committee at the next annual meeting of the Star Island Corporation, consistent with the SIC bylaws:

Nominating Committee

Jan Prochaska for a 1st three-year term beginning in 2012

Committee Charge Updates. Sharon Kennedy gave the report. Our work to create new or updated charges for each of our several Board committees continues. The following three Board committees need upgrades to incorporate:

1. Property Standards Committee. (Jordan Young is liaison.)
2. Strategic Facilities Planning Committee (Jordan is liaison.)
3. Finance Committee. (John Bush will work on this.)

Sharon also noted that Vicky will work with Karen Mathiasen, Board liaison to the Conference Services Committee (which is an Operating Committee rather than a Board Committee).

Each Board Committee needs to submit a report by the end of the year. These reports can serve as a basis for the Annual Reports to the Corporation.

The 2012 Budget. Vicky and John led the discussion of the third round of 2012 budget discussions, including the steps that were taken to achieve a \$75K surplus for 2012. Upon motion duly made and seconded, no further discussion being necessary, it was

VOTED: To accept the 2012 budget as presented to the meeting.

Executive Session. At 8:20 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 the CEO's expected retirement at the end of next year and its implications for our re-engineering of the organization.

The Board meeting was reconvened at 8:57 p.m. for the purpose of adjournment.

The next Board meeting will be on Tuesday evening, January 24, by telephone conference call.

There being no further business, it was

VOTED: To adjourn the Meeting.

The Meeting was adjourned at 9:00 p.m.

Respectfully submitted,

Karen Mathiasen, Clerk