

STAR ISLAND CORPORATION
Board of Directors

MEETING MINUTES

Saturday February 26, 2017
Star Island Office and Conference Phone Call

Members in Attendance:

John Bush (Treasurer)
Tom Coleman (Incoming Board Member)
Josh Davis
Nick Dembsey
Roger Kellman
Erik Cordes
Gary Kunz (President of the Board)
Suellen Peluso
Nathan Soule (incoming ISAUU President)
Mary Trudeau (Clerk)
Jordan Young (Vice President of the Board)
Louise Williams

Other:

Joe Watts, CEO

Absent: Lisa Braiterman, Debbie Duval (Incoming Board Member), Hannah Swomley (Pel Liaison)

Opening Words:

Josh Davis read a quote from the late Paul Tsongas:

“We are a continuum. Just as we reach back to our ancestors for our fundamental values, so we, as guardians of that legacy, must reach ahead to our children and their children. And we do so with a sense of sacredness in that reaching.”

Call to Order:

Gary Kunz, President, called the meeting to order at 9:05 am

Upon a motion duly made and seconded, the Board

VOTED to enter Executive Session for the purpose of approving the minutes of the January 24, 2017 Executive Session, as well as to discuss the Bringer of Light Award nominations, an update on Appledore Island and CEO compensation.

Joe Watts remained in the meeting for a portion of the session. Suellen Peluso left the Executive Session during discussions concerning Appledore.

The Board returned to the regular Meeting at 9:54 am.

Approval of Minutes:

The Board reviewed the draft Minutes of the December 20, 2016 meeting. A spelling error was noted on page 5.

VOTED To approve the December 20, 2016 minutes, as amended.

REPORTS :

Updates from the CEO:

Joe updated the Board on two press releases supporting the island. Joe reported that the Harvard Review recently featured an article on Star Island, and the staff was hearing positive feedback from the article. Joe also reported that the Veterans raffle conference giveaway was given good local press coverage, again providing positive commentary.

Joe reported that Pel contracts were being prepared, and that 40-50 qualified applicants would not be receiving offers of summer employment. Joe noted that there are frequently late hires, and a number of wait listed Pel applicants may eventually be offered employment.

Bed nights continue to run slightly ahead of predictions, with several conferences already full. Joe noted that he expected more conferences to fill in upcoming weeks.

Joe reported that Development is currently working on a Five Year Plan to determine multi year funding needs. This approach will highlight projects in the “pipeline”. Joe noted that this work will include coding projects to the Strategic Plan to keep focus on priorities. Suellen noted that integrating Development into long range planning will allow SIC to be more strategic in accepting and guiding gifts.

Joe noted that staff needs direction on the construction of the Board Dashboard. Specificity is helpful, and Joe would like to make sure that the Board members are on the same page in terms of desired information. Joe noted that the dashboard can be flexible, as long as it is

“intentional”. The Board agreed to create a subgroup to work on the vision of the dashboard. Lisa Braiterman, Nick Dembsey and Nathaniel Soule agreed to form a group to work with staff on this task.

Treasurers Report:

John discussed the upcoming changes in the format of the financial reports, noting that the emphasis will be on operating cash and cash flow. He noted that we should have a twelve (12) month budget to predict cash flow. John noted that in recent years we have been improving our cash flow and borrowing in diminishing sums.

Roger questioned the reported overages on various capital projects, and asked where the extra money was obtained. John noted that we have contingency funds for that purpose, and that there is an expectation that the unexpected expense may occur. Joe noted that work is being done more affordably as we continue to act as the General Contractor, and that adjustments are made to line items as costs become actual.

Joe discussed the variance in the Transportation line item, noting that Jack Farrell’s contract and unexpected repairs on the Percy were responsible for some of the variation. Jack’s Marine Services contract generated slightly less income than predicted due to repairs to the Utopia, and prorating of Roger Trudeau’s time on the agreed upon services impacted the bottom line. Joe noted that the SIC will be entering into a 2017 Marine Services contract with Jack Farrell, and that it is possible that the Percy will not be in service this summer. This could save on some marine expenses.

Pel Liaison Report:

There was no Pel report at this meeting.

Upon a motion duly made and seconded, the Board

VOTED to approve the Treasurers report and CEO report.

SHORTER TERM BUSINESS

Items from February 25, 2017 Retreat Needing Further Action:

Compensation Committee :

Josh Davis presented a draft motion to establish a Compensation Committee to the Board.

The Board discussed the value of creating the Compensation Committee to review issues of seasonal staff compensation. Discussion included the differences between End of Season and Regular Season Pelicans, and the difficulties of comparing off island opportunities to Pel employment. Questions concerned the need for a professional consultant, and it was generally

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agreed that limited use of professional human resources consultant would facilitate the process and add credibility to the result. Joe noted that our role as an employer is a component of the Strategic Plan goals.

The following motion was made by Josh Davis:

“Moved, that the President select **(a)** a member of the Board, **(b)** a member of the Personnel Committee and **(c)** a member of the Finance Committee to serve on a task force, together with **(x)** a member of senior staff selected by the Chief Executive Officer, **(y)** a current and/or former seasonal Pelican selected by the Chief Executive Officer and **(z)** a compensated professional human resources consultant selected by the Chief Executive Officer, to gather information and make a written report to the Board of such information on or before August 26, 2017 with respect to the following:

1. A comparison of current compensation of seasonal Pelicans to **(a)** the prior ten years and **(b)** the compensation of similarly situated employees of other organizations and employers, making note of the differences between, and similarities of, such employees and such other organizations and seasonal Pelicans and Star Island Corporation;
2. A comparison of current compensation of seasonal Pelicans to other employment opportunities generally available to **(a)** the demographic of persons applying to be seasonable Pelicans and **(b)** persons of same age group as current seasonal Pelicans, having the skills necessary to perform the duties of seasonal Pelicans;
3. A review of existing academic and professional literature regarding “intangible” benefits in the employment decision making of employers and employees in organizations generally similar to Star Island Corporation, noting the differences between and similarities of, such organizations and Star Island Corporation;
4. A spectrum of points of view regarding compensation decisions and organizational missions and values similar to those of Star Island Corporation;
5. And such other information as the President and/or the Chief Executive Officer may, from time to time, request.”

