

MINUTES OF THE ANNUAL MEETING OF THE STAR ISLAND CORPORATION

Meeting held via Zoom Webinar

Saturday, May 2, 2020

Pursuant to notice, the Annual Meeting of the Star Island Corporation (SIC) was held remotely on May 2, 2020, at 1:00 p.m. The meeting was attended by approximately 300 members of the Corporation, as well as SIC staff and interested members of the Star Island community. The meeting was held remotely in response to the COVID-19 pandemic, and social distancing requirements of the Commonwealth of Massachusetts in place in May of 2020.

Call to Order and Welcome

Nick Dembsey, President of the Star Island Corporation, presided and called the meeting to order at 1:00 p.m. He welcomed the Corporation members to the Annual Meeting. Nick thanked the Corporation's staff and volunteers for their thorough preparations for today's Annual Meeting, noting that extensive preparations headed by Joe Watts, Tim Dullea, and Kate Brady facilitated this meeting. Nick then asked Sophia Lyons, the island minister, to bring the community together by leading us in an invocation.

Invocation

Sophia Lyons gave the Invocation, asking the Corporation to recall memories of the island, and join in the spirit of prayer.

Introductions, Appreciations and President's Report

Nick offered a brief summation of 2019 from the President's view: Though it feels far away, it was an excellent year between new membership, bed nights, and support for the Annual Fund, grants, and capital projects.

Recognition of Transitions (Births, Deaths, Marriages)

On behalf of the Corporation, Erik Cordes asked that the membership take a moment to commemorate significant life events within the Shoaler community over the past year.

Marriages

Esme Etter and Gabe Bertoluzzi
Rebecca Flint and Jeff Hobbs
Tara Kelly and Joe Palazzolo
Ally Miner and Rich Kunz
Erica Rappaport and Johnny Sarrao

Births

Benjamin Francis Anderson	Eleanor Dickenson Kennedy	Rip Patrick Reed
Nicholas Abbott Anderson	Eve McCarran	Sawyer Lucas Thatcher-Wilson
Lily Evangeline Cryer	Cyrus Charles Douglas	Emmer Webster
Augustus Wingate Dahab	McIntosh	Lucia Pierce Weingartner
Oisin Jacob Alexander Elzi	Kinsley Nye McAnall	
Hadley Pierce Escobar	Mason Lafayette Ortiz	

Deaths

Beverly Baldwin	Michael Gudefin	Roger Roberts
Kevin Bouricius	Parker Hirtle	Donald Schoenewolf
George and Priscilla Brooks	Cornelia Dunn Isasi	David Simpson
Al Chu	Ken Kartes	Kathy Sonderman
Rev. Dr. Charles (Charlie) Close	Marjorie Libby	Sloan St. Laurent
Tom Duncan	John Linton	Judith Stames-Hamilton
Pat Ford	Leslie Lowry	Harriet Kerr Swenson
George Foye	Howard Miner Jr.	Dani Tyrcha
Libby Gambino	Gordon O'Hara	Michael Vose
Bruce Gordon	Dave Pierson	Kip Weldon
	Christie Powell	Evelyn West
	Henry Powsner	

Greetings and Reports: Affiliated Organization Presidents

Nathan Soule, the President of the ISA-UU, noted that the ISA-UU organization was formed 124 years ago to support conferences on Star, and he offered a brief history of how the organization evolved into what it is now. He noted that the ISA-UU continues to support SIC and conferences on island, including clergy grants and Annual Fund donations in the spring and fall. They donated \$20,000 in the spring of 2020.

Nate thanked the Shops on Star for their support as well and noted that all of the proceeds make their way back to the island in one way or another. He also reported that the Shop would be open online in 2020 with select items. He offered his thanks to the ISA-UU board for their work, including Vice President Tricia Coleman, Treasurer Steve Whitney, Assistant Treasurer Cory Easter, Membership Secretary Deb Walton, Board Secretary Cheryl Doty, Nominations Chair Marlene Smurzynski, and Directors Mike Bray, Nick Bresinsky, Miriam Coe, Maura LaRocca, Lisa Phoenix, Tom Smurzynski, Patti Washburn, and directors' emeritus Meg and Dick LeSchack.

Keri Mattaliano, President of the SIUCC, began her remarks with thanks to her predecessor Chris Palazzolo for her able guidance of the organization and the wider SIUCC community for the last three years. She noted the success of the SG1 and SG2 conferences, and their unique approaches to explorations of body positivity. A dedicated team, including SG2 chairs Jenny Giering and Dave Boynton, Family Festival chairs Kris LoFrumento and Brenda Bladen, and SIC staff, worked tirelessly throughout the year to coordinate an integrated program around the theme of the body as a vehicle for social justice. The results were amazing, with SG2 exceeding their bed night's goal by 50% in addition to Family Festival bringing 50 new conferees to the island. The SIUCC also focused on continuing to make Star Gathering conferences financially accessible. In partnership with SIC, they piloted a Family Grants program for SG2 that awarded a total of \$4,000 to families. The SIUCC also awarded an additional \$8,300 in financial aid requests across the Star Gathering conferences. Keri concluded her remarks with thanks to Joe Watts and the SIC staff for their support and dedication. She noted that upcoming conferences will explore the theme of storytelling, and as we are all collectively living through challenging times, we will definitely have stories to share when we are finally able to gather again in 2021.

Financial Report

Jeff Loewer, Treasurer of the Corporation, noted that the SIC had a very good year in 2019. Jeff stated that in a year of transformational capital investment in the island's infrastructure, we had record-setting bed nights, outstanding Annual Fund contributions, and managed our capital expenditures to budget, all resulting in strong revenue and net income.

Jeff called out several highlights from 2019, noting that at the time of this report the annual audit is underway and the final financial statements may change as a result. Jeff reported that net income for the year was \$422,671, up from the budgeted \$311,010. Several items contributed to this increase, including:

- Strong net income from operations and other island operating income
- Bed nights of 21,268
- Annual Fund revenue and contributed income both exceeded budget

Jeff noted that the Finance Committee formed a Debt Working Group this year. This subcommittee was convened for the purpose of providing guidance to the Board to assess when, for what purpose and how much debt should be used to meet the needs of Star Island. They produced a report which was intended to be used by the Board both now and in the future to provide a framework within which decisions and choices can be made regarding the use of debt by the SIC.

Jeff reported that, this year, the Long-Range Integrated Financial Tool (LIFT) incorporated modeling capabilities to evaluate how various scenarios, including weather and recession, can impact revenues and expenditures.

Jeff reported that