

Regular Session Board Meeting Minutes for November 23, 2019

STAR ISLAND CORPORATION Regular Session of the Board of Directors

MEETING MINUTES
November 23, 2019 at 11:00 am
30 Middle Street, Portsmouth

Members in Attendance:

Kyle Belmont
Tom Coleman (Vice President of Board)
Erik Cordes
Nick Dembsey (President of the Board)
Leon Dunkley
Gary Kunz
Jeff Loewer (Treasurer)
Nathaniel Soule (ISAUU President)
Mary Trudeau (Clerk)
Arlyn Weeks
Louise Williams

Absent:

Debbie Duval
Keri Mattaliano (SIUCC President)

Other:

Joe Watts (CEO)
| Celeste Magglocchetti (Pel Liaison)

Opening Words – Leon Dunkley gave the opening words, reciting a poem entitled “Lifeline” written by Howard Dean and Firehouse.

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

Call to Order – Nick Dembsey called the meeting to order at approximately 11:10 am.

Executive Session – Based on a motion duly made and seconded, the Board voted to enter into Executive Session to discuss marine services and conflict of interest updates; staffing updates; and the August 26, 2019 Executive Session Minutes, which were also approved. The Board returned to regular session at approximately 12:05 pm.

Regular Session Board Meeting Minutes for November 23, 2019

Approval of August 26, 2019 Meeting Minutes:

The minutes had been circulated and amended in the period of time between August 26 and this meeting, and all edits were included in the draft provided to Board members prior to the vote.

| Based on a motion duly made and seconded, the Board

VOTED to accept the August 26, 2019 meeting minutes, as provided by the Clerk.

REPORTS

CEO Report

Joe Watts noted that he had a few updates to his CEO report. Joe reported that the recent Council of Conferences (CoC) meeting was enhanced by Louise Williams' contributions to the CoC through her work as a member of the CoC Board. Joe noted that the CoC was gaining momentum due to the efforts of the CoC Board, and that the CoC appears invigorated. Joe reported that discussions with a documentary producer have been ongoing, and Star Island is likely to be featured in a five-part documentary.

Joe also commented on the strength of the Annual Fund, noting that there were a lot of factors that have contributed to the success of this year's fundraising, and that the 2019 goal is likely to be met or exceeded.

Treasurer's Report

Jeff Loewer reported on a productive Finance Committee meeting earlier in the week, noting that the Finance Committee has discussed 2020 Room and Board rates, and a majority of the Committee voted unanimously to recommend a 3.0% across the board increase for the 2020 conference season. Jeff briefly discussed the end of season financials, noting that bed nights exceeded expectations. He noted that food expenses were slightly higher than budgeted, but that the increases were commensurate with increased enrollments. Jeff also reported that he found the recent After Action Review of the past summers capital projects to be useful and productive.

Pel Report

Celeste Magliocchetti reported that she had no updates to her written report.

Based on a motion duly made and seconded, the Board

VOTED to approve the reports from the CEO; Treasurer; and Pel Liaison.

Regular Session Board Meeting Minutes for November 23, 2019

Action Items:

Committee on Appointments Report:

Noting that the CEO had already approved appointments to the Outreach and Engagement and the Island Heritage & Artifacts Committees, Tom Coleman asked the Board to vote to approve a appointment to the Fund Development Committee and a recommendation to the Nominating Committee.

Based on a motion duly made and seconded, the Board

VOTED to appoint Emily Jones to the Fund Development Committee, and

Based on a motion duly made and seconded, the Board

VOTED to include the nomination of Kris LoFrumento, to a second term on the Nominating Committee, within the slate of nominations submitted to the SIC membership at the Annual Meeting.

2019-2020 Meeting Calendar:

Nick Dembsey asked the Board members to review the 2019-2020 Board meeting calendar. He noted that, in response to conflicts, meeting dates will include both Tuesday and Wednesday evenings starting in 2020. He also noted that there has been discussion concerning the date of the Board Retreat, and that switching to Labor Day Weekend is under consideration.

At 12:30, the Board broke for lunch, returning to the meeting at 1:00 pm.

