

**STAR ISLAND CORPORATION**  
**Board of Directors**

**MEETING MINUTES**

Tuesday April 26, 2016  
Go To Meeting and Conference Call

Members in Attendance: \_\_\_\_\_

John Bush, Treasurer  
Dan Cassell (Pel representative)  
Erik Cordes  
Josh Davis  
Nick Dembsey  
Debbie Duval (President of SIUCC)  
Sharon Kennedy, President  
Gary Kunz, Vice President  
Suellen Peluso  
Sally Russell  
Mary Trudeau, Clerk

Absent: Tom Coleman(President ISAUU)

Other:

Joe Watts, CEO  
Roger Kellman (incoming Board member)  
Louise Williams (incoming Board member)  
Tammy Michaud (Berry Dunn) left meeting at 7:56  
Chris Bertoncini (Insource) entered meeting at 7:25, left meeting at 7:56

Joe Watts noted that Tom Coleman has been ill this week, and is unable to attend the meeting.

**Opening Words:** Nick Dembsey noted that it is April, and Opening Day is upon us...and read a poem by Jim Mudcat Grant to celebrate the season:

**Life**  
**by Jim 'Mudcat' Grant © 2002**  
**Published: Baseball Almanac (March 2002)**

Life is like a game of baseball,  
You play it every day.  
It isn't just the breaks you get,  
But the kind of game you play.

So stop and look your whole team over,  
And you'll find dedication there.

You're bound to be a winner,  
With men who really care.

Your pitcher's name is Courage,  
You need him in the game.  
For faith and trust your keystone men,  
The grounders they will tame.

Your center fielder is very fast,  
Though small and hard to see.  
So watch him, son, when he gets,

The ball. He's Opportunity.

In left field there's Ambition,  
Never let him shirk.  
For in right field there's a husky man,  
I'm told his name is Work.

At first base there's Religion,  
He's stood the test of time.  
At third base there's brotherhood,  
The stalwart of the nine.

Your catcher's name is Humor,  
He's important to the scheme.  
For with honor warming in the bull pen,  
The game is always clean.

With Love on the bench,  
You've perfection no less.  
With a winning team,  
And joy and happiness.

Your other team is Strong, son,  
Greed, Hatred, Envy and Defeat.  
Are four strong infielders,  
You'll have to buck to make your game  
complete.

Deceitfulness and a man called Waste,  
Are always playing hard.  
Selfishness and jealousy,  
None can you disregard.

Carelessness and Falsehood,  
Are the big boys in the pen.  
You'll have to swing hard, son,  
When you come up to them.

There's one more man you'll have to watch,  
He's always very near.  
He's the pitcher on that team,  
And I'm told his name is Fear.

This game will not be easy,  
There'll be trouble, there'll be strife.  
To make the winning runs, my boy,  
For this game is played on the field of life.

So stand behind your team, my boy,  
There'll be many who'll applaud.  
Just remember that you're the player,  
And the umpire here is God.

After a brief sharing of life events between Board members, Sharon Kennedy, President, called the meeting to order at 7:11 pm.

### **Shorter Term Business:**

**Personnel Committee Liaison Report:** Sally Russell, both Chair and Board liaison to the Personnel Committee gave a brief report, noting that it is difficult to convene this committee, and that the best work was done when a specific task is assigned. Sally noted that as her term on the Board is ending, Debbie Duval will assume the roles of Board liaison and Committee Chair, and that Sally will remain on the Committee for one more year. Sharon thanked Sally for her leadership in taking on the CEO and Board evaluation process, noting that it is a difficult task to do well. She also thanked Sally for seven years of service on the Board, noting that she was an invaluable colleague.

**Form 990:** John noted that a draft 990 Tax Form has been drafted, and provided to Board members for review. John reported that the 990 form is currently filed in both Massachusetts and New Hampshire, noting that the Permanent Trust files only in New Hampshire. Lisa

Braiterman noted that many of the questions on the 990 form remain the same, year to year, and that preparation of answers to these questions could be done prior to the start of the Audit. Suellen noted that it is important to check each submission for consistency with past filings. Joe Watts requested that the Board review of the current 990 be completed by May 2, 2016 to allow for a filing of the completed form by May 15.

**2015 Audit Presentation:** John Bush gave an introduction to the Berry Dunn audit of the Corporation, introducing Tammy Michaud from Berry Dunn. Tammy summarized the 2015 Audit for the Board, noting that they are offering a clean/unmodified opinion, and that they did not identify any material weaknesses or make any significant adjustments. She noted that Berry Dunn worked with Insource to prepare the audit. Overall, Tammy noted that while there were minor changes in some of the components within the balance sheets, the numbers remained consistent. Capital projects continue to be offset by depreciation and while she noted a 4% increase in expenses this year, the primary basis for this increase were payments for the solar power system. She also noted that lesser returns from the Trust, or smaller grant donations look “bigger” on a balance sheet, but that these items generally remained consistent. She noted that the Island successfully refinanced our debt with Optima Bank and continues to meet the debt covenants with our lenders.

Tammy offered three comments to the Board, noting that these will be noted in an advisory letter prepared with the Audit. The three issues she noted included the security and use of a signature stamp; the improvements made this year in the “segregation of duties” within our accounting procedures; and the resolution of issues associated with account payable reconciliations.

John Bush discussed the implications of issues with the prorating of the Appledore lease. He noted that this is an accounting “problem” rather than a cash flow issue. Tammy commented that there is a new rule which may eventually mitigate for the prorating issue. She said the audit subcommittee recommended no changes in strategy for this year, and noted that the Island should research the implications of accounting for the Appledore lease over the coming year.

