

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

**MEETING MINUTES**

August 27, 2018 at 8:45 am  
Sandpiper Room, Star Island

Members in Attendance:

Nick Dembsey – Vice President  
Leon Dunkley  
Debbie Duval  
Roger Kellman (via Zoom Cloud application)  
Gary Kunz (President)  
Jeff Loewer (Treasurer)  
Chris Palazzolo (SIUCC President)  
Suellen Peluso (arrived at 8 pm)  
Nathan Soule (ISAUU President)  
Mary Trudeau (Clerk)  
Louise Williams

Absent: Tom Coleman, Erik Cordes

Other: Joe Watts (CEO)  
Celeste Magliocchetti (Pel Liaison)

**Call to Order:**

Gary Kunz called the meeting to order at approximately 8:45 am

**Opening Words:**

Nick Dembsey noted that he has been considering the nature of ‘change’, and found a couple of thoughts that he wanted to share with the Board. They are as follows:

The secret of change is to focus all of your energy not on fighting the old but on building the new  
– Dan Millman

Change is inevitable. Growth is optional – John Maxwell

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Growth occurs when individuals confront problems, struggle to master them, and through that struggle develop new aspects of their skills, capacities, views about life...- Carl Rogers

**Check In:**

The Board check in reflected the weekend Retreat's discussions concerning change and respect:

Debbie Duval noted that she was grateful to be part of a board capable of sharing ideas. She hoped that we may be moving towards a point where people want to be met.

Suellen Peluso pondered the implementation of change, noting that there is sometimes a disconnect between heart and mind.

Jeff Loewer noted that there can be a tendency to revert to demographics when considering change, and that it is important to consider that "not everything is about me."

Nick Dembsey noted that the discussions over the weekend show the importance of the bigger picture responsibility of "thinking it through and getting it right". He noted that while change can be positive, it is still important to consider process and consistency in decision making.

Leon Dunkley poetically noted that he cherishes the soft, subtle thing that lets us connect, and that it is sublime when separate fires kindle the same flame.

Gary noted that he was pleased that Board discussions are evolving to a place where members can be comfortable exchanging ideas that may not be supported by the group.

**Executive Session:**

Based on a motion duly made and seconded, the Board voted to enter executive session (at 9:15 am) to approve the Executive Session minutes from the July 24 2018 meeting; and to discuss real estate issues on Appledore Island; employment issues; and the CEO contract.

Joe Watts was invited into the executive session, but left the meeting room during the discussion on the CEO contract. Roger Kellman was in the executive session via phone, but the call was lost during this portion of the meeting. Roger returned, later, to the regular session meeting. Suellen Peluso left the meeting for the portion of the meeting concerning Appledore Island, returning at the completion of those discussion items.

At 9:53 am, the Board returned to regular session.

**Review and Approval of Minutes of July 24, 2018 Meeting:**

Based on a motion duly made and seconded, the Board

**VOTED** to approve the July 24, 2018 meeting minutes, as amended prior to the meeting

The vote was unanimous in favor of approving the Minutes as amended.

## **REPORTS:**

### **CEO Report:**

Joe Watts updated his written report, noting that during this summer season, the conference center has hosted approximately 4121 shoalers for an estimated 20,400K+ bednights. Joe reported that he is considering a modification to the structure of the finance department, possibly to modify the roles of InSource and staff. Joe, also, noted that it is possible that the Perseverance will be sold, and that he is entertaining at least one offer to purchase the island's boat.

In answer to a question posed by Nick, Joe reported on recent discussions, with the Rye Fire Chief, concerning evacuation procedures. Joe noted that island policy will be that evacuations are staged through Rye, NH rather than New Castle or Portsmouth. Joe reported positively on recent discussions with the fire chief concerning the handling of alarms, and the fire drill procedures employed by the Island. Joe feels that our relationship with both the new State Fire Marshall staff, and the new Rye Fire Chief, have been strengthened by recent discussions

### **Treasurer's Report:**

Jeff Loewer reported that there is lots of good news for the island in the Treasurer's Report. He noted that the line of credit will be paid down by the end of August. He also reported that food cost overruns are being tracked, and that we are seeing problems earlier than in past summers. He noted that the reasons for cost overruns are complicated, and unique to the island. He mentioned that staff shortages lead to inefficiencies and overages, and that savings noted in staffing funds are not desirable. He noted the need for better budgeting on food items, and that there are no contingency funds specific to the food service department. Jeff noted that the 10K dollar contingency in the Operation budget, is for general, not specific overages.

Jeff briefly discussed the Balance Sheets, noting that they are point in time reports, and that the information largely is a comparison of what we have and what we owe. He noted that he is working on providing better metrics for the Board, and mentioned that the Finance Committee is working on a "dashboard" that will allow for specific numbers to be tracked over time, both monthly and yearly. Using a power point demonstration, Jeff showed the Board some of the tracking proposed by the Finance Committee. Jeff reported that reporting on the status of the capital budget is tricky, as it is a work in progress during most of the year. He noted that cost is not necessarily related to progress, and that weighted values need to be developed for accurate accounting. Jeff also showed that labor costs vary by season, again complicating a simple overview. He noted that Cash Balance is similar to a check book register, and simple to show in a dashboard format.

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Jeff reported that the current budget process consists of preliminary development by staff, approval by the Finance Committee, and final approval by the Board of Directors. He noted that the process ideally begins in October or November, with a January approval.

**Pel Liaison Report:**

Celeste reported that End of Season (EOS) staffing is improved this summer. She noted that some crews, in particular, waitrae; wastewater; and kitchen crews tend to work longer hours due to staffing shortages. She noted that fatigue and exhaustion continue to be problematic. She reported that some individuals are hesitant to take time off at the end of the summer, noting that other overworked Pels must take up the slack for Pels taking time off. She reported that the staff is working to remind Pel's that leisure is important for health and well being. Celeste noted that mental health services have been more organized this summer, with greater visibility for care options. She noted that Pel's continue to inquire about the possibility of having a therapist available on island. In response to concerns over the reach of the CAT team, the Board noted that it might be helpful for the CAT team to share an email address to assist in coverage and response times.

In response to questions from the Board, Celeste reported that boat issues, with respect to days off and access to the mainland, seemed improved this summer. She note that Allie Minor spent pre season time organizing the boat schedule to facilitate Pels being able to leave the island on days off.

Gary asked Celeste to comment on the Pel/Board meeting held on Sunday evening. Celeste felt that the meeting had been well received, and that Pel's felt "heard" in the conversation. Celeste noted that having Board members become Pels for a few hours at the end of season could be enlightening. Gary asked Celeste to reinforce the message that the Board is always willing to work alongside the Pel's.

Upon a motion duly made and seconded, the Board

**VOTED** to approve the CEO, Treasurer, and Pel Liaison Reports.

**Action Items:**

**Master Board Meeting Calendar**

The Board discussed the tentative Calendar for the 2018-19 year. Discussion focused on the traditional Tuesday meeting date, and the use of the Annual Meeting weekend for an in person meeting date.

Upon a motion duly made and seconded, the Board

**VOTED** to approve the 2018-19 Board Calendar, with a modification to the proposed Annual Meeting Schedule, and a willingness to revisit the day of the week for regular Board Meeting later this year.

### **Risk Management Committee Discussion**

The Board discussed the possibility of creating a Risk Management Committee, potentially utilizing the existing Audit Committee. Based on a motion duly made and seconded, the Board

**VOTED** to establish an ad hoc group to craft a charge for a Risk Management Committee, with the Committee to report back to the Board at the Winter Retreat.

### **Other Business:**

#### **Covenant Update:**

Louise Williams proposed a modification to the existing Board Covenant. The modification is as follows:

*Conference Calls and Video Meetings - Due to the geographic dispersion of Board members, it is often necessary to meet by conference call or online video. We will strive to adopt best practice within whatever mode of communication we choose, including ensuring that conversation is orderly, that we engage video to the extent possible, and that the identity of the speaker is otherwise clear. We will mute our devices when we are not speaking.*

The modified text replaces the entire section of the current covenant with the same title, "Conference Calls and Video Meetings."

Based on a motion duly made and seconded, the Board

**VOTED** to approve the changes proposed to the Board Covenant

#### **Business Plan Update:**

The Board discussed the current business plan for the island. Noting that the plan was prepared after the closing in 2007, the Board agreed to revisit the plan, and update as necessary. A sub committee consisting of Nick Dembsey, Louise Williams, Joe Watts and Mary Trudeau agreed to begin the analysis and provide updates to the Board.

#### **Discussion Items:**

Liaison Reports:

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The Board agreed to move towards written reporting of Committee reports by the Board liaisons. It was noted that a report once a year will create a better record of Committee progress and work.

**Annual Meeting Follow Up:**

Gary noted that the Board has not fully utilized the feedback provided by the Annual Meeting Break Out groups. Roger Kellman agreed to lead a group to decide how best to use the gathered information, and how to provide communication back to Corporation members. Other Board members who agreed to work on this task included: Gary Kunz; Suellen Peluso and Louise Williams.

**Wastewater Treatment Plant Update:**

Joe reported that the project has gone out to bid, with a bid opening scheduled for October 5, 2018. Construction is expected to begin late this season, with staging and perhaps demolition of the existing system.

Joe noted that we are the first non profit organization to use the State Revolving Fund Loan process and the first project in NH to be allowed to reuse treated effluent. While the SIC intends to maintain our existing NPDES discharge permit, it is very likely that it will no longer be required. The effluent will be used for landscape watering; toilets and plumbing; and perhaps laundry. Joe noted that the State has allowed the SIC to act as their own General Contractor, a significant cost savings for the project. The installation will be supervised, inspected and approved by the design engineer (Underwood Engineers).

**Reflections:**

Suellen noted that her nine years of being a member of the Board will come to an end at the Annual Meeting. She noted that the quality, caliber and integrity of this Board is unmatched, and that she has loved growing into the role.

Celeste encouraged the Board to consider how decisions might be different if the Board was more diverse. She wondered whether there would be more opportunity for listening, and pondered what discussions might look like. She noted that she is grateful for the time she spends with the Board.

Nate wondered what would a board meeting be like if it was held in a public space?

Jeff mentioned that he appreciated the opportunities to build relationships.

Leon noted that a minority report alternative is not a skin based report. He said that it is good to be a part of the discussion, and that it allows for the growth. Leon mentioned that he valued the ability to allow love to disagree in good faith.

Chris stated that she is proud to be a member of the board, and loves her relationship with staff and pels.

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Upon a motion duly made and seconded, the Board

**VOTED** To adjourn the meeting at 11:45 am.

Submitted by:

Mary Trudeau, Clerk