

**STAR ISLAND CORPORATION
BOARD OF DIRECTORS MEETING**

Monday August 31, 2015

8:45 am.

Sandpiper Room, Star Island

Members in attendance:

Lisa Braiterman

Dan Cassell (Pel representative)

Tom Coleman (President, ISAUU)

Josh Davis

Debbie Duval (President, UCC)

Sharon Kennedy, President

Gary Kunz, Vice President

Suellen Peluso

Mary Trudeau, Clerk

Jordan Young

Absent:

Nick Dembsey

John Bush, Treasurer

Erik Cordes

Others attending the meeting:

Joe Watts, CEO

Opening Words. For opening words, Sally Russell offered a reading to the group:

Prayer for the Morning

By [Audette Fulbright Fulson](#)

Did you rise this morning,
broken and hung over
with weariness and pain
and rage tattered from waving too long in a brutal wind?
Get up, child.
Pull your bones upright
gather your skin and muscle into a patch of sun.
Draw breath deep into your lungs;
you will need it
for another day calls to you.
I know you ache.
I know you wish the work were done
and you
with everyone you have ever loved
were on a distant shore
safe, and unafraid.
But remember this,
tired as you are:
you are not alone.
Here
and here
and here also
there are others weeping
and rising
and gathering their courage.
You belong to them

and they to you
and together,
we will break through
and bend the arc of justice
all the way down
into our lives.

Call to Order. Sharon Kennedy, President, called the meeting to Order at 8:50 am in the Sandpiper Room at Star Island.

Upon a motion duly made and seconded, the Board

VOTED to enter executive session to discuss a legal matter and a personnel matter.

The Board invited Joe Watts to attend a portion of the meeting.

The Board resumed the public portion of the meeting at 9:50 am. Joe Watts and Dan Cassell returned to the meeting at this time.

Minutes of the June 27, 2015, Meeting of Directors at Star Island. Jordan Young requested that additional language be added to the minutes concerning the submission of a memorandum detailing the charge of the Property Standards Committee.

Upon a motion duly made and seconded, it was unanimously

VOTED: To approve the minutes, as amended, of the June 27, 2015 meeting of Directors

Minutes of the July 28, 2015 Executive Committee Meeting via Conference Call

Upon a motion duly made and seconded, it was unanimously

VOTED To approve the minutes of the July 28, 2015 Executive Committee of the Board of Directors.

Reports

- **CEO Report - Development, Facilities, and Registrations.** Joe began his CEO report with updates on the registration numbers for the summer. He noted that we are currently at 19,057 bed-nights, working towards meeting the bed night goal of 19,550 set for this summer. Joe noted that this represents (97.5%) percent of the bed-night goal for the 2015 season, and that there is still some possibility that the goal may be achieved by the end of the summer. At this time, we continue to project that we will achieve 19,350 bed nights for the season. Factors that could influence meeting the bed-nights goal include

attendance at the Regatta, shoalers adding additional nights to their stay at smaller conferences, and, of course, the weather over the next few weeks.

The Board reflected on the discussions with Jack Farrell, John Bynum and Justina Maji during the Retreat on Sunday August 30, 2015. Challenges noted by the Island Managers include hiring Pels who understand the Island culture and want to be a part of the community; keeping morale high amongst the seasonal staff; the need to retrain each cohort of new pelicans; conveying the high standards of the Island work ethic to the staff; and keeping the Pelican community safe.

Of particular interest to the Board were comments concerning ways to increase retention of key employees. Notwithstanding the transitional nature of our Pelican work force, discussions included non-monetary solutions such as better housing options along with the possibility of financial incentives for some key food service staff positions.

- Development. Joe reported that the staff had submitted a grant application letter of intent to the New Hampshire Charitable Foundation and is optimistic about the potential source of funds. Joe noted that the Foundation is featuring Star Island on its web site.

Fundraising is progressing well, with \$142K raised of the targeted fund raising goal of \$157K dollars. Joe noted that Pam Smith had presented at the Retreat this weekend, and has submitted detailed analysis of the Annual Fund drive as well as the targeted gifts goals in her memorandum to the Board. One key takeaway from Pam's presentation is that there is room for growth in the Annual Fund over time.

