

**STAR ISLAND CORPORATION
Board of Directors**

MEETING MINUTES

Saturday June 25, 2016
30 Middle Street, Portsmouth, NH and Conference Call

Members in Attendance:

Lisa Braiterman
John Bush, Treasurer
Tom Coleman (President of ISAUU)
Josh Davis
Nick Dembsey
Debbie Duval (President of SIUCC)
Gary Kunz, President
Suellen Peluso
Hannah Swomley, Pel Liaison
Mary Trudeau, Clerk
Louise Williams

On Phone:

Roger Kellman
Erik Cordes

Absent: Jordan Young

Other:

Joe Watts, CEO
Jack Farrell

Check In: Hannah Swomley was introduced as Pel Liaison to the Board of Directors. Hannah is the current Dining Room supervisor and a long time International Affairs conferee. She has been a Pel for (4) summers.

Opening Words:

Erik Cordes shared a Wendell Berry poem that he found in Alex de Steiguer's book:

"Good work finds the way between pride and despair.

It graces with health. It heals with grace.

It preserves the given so that it remains a gift.

By it, we lose loneliness:

*we clasp the hands of those who go before us, and the hands of those who come after us;
we enter the little circle of each other's arms,
and the larger circle of lovers whose hands are joined in a dance,
and the larger circle of all creatures, passing in and out of life, who move also in a dance, to a
music so subtle and vast that no ear hears it except in fragments."*

After a not so brief sharing of life events between Board members, Gary Kunz, President, called the meeting to order at 10:43 am.

Upon a motion duly made and seconded, the Board

VOTED: to enter Executive Session for the purpose of reviewing the Executive Session minutes of May 24, 2016 and to discuss ongoing discussions with the Trust for Public Lands concerning the stewardship of Appledore Island; as well as discussions concerning a gift to the Island requiring a Gift Acceptance vote by the Board and personnel issues.

Hannah Swomley left the room at 10:45 am. The Board returned to the regular Meeting at 11:30 am. Hannah Swomley returned to the room at 11:32 am.

REPORTS :

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

Joe prefaced Jack's Facility report by noting that Jack Farrell's birthday is today, and Joe offered to lead the Board with a rousing chorus of "Happy Birthday".

Facilities (Jack Farrell)

Jack reported on the progress on the ongoing work on the Island this spring. Noting that capital projects are going well, and work appears on schedule, Jack stated that work projects should be substantially completed by All Star I. Jack noted that the third and fourth floor tower bathrooms have been renovated, including new plumbing and plywood walls to strengthen the structure. While similar plumbing work is planned for the second floor tower bathroom, it has been postponed, until fall of 2016. Other significant work includes the completion of new water tanks, creating storage for a full day's worth of water. This allows us to use solar power to run the reverse osmosis machines, generating "free" sunlight water. Related work includes the reconstruction of the water control area. This will allow us to pursue UV Treatment for purification, funded through a sustainability grant from UNH and the UV manufacturer. Renovation of the cement shed included new wiring and plumbing.

Grant funding and volunteer labor enabled construction of climate controlled space for archives in the attic of Vaughn Cottage. Jack noted that wiring and HVAC work were, of course, done professionally. He also reported that installation of the new electrical “main” to service the mini heat pump in Vaughn Cottage will allow for upgrades to wiring in other stone buildings.

As part of the Green Gosport Initiative, new refrigeration units and ice machines have been installed on the Island. These machines are more energy efficient and smaller than previous units. Jack noted that there are new heat pumps in the kitchen and that chemical treatment in the dishwashing cycle allows us to use lower temperature water to clean dishes. Again, these are important conservation measures for the Island. There are two new hot water storage tanks in the Power House, again improving efficiency.

Jack also reported that due to the efforts of Bob Austin, the Gosport stair bathroom is now newly tiled and has a brand new sink.

The largest of the capital projects undertaken this spring, the exterior extension of the Atlantic House to create safe, internal emergency egress, is close to completion. This work included major weatherization of both windows and wall. Decks have been rebuilt; porches reconstructed; and the new porch roof has a fir ceiling. Jack noted that the contractors have done quality work this spring, and that the improvements are significant with respect to both safety and structural improvements.

Jack transitioned the discussion towards upcoming work, noting that the Waste Water Treatment plant remains a possibility for the fall of 2017. This work is dependent on the funding of the system, and Joe noted that he is in the process of completing the pre application process for a low interest loan through the Clean Water State Revolving Fund.