Based on the motion duly made and seconded, the Board

VOTED unanimously to approve the motion drafted by Josh Davis creating a Committee to review Compensation.

Budget Approval:

Based on a motion duly made and seconded, the Board

VOTED to approve the amended 2017 Budget

Annual Meeting:

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Gary requested that ideas for the Annual Meeting breakout sessions be forwarded to him. He noted that we will acknowledge Josh Davis's and Jordan Young's departure from the Board of Directors at the Meeting.

Gary noted that if there are changes proposed to the Bylaw, it is typical to review them one year, and vote on them at a subsequent meeting.

Joe reported that the Reverend Nancy Wood has agreed to do the invocation for the meeting. He noted that John Bynum will be presenting the "volunteer service" award. This award is given to an organized group of volunteers who have made exceptional efforts to support the Island. Joe used the "chair caners" as an example, and asked that Board members make suggestions for nominees for this award. He noted that staff is usually involved in the nominations for this award as they have a good grasp on who does what!

Gary noted that Tom Coleman and Debbie Duval will be honored for their service to ISAUU and SIUCC (respectively) as they step down from these presidencies. Joe noted that official resignation letters will be handed to the Clerk during the meeting.

Grant Approvals:

Joe reported that staff is developing an LCHIP grant application requesting 150K dollars to fund the next phase of the exterior work on the Oceanic.

In March, staff plans to submit a grant application for 25K to the Samuel P Hunt foundation. This grant is being requested to support the Waste Water Treatment Facility (WWTF).

An additional 100K dollar request is being made to the UU Shelter Rock Church to support Climate Change via the new WWTF. This application is being prepared for a June submittal.

Upon a motion duly made and seconded, the Board

VOTED unanimously to approve the grant applications to the Samuel P Hunt foundation as well as the UU Shelter Rock Grant program.

Board Directory:

Joe asked Board members to review the Board Directory included in their packets, and to send any changes to him.

LONGER TERM BUSINESS

Nominating Committee Report:

Suellen Peluso reported that a Board member was needed on the Nominating Committee. She noted that Annie Stewart will be replacing Nancy Miller as Chair of the Committee.

John Bush reported that he plans to resign as Treasurer of the SIC by 2018. He noted that he has competing demands on his time, and he would like to free up time for new projects. He noted that having an accounting background is very helpful for the Treasurer, and that the Treasurer should plan on preparing for and attending Finance Committee meetings. He noted that being involved in the annual audit is also a responsibility. Gary asked that suggestions for a new treasurer be forwarded to the Nominating Committee for consideration.

Outreach and Engagement Committee Report:

Suellen, as Board liaison to the Committee, reported on the positive direction and progress made by the Outreach and Engagement Committee. Noting that Kyle Belmont, a former SIC staff person, had joined the Committee, Suellen felt that this connection was helpful to the Committee in collaborating with staff. Ann Beatty has provided fabulous leadership to the group, and the Committee is working hard to engage volunteers. Suellen also noted that the involvement of Lisa Santilli and Pam Smith as staff liaisons has been very helpful.

Property Standards Committee Update:

Roger Kellman gave a short history of the responsibilities of the Committee, noting that they function much like a local Zoning Board. The Property Standards report creates (15) zones on the island, and provides comprehensive, detailed performance standards for each zone. Roger reported that the documents are in the process of being updated by the group.

Roger noted that a decision of whether or not a project is reviewed by the full committee is dependent on full compliance with the Standards established for the zone the project falls within. If a project does not meet the Standards, it will be reviewed by the Committee. Appeals of the Committee's decisions are routed to the CEO. The CEO can review the project with the Board, or not, but must inform the Board of his decision prior to issuance.

Jordan noted that the revisions to the documents are collaborative and required a great deal of thought and work to create. Roger noted that the Standards are stronger than guidelines, but allow for flexibility. A brief discussion ensued with whether these Standards were guidelines or regulations.

Louise suggested a "breakout" session at the Annual Meeting to allow for input from the Corporation. John noted that it is important to consider the opinions of those who care a lot for the Island and have an interest and history with these Standards.

Gary expressed concern that language such as "Protect familiar visual elements" was too restrictive, and that the Standards should note that they do not override applicable State laws. He stated that regulations that are performance based, rather than prescriptive, will allow for simplification of the text. Jordan noted that this review is a large task.

Joe noted that staff has expressed concerns with the project review process, and would like the Standards review to consider how the Committee behaves in comparison to their charge. He believes this is a governance issue, and that the authority should be well defined.

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Other Business:

Gary asked that the minutes reflect receipt of the Annual Report of the Nominating Committee, as well as the Annual Report of the Rutledge Marine Lab.

Reflections:

Gary noted that Jordan will continue his work refining Board Goals, and that this topic will be explored at the next meeting of the Board. He noted that it is important to consider “what is a goal” as well as consider how to link goals to the Strategic Plan. Gary also noted that the job of the Board is to know what Strategic Plan goals are not being adequately addressed.

The Board discussed the need to focus on function and staying out of the weeds!

Upon a motion duly made and seconded, the Board

VOTED To adjourn the meeting at 12:08 pm.

Submitted by:

Mary Trudeau, Clerk