

STAR ISLAND CORPORATION
Board of Directors

MEETING MINUTES

Sunday August 28, 2016
Sandpiper Room, Gosport House, Star Island

Members in Attendance:

Lisa Braiterman
John Bush, Treasurer
Tom Coleman (President of ISAUU)
Erik Cordes
Josh Davis
Roger Kellman
Gary Kunz, (President of the Board)

Suellen Peluso
Mary Trudeau, Clerk
Jordan Young (Vice President)
Louise Williams

Other:
Joe Watts, CEO

Absent: Nick Dembsey; Debbie Duval (SIUCC representative); Hannah Swomley (Pel Liaison)

Opening Words: Louise Williams read an excerpt from Ned Tillman's book: Saving the Places We Love. Ned is a long time Shoaler and environmental activist. The excerpt begins,

“ A day on the Isles of Shoals. Fog drags me from a deep sleep...and the day cracks open.”

The entire text of the reading is attached to these minutes.

Call to Order: Gary Kunz, President, called the meeting to order at 8:35 am.

Upon a motion duly made and seconded, the Board

VOTED to enter Executive Session for the purpose of discussing personnel issues for the 2017 conference season.

Joe Watts did not attend the Executive Session.

The Board returned to the regular Meeting at 9:30 am. Joe Watts returned to the meeting room.

REPORTS :

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

Joe distributed a packet of materials prepared by Linda Lehman concerning the residential life of Pels this summer. Joe noted that the packet contained materials to allow the Board to gauge the tenor of the Pel community this summer. The packet included “The Star Island Community Initiative”; an FAQ brochure for new Pels; a Tourientation 2016 pamphlet; and notes from the July 4 and May 20 Community meetings. Linda also included a unique photograph on the packets prepared for each Board member.

Joe began his reports with the **Registration Report**. Noting that we have met our goal of 20K bed nights, he believes that the final registration numbers for the season could approach 20,100. Joe noted that efforts by staff to increase bed nights within specific, undersubscribed conferences appears to be resulting in improved registration numbers. He noted that staff efforts are currently in place to assist with filling Natural History; IRAS; LRE; and Star Gathering 1 and 2 next summer.

The **Development Report** began with comments that the Annual Fund is going well, the trend of greater numbers of donors appears to be continuing, and the Fund is generally ahead of past years tallies at this point in the season. Joe noted that several significant gifts are coming to fruition, and he used the Lois Williams gift as an example of a significant donation towards the future of the island. Joe reported that we have now raised over 110K towards the renovations of the Kiddie Barn, largely through donations by LOAS conferees and the LOAS conferences, and commented that the efforts were largely “silent” and should not impact the Annual Fund goals.

Joe commented on the success of the various events sponsored by the Development team, noting that our increased profile appears to be aiding our registration efforts. Joe noted that groups, like the “Gatsby” group and “Historic Star” are continuing to become a more important presence on the island. Joe reported that the Gatsby group currently had 175 participants this summer, and has requested additional bed nights for event attendees wishing to spend the night on the island.

Joe reminded the Board that the Board voted to approve a grant application to the New Hampshire Charitable Fund at their last meeting, and that a requirement of the grant is an approved Strategic Plan. Joe reminded the Board that we need to approve a plan to remain eligible for this funding. He noted that the pre application has been submitted, and that staff is planning on requesting a 1 year operating budget grant of 20K dollars to assist with implementing the 2020 Strategic Plan.

Joe noted that Jack will give a comprehensive **Facilities** report to the Board tomorrow. He did remark that with the influx of gifts and our ability to undertake additional capital improvements, the Island will likely be employing a second contractor during the upcoming open up and close up season work. Joe reminded the board that finding contractors who are willing, and able, to work on the Island is a considerable task, and that with the current level of activity along the Seacoast, he anticipates a fair amount of research to find suitable contractors. Joe reminded the Board that while this is a good situation to find ourselves in, we are increasingly finding ourselves stretching and outreaching the ability of our existing staff, volunteer and contractor work force.

The Board asked Joe to describe the issues associated with End of Season staffing. Joe noted that EOS has always been a problem for the Island, as much of our work force returns to college by September, but this year was more challenging than previous seasons. Noting the increasing popularity of the September conferences, Joe discussed the increasingly difficult position we are in when we are understaffed, despite our best efforts to fill the positions.

Joe explained that while overall conferee numbers may be lower during the end of season conferences, there are difficulties associated with capacity. As multiple conferences work to share resources, dining capacity, room assignments, all present unique challenges for staff. An additional consideration and issue for staff is the desirability of singles in housing requests during these smaller conferences. Joe reminded the Board that there are implications to a 20K bed night goal on both staffing and impacts to the facility.

Treasurer's Report: John Bush presented the Treasurer's report this month. He noted that he is considering the construct of a "simpler" set of financials for the use of the Board. Using the opportunity of the Board meeting in person, John explained some of the basic accounting principles used in the capital budget process. He noted that grants eventually go towards operation costs, resulting in constant flux of operating income. He explained that grants are usually for the benefit of capital projects are deceptive on a balance sheet, as the money generally comes in and is spent on specific uses, and is not available for operating income. John noted that depreciation adds money, but not cash expenditure. He believes we should be spending the cash value of the depreciation, and noted that this is happening more and more on the Island.

John summarized our current position by stating that the Island is in "very good shape financially" and that this is visible on the island. Suellen noted that it is good for development efforts when the results of gifts are visible on the island. John noted that we had already paid back our line of, and that we were able to start the payback earlier this summer than in recent years.