- Facilities. Joe noted that the bulk of this discussion had occurred over the past few days, and included the Island tour with Jack Farrell. Additional details can be found in Joe's memorandum to the Board, included in the Board Packet. Joe did note that the Trust for Public Lands has been working on the assessment of Appledore, and that the formal appraisal results are expected within the next couple of months.
- **Treasurer's Report**. Joe Watts presented the Treasurer's report, as John Bush was not in attendance at the meeting. Joe reported that the July financials were substantially as expected, with the Debt Service Coverage Ratio being slightly tighter than we might desire but within approved limits. Joe noted that the Debt Service Coverage Ratio has been calculated using Eastern Banks guidelines, but that as the Island will be working with Optima Bank, we will be using their guidelines to calculate the debt ratio once the loans have been transferred to Optima.

Joe discussed the terms of the Optima financing, noting that the bank has continued to extend the same favorable terms to the Island through the issuance of three month renewal offers. Joe noted that with the terms of the Optima agreement, even with the potential for a small rate increase in the next renewal of the extension, will still be more favorable for the Island than paying the prepayment penalty at Eastern Bank.

Wastewater Treatment Facility funding is an ongoing exploration. Optima Bank is aware of the need for this upcoming financing exploration, and has noted that this will not affect the terms of the loans to be held by Optima.

Joe noted that the staff has developed a set of Budget Guidelines reflecting the guidance of the Board in past budgets. Joe specified that these guidelines were not discussed extensively by Finance Committee, and will be reviewed by the Board later in the meeting.

- **Pel Report.** Dan Cassell thanked the Board for allowing the Pelican community a presence on the Board. Dan noted that the end of season has left the staff short staffed, but that a spirit of cooperation has eased the transition to smaller crews. Dan noted that the August 28th wedding, Gatsby event and conferences on the Island this weekend had created a perfect storm of activity, and that many crews worked a 14 hour day on Saturday to insure the culmination of these events. He described the Pel community as having a “great energy and work ethic” this summer, noting that he felt this was the strongest crew in several years.
- Upon a motion duly made and seconded, the Board

VOTED: To accept the CEO Report (including the Development and Registration Reports), the Pelican Report and the Treasurer’s Report.

Shorter Term Business

Budget Planning Guidelines Memorandum. Joe Watts discussed the guidelines proposed by the staff for use in the development of the 2016 budget. The Board discussed the use of rate adjustments to attract guests to weaker conferences, and the use of deliberate marketing to increase registrations. The Board commented on the proposed room rate increases, noting that Motel units have borne the largest increases in recent rent adjustments. It was noted that the renovated cottage rooms are also desirable, and that looking at a variable rate structure for different housing options could increase revenue without impacting a particular demographic. Joe noted that the Island had been successfully offering additional nights to short stays, at a discounted rate, to encourage longer habitation.

Joe mentioned that discounts will likely increase this year, as well. There was a request from the Board for staff to provide tracking of the results of the various introductory discounts in 2014 and 2015. Joe noted anecdotally that the most effective discount was the “former Pel discount” which has shown a high retention rate in subsequent year’s conferences. Discussion on financial aid policies included commentary on the continuing need for Island aid as some conferences do not offer aid.

Joe stated that a realistic bed night goal is a key to a strong budget, as are realistic fundraising goals. Joe noted that the net revenue shortfall is subsidized by fundraising efforts as the full cost

of attending a conference is not borne by the conference revenue.

The Board expressed concern with employee retention, and the need to develop leadership and skills within the Pelican work force. Questions to the CEO included staff size; staff pay; and staff training, with Joe noting that these issues are considered in our hiring and management practices.

Joe reminded the Board that the Wastewater Treatment Plant costs will not be included in the 2016 budget, and that should financing for the Plant become available, the budget would need to be updated.

The Board briefly discussed the anticipated budget surplus, with commentary noting that the surplus is a function of operating expenses, and that the Island budget typically proposes a relatively small surplus due to budget constraints and funding limitations. Joe acknowledged that the budget will forecast a smaller than desired surplus, which is a function of our decision to invest more in the upkeep of our facilities. The potential exists in any given year for unexpected expenses.

