

**Annual Meeting of the Star Island Corporation
at the Congregational Church of Needham, Massachusetts
Saturday, April 24, 2010**

MINUTES

Pursuant to notice, the Annual Meeting of the Star Island Corporation was held at the Congregational Church of Needham, Massachusetts, on April 24, 2010, at 1:30PM.

Call to Order. Brad Greeley, President of the Star Island Corporation (SIC) Board of Directors, called the meeting to order at 1:40PM. Brad thanked the Congregational Church for allowing the Annual Meeting to be held there and thanked the Corporation's staff and the volunteers for their preparations for the day's series of meetings, and gave a warm welcome to all present.

Invocation. The Reverend John Hickey, a UU Minister and recently retired Director of the Boston Urban Ministry, a wonderful UU service/action agency in Boston, gave the invocation.

Introductions and Announcements. Brad Greeley introduced his fellow Board members:

David Brown	Sharon Kennedy	Russell Peterson
Stan Corfman	Kristin LoFrumento	Sally Russell
Josh Davis	Karen Mathiasen	Janice Prochaska
John Hickey	Suzanne May	Jordan Young

Brad then recognized the following Committee Chairs, who do so much to carry out the work of the Board and the Corporation:

Lois Grebe	Committee on Appointments
Erin Halacy	Conference Services
Rodney Lowe	Fund Development
Stan Corfman	Finance
Betty McKinnell	Health
Don Cann	Island Heritage & Artifacts
Kristin LoFrumento	Membership
Arlyn Weeks	Nominating
Dave Yermack	Permanent Trust
Suzanne May	Personnel
Bruce Parsons	Property Standards
Lloyd Yanis	Rutledge Marine Lab
Dick Case	Strategic Facilities Planning

Star Island Family News. Russ Peterson, Vice President of the SIC, shared news about passages within the life cycle of our Star Island family from April 2009 through April 2010.

We began by celebrating the births and marriages that occurred in the past year in our Shoaler community.

There were six marriages this past year, for which we offer our congratulations:

Kyla Bollens-Lund and Greg Dixon
Julia Brenner and Craig Dilger
Daniel Bush and Oshrat Cohen

John Hickey and Robin Tartaglia
Elizabeth Oshel and Michael LaTorre
Erin Perkins and Johnny Kadlik

And there were eight family additions to be celebrated:

Oscar James Allen
Henry Wayne Cordes
Junia Isaac Doll O'Mahoney
Bianca Elizabeth Etkin

Marie Heisen
Roxana Khodadoust Jones
Remi Kuczinski
Andrew James Martini

We concluded by acknowledging our losses and observing a moment of silence in memory of:

The Reverend Jim Brewer
Frances Brautigam
Judy McGill Case
Jack Cavanaugh
Martha Prout DeNormandie
Homer Dietmeir
John Ertha
Dr. George E. C. Evans
The Reverend Polly Guild
Robert D. Joffe
Andrew Lesser

J. Howard Lightfoot
David Murray
Pauline Murray
Franklin Perkins Jr.
Peter Reynolds
Hazel Rich
Philip J. Rutledge
Dan Sekellick
Dan Stockwell
Rita Van Tassel

Greetings from Affiliated Organizations. Brad Greeley introduced the presidents of our affiliated organizations, noting that the SIC was founded by the combined efforts of Star Island Unitarians and Star Island Congregationalists, and that each group continues to support its own organization and thereby continue supporting us.

Kris LoFrumento, President of the Star Island United Church of Christ Corporation (SIUCC), began by giving special thanks to the Star Island staff and to all those who contribute their time, talent, and treasure to Star in small and large ways. She reminded us that the lingering memories of fellowship and shared meals dwell in us throughout the year as friendships are made, spiritual connections are deepened, and children grow before our eyes.

David E. Brown, President of the Isles of Shoals Association-Unitarian Universalist, Inc. (ISA-UU), presented a check to the SIC on behalf of the ISA-UU. He noted the ISA-UU raises money for Star, runs the Gift Shop and the Book Store, and grants scholarships. He also pointed out that a very large number of Shoalers, through their dues, purchases, and volunteering, also contribute to funding for the island.

Approval of 2009 Annual Meeting Minutes. It was **moved, seconded and voted** to dispense with the reading of the minutes. It was **moved, seconded and voted** to approve the minutes of the Annual Meeting of April 25, 2009, as slightly amended. Unanimous except for one abstention.

President's Report.

Brad Greeley began by reminding us that we live in exciting times, and that last summer was no exception. With the worst economy in 70+ years necessitating a new aid program, the best marketing effort ever, and major belt tightening, we still fell well short of our budget in 2009 and ended the year with a serious deficit. Once again the SIC had to ask for more than \$200,000 from the Permanent Trust, and in fact Brad reminded us that of his three annual reports, only one was not awash in red ink.