In response to a Berry Dunn recommendation for more frequent reporting from the Permanent Trust, Jordan Young questioned whether the switch to a monthly reporting will be onerous for the staff. Joe noted that we have already changed our reporting procedures and that these changes do not appear to be onerous.

Upon a motion duly made and seconded, the Board

**VOTED** to accept the Berry Dunn 2015 Audit of the Corporation

At 7:56 Tammy Michaud and Chris Bertonicini left the meeting.

Upon a motion duly made and seconded, the Board

**VOTED** To enter Executive session for the purpose of reviewing past minutes; discussing staffing issues; Finance updates; and the Appledore Appraisal;

Joe Watts, Louise Williams and Roger Kellman were invited to attend the meeting. Dan Cassell left the virtual meeting room.

The Board returned to open meeting at approximately 8:45 pm.  
Upon a motion duly made and seconded, the Board

**VOTED** To approve the minutes of the March 22, 2016 meeting of the Board of Directors, as written.

## **REPORTS**

### **CEO Report (including Development and Marketing; Facilities; and Registration Reports)**

Development: Joe noted that the year round staff currently has 100% percent participation in our 2016 fundraising efforts, including the Annual Fund, the Green Gosport Initiative and/or the Fund for the Oceanic. The March Annual Fund numbers continue to show an increase in the number of donors, from past years, and donations are tracking favorably. Seven new members were welcomed to the Legacy Society this month, as a result of a February campaign.

Staff continues to work on grant applications, with a long list of grants in process or under consideration. Current grants include requests for the Green Gosport Fund, the Oceanic Fund, and general operating expenses. Joe noted that the off island events have proven very popular, and seem to be scheduled almost weekly this spring. In particular, Ann Beattie's talks on the Oceanic Hotel have been selling out, and Ann is doing a fabulous job of raising our profile along the seacoast.

Facilities: Joe reported that the Open Up work is going well, and likely is ahead of schedule. The renovations to the Atlantic are progressing well, and should be completed in time for the conference season. Additionally, the work to renovate the tower bathrooms in the Hotel is going well and is on schedule, too.

Joe noted that the Coast Guard and the Rye Fire Department met with staff today to discuss the implications of a proposed sale of the Rye Fire Boat. Joe noted that the Coast Guard has tentatively agreed to provide services to the Island, as needed.

Registrations: The current summer registration is at 72% percent of the summer goal, with approximately 14,100 out of a goal of 19,650 bed nights filled. Joe noted that several conferences are full, and that staff is working with under filled conferences.

Staffing: Joe reviewed the organizational staffing chart included in the Board packet, discussing the various levels of staffing established for the full time and summer employees. Changes from past years include the establishment of Marine Services as a contractor position, and the expanded role of John Bynum as Island Manager, in addition to his continuing role as Food Service Manager. Joe noted that staffing continues to evolve, with a great crew of pelicans who have signed contracts for the summer. Joe spoke of the recent passing of Warren Simard, noting that his unexpected death has been traumatic for the staff.

**Treasurer's Report:** John presented the Treasurer's Report, noting that there is little excitement in the pre season report. He noted that Board members can email or call with any questions.

**Pel Report:** Dan Cassell represented the Pelicans, noting that the loss of Warren Simard was felt throughout the community.

Upon a motion duly made and seconded, the Board

**VOTED** To accept the CEO Report (including Development and Marketing, Facilities and Registration) Treasurer's Report and Pel Report.

### **Shorter Term Business:**

**Special Nominating Committee:** Debbie Duval reported that the Special Nominating Committee was pleased to nominate Gary Kunz for a one year term as president of the Board of Directors, and Jordan Young for a one year term as vice president.

**Annual Meeting Update:** Sharon noted that staff has sent electronic packets to all Corporation members this year, in an effort to reduce paper waste and more efficiently provide information to the membership. She reviewed the Strategic Plan memorandum, noting that it was the result of a collaborative process, and discussed strategies for presenting the information at the Annual Meeting.

**Committee on Appointments :** While no action was needed by the Board, Joe noted that Sydney Mahoney and Bill Gimpel were appointed to the Rutledge Marine Lab Committee.

**Change of Bylaw Recommendations:** Gary proposed several minor language changes, noting that these represented transitional language needed in the 2002 changes approved by the Corporation, and no longer needed in the Bylaws. Additionally, he noted that there are two changes that he would like to have reviewed by the Membership Committee. The first change considers self nomination, and the second would change the date of the Nominating Committee membership terms to the date of the Annual Meeting. The current membership date, December 15, is awkward as the Committee is engaged in its most critical work in December as it reviews applications for membership in the Corporation, and training new members could be more effectively done later in the year.

**Putnam Foundation Grant Application:** Joe noted that staff would like to apply for a grant from the Putnam Foundation, an organization that funds preservation projects among other things. The grant would be used to fund the Oceanic Fund.

Upon a motion duly made and seconded, the Board

**VOTED** to approve a grant application to the Putnam Foundation for \$25K of funds to support the Oceanic Fund.

**Longer Term Business:**

Property Standards Committee: Jordan Young presented a flow chart showing the function of the Property Standards Committee within construction and redevelopment projects on the Island. It was agreed to discuss this further at the May 24 Board meeting.

**Other Business:** There was no other business.

**Reflections:** Sharon Kennedy noted that this is her last Board Meeting, and that her term on the Board will expire after the upcoming Annual Meeting. Sharon thanked the Board for their support and friendship, noting that she will miss working with the Board. She also extended a special thanks to Joe Watts, noting that he “is the best to work with”.

Upon a motion duly made and seconded, the Board

**VOTED** To adjourn the meeting at 9:20 pm.

Submitted by:

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Mary Trudeau, Clerk