

STAR ISLAND CORPORATION
Board of Directors

MEETING MINUTES

Tuesday December 20, 2016
Star Island Office and Conference Phone Call

Members in Attendance:

Lisa Braiterman
John Bush (Treasurer)
Tom Coleman (President of ISAUU)
Josh Davis
Nick Dembsey
Debbie Duval (President of SIUCC)
Roger Kellman
Erik Cordes
Gary Kunz (President of the Board)
Suellen Peluso
Hannah Swomley (Pel Liaison)
Mary Trudeau Clerk
Jordan Young (Vice President)
Louise Williams

Other:

Joe Watts, CEO

Absent: Tom Coleman

Check In:

After a brief check in where Board members briefly shared life's events with each other,

Opening Words:

Mary Trudeau offered the Board a reading of a Billy Collins poem.

Call to Order:

Gary Kunz, President, called the meeting to order at 7:10 pm.

Upon a motion duly made and seconded, the Board

VOTED to enter Executive Session for the purpose of approving the minutes of the November 19, 2016 Executive Session, as well as to discuss the Bringer of Light Award nominations. Hannah Swomley did not attend the Executive Session, and Joe Watts remained in the meeting.

The Board returned to the regular Meeting at 7:12 pm. Hannah Swomley returned to the meeting.

Jordan Young entered the meeting at 7:15 pm.

Approval of Minutes:

The Board reviewed the draft Minutes of the November 19, 2016 meeting. Debbie Duval made a correction, and upon a motion duly made and seconded, the Board

VOTED To approve the November 19, 2016 Minutes, as amended.

REPORTS :

Updates from the CEO:

Joe Watts noted that he had a few updates to his CEO report. He reported that the SIC was not awarded a grant from the NH Charitable Foundation in the current round of awards, and that staff will meet with the Foundation to discuss the decision, as well as future projects.

Joe reported that he and Jack Farrell had met recently with the acting director of the NH Department of Environmental Services. Joe felt the meeting was positive, and noted that while the State has not, yet, promulgated regulations governing water re-use, our project will not be delayed while the State drafts the rules. Joe also reported that the CWSRF loan remains available to fund our sewage treatment project, even if the design requires changes or modifications in the ongoing review of the system by the State.

Joe noted that he is currently working on drafting the scope of a professional services contract for Marine Services in the summer of 2017, and that he will have more information at a subsequent meeting.

The State Archeologist, for Maine, has submitted an archeological report detailing significant features on Appledore Island. The preparation of the professional report was done at the request of the staff, and done without charge by the state of Maine. This detailed report assesses the value of the island with respect to historic and pre historic resources, and catalogues the buildings and foundations found on the island. This information is valuable to the SIC.

Joe asked that we defer further discussion on this report to the January meeting.

Treasurers Report:

John Bush reviewed the new template for the monthly financial statements, noting that the intent of the new format is to focus attention on line items that are important. John noted that simplifying the reporting allows the Board to focus on major items.

John noted that year to date actuals for salaries are less than predicted, and that in making future projections, actuals are usually better for estimating future spending. It was also noted that understaffing is not desirable, and that some of the reductions were the result of the Marine Services Professional Services Contract savings.

Pel Report:

Hannah Swomley, the Pel representative, reported that the Pel Community was sent a short survey to garner feedback on the past summer. She noted that response was strong, and that she received 40 completed surveys within the first day. Hannah reported that the survey was well received, and that the Pel community appreciated being included in the evaluation process.

Hannah gave a brief summary of some of the Pel concerns, noting that definition of jobs and combining roles was a frequent concern. She noted that some of the comments could be used to increase efficiency, and others related to quality of life issues. She did note that Pels would appreciate increased wages, and that most Pels felt they worked very hard throughout the summer.

Upon a motion duly made and seconded, the Board

VOTED to approve the Pel Report, Treasurers report and CEO report.

Shorter Term Business

Bringer of Light Award Discussion:

The Board agreed to delay this discussion to the January Board of Directors meeting.

2017 Budget Presentation:

Chris Bertoncini, of Insource, entered the meeting via Conference Call.

Chris began his brief presentation noting that the changes in the draft budgets include increases in Pel wages, and an additional 6K dollars in the capital budget to complete the weatherization of the Atlantic House. Chris noted that with the current projection of 20,350 bed nights being filled during the 2017 conference season, and the room rates approved by the Board at the November meeting, the budget should provide for a surplus of 200K dollars.

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John Bush commented on the two budgets, noting that the cash operating budget in the non-wastewater treatment facility budget version is approximately 114K dollars. He noted that the Finance Committee had discussed wage increases, and that the majority of the Committee had voted to support a 5% increase in wages. John noted that the Finance Committee has also given unanimous approval of the draft budget that includes the wastewater treatment facility project, with the amendment that Pel wage increases rise from 3% to roughly 5%. John reported that during the discussions on wage increases, the Finance Committee noted that they would like additional information on comparable salaries at similar types of resorts.