But there is also much good news: our staff is strong, our refurbishing goes full-steam ahead, and we are ready for a good summer. We have just signed a three-year contract with our CEO Vicky Hardy, and are delighted that we shall continue to have the benefit of her very substantial skills. On the financial front, we have very successfully increased our grant income this year; we have initiated a new, Corporation-based financial aid program; we have completed a Business Model and the staff has completed the Business Plan that will make it real; and we are well into the silent phase of our first major capital campaign. Almost all of the \$400,000 in loans we received in 2008 and 2009 have been changed to gifts to the Corporation and the total now pledged or given to the campaign is just shy of \$2 million.

Brad noted major goals for this year: Long-term financial stability, which includes filling beds this summer and supporting the capital campaign and continuing to seek cost management and expanded revenue sources; expanding and nurturing our volunteer leadership corps; and transforming our Star Island culture wherein we think of ourselves not only as members of a particular conference or other group, but as Island Citizens, putting the good of the Island ahead of our own conference or other particular group, and dealing with conflict and disappointment in positive ways.

Brad concluded by noting that this was his "swan song" as SIC President. He expressed his gratitude for the tremendous support he has received from so many quarters – the staff, the Board, the folks who chair our committees and conferences, and lead the conference Annual Fund efforts, and all the other volunteers and conferees who work to keep this unique place we love going.

Treasurer's Report.

Stan Corfman gave the Star Island Treasurer's report. He noted that we are suffering through the worst economic recession in the last half century, winding up the year with a \$188K operating loss; further we spent \$71K more on capital projects that we generated in capital funding. These shortfalls were funded from the Permanent Trust above our usual annual draw.

The good news is that we have greatly extended our planning horizon. Through close monitoring of registrations, even before the island opened, staff was able to put together a discount plan to boost registrations and took action to encourage personal retreats. We are learning more about our cost structure than we ever have. Our capital planning is now a five-year rolling process that looks down

the road and examines needs in great detail. The Strategic Facilities Planning Committee is an important part of this process. The 2010 budget calls for 20,260 bed nights and projected room-and-board income of just over \$2M.

Report of the Star Island Permanent Trust.

Brad introduced Trustee Steve Whitney to give the report of the Star Island Permanent Trust on behalf of David Yermack, Chair. Brad noted that Steve is retiring after ten years of service on the Trust. He has also served as SIC Treasurer in years past.

The Trust earned a 20.7% return on its investments during 2009, continuing a record of strong long-term performance and recouping most of the investment losses suffered in 2008, when the return was -18.7%. Thanks to the good work of our investment manager, Wilkins Investment Counsel, our portfolio has consistently out-performed the market by nearly 6% per year. Each year the Trust pays out 4.5% of its assets to the Corporation as income, based on a three-year rolling average, which was approximately \$140K for 2009. In addition, however, the Trust contributed an unscheduled \$330K to cover the Corporation's 2009 operating deficit. Counting the extra distributions made in 2007 and 2008, there has been more than \$1.3M in extraordinary distributions, which in the long run compromises the Trust's ability to support the Corporation, and is a situation of much concern to the Trustees.

Report of the Chief Executive Officer.

Vicky Hardy, CEO, began her report with thanks and acknowledgements to the Board of Directors, the Trustees of the Permanent Trust, volunteers and members of all committees, and the larger Shoaler community. She gave special thanks to the staff, whom she then introduced, noting that the regular staff consisted of six full-time and three part-time people and one summer-only person:

Joe Watts - Conference Center Director and Island Manager
Angela Matthews - Director of Development
Keith Noyes - Director of Facilities Management
Sonya Merritt - Human Resources Director
Justina Maji - Development Associate
Kristi Vazifdar - Finance Director
Kristin Laverty - Island Registrar
Kate Brady - Office Manager
Athena Steinkraus - Office Assistant
Priscilla Hodgkins - Community Outreach Coordinator

Vicky then reported on progress towards goals in five areas as set forth in the SIC Strategic Plan: Finance, including that we survived 2009 with the help and support of the Permanent Trust, donations, and volunteer help plus lots of hard work; Facilities, including the purchase of the *Perseverance* to replace the *Pamela J.*; Governance, including over 120 people now involved in committees, task forces and the Board of Directors;

Human Resources, including more training and substantive orientation at all levels; and Community, including ever-increasing openness to our Seacoast and other neighbors.

There followed an opportunity for the membership to ask questions.

The meeting broke at 2:40 p.m. for special presentations on (i) Marketing for 2010 and (ii) the capital campaign.

The meeting resumed at 3:45 p.m.

It was **moved, seconded and voted** to receive the President's Report, the Treasurer's Report, the Report of the Star Island Permanent Trust, and the CEO's Report. Unanimous.

Recognition of Retiring Board Member. Board member Suzanne May led the SIC with great praise for the outstanding service of retiring Board member John Hickey, in particular for his calm and common sense approach during a time of some difficult circumstances for Star. Suzanne noted that although John is finishing his full complement of years on the SIC board, he will continue his work with Star in other ways, including as a member of the Capital Campaign Cabinet and as a Trustee of the Permanent Trust. Suzanne then presented him with a thank-you star.