In response to receipt of the Budget Guidelines memorandum, and in lieu of voting on them, the Board asked that the minutes reflect that there was general acceptance and that feedback was provided to the CEO regarding the budget guidelines.

Nominating Committee Report. The Nominating Committee has informed the Board that the following nominations for the Board of Directors will be considered at the 2016 Annual Meeting:

Erik Cordes - Director (second three year term), retroactive to May 2015

Nick Dembsey – Director (second three year term), retroactive to May 2015

Permanent Trust Appointment: Sharon Kennedy noted that the Nominating Committee has made a recommendation to fill the current vacancy on the Permanent Trust. The Nominating Committee is recommending the following interim appointment of a trustee for the Permanent Trust:

Nick Dembsey (to be nominated and voted to fill the balance of the trustee's term, vacated by Judy O'Keefe, at the 2016 Annual Meeting.)

Upon a motion made and duly seconded, the Board

VOTED To appoint Nick Dembsey to fill the current vacancy as a trustee of the Permanent Trust, on an interim basis, until the position is filled through the elections to be held at the 2016 Annual Meeting

Other:

- **Fossil Fuel Divestiture.** Upon a motion duly made and seconded, the Board

VOTED The Board is resolved to deliver the recommendation in the Fossil Fuel Divestiture Recommendations, as presented, to the Trustees of the Star Island Permanent Trust

- **Changes to Board Covenant.** Josh Davis submitted a revised Covenant to the Board for review. Changes were minor and reflected privacy concerns and use of updated technology in Board communications.

Upon a motion duly made and seconded, the Board

VOTED To approve the amendments to the Board Covenant

Longer Term Business

Master Board Calendar. The Board calendar was updated to include the scheduling of the April 30, 2016 Annual Meeting, to be held at the First UCC Church of Holliston

Upon a motion duly made and seconded, the Board

VOTED The Board voted to accept the updated Board calendar

Sponsorship Policy: The Board discussed the Sponsorship Policy developed by Pam Smith and the staff, and offered a few suggestions. The policy will now go to Fund Development Committee for review, and will be voted on by the Board later in the year.

Conference Services Committee Liason Report. Debbie Duval, as liaison to the Conference Services Committee, reported on recent discussions within the Committee. She noted that surveys have proven to be an effective means of gathering information and are popular with shoalers. The Committee is considering amenities, such as the Snack Shack, bedding, Snack Bar offerings and a potential fitness station. .

Island Heritage and Artifacts Committee Liason Report. Lisa Braiterman, as liaison to the Committee, reported that the group has not met since her appointment as liaison. She noted that through discussions with Sarah Mills, the current archivist, and correspondence from Irene Bush, she has developed some understanding of the issues with preservation of materials on the Island. She noted that the Attic remains inaccessible. On a positive note, Lisa reported the Committee has two grant applications submitted, and that both applications were “outstanding”.

Health Committee Liason Report. Mary Trudeau, as liaison to the Committee, reported that she has made contact with the Committee, and requested that she be included in their upcoming meetings this year. Joe noted that the Committee does not meet regularly, and that there are some important issues around housing and guests that will be discussed in the year ahead. Joe noted that the Committee was very helpful in developing a proactive plan to effectively address noro-virus concerns, and complimented the Committee's oversight of the First Aid facility on the Island.

OTHER:

Committee Task Force: At the request of the Board of Directors, Sally Russell with help from Gary Kunz and Jordan Young, propose to establish a working group to examine the scope, structure, membership and number of Corporation Committees. The task force will include members of the Star Island staff, with representation from the Committee on Appointments and other non Board members as required to research the existing Committee system. The task force will present final recommendations to the Board at the February Retreat in Portsmouth.

Upon a motion duly made and seconded, the Board

VOTED to establish a working group to examine the current scope, structure, membership and number of committees

Meeting Reflections: The consensus of the Board was that good work had occurred over the weekend Retreat, and through the Monday morning Board meeting. Discussions were lengthy, but allowed for some long term visioning, and exploration of topics.

The next Board meeting is tentatively scheduled for Monday evening, September 21, 2015, by conference call.

There being no further business, it was

VOTED: To adjourn the meeting.

The meeting was adjourned at 11:45 am.

Respectfully submitted,

Mary Trudeau, Clerk