The proposed improvements to Star Loft and the Kiddie Barn, including renovations and the east wall work are also on the horizon, with more than 60Kdollars raised towards this work. Additional improvements to Vaughn, including opening up the second floor through changes to the stair system and windows to improve egress are pending, as well. This will create usable space on the second floor of the building. Jack noted that planning has begun towards improvements to Brookfield, including changes to the structure that will facilitate our educational mission and possibly create a “welcome” or “visitors center” for school children, day trippers and the like.

Upon questions from the Board, Jack noted that Pelicans are now being paid to clean Pel spaces, including bathrooms. This is geared to improve hygiene and control the spread of bacteria. Jack note that stainless steel is being used in several key washing areas, and that hot water has continued to expand throughout the water delivery system. Concerns included the need to moderate high water temperatures, and the possibility of lowering the height of soap dispensers to make them accessible to children.

Lisa Braiterman questioned whether improvements to the Units are foreseen, and Jack noted that this work is being considered and incorporated into longer term planning.

Nick Dembsey summarized the fire safety work, noting that the goals appear to have changed from prescriptive to performance based planning. Jack agreed with this comment, noting that the tenor of conversations with the Rye Fire Department are markedly improved from those in 2007 and 2008.

The Board left for lunch at 12:05 pm, returning to the meeting at 12:20 pm

Upon a motion duly made and seconded, the Board unanimously

VOTED To approve the minutes of the May 24, 2016 Board Meeting, as amended to correctly record Gary Kunz as President of the Board

CEO Reports:

Development and Marketing: Joe began his report noting that the Annual Fund appears to be ahead of past years. He noted that the Island continues to improve its presence in the seacoast community with lots of events promoting the Island.

Conference registration continues to strengthen, with increased numbers in several conferences. Joe noted that, in particular, IRAS, LRE and IA appear to have significantly improved conference attendance over last year. He observed that Arts and Natural History shared the island well.

Joe noted that he is preparing the pre application for the Clean Water State Revolving Fund financing to assist with funding the new Waste Water Treatment Facility. The application is due on July 1, and is the first step in pursuing this low interest loan. The terms of the financing have recently been amended to allow for non-profits to apply for the funding, and Star Island is likely to be the first nonprofit organization to apply for a wastewater loan.

The Rye Fire Department inspection went very well, and feedback from the Department continues to be good. Overall, Joe felt the inspection was “awesome”!

Registrations: As of this past week, the summer registration was at 94% percent of the summer goal, with 18,470 bed-nights currently planned by Shoalers. Joe is optimistic that we could approach or possibly cross the 20K bed night number this season, barring foul weather or other disastrous events.

Other: Joe provided his annual verbal report on regulatory compliance, sharing examples of the variety of regulations and agencies we work with. Joe noted the effectiveness of our regulatory compliance calendar and duplication of monitoring efforts between Kate Brady and Joe. Their system is comprehensive and includes such reporting as LCHIP compliance documents, employee retirement plan requirements and many other filing deadlines and commitments.

Joe thanked Tom for his efforts to improve the chapel path, noting that the recent work project has produced a safer, and still aesthetically pleasing walk way.

Treasurer's Report: John Bush presented the Treasurer's Report, noting he had few comments. He did comment on his work to improve timing of seasonality issues in the budget. Joe noted that due to early registrations, the Island is borrowing later in the season, and taking less money from out line of credit.

Financial Aid Committee Report: Tom Coleman reported that the Committee is 2/3 of the way through the allocation process, noting that over the course of a summer the Committee expects to give out 30K in grants to Shoalers. Noting that an "award" can represent an individual or a family unit, Tom reported that Round 1 funding consisted of 12 awards totaling 6K dollars. Round 2 distributed 19K dollars amongst 34 awards. Tom reminded the Board that conferences have financial aid awards, as well, and that the committee works with conferences to provide the best funding for any applicant. Tom credits Jordan Young's funding model with facilitating the process. Upon questions from the Board, Tom responded that a committee of four members works well, and that Mike Bray is included in the process.

Pel Report: Hannah Swomley, representing the Pelican community, described this summer's Community Initiative towards safety and health of the employees. She noted that each Pel reviewed and signed a covenant this summer, and that Pels are organized into supportive Pods which meet weekly. Each Pod consists of both new and returning Pels and is designed to support new Pels and promote healthy living on Star Island. The Pels have decided to host a community meeting and Pel chapel every other week, and this has opened communication across the community. Linda Lehman is working with the Pels in an official capacity this summer, and management is working to shorten response time with respect to Pelican concerns. Hannah noted that the Pels held a successful "Healthy Living" meeting to educate the community on our Safe Community policies, and Hannah felt it was successful enough to plan for a second, mid-season session.

