

STAR ISLAND CORPORATION
Board of Directors

MEETING MINUTES

June 17, 2017 at 11:00 am
On Island Meeting, Sandpiper Room

Members in Attendance:

Lisa Braiterman
John Bush (Treasurer)
Tom Coleman
Erik Cordes
Nick Dembsey
Roger Kellman
Gary Kunz (President of the Board)
Chris Palazzolo (SIUCC President)
Suellen Peluso
Nathan Soule (ISAUU President)
Hannah Swomley (Pel Liaison)
Mary Trudeau (Clerk)
Louise Williams (via teleconferencing)

Other:

Joe Watts, CEO; Dave Boynton, Acting CEO; Jack Farrell, Director of Facilities; John Bynum, Island Manager

Absent: Debbie Duval

Opening Words:

Erik Cordes noted that after an intense 22 day stint on a research vessel, he was still thinking of the ocean and put forth a quotation from Jacques Cousteau for consideration.

“If we were logical, the future would be bleak indeed. But we are more than logical. We are human beings and we have faith, and we have hope and we can work.”

Check In:

Check In was postponed until after the lunch break to allow Jack Farrell to meet with the Board.

Call to Order:

Gary Kunz, President, called the meeting to order at 11:02 am.

Facilities Report:

Jack Farrell updated the Board on the status of the 2017 Capital Projects currently underway, noting that he expected completion of all spring projects within the next two weeks. Jack reported that the annual Fire Safety inspection with the Rye Fire Department (RFD) had gone very well, and the RFD note the progress made on the island. As agreed upon with the RFD in past and current discussions, the SIC will undertake improvements to the Underworld throughout the summer.

Jack noted that the SIC had purchased portable diesel storage tanks and that the first tank was on island. The ability to store and transport smaller amounts of diesel fuel is reflects the decreased usage of diesel fuel on the island. This is beneficial from an environmental perspective, and decreases the SIC's historic reliance on diesel deliveries to the island.

Work has continued on the exterior of the Atlantic Hotel, with ongoing work to the backside of the hotel and the loading dock area. Jack anticipated that this work will be continuing throughout the summer months.

Noting that the new Summer House is a "masterpiece", Jack noted that the collaboration between Drew Clarke and Tom Mansfield produced a beautifully designed and constructed replacement. Jack noted that the SIC has a new loader on island, and this has facilitated construction projects this spring.

Work on Vaughan Cottage is nearly completed, with the upstairs fully accessible. The project was largely funded by the donation from Lois Williams, as well as with grant monies obtained by the Island.

The Kiddy Barn and Starloft renovations continue, and the work required an unexpected rebuilding of the entire eastern wall. To mitigate for this delay, a new crew was engaged to assist with the project. Jack noted that there would be a plan in place to use portions of the building, if the entire structure was not complete by All Star I.

Noting that the infamous step in the second floor hotel bathroom has been removed, Jack urged the Board to view the newly completed facility. New carpeting is being installed in the hotel hallways this coming Monday.

Jack thanked Tom Coleman for his contributions towards improvements to the Chapel path. He noted that new gravel has been installed along much of the route, improving accessibility and safety along the path.

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Jack noted that the overall budget for capital projects is on track, and that overruns have been balanced by savings.

Jack reviewed the status of the proposed Waste Water Treatment Plant, noting that the third party review is ongoing and the engineers are working towards development of the final plans. The review will ensure that the SIC uses the best technology available for our waste water disposal needs. He noted that discussions are ongoing with the NHDES to determine the useful life of the proposed system for the purposes of determining the maximum life of the financing available to the SIC.

Jack reported that the SIC is using a new boat this summer, the “Hurricane”, a charming antique capable of carrying 49 passengers. This allows the Island to offer more transportation services to conferees and staff. The Perserverance will not be put in the water, unless needed.

Jack noted that the staff has applied for an LCHIP grant to allow for repair and weatherization work on the hotel. This work is primarily anticipated on the tower on the Atlantic House. Jack noted that this work may lead to an opportunity for space improvements through the potential elimination of the existing “gap” between the tower and the eastern wall of the Hotel. Jack observed that if the SIC receives this grant, it will complete the exterior improvements and weatherization on the Hotel.

Jack reported that BJ Parsons is currently working on designs for the new “Brookfield”. Design goals include keeping a similar aesthetic, with a continued focus on the waterfront. Jack noted that the building may have an exterior “amphitheater” on the steps facing the harbor, and that composting toilets are contemplated. He noted that bathrooms may be relocated outside of the existing footprint, allowing for spatial improvements to the interior of the building. Jack noted that the work is focused on creating an educational center for the Island, including expansion of the marine lab facility.