Upon questions from the Board concerning the capital budget overages, Joe noted that there was an overage of 13K dollars in pier reconstruction costs. He reminded the Board that this is balanced by a 25K dollar grant received to be applied towards the work. The electrical service upgrades to Vaughn Cottage were unanticipated, but the upside is that the improvements tee up better electrical service to the remainder of the stone village buildings. Joe summed up his discussion by reminding the Board that despite having to pay the overages now, the operating budget is expected to have more funds than anticipated earlier in the planning process.

Pel Report: Joe noted that in the absence of Hannah Swomley, who has returned to academic life, there was no formal Pel report. He did ask that the Board review the materials he distributed at the beginning of the meeting, with particular attention to the Pel Community Initiative.

Joe took the opportunity to discuss the finances of Pel Club, noting that the Pel Enrichment Fund and Pel Club funds total approximately 35K dollars. He noted that he will be asking the Pel community to consider a contribution towards improvements to the Shack. Joe feels that a donation from current Pels will provide seed money for donations from past Pels.

Upon a motion duly made and seconded, the Board unanimously

VOTED To approve the CEO Reports (including Development; Facilities; and Registration) the Treasurer's report and the informal Pel Report for the August 28, 2016 meeting.

Shorter Term Business:

2017 Board Calendar: Gary presented the 2017 Board Calendar, noting that the July meeting is now an official meeting, and that the October meeting will no longer be held in Boston. There was some discussion on the value of face to face meeting time, the frequency of meetings, and the proposed continuation of the Tuesday evening meeting time. Upon a motion duly made and seconded, the Board

VOTED to approve the 2017 Board Calendar as presented.

Waste Water Treatment Plant Loan Update:

Joe reported that the state of New Hampshire has pre approved the funding for the entire amount of the funds required to replace the existing waste water treatment plant (WWTP). The funding is from the Clean Water State Revolving Fund (CWSRF), and will come with a low interest rate, estimated at approximately 2 percent and be fixed for a period of 20 years. Joe noted that we are the first "non" municipality to apply for the loan and that it represents an exciting opportunity to fund the WWTP. The Board discussed our capacity to borrow, as well as the funding options available to the Island. Lisa reminded the Board that the loan needs to be presented to the New Hampshire Executive Council (a five member board) for approval due to the requested amount of financing.

OTHER

Personnel Issue:

The Board noted that based on the Executive Session held earlier in the meeting, there were two motions to be voted upon by the Board.

Upon a motion duly made and seconded, the Board unanimously

VOTED To adopt a policy of entertaining requests from employees for periodic leaves of absence on a case by case basis.

Upon a motion duly made and seconded, the Board unanimously

VOTED To approve a leave of absence during the summer of 2017 for Joe Watts, CEO of the Star Island Corporation. This leave is to include an additional 4 or

more weeks of paid leave, subject to the Board President; the Chair of the Personnel Committee; and the HR Consultant developing an agreement and arrangement for leadership, subject to final approval of the Board.

Personnel Issue.

The Board discussed a work related Pel injury that occurred earlier in the summer, including what we learned about notification procedures. Joe reported that the Pel has returned to work.

Longer Term Business

Committee on Appointments:

Tom Coleman reported that the Committee nominated Adam Osgood and David Drucker to the Island Heritage and Artifacts Committee and Becky Konkle to the Health Committee. The CEO has approved these appointments. Based upon a recommendation from the Nominating Committee, and upon a motion made and seconded, the Board

VOTED to appoint Jean Stefanik as Chair of the Property Standards Committee.

Health Committee:

Mary Trudeau, as Board liaison to the Committee, reported that the Health Committee will meet sometime this fall to review the summer. She noted that any issues for the Committee can be sent to her for inclusion in the Committee's discussions.

Island Heritage and Artifacts Committee:

Lisa Braiterman, as Board liaison to the Committee, reported that the Committee will be meeting later today. She noted that she expected discussions to include the proposed expansion of Vaughan Cottage and the Lois Williams gift.

Island Marine Lab Committee:

Erik Cordes, as Board liaison to the Committee, updated the Board on several ongoing issues within the Committee. Erik noted that the Shoals Marine Lab had requested that we consider changing the name of the Rutledge Marine Lab, so that the words "Marine Lab" be removed from the title. The Committee discussed alternative names, such as "Education Center," to eliminate potential confusion with other labs in the Shoals. This request was poorly received by the Committee. Joe noted that as CEO he will be considering the Committee's input. Erik pointed out that a name change may be in order to make a distinction between "citizen science" and "marine lab research". It was noted that our lab does not have a PhD associated with the operation, and does not pursue research grants.

Financial Aid Committee:

Jordan Young noted that the current Committee is “small and agile”. He noted that he has built a funding model that greatly facilitated the assignment of grants. Jordan noted that communication with various Conference funding sources, as well as conversations with Mike Bray, improved the process. He noted that the Committee considers whether a conference offers a financial aid program, as well as whether the conference pays its staff. He noted that an applicant can only get one award, whether it originate with the SIC or a conference. The Committee works to optimize awards to the maximum number of conferees. This year the Committee gave out approximately 30K dollars, to approximately 159 conferees.

The Board asked Jordan to discuss options for the composition of the Financial Aid Committee. Jordan felt that the committee should remain small, and that volunteers (rather than staff) add credibility to the award process. The Board discussed whether the financial aid committee should be an Operating Committee or a committee that reports to the Board. Joe agreed to discuss the issues with Mike Bray.

Reflections: The Board agreed holding the Meeting portion of the Retreat on Sunday morning was appreciated, particularly by those Board members who will be leaving the Island this afternoon. The Board complimented Gary on a well run meeting, noting that he was very organized and his timing particularly accurate.

The Board noted that the group collaborates well, allows for the possibility of changing minds, and that both civil discourse and disagreement appear possible on this Board.

Upon a motion duly made and seconded, the Board

VOTED To adjourn the meeting at 12:06 pm.

Submitted by:

Mary Trudeau, Clerk