Recognition of McGill Society New Members. The McGill Society honors those persons who have made a planned gift to Star Island in the form of a bequest or similar type of gift that is to be realized in the future. Rodney Lowe, chair of this year's annual fund, and Angela Matthews, Director of Development, recognized this year's new members of the McGill Society.

Volunteers. Brad Greeley and Vicky Hardy invited our many volunteers to stand and be recognized, and also encouraged people to sign up for work weekends this spring.

Bringer of Light Award. The Board recently established an award in the form of a Star candlelight lantern, engraved to honor the recipient, to be presented from time to time to people who had offered conspicuously long and significant service to the Star Island Corporation and to the Isles of Shoals. This year's honorees were Dave and Edith Pierson. As Brad Greeley pointed out, Dave and Edith are well known to most of us because of the length and depth of their contributions. He asked Deb Weiner-Soule to share with us some of the wonderful stories about the Piersons and the wonderful experiences they have brought to Star Island. Brad concluded by reminding us that we are the richer as a community for all that Edith and Dave have brought to us over the years,

Report of the Membership Committee. Membership Committee Chair Kristin LoFrumento presented the Membership Committee report. This year we received 16 applications for membership, all of which were approved by the Committee. Biographies of the nominees are printed in the advance materials. Since the 2009 Annual Meeting, four Members have died (two regular Members, two Emeritus), two Members have lapsed memberships, and five Members have requested Emeritus status. With the 16 new nominees, membership would be at 320 regular Members plus 27 Emeritus Members), out of a possible total membership of 400. Kristin noted that the Membership Committee is in the process of creating a brochure about what it means to be a Corporation member, and urged us all to invite folks to apply for membership.

The Membership Committee presented the following slate of nominees for membership in the SIC:

Scott Anderson	Becky Friedkin	Emily Soule
Drew Bush	Christopher Harrington	Nathan Soule
John Best	David Jones	Emily Denham Swomley
Sally Blount	Carolyn Mellen Rick	Susan Thorner
Nancy Crumbine	Cayce Soule	Mary Trudeau
Jane Dewey		

The following nominees were presented for Corporation Emeritus status:

Alison Brayton	Chelia Reed Thorpe	Ron Titus
Carol Mairs	Donna Titus	

It was **moved, seconded and voted** to close nominations. Unanimous. It was **moved, seconded and voted** to accept the names being nominated for Membership and Emeritus status in the Corporation. Unanimous.

Report of the Nominating Committee. Arlyn Weeks, Chair of the Nominating Committee, presented three sets of nominations: three persons for the Directors and two persons for Officers of the Board, per the by-laws; a second set of nominations for members of the Permanent Trust, as outlined in the Permanent Trust Agreement with the Corporation; and a third set for members of the Nominating Committee. Arlyn presented the following nominations:

For three-year terms as Directors:

Sharon Kennedy (incumbent)
Suellen McAvoy Peluso
Sally Russell (incumbent)

For one-year terms as Treasurer and Clerk:

Stanley L. Corfman, Treasurer of the Corporation (incumbent)
Karen Mathiasen, Clerk of the Corporation (incumbent)

It was **moved, seconded and voted** to close nominations, and the President directed the Clerk to cast a single **vote** for the slate of officers and directors, as presented.

Arlyn presented the following nomination for a five-year term as a Trustee of the Star Island Permanent Trust:

Jon Skillman

It was **voted** to accept the nomination. Unanimous.

Nominations to the Nominating Committee. Suzanne May presented the following nominations for three-year terms on the Nominating Committee, all of which are second terms:

Patti Emmons (LOAS)
Peter Meek (UCC)
Russ Peterson (NHC)
Judith Stames-Hamilton (IA)

Moved, seconded, and voted to close nominations. Brad Greeley directed the Clerk to cast a single **vote** for the slate, as nominated.

Other Business. Brad introduced Russell Peterson, the soon-to-be incoming President of the Star Island Corporation. The Board is holding a special meeting right after the adjournment of this Annual Meeting for the purpose of electing Russ as President and Sharon Kennedy as Vice President of the Star Island Corporation. Russ thanked Brad for his wonderful service as President of the Star Island Corporation during some extremely difficult times. We particularly appreciate the fine leadership Brad brought to our Board and his continuation of his family's history of outstanding leadership at Star Island.

Ratifications of Board Actions and Technical Motions. Karen Mathiasen, SIC Clerk, presented a motion to ratify and approve all acts of the Officers and Directors of the Corporation since the last Annual Meeting as disclosed in the minutes and other Corporation records. It was **seconded and so voted**. The Clerk further moved that the Treasurer, the President of the Corporation, and the Chief Executive Officer of the Corporation be authorized to sell and endorse for sale certificates of stock and registered bonds standing in the name of the Corporation. It was **seconded and so voted**.

Adjournment. With no other business to come before the meeting it was **moved, seconded and voted** to adjourn at 4:30PM.

Respectfully submitted,

Karen Mathiasen, SIC Clerk