Jack noted that the hiring of additional adults within the seasonal staff community has several benefits. Noting that the maturity and professional expertise of some of the hires allows for mentoring, Jack felt that the skill development will increase productivity.

Problems this spring have included issues with the new generators. Noting that the issues appear to be covered under warranty, Jack noted that the issues have not been satisfactorily resolved. He noted that if the machines cannot be repaired in a timely manner, warranty replacement may be pursued. Jack noted that some of the issues are software related, and that he is working to find a mechanic with the appropriate skills to perform the repairs. He noted that the solar array has successfully bridged some of the gap left by the faulty generator, and that a rental generator has been brought on island for back up.

The Board discussed the progress of the Five Year Capital Improvement Plan. Jack noted that while a lot of work remains to be done, some interesting needs are evolving through the discussions. Jack reported that he would like to improve off site logistics, with a goal of minimizing the amount of labor needed to load boats. He noted that this is emerging as a critical concern, both from a safety and labor point of view. Installation of a crane on the Portsmouth

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side would improve safety and reduce labor needed on the mainland. He noted that a “shore side” employee might improve customer service, and note that this might be reflected in the 2018 budget discussions.

Joe thanked Jack for his report, and noted that the island is doing a lot more projects than in the past. He noted that deferred maintenance is being addressed.

Lunch Break:

The Board reconvened at 12:23.

Check In:

The Board reported on summer plans; family; jobs and schooling. It was agreed that it is good to be together.

Executive Session at 12:42 pm:

Upon a motion duly made and seconded, a roll call vote was taken, and it was

VOTED unanimously to enter Executive Session to discuss an issue related to Appledore Island;

Suellen Peluso did not attend the portion of the Executive Session concerning Appledore Island issues. The Board returned to the public portion of the Meeting at 12:49 pm

Approval of Minutes:

Gary asked that the Board approve the regular session minutes of April 25, 2017 and May 6, 2017.

Upon a motion duly made and seconded, the Board

VOTED To approve the April 25 and May 6, 2017 meeting minutes with minor modifications.

REPORTS:

Updates from the CEO:

Erik Cordes asked for clarification of the Marine Services Agreement, with respect the use of the “Hurricane”. Joe confirmed that the Utopia and the Hurricane are owned by Jack Farrell and are included in the agreement for the summer of 2017. He noted that the Perseverance will remain in dry dock, until it is needed. Joe mentioned the flexibility in chartering that the Hurricane provides, and noted that leaving the Perseverance in dry dock extends the life span of

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the Island's boat. Joe noted that Jack staffs both boats, and that with the exception of the Saturday morning luggage run, there is only one captain in service at a time.

Lisa Braiterman noted the increased work load in the Development office, and asked whether more assistance is needed. Joe reported that Mike Brae and Lisa Santilli both provide support for Development, and that an intern is possible for the fall semester. Suellen noted that grant writing is time consuming, and that the number and variety of Development events have increased under Pam Smith's tenure. Gary remarked that it is important to fairly compensate staff, and provide the support necessary to allow them to excel.

Joe reported that Regulatory Compliance is an ongoing process, and that internal tracking is being done to make sure all deadlines and commitments are met.

Treasurers Report:

John Bush reported that the financials are appropriate for the season, and that there were no issues of concern.

In response to a concern with the reservations to date, Joe reported that he estimates the season total will be approximately 20,319 bed nights. He note that LOAS registrations appear low, but remains confident that they will continue to improve. IRAS is smaller than prior to their leaving of the island, but continues to increase. YES, YAK and LRE have all been aggressively targeted for financial aid, and these conferences continue to strengthen. Mike Brae and Lisa Santilla are working with conference leadership to strategically fill some of the undersubscribed conferences, including NHW, Star Gathering I Youth and Star Gathering II.

Pel Report:

Hannah Swomley reported on a smooth open up season, including a relatively large wedding early in the season. She noted that the water was turned on earlier than usual to accommodate the event. Hannah noted that training with Nicole Sylvester went well, and that training is ongoing on several crews. She noted that crew chiefs are working long hours to prepare for the season.

Upon questions from the Board, Hannah suggested that having Pel's arrive earlier for training would facilitate the opening conferences. She noted that it is difficult to train a crew, and have them fully functional, simultaneously. Hannah felt that having the Fire Training in a single session was overwhelming, and that splitting training into smaller units would be helpful.

Planning for upcoming Shack improvements is beginning, and Hannah reminded the Board of the Pel donation of 20K dollars towards these improvements. She noted that some of the considerations discussed by the Pels include: outdoor shower facilities; improvements to the Shack Deck; interior renovations and bathroom improvements.

Joe reported that training included safe behavior guidelines, including the location of appropriate swimming areas.

Hannah noted that this will be her last meeting, as a new Pel Representative will be chosen at the first Pel meeting this summer.

Upon a motion duly made and seconded, the Board

VOTED to approve the CEO, Treasurers and Pel Reports.

SHORTER TERM BUSINESS

August On Island Annual Retreat: Gary reminded the Board that the Annual Retreat is scheduled for August 26 through 28, 2017 and will be held on Star Island. Gary asked that agenda items be sent to him for consideration, and noted that items to be discussed include, but are not limited to: Marine Services Agreement; Capital Projects; Property Standards; possible creation of a standing Risk Committee; as well as the annual tour of improvements given by our own Jack Farrell.

Board Goal Check In:

Gary Kunz reviewed the list of Board Goals prepared by Jordan Young last spring. He asked that Board members consider “owning” at least one goal, and take responsibility for keeping this goal in the forefront of the Board. He asked each Board member to preference a goal assignment, and noted that he would take these preferences into consideration when making assignments.

LONGER TERM BUSINESS

Membership Criteria Approval: f

The Board reviewed the current Relevant Criteria for Corporation Membership document. It was noted that Corporation members are those who have agreed to contributions of time, talent, treasure and regular conference attendance.

Upon a motion duly made and seconded, the Board

VOTED to approve the continuation of the use of the Relevant Criteria for Corporation membership in recruiting members of the Corporation

Board Liaisons:

The Board discussed the function of Board liaisons, with respect to committee membership. It was noted that liaisons go to all committee meetings; provide communication channels between the Board and the Committee; and work to make the relationship between the liaison and the Committee an intentional process of information transfer.

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Gary noted that he was appointing Mary Trudeau as a replacement liaison for Debbie Duval on the Conference Services committee. He noted that Louise Williams needs an assignment, and that Board members should consider their existing assignments and report to Gary if their level of interest has changed.

The Board agreed to continue this discussion at the August retreat.

2017 – 2018 Board Meeting Calendar :

Louise Williams reviewed the current meeting calendar, noting that the Board met approximately 15 times over the past year. This included (2) (2) day retreats (August and February) and a (1) day meeting in November, a face to face meeting in June; and the Annual Meeting in May. She noted that the remainder of the meetings were held via the GoToMeeting app.

Discussion from members included comments concerning specific meetings. Suellen noted that June is problematic as it is a busy month. Mary noted that Mondays would be preferable to Tuesdays for her. Nick noted that the August retreat is difficult for teachers, with classes resuming simultaneously. He also noted the possibility of adding a meeting prior to or after the Annual Meeting, allowing the possible elimination of a phone meeting.

John noted that the Board is moving towards more policy oriented discussions, and that these tend to be done in conjunction with budget discussions. Gary suggested overlaying our Board work program onto a proposed calendar, to ensure that changes work logistically. It was generally agreed that a July meeting is usually unneeded, and could be handled by the Executive Committee, if necessary. Louise noted that an electronic survey could be used to pick meeting dates.

While the Board did not vote on a specific calendar, Louise's suggestions to streamline and reduce meeting time were very well received by the Board.

Sabatical Policy Recommendation:

As Debbie Duval was not available to present the draft Sabatical Policy, the Board held a discussion without a formal vote. Joe asked that questions on the Policy be sent to him.

Dashboard Discussion:

Lisa Braiterman noted that the Committee had not met recently, and asked that the Board suggest items for inclusion in the dashboard planning process. Ideas included: Bednights; Cash flow; Cash Income Statement; Cash in the Bank; Monthly Budget information; Gifts and Pledges.

Other topics suggested included Permanent Trust Income and Growth data (with little interest from the Board); Strategic Plan progress with red, green and yellow symbols; Capital planning and project status; and CEO reports.

Lisa agreed to continue working on this topic with the working committee.

Pelican Compensation Task Force Update:

Nick Dembsey reported on the first few meetings of the task force. He noted that the task force has identified three (3) themes for their investigation: Wages; Work Environment; and Living Environment. The task force is working to compare the SIC to similar organizations, and noted that the final report may well have majority and minority opinions, as well as appendices.

Reflections:

The Board noted that it is always good to be together, and that face to face communication is helpful. Joe urged Board members to take advantage of the photo option in the GoToMeeting app, as it makes it easier to follow the discussion. The Board wished Joe a wonderful leave of absence, and noted that they would reconvene, in person, at the August retreat.

Upon a motion duly made and seconded, the Board

VOTED To adjourn the meeting at 3:00 pm.

Submitted by:

Mary Trudeau, Clerk