Upon questions from the Board concerning training, Hannah noted that all Pels are mandated to take a 2 hour orientation tour at the beginning of the summer. The orientation includes a tour of the first aid station; hand washing protocols; food rules; safe lifting techniques; and quiet hour policies.

Hannah and Joe discussed the extensive training and fire safety education work done by the Pel community. She noted that the training sessions include recognition of fire, as well as instructions on containing fires and evacuation procedures. The Rye Fire Department offers part of our fire safety training program.

The Board asked about crew training, and Hannah felt that the early summer crews receive better training than end of season help. She noted that it is difficult to offer end of season help the same quality of training due to varying arrival dates. Joe noted that the issue is evolving, and that key staff is staying later in the season than in the past.

Hannah also noted that there is currently a “100 job list” which lists “15 minute jobs” available to Pels for pay. While some of these jobs seem small, the overall effect of the completion of these tasks is shown in the appearance of the Island. She also noted the improvement in bathroom cleanliness with the new policy of paying for cleaning community spaces.

The Board asked for suggestions to help the Pel Community, noting that the auction is generally well received by the conferences. Hannah noted that Pel Council is a good resource, and that it is a 10 person Board composed of only Pels.

Upon a motion duly made and seconded, the Board

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

Shorter Term Business:

August Retreat: Gary asked Board members to send him suggestions for agenda items and discussion topics. He noted that the weekend begins on Saturday morning (with an optional trip to Appledore) and continues through Sunday, ending Monday at noon. Joe noted that staff will be in touch with logistical details.

Board Goal Check-In: Gary deferred this discussion to the July 26, 2016 Board Meeting.

Board Discretionary Fund: Gary noted that this fund is held in a separate bank account, and that managing the funds in this manner is problematic. He noted that the account will be closed and the funds placed in our primary bank account.

Longer Term Business:

Five Year Financial Plan: John Bush and Joe Watts discussed the Five Year Financial Plan. Joe noted that the Waste Water Treatment Plant (WWTP) is included in the five year plan, and that it is reasonable to assume we will need to finance 500K dollars. Joe also stated that the current five year plan does not include a Capital Campaign. He discussed potential funding mechanisms for the WWTP, including a \$1 dollar per person per night “tax” or use fee. John noted that cash flow will be tight with the financing of 500K for the WWTP.

John also discussed accounting issues associated with the rental income received from Shoals Marine Lab. He noted that the lease has step increases, and the Lab has an “option to leave”. With these conditions, he feels that our accounting strategy is consistent with the terms of the lease.

Membership Committee Liaison Report: Gary reported that while functionality continues to improve on the committee, he would like to be replaced as Chair. He noted that the Board continues to work towards improved procedures and criteria for membership in the Corporation,

and that proposed changes in process and criteria were included in the Board packets this month.
Changes to Article II, section 2

Upon a motion duly made and seconded, the Board

VOTED to approve the proposed criteria and process for membership in the Corporation, as detailed in the revisions to Article II, section 2 of the SIC Bylaws.

Gift Acceptance: The Board, having discussed the offer of a significant gift with restrictions to be made to the Star Island Corporation, in the earlier Executive Session, determined that they were prepared to vote on the acceptance of the proposed gift. This vote is required by the SIC Gift Acceptance Policy.

Upon a motion duly made and seconded, the Board

VOTED to approve and to authorize Joe Watts, as CEO, to sign the gift acceptance documents on behalf of the SIC for a gift: in the amount of three hundred thousand dollars (\$300,000) over a one and one-half-year period to fund a construction project to preserve and enlarge buildings related to components of the educational mission of the Star Island Corporation. The project will enhance the Celia Thaxter Museum, support Island Heritage and Artifact Committee projects highlighting the rich history of the Isles of Shoals, and underwrite programming and outreach related to Shoals history, marine education and environmental stewardship.

This Agreement will be fulfilled with gifts of cash, marketable securities or other property acceptable and made payable to Star Island Corporation. The gift will be managed by Star Island Corporation in accordance with its policies and procedures, as permitted by law, and this Agreement shall be governed by the laws of the State of New Hampshire.

The vote was unanimous, with Louise Williams abstaining from both discussing and voting .

Other Business: Joe requested that Board members review the 2016 to 2017 calendar for the July meeting.

Reflections: The Board noted that the meeting was valuable, and the ability to meet in person facilitates discussions. The general consensus was that the Check In is particularly meaningful in “in person” meetings.

Upon a motion duly made and seconded, the Board

VOTED To adjourn the meeting at 1:35 pm.

Submitted by:



Mary Trudeau, Clerk