

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Tuesday December 22, 2015

7:00 pm.

Go To Meeting and Tele Conference

Members in attendance via Go To Meeting:

John Bush, Treasurer

Dan Cassell (Pel Representative)

Erik Cordes

Josh Davis

Nick Dembsey

Debbie Duval (President, UCC)

Sharon Kennedy, President

Gary Kunz, Vice President

Sally Russell

Jordan Young

Absent:

Lisa Braiterman

Mary Trudeau, Clerk

Conference Call:

Tom Coleman (President, ISAUU)

Suellen Peluso

Others attending the meeting:

Joe Watts, CEO

At the request of Sharon Kennedy, Jordan Young took minutes of the meeting.

Opening Words: John Bush recalled a tree that stood out in “left field”, on the Star Island softball field. John noted that the tree had hugged the cemetery wall for many years, before disappearing about half a dozen years ago. John remembered asking “where’s the tree” and finding a small pile of wood chips in its stead. He noted that he took a wood chip, and it remains in his office. This poem by Aileen Fisher was read in memory of that tree:

Trees

Trees just stand around all day
and sun themselves and rest.

They never walk or run away
and surely that is best.

For otherwise how would a
squirrel or robin find its nest? ----

Check In. A brief sharing of life events and circumstances was done between the Board members. Members generally expressed thankfulness for the fullness of their lives, noting the joys of grandchildren and new family members, the challenges of new, professional adventures and the painful recovery of John Bush from the trauma of three broken ribs.

Call to Order. Sharon Kennedy, President, called the meeting to Order at 7:10 pm.

Upon a motion duly made and seconded, the Board

VOTED to enter executive session, and to include Joe Watts in the meeting.

The Board resumed the public portion of the meeting at 7:33 pm. Dan Cassell returned to the meeting room.

Upon a motion made, and seconded, the Board

VOTED to unanimously approve the Minutes of the November 21, 2015, Meeting of Directors at Star Island as written.

Reports (CEO's Report (including Registration, Development, Facilities), Treasurer's Report and Pelican Liaison's Report)

CEO Reports

- ***Development Report:*** Joe noted that the years end fundraising is ongoing, and he thanked Board members for all of the phone calls made thanking and soliciting donations. He noted that the Annual Fund is currently at \$430k, with a goal of \$465K. Joe remains optimistic, noting that in 2014, contributions between December 21 and 31 were \$56K. Joe noted that Pam Smith's Development report documents other efforts, including news that we are ahead in overall restricted grants and gifts to the Island. Joe commented on the appearance of "low figures" in the financials of the Capital Campaign, noting that late in the year donations are expected to improve these numbers. Sharon reminded the Board that the number of donors is up, an encouraging sign, and that while it seems like old news, the recent LCHIP grant award is a huge accomplishment and staff deserves congratulations for this success.

Joe reported on a very successful Starry Night event in November, and noted that "special events" will bring the Island over \$30K dollars this year. Joe reviewed current grant opportunities, noting that despite an administrative burden, the success of the grant applications is great news for the Island. Joe reminded the Board that the Grant Report included in this month's Board Packet contains more details on grant activities. Joe quantified the success of the publicity concerning the LCHIP grant by noting that social media efforts reached over 20K people, exceeding the number of views of even the Snowy Owl status (our previous high water mark in social media)!

- ***Facilities Report:*** Joe reported that Clark Friese, the new Assistant Commissioner of the New Hampshire Department of Environmental Services, was in attendance at the LCHIP event, and was able to meet informally with representatives of the Island over lunch. Joe felt it was a very productive and fortuitous conversation.

Joe noted that ISSCO has purchased a new boat, The Challenger. The vessel has a passenger capacity of approximately 100 persons, and opens up the potential for daily trips to the Island this summer. Joe hopes to have more information on this possibility by the January 9 Chairs and Registrars meeting.

- **Treasurers Report:** John Bush presented the treasurers report, and it was noted that November financials were sent to Board members subsequent to the packet of meeting materials. John noted little changes in the budget in recent months, and is currently projecting income of \$117K for the year. With the exception of the uncertainty with end of year Annual Fund receipts, the budget is in order.
- **Pel Report:** Dan Cassell noted that the application process for summer of 2016 is open, and the hiring process has begun. Dan noted that winter Pel Reunion is occurring on December 27, and that spirits are high! Sharon noted that application receipts are a little low, and encouraged Dan to liaison with the office to spread the word of the wage structure in the proposed budget. Dan noted that he had seen a flyer on Facebook recently advertising the positions.

Upon a motion duly made and seconded, the Board

VOTED: To accept the CEO Report (including the Development and Facilities Reports), as well as the Treasurer’s Report and the Pel Report.

SHORTER TERM BUSINESS:

Banking Update. Joe reported that after a 14 month “courtship” the Island has finally closed its loans with Optima Bank. While this process was protracted, and more complicated than originally anticipated, the relationship is positive and has benefits to the Island’s finances. Joe reported that the closing was on December 10, and that operational accounts will transfer to Optima as transactions with Eastern Bank wind down. John Bush had only positive comments on the Optima transaction, and it was noted that the Debt Service ratio with Optima is 1.05, rather than the 1.25 with Eastern Bank. John noted that payments on the loan are likely to be very similar to those made to Eastern Bank, due to possible acceleration of the amortization rates on the principal of the loan.

Credit Card Fees: Gary led the conversation, noting that the discussion would not culminate in a vote this evening. He reported the Finance Committee has asked the Board to authorize the staff to study the matter of charging guests credit card fees more fully, and offer a recommendation for in advance of the 2017 budget process. Gary noted that this information should be received sufficiently ahead of next year’s budget preparations and publication deadlines for promotional materials. Joe responded that August or possibly June would be reasonable deadlines.

John noted that if the Board determines a handling fee is appropriate, there may be costs or agreements required, and that a June deadline may allow for this preparation. John also noted that Insource does not have any particular expertise in this area, and that we may need to consult additional resources, such as David Brown. It was noted that “payments” as an area is changing quickly, with more competition in this field.

(Tom Coleman joined the meeting at 8:00 pm)

Budget Discussion: Joe, in the absence of Chris Bertoncini, presented the budget. The Board agreed that if the 2015 Annual Fund goal is met, the line item for the 2016 budget will be increased by \$15K. Joe noted that the LCHIP grant allows one new capital project, and expansion of others, such as the bathroom upgrades. John noted that the recent Finance Committee meeting was unanimous in approving the budget, and also approved the proposed Capital Budget.

Tom Coleman reiterated a concern that we are not spending enough on food. John noted that this concern was raised in the Finance Committee meeting. Joe expanded on this comment, noting that a \$5,000 increase to the food budget was considered, but did not make it in the final budget proposal to allow for the goal of a \$200K surplus. He noted that if the income goal is reduced, the food line item would be one of the first items to be restored.

Sharon noted that the Capital Budget increase of \$47K was supported by the LCHIP grant. Joe discussed the budgeting for new kitchen equipment; bathroom renovation projects; and a new drinking water storage and filtration project. He also reported that the contingency fund has been raised from \$20K to \$30K, potentially allowing for a head start on 2017 projects. John expressed confidence in the budget, citing the LCHIP grant as a source of this confidence.

Upon a motion duly made and seconded, the Board voted unanimously to

VOTED: To approve the 2016 Budget as presented.

After the vote, John raised concerns with the cash flow budget, noting that we are only \$51K dollars positive flow for the year. John noted that if grants such as LCHIP continue, our cash position looks good. He expressed concern that in the absence of substantial grant monies, we will be hard pressed to find funds to meet the Capital Plan goals of spending \$380K per year. He noted that bed nights continue to hover around 19K, and while another 1K bed nights would be helpful, it is difficult to achieve. John stated that for the “intermediate” term, we must continue to be concerned with generating the cash necessary to maintain our capital plan. He noted that this concern is motivation for examining credit card fees as a source of revenue or reduced expense. Suellen reminded the Board that we will have another Capital Campaign in our future, and that while this campaign is a ways out, we need to create a solid infrastructure on which to base that campaign. John stated that ideally our operating income, in conjunction with the Annual Fund, should fund a cash budget that allows us to spend our entire depreciation.

Board and CEO Evaluation Processes: Sally Russell led this discussion, describing the status of the CEO evaluation process. She noted that all CEO evaluations, save one, have been submitted, and that in January of 2016, these evaluations will be used to write Joe’s evaluation. Sharon noted that staff input is being solicited and received, and will be included in the evaluation.

Sally noted that in early January, the Board self evaluations will be circulated to Board members and Joe Watts, as CEO. There will be a deadline of approximately two weeks.

LONGER TERM BUSINESS:

Committee on Appointments: Tom Coleman presented the Committee on Appointments report, noting that the memo from Laird Kelly and Nick Bresinsky is self explanatory. Judy Samuelson is nominated for Fund Development, for a three (3) year term starting in 2016, and Debbie Duval is nominated for a three year term on the Personnel Committee for three (3) years starting in 2016.

Upon a motion duly made and seconded, the Board unanimously

VOTED to accept the recommendations of the Committee on Appointments for the following positions:

Fund Development Judy Samuelson (First three year term)

Personnel Committee Debbie Duval (First three year term)

Nominating Committee Charge: Suellen Peluso presented the proposed charge of the Nominating Committee, noting that the balance of the committee charges will be reviewed after the Taskforce on Committees submits a final report. Suellen noted that the work of the Taskforce was considered in developing this charge document. Joe noted a discrepancy between the selection of a Chairperson in the charge and the Board's recent vote to have the Chair voted by the Annual Meeting.

Based upon a motion duly made and seconded, the Board unanimously

VOTED: That the Board accept charge as presented, with a change on Page (2), changing "the chairperson of the Committee shall be appointed by the Board from among the Committee members.: to "A chair will be nominated pursuant to the process approved by the Board, and will then be approved by the Corporation Members at a subsequent Annual Meeting.

Committee Task Force Update: Sally Russell discussed the progress made in gathering information for the Committee, noting that Edmund Jones has been a hugely valuable historical resource for the Committee. She noted that Edmund produced, not one, but two historical documents as to how we have done this type of updating in the past. Sally stated that there will be five (5) working groups reporting to the Board in January:

1. Review Committee Charges (Jordan Young and Edmund Jones)
2. Work from Strategic Plan to Develop Ideal Committee Structure (Jordan Young, Sally Russell and Annaliese Reutemann)

3. Communication Plan for Shoaler Constituents for Volunteer Opportunities (Bethany Swanson, Gary Kunz, Laird Kelly)
4. Propose Enhanced Volunteer Development Process (Laird Kelly, Kate Brady and Sally Russell)
5. Review of Committees through Interviews with Chairs and staff to determine effectiveness (Sally Russell and Kate Brady).

There was a discussion of whether to invite non-board task force members, and/or committee chairs, to part of this discussion at our February retreat. Ellen Koenig has agreed to work with the Board during the February Retreat and to facilitate our governance discussion on Saturday morning.

Strategic Planning Process: Sharon noted that the Strategic Plan will need to be updated in 2016, and that this process would begin at the February Board retreat. Sharon Kennedy listed a series of questions as to how the process would manifest at the February Board retreat. .

Sharon asked the Board to consider the level of community involvement desired for the development of the new Strategic Plan. She noted that the prior effort targeted community members for input at the February retreat. Nick and Gary proposed looking for wider input at the Annual Meeting. This was generally supported by the Board, with the caveat that the Board prepare materials in February that will result in a productive and structured process during the Annual Meeting. Break out groups were suggested as a technique for gathering input from Corporation members, within a framed discussion.

Sharon asked the Board to consider inviting Committee chairs to attend the February Board meeting. This was well received, with comments that there could be value in having all chairs participate in developing the framework for the strategic plan. The Board noted that the existing plan provides a structure for the new plan, and that we should be able to build upon past successes. It was noted that an effective discussion will focus on previously determined categories, and that while “blue sky thinking” is good, it may not be productive in a large group looking to create a functional product. Sharon ended the conversation with a disclaimer that this discussion will continue.

Board Goal Check- In: Board Goals are reviewed several times a year for progress. Gary Kunz suggested that this time we focus on how we benchmark our progress on our Financial goals, and asked members to bring their thoughts to the January Board meeting. This matter was then tabled to January due to the lateness of the hour.

Other:

- None.

Meeting Reflections: Members discussed the GoToMeeting application, and generally felt the audio feature facilitated the conversations of the Board better than a conference call. Sharon thanked the Board for a productive meeting, and wished all a good holiday.

The next Board meeting is scheduled for Tuesday, January 26, 2016 via Go To Meeting teleconferencing The meeting will be held from 7:00 pm to approximately 9:00 pm.

There being no further business, it was moved, and seconded, and then unanimously

VOTED: To adjourn the meeting.

The meeting was adjourned at 9:00 pm.

Respectfully submitted,

Mary Trudeau, Clerk