Debbie Duval noted that the Personnel Committee believes the wage issue is worthy of future study, and would like staff to research comparable positions. Debbie noted that the Personnel Committee was fully supportive of the proposed \$1.00 per hour wage increase, and unanimously supported the proposal. She noted that comments from the Personnel Committee noted that such a step was "long overdue" and that fair and reasonable wages would help with employee retention. She reported that the Committee would like to create a task force to study wages. She noted that the committee would ideally have representatives from the Finance Committee, staff and the Personnel Committee. She noted that the Personnel Committee envisions a 3-5 year phase in for longer term wage increases that might result from the Task Force findings.

The Board discussed the cost of a \$1.00 per hour, across the board increase in Pel wages. It was estimated that the cost of this wage increase would be approximately 63K dollars for the season. Noting that the draft budget, with a 5% proposed wage increase, would increase staff costs by 21K dollars, the difference between the two proposals was estimated at 42K dollars.

A motion was made to approve the budget as drafted, with a 5% wage increase for staff. There was an amendment made to approve the budget, with a \$1.00 per hour increase across the board for all Pelicans.

The Board discussed the proposal for a \$1.00 per hour wage increase, at length, with each Board member commenting on their level of support and/or concerns. Support included comments that investing in our Pelicans makes sense from many perspectives; fair wages supports our organizational goals; labor is an asset; and there is a need to balance opportunities and costs. Concerns focused on the implicit reduction in the anticipated operating surplus; the lack of comparable wage information; the large percentage (14.5%) increase that the \$1.00 per hour figure represented and the looming investment in the WWTF. While there were varying levels of support for the proposal, there was consensus that this is an important issue worthy of continued review.

With little apparent consensus for the approval of the motion, and concern that neither motion nor the amendment had the full support of the Board, Joe Watts offered a suggestion. He suggested that the Board delay a vote on the budget, and that staff be requested to review the budget with an eye towards covering the proposed wage increases. Joe noted that staff could begin by looking at a \$1.00 per hour wage increase, and see what cuts would need to be made to fund this proposal. He noted that another possibility would be that staff could come back to the Board with a compromise figure, after balancing opportunities and costs.

Board and CEO Evaluation Processes:

Debbie Duval reported that Saleha is looking at the CEO evaluation format, and Debbie anticipates distribution to Board members shortly. Debbie noted that the Board evaluation forms are being revised prior to distribution, as well.

Longer Term Business

Committee on Appointments:

The Board reviewed the December 12, 2016 memorandum from the Committee on Appointments. The memo made the following recommendations:

Personnel Committee:

Michelle Kunz for a second three year term starting in 2017

Lia Yanis for a first three year term starting in 2017

Linda Leehman for a first three year term starting in 2017

Steven Blakney for a first three year term starting in 2017

Fund Development Committee:

Carol Weissman for a second three year term starting in 2017

Property Standards Committee

Bob Cook for a first three year term starting in 2017

Bruce Parsons for a first three year term starting in 2017, and serving as Chair

The memorandum also noted that Nancy Wood begins service as Chair of the Membership Committee in 2017.

Based on the December 12, 2016 memo from the Committee on Appointments, and upon a motion duly made and seconded, the Board

VOTED to appoint the recommended persons to the Personnel Committee, the Fund Development Committee and the Property Standards Committee.

The Committee on Appointments also recommended that the Board propose the following candidates for the Nominating Committee at the next Annual Meeting of the SIC:

Kris LoFrumento for a three year term starting in May 2017

Annie Stewart for a second three year term, serving as Chair, in May 2017

Kristin Laverty for a second three year term starting in May 2017

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Pam Pierce for a second three year term starting in May 2017

Based on a motion duly made and seconded, the Board

VOTED to accept the recommendations of the Committee on Appointments and to propose Kris LoFrumento; Annie Stewart; Kristin Laverty; and Pam Pierce for the Nominating Committee at the 2017 SIC Annual Meeting.

Collections Policy:

Lisa Braiterman discussed the Collections policy that was drafted to manage the collections of the SIC. The responsibility for the various SIC collections rests with the CEO and his/her designees. Typically, these designees will be the Celia Thaxter Museum (CTM) manager and/or the CTM Vaughn Curator. The policy provides guidelines for the responsibility for the collections; acquisition guidelines; donations, purchases and loans of artifacts. The guidelines also impose cataloguing procedures and procedures for tracking items through a data base. It was noted that the Island History and Artifacts Committee, and in particular Irene Bush, have expended much energy in the development of this document.

Upon a motion duly made and seconded, the Board unanimously

VOTED to accept the Collections Policy as prepared by the Island History and Artifacts Committee

Other:

There was no other business.

Reflections:

Gary reviewed the tenor of the meeting noting that it is fine to disagree when the discussion is done respectfully. There was general agreement that the evening had gone well, and that the return of the budget to staff was the appropriate strategy to accommodate all views on the proposed wage increases for the Pel community.

Upon a motion duly made and seconded, the Board

VOTED To adjourn the meeting at 9:10 pm.

Submitted by:

Mary Trudeau, Clerk