2020 Budget Discussion:

Joe Watts reported that staff had prepared three versions of the 2020 budget for Board review, and he walked through some of the key areas of focus of the three budget versions, as well as the timeline for the budget process. For this meeting, Joe asked members to focus on approving a proposed room and board rate for the 2020 conference season. Joe also reported that our HR consultant has confirmed that the recommended 2020 national Cost of Living Adjustment (COLA) is 3.0%, and he suspects the Seacoast Region's COLA will be similar, if not higher. Jeff Loewer reiterated that the Finance Committee is recommending a 3.0% across the board increase to room and board rates. He noted that in making this decision, the committee considered conference evaluation comments concerning affordability; the record number of bed nights; and historical increases in rates. Jeff also noted that each percentage point increase to our room and board rates increases revenues by approximately 27K dollars. He calculated the increase in revenues, with the recommended 3.0% increase to be approximately 81K dollars. Jeff noted that there was some support on the Finance Committee for an alternative increase of 3.5%. During the Board discussions, cases were made for both a 3.0% and a 3.5% rate increase, by various Directors.

Regular Session Board Meeting Minutes for November 23, 2019

The Board discussed the impacts of a rate increase, noting that there are other “levers” that can be tweaked to increase revenue. A wastewater surcharge was discussed, and the Board generally was not supportive of this alternative. There was concern from Board members that raising rates annually can price some conferees out of the conferences, and that the 2019 standard adult rate was over 1K dollars. This was a threshold that the Board was hesitant to cross last year. This was countered by the observation that we had record enrollments in 2019, and by a perception that the economy remains strong and is continuing to expand. The Board also discussed various, alternative funding sources for conferees, noting that financial aid is available from both the SIC and some of the individual conferences.

Based on a motion duly made and seconded, the Board

VOTED to approve a 3.5% increase to the room and board rates for 2020.

While not a unanimous vote, the Board consensus was that the approved rate was acceptable to all Directors.

DISCUSSION ITEMS

Debt Working Group Report:

Jeff Loewer led a discussion of the current debt situation, goals and policies of the SIC. A general question and answer session allowed the Board to review the current debt policies. It was noted that the solar array/battery bank power purchase agreement is not considered in the debt picture for the island.

October 19, 2019 Council of Conferences Meeting Recap:

Louise Williams reported on the recent Council of Conferences (CoC) meeting. She reported low representation, particularly from International Affairs and the UCC conferences. Despite the concerns with attendance, Louise reported that energy in the CoC appears stronger than in past years, and while there were no tangible products from the meeting, there is desire for connectivity and impact within the CoC. The Board discussed the use of Annual Meeting space for the CoC’s spring meeting, noting that while time may not always have been effectively utilized on the morning of the Annual Meeting, the CoC remains interested in convening at that time. Joe noted that in the past, the CoC has been an effective means of collaborating with conferences on topics such as the conference calendar and insurance policies. Louise noted that it is difficult to obtain a commitment of additional time from conference leadership to undertake CoC projects. Many of the attendees at the CoC meetings are active in other facets of island governance, and this group is not their first priority.

Committee on Appointments Verbal Liaison Report:

Tom Coleman reported on the highly functional Committee on Appointments. Noting that the group meets up to ten times per year, he reported that the group is well organized and productive.

Regular Session Board Meeting Minutes for November 23, 2019

Health Committee Verbal Liaison Report:

Mary Trudeau reported on the past year's activity by the Health Committee. Noting that the Committee consists largely of island volunteer medical staff, she reported some of the staffing concerns identified this past summer. She stated that the committee functions in coordination with Sarah Whalen, as well as with another part-time staff member, and is a very independent, functional group.

Conference Services Committee Verbal Liaison Report:

Mary Trudeau reported on the activities of the Conference Services Committee. Noting that Carla Cole is the new chairwoman, Mary commented on the energy and ambition of the Committee. She noted that Justina Maji is the staff liaison to the committee, and that the committee largely supports Justina's programs.

Fund Development Committee Verbal Liaison Report:

Gary reported on the Fund Development Committee, noting that the group has been discussing major gift solicitation. Noting that this was not perceived as a function of the original committee, he reflected that identification of new members may need to consider the ability, and interest, to solicit major gifts. Currently, we are working outside of the committee to solicit major gift solicitation volunteers, similar to conference Annual Fund volunteers.

Nominating Committee Verbal Liaison Report:

Nick Dembsey reported on the challenging work of the Nominating Committee. He complimented the work of the group, noting that Board Members can help with identifying future Corporation members.

2019 Conference Season Report:

Justina Maji reported on the highs and lows of the conference season. She noted success with the establishment of several new groups, and the efforts taken by both staff and conference leadership to fill conferences last season. Justina noted significant improvement in the number of attendees at the UCC conferences, crediting systemic changes in the UCC conference planning and recruiting processes. She noted that conference discounts and financial aid were both strong components of the drive to fill beds, and that grass roots efforts (such as calling) were effective. Justina noted that it is important to separate the responsibilities of chairpersons from the marketing of the conference. She noted that chairs have a full plate, without marketing responsibilities, and reaching out to other conference leadership is important in promoting a conference.

The Board asked Justina to address the comments received in the island evaluations that concerned island cleanliness. Justina reported that there were staffing issues this summer, and that inexperienced supervisors required more supervision than anticipated from senior staff. She

Regular Session Board Meeting Minutes for November 23, 2019

noted that upkeep of an antique hotel is problematic, and that the multiple capital projects ongoing this past summer impacted the appearance of the island, as well. The Board asked whether the staff has considered contracting with an outside cleaner for some of the larger projects, such as floor scrubbing prior to the opening of the conference season. Justina noted that she feels the staff can do the requisite work with proper supervision, especially if we invest funds to repair or replace the floors so they can be more easily cleaned.

Rutledge Marine Lab Verbal Liaison Report:

Erik Cordes reported on the ongoing construction of the new lab, noting that set up was ongoing throughout the summer. He praised the past leadership of Drew Bush, noting that the committee functions well.

Permanent Trust Verbal Liaison Report:

Nick Dembsey reported that the Trust benefits from an excellent group of advisors. Noting that Wilkins continues to do exceptional work for the Trust, he noted that over the past 25 years, the Real Return (Total Account minus CPI and management fee) has averaged 6.6%. Nick stated that despite lowering the payout percentage of the Trust from 4.50% to 4.25% last year, the annual distribution to SIC increased.

Nick reported that the Trust is supportive of the Campaign Readiness Assessment findings, including the recommendation to conduct a major fundraising campaign.

Strategic Facilities Planning Committee Verbal Liaison Report:

Nick Dembsey noted that Dick Case continues to do an excellent job leading the Committee and provides a “sounding board” for Jack. Nick reported that the Property Standards Committee has been merged with the Strategic Facilities Planning Committee, and that the goal of the new group is to prepare a performance based document for property standards on the island. Nick noted that the plan is to create a quick start guide to property standards, which might include island aesthetics, that would be useful to a variety of stakeholders.

Written Liaison Reports:

Nick asked the Board to consider requiring written liaison reports. Advantages include a paper trail of committee actions and procedures, leading to more productivity over longer periods of time. The Board was generally supportive of written reporting and archiving of reports.

Board Resource Page Updates:

Tom Coleman reported on the work of the Board Resources Task Force, including creating an online web page with a handbook for financial reports; committee reports; and the like. The options include a virtual filing cabinet, with security, to allow Board members only to access the various files. This is relatively easy to set up, and could be implemented quickly.

Regular Session Board Meeting Minutes for November 23, 2019

Tom also reported on exploration of a software product, Boardable. This is a meeting-centric software that can run in tandem with our Zoom meeting software. The software is designed for up to 20 (twenty) users, opening up the potential for committee use, as well as Board usage. This system requires administration, by one or more persons. Nick asked that Board members watch a YouTube video describing the function of the software in preparation for a December discussion.

Board Development Task Force:

Nick Dembsey discussed the creation of a Board Development task force to enhance the function of the Board. The task force would consider what the Board does well, and strategize to improve less highly functioning aspects. Nick noted that the Task Force would allow for effective use of outside resources, such as Mary Ellen Jackson, and that it could identify critical needs.

Nick noted that a survey would be circulated to Board members to allow for interest and involvement to be evaluated.

Bringer of Light Award:

Nick Dembsey noted that there were four (4) responses to solicitation for nominees for the Bringer of Light award. These names will be added to the list maintained by the Board of past nominees. Tom requested that additional nominations be forwarded to him for inclusion, as well.

Meeting Reflections

The Board noted appreciation for the candid reflections of staff during this meeting. The Board appreciated efforts to include directors in the traumas and stresses that may be impacting staff function. It was reiterated that Board support of staff is greatly appreciated, and recognition of staff accomplishments important. It was noted that there will be no CEO report in December.

VOTED To adjourn the meeting at 3:40 pm

Meeting Adjourned.

Submitted by:

Mary Trudeau, Clerk