

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Tuesday, April 21, 2015

7:00 p.m.

By "Go To Meeting" App and Telephone Conference Call

Members in attendance:

John Bush, Treasurer
Tom Coleman (President, ISAUU)
Josh Davis
Nick Dembsey
Debbie Duval (President, SIUCC)
Sharon Kennedy, President
Gary Kunz, Vice President
Karen Mathiasen, Clerk
Suellen Peluso
Russell Peterson

Absent:

Erik Cordes
Sally Russell
Jordan Young

Others attending the meeting:

Joe Watts, CEO
Lisa Braiterman ¹
Mary Trudeau ²
Ryan Gough, CPA, BerryDunn

1 Is expected to be elected Director at next annual meeting

2 Is expected to be elected Clerk at next annual meeting

Opening Words. For opening words, Nick Dembsey read two poems:

The First Spring Day by Christina Georgina Rossetti

I wonder if the sap is stirring yet,
If wintry birds are dreaming of a mate,
If frozen snowdrops feel as yet the sun
And crocus fires are kindling one by one:
Sing, robin, sing;
I still am sore in doubt concerning Spring.

I wonder if the springtide of this year
Will bring another Spring both lost and dear;
If heart and spirit will find out their Spring,
Or if the world alone will bud and sing:
Sing, hope, to me;
Sweet notes, my hope, soft notes for memory.

The sap will surely quicken soon or late,
The tardiest bird will twitter to a mate;
So Spring must dawn again with warmth and bloom,
Or in this world, or in the world to come:
Sing, voice of Spring,

Till I too blossom and rejoice and sing.

Spring by Taylor Hurttgam

Spring Spring Spring
is almost here

Spring Spring Spring
is the time to cheer

But when the rain comes
everyone won't be glum

Spring Spring Spring
is almost here

Spring Spring Spring
the sky will be so clear

Check-in. Sharon began by asking if anyone had news that he or she wished to share with the other Board members. Several people offered thoughts. Russ Peterson pointed out that this would be his last board meeting, and said that he found his tenure to be an honor. Karen Mathiasen noted that she had enjoyed her nine years as Clerk.

Call to Order. Sharon Kennedy, President, called the meeting to order at 7:22 p.m. The Clerk took the minutes, thanking Mary for her wise help in getting these minutes timely drafted. Sharon indicated that, as a follow-up to our session with Ellen Koenig at the February Board Retreat, we were going to experiment with the agenda by dividing some topics into Shorter Term and Longer Term Business rather than Old Business and New Business.

Minutes of the February 22 and March 24, 2015, Meetings of Directors. It was unanimously

VOTED: To approve the minutes of the February 22 and March 24, 2015, Meetings of Directors.

Reports

- **CEO Report - Development, Facilities, and Registrations.** Joe gave the following reports.
 - **Development.** We have applied for five grants recently. We are very pleased that 100% of our Directors and year-round staff members have contributed to our green initiatives. Total donations to this initiative thus far are about \$65K; the spring appeal is scheduled to go out later in the month. The annual fund is substantially ahead of last year at this time.

- 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 array has allowed the island to have power twenty-four hours a day, seven days a week, during Open Up. We are still working on costs for the waste water treatment plant, and it appears that costs will not exceed the estimates.
- Registration. As of April 15, we were at 12,882 bed nights against our budgeted bed night goal of 19,550 (66% of goal). Joe reminded us that it is still early in the season, so we should be cautious about forecasting end results.
- Other Items
 - *Technology Guidelines*. Joe discussed a brief write-up entitled *Technology Guidelines* (perhaps better titled *Technology Principles*), which is meant to identify the principles we should apply to technology use on the island.
 - Staffing transitions. Joe reported that staffing transitions are going well. In particular, Pam Smith is settling in well as Director of Development, and the financial function is being successfully transferred to Insource Services.
 - The 2016 Conference Calendar is in progress. We are delighted with the return of IRAS (Institute for Religion in an Age of Science); it does require some adjustments to our current calendar, and we are working collaboratively with the leadership of all conferences impacted by these adjustments.
- **Treasurer's Report**. John Bush, Treasurer, gave the report, including going over the financials to date. We are looking at three or four different financing strategies for the Island including options such as a tax exempt bond or potentially a federal loan with an interest rate of approximately 1.7%. John noted that Optima Bank terms remain open, with interest rates unchanged from earlier estimates.
- **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

- **Agenda Format**. Sharon reminded us of the new format, set forth earlier in these minutes.
- **2014 Audit Presentation**. Ryan Gough, CPA, of our new audit firm of BerryDunn presented the audit results. On the whole, the audit was positive, but the report noted several areas where modifications could be made to improve existing procedures:

- Segregation of Financial Roles. We need to do a better job of segregating various financial roles. There has been a tendency for too many functions to be carried out by the same person, which is the result of having a one-person finance department. An additional set of eyes tend to provide better control of accounting transactions. It was noted that we have clearly benefited from the “fresh eyes” of our new auditing team.
- Cash Transfer Account. Our auditors recommend that we stop using this account, which is easy to implement.
- Abandoned Property. We have about \$4K in cash or cash-equivalent assets, such as SIC checks that were never cashed; these assets are likely to require a special accounting and disposition.
- Information Technology. Ryan suggested that we might improve the controls over our computer operations. For example, we could implement systems for climate control, fire suppression, and temperature controls in the office server room. On the other hand, it was suggested that this level of protection might be overkill for a small operation such as ours, and that relying on off-site backup was a more realistic goal. Speaking for BerryDunn, Ryan also advises that we maintain monthly reconciliations and continue to maintain off-site back up of financial records. We were also urged to consider the potential for unauthorized access to our computer facilities.
- Discussion followed and conversation included:
 - Ryan provided us with advice and guidance on restricted funds, noting that we need to communicate our needs to donors when considering restrictions.
 - Funds need to be evaluated and expended whenever possible. This might require periodic review of accounts and terms of use.
 - Can we learn something from the way various churches handle their finances? It was noted that we have some similarities with other religious institutions.
- **Form 990 Approval.** Jon Skillman prepared the Form 990 for the Permanent Trust for 2014, but BerryDunn will be taking this on for 2015. As for Star Island Corporation’s Form 990, John Bush noted that we need to stress the religious side of what we do. Even though we do not define ourselves as a church on Form 990, we are a religious organization. Our 501(c)(3) status is not in question. Rather, as John Bush noted, in view of SIC’s having significant donors in some other jurisdictions, we are checking to see if the presence of these donors raises any special filing requirements for us.

The auditor visit was concluded, and Ryan left the meeting. The Directors then discussed the audit. Upon motion duly made and seconded, following discussion, it was unanimously

VOTED: To accept the 2014 audit.

- **Special Nominating Committee Report.** Jordan Young was not present, and the Board agreed to table this discussion until the Annual Meeting.
- **Permanent Trust Agreement Ratification.** Joe Watts led the discussion. The Board was asked to correct a clerical error to the Second Amendment to the 1998 Permanent Trust Agreement, ratified by the Board on February 23, 2015, by passing a Third Amendment, dated April 21, 2015. The only change is to note that only one member of the Board is required to be a Trustee of the Permanent Trust. On page (2), “first” should read “third”. Upon motion duly made and seconded, no further discussion being necessary, it was unanimously

VOTED: To ratify, acknowledge and confirm the Third Amendment to The Star Island Permanent Trust Agreement (“Permanent Trust”) dated April 4, 1998 approved by the trustees of the Permanent Trust on April 21, 2015.

- **Annual Meeting.** Sharon led a discussion of what we might expect as an issue raised or a question posed by the membership. The following was considered:
 - Increasing the limit on the number of Corporation members from 400 to 500 as a means of increasing inclusionary practices.
 - A proposal to allow current Star Island employees to become Corporation members also increases our inclusion of all parties who support the Island.
 - The June 27, 2015, ribbon cutting ceremony for the new solar system is the first event in the year-long celebration of the Centennial Celebration for the Corporation, and should be advertised to the Corporation members.
 - The 2014 audit results were positive and the Island finds itself in a strong position.
 - The 2016 conference calendar is under advisement. Staff is working to accommodate the return of IRAS as well as the needs of other conferences.
- **Other: Approval of Grant Application.** We are hoping to receive funds from the Federal Emergency Management Agency (FEMA) for mitigation of future snow damage. The grant allows funding to take preventative steps to mitigate future damage through weatherization programs. Work would include measures to repair and protect windows, siding, and roofs. Joe noted that this could be appropriate for Gosport, the Shack and some other cottages. Our request would be for FEMA to provide up to a limit of \$187,500 in funding for a project anticipated to cost up \$250,000. The grant will require a 25% percent match (estimated at \$40,000-\$45,000 dollar cash match, with the remainder in indirect support). Upon motion duly made and seconded, following discussion, it was

VOTED: To authorize the staff, under the direction of Joe Watts, CEO, to apply for a grant to FEMA for Star Island for up to \$190,000 dollars to repair storm damage and to mitigate against future damage.

Longer Term Business

- **Board Liaisons.** Sharon noted that she has provided members with a list of 2015 Liaison assignments. She asked that any concerns be emailed to her.
- **Committee on Appointments (CoA) Report.** Debbie gave the report.

Upon motion duly made, no second being needed, following discussion, it was unanimously

VOTED: To accept the recommendation of the CoA and to appoint

Fund Development Committee

Peter Squires for a second three-year term beginning in 2015, serving as chair

The CoA also wished to inform the Board of the following CEO appointment to an operating committee, and to request, for the record, that this appointment be reflected in the Board minutes.

VOTED: To accept the request of the CoA to enter the following CEO appointments in the Board minutes:

Conference Services Committee

David Finkelstein for a first three-year term beginning in 2015

- **Permanent Trust Meeting.** Josh Davis led the discussion noting that the current policy of fossil fuel investment was discussed at the last meeting of the Permanent Trust. Josh noted that divestment could be in line with our core values and the current Green Initiative program. Josh noted that in other conversation, the 4½ % annual distribution of the Trust funds was reaffirmed. While not the majority opinion, Josh noted that there was concern expressed to the Board that a portion of the disbursement be used to pay down debt.
- **Meeting Reflections.** Sharon offered thanks to Russ and Karen for their years of service. This sentiment was reiterated by the other Board members. Russ and Karen will be recognized for their service at the Annual Meeting.

Executive Session. At 9:13 p.m., the Board voted to go into Executive Session. The purpose of the meeting was to accept the minutes of the February and March Board meetings.

The Board meeting was reconvened at 9:16 p.m. for the purpose of adjournment.

The next Board meeting is scheduled for Tuesday evening, May 26, by conference call.

There being no further business, it was

VOTED: To adjourn the meeting.

The meeting was adjourned at 9:17 p.m.

Respectfully submitted,

Karen Mathiasen, Clerk