

Regular Session Board Meeting Minutes for April 9, 2019

STAR ISLAND CORPORATION Regular Session of the Board of Directors

MEETING MINUTES April 9th, 2019 @ 7:00 pm By Zoom meeting

Members in Attendance:

Tom Coleman
Nick Dembsey (Vice President of the Board)
Leon Dunkley
Debbie Duval
Roger Kellman
Gary Kunz (President of the Board)
Jeff Loewer (Treasurer)
Celeste Magliocchetti (Pel Liaison) joined at 8:00 pm
Suellen Peluso
Nathan Soule (ISAUU President)
Louise Williams

Absent:

Erik Cordes
Chris Palazzolo
Mary Trudeau (Clerk)

Other:

Joe Watts, CEO; Kyle Belmont (incoming Board Member); Arlyn Weeks (incoming Board Member); Russ Peterson and Tammy Michaud joined the meeting at 8:10 pm

Opening Words - Suellen Peluso provided a selection of readings on the theme “Spring comes on forever”. The readings were from Bess Streeter Aldrich, Emily Dickinson, and Celia Thaxter.

Check In – After a brief Board member check in, sharing milestones, the meeting was convened.

Call to Order – Gary Kunz called the meeting to order at approximately 7:10 pm.

Executive Session – Based on a motion duly made and seconded, the Board voted to enter into Executive Session to discuss the CEO Evaluation and legal updates. The Board returned to regular session at approximately 7:45 pm.

Minutes - Approval of the minutes for March 2, 2019 were deferred in the absence of the clerk.

Reports:

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CEO Report Update

Joe Watts provided updates to the report. He reported that the closing on the CWSRF loan occurred since his report was written, and that open up was underway and very busy. Gary Kunz asked if there were any regulatory risks in the transition period from the old waste treatment facility to the new one. Joe responded that any risks should be manageable, and we had already notified the EPA about the possibility of some permit exceedences during the early part of the season. Gary also inquired about the Five Maples assessment and whether or not that was information that the Board should have before the Board discusses the Campaign Readiness Assessment (CRA) Report. It was determined that Joe and Nick will review and decide if it is appropriate for the Board's CRA discussion scheduled for the next Board meeting. Nate Soule highlighted the excellent results to date on registrations for the conference season.

Joe extended appreciation and gratitude from himself and the staff for the excellent service on the Board by Roger Kellman and Suellen Peluso.

Treasurer's Report

Jeff opened his remarks by noting that this time of year there is not a lot of Treasurer news. He did highlight some changes in the Capital Budget, particularly an increase for the Brookfield/Rutledge Marine Lab (RML) project and a decrease in the purchase price of a truck. Roger expressed concern about the budget increase for the Brookfield/RML project and suggested some change going forward concerning contingency amounts for the Capital Budget. Jeff concurred. Joe raised the issue that the Board may be asked soon to consider both the financial costs as well as the policy and other implications as we consider replacement or renovation of critical existing structures such as the motel units.

Based on a motion duly made and seconded, the Board

VOTED to accept the CEO, and Treasurer's reports.

The vote was unanimous in favor.

Audit Report

Russ Peterson, Chair of the Audit Subcommittee and Tammy Michaud of Berry Dunn, our Auditors joined the meeting to lead the discussion of the 2018 Fiscal Year audit. Jeff Loewer introduced them and they presented the results of the audit. Russ reviewed the audit process and thanked Bob Giles, Jeff Loewer, Kelly Dwyer, Kristen King, Joe Watts and Berry Dunn for all of their help on getting the audit completed.

Russ provided a list of highlights from the process itself noting the following;

- The excellent collaboration and collegiality of the people involved
- The lack of 'hiccups' in the audit itself
- There were no material findings or adjustments as a result of the audit
- We have a clean opinion without qualifications

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Russ pointed out that the Audit report also reflected that there continues to be substantial improvements in the financial health of Star Island Corporation and Russ reflected that in his experience that Star Island is in the best financial shape since he has been involved with the organization.

Tammy Michaud then reviewed the executive summary of the Audit Report. She pointed out the three major takeaways from the Audit;

- It was an Unmodified audit opinion – This is very important.
- No significant audit adjustments which shows that SIC's finance team is providing accurate reports and information
- The auditors found no material weaknesses in our internal controls

Tammy expressed that these are the primary factors in determining that this was a 'clean' audit opinion for the Star Island Audit. Tammy continued with her analysis of the balance sheet and pointed out the strong financial results of the Star Island Corporation. Tammy concluded by reviewing the letter from Berry Dunn highlighting the coming changes to accounting practices and tax laws which will affect the Star Island Corporation finances.

Jeff, Tammy and Joe spoke to some minor changes to the notes on the Audit report based on a review by the Permanent Trust. They also pointed out the positive response to the ratio between funds raised in the cost of those operations. Jeff provided some context for the measures compared to similar local organizations. Star Island compares very favorably. Suellen Peluso asked about the percentage of costs that were attributed to staff. Suellen pointed out that the return on investment is an important consideration when reviewing the costs and planning for future fundraising efforts. Nick Dembsey reinforced that observation and the importance for the Board to understand these figures as they relate to current operations.

Based on a motion duly made and seconded, the Board

VOTED To accept the Berry Dunn 2018 Audit of the Corporation

The vote was unanimous.

After appropriate 'thank yous' Russ Peterson and Tammy Michaud left the meeting.

Form 990

Jeff Loewer presented the Form 990 for Star Island Corporation, noting that the Form 990 for the Star Island Permanent Trust has already been reviewed by the Trustees. Jeff noted that the version of the 990 presented to the Board is the public version of the report with the names of significant donors omitted. Roger observed that the work effort for Board members on a weekly basis was a bit more than he had experienced. Jeff Loewer asked that the Board submit any comments or corrections to the 990 to himself and Joe Watts before Friday April 12th.

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Committee on Appointments Reports

Tom Coleman reviewed the Committee on Appointments (COA) report, which requires no action by the Board. He pointed out that the COA had appointed Judy Samuelson for a second 3 year term on the Fund Development committee (She is currently the chair) and John Mark Blown for an additional 3 year term on the Health committee. Additionally, Mark Seymour, MD was appointed as an advisor to the Health committee. Tom also provided a warm welcome to Roger Kellman to the Committee on Appointments as its newest member.

Special Nominating Committee

Suellen Peluso presented the following report from the Special Nominating Committee:

The Special Nominating Committee of the Star Island Corporation is pleased to submit to the board of directors the nomination of Nicholas Dembsey for a one-year term as President of the SIC. We are also pleased to submit the nomination of Tom Coleman for a one-year term as Vice President of The Star Island Corporation.

Gary Kunz thanked Suellen Peluso, Annie Stuart and the members of the committee (Nate Soule, Chris Palazzolo, and Mary Trudeau) for their work on the committee.

Gary pointed out that the Board will take action on the report immediately after the Annual Meeting.

Pel Report

Celeste Magliocchetti presented a verbal Pel Report. She suggested that the Board members could volunteer during their conference week with a Pel crew to get a better understanding of what a typical Pel day is like.

Annual Meeting Agenda

Gary and Joe reviewed the roles and responsibilities for the Board members at the Annual Meeting. Gary asked if anyone is not going to be at the Annual Meeting and there was no response in the affirmative. Gary confirmed with Debbie Duval that she is doing the invocation. He also gave Nate Soule advance notice that his counterpart Chris Palazzolo was not going to be able to be at the meeting and asked that he coordinate with her concerning a response. Leon Dunkley asked for the start time of the meeting and was informed it was at 12:45 pm. Erik Cordes will do Transitions and Nick Dembsey is doing the Permanent Trust report. Roger Kellman will coordinate the reporting back from the Breakout Sessions. Tom Coleman will do Recognition for Years of service and Louise Williams will present the Legacy Society recognition. Suellen Peluso is presenting for the Special Nominating Committee, The Bringer of Light and Nominations to the Nominating Committee.

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Outreach and Engagement Committee Liaison report

Nate Soule talked to the Outreach and Engagement Committee Liaison report and highlighted the video that was discussed in the OEC report and linked to in the CEO report. He also talked about the creation of podcasts to support recruitment and to use another medium to expose Star Island to potential visitors/conferees. Gary suggested that the OEC leverage the blog by the winner of last year's Veterans raffle winner. Nate is going to investigate.

Meeting Reflections

Gary reflected on his past 3 years as Board President. It was quite maudlin. Joe shared that we covered a lot of material and thanked the Board for extending the meeting past 9:00 pm.

Upon a motion duly made and seconded, the Board

VOTED To adjourn the meeting at 9:10 pm

Meeting Adjourned.

Submitted by:

Gary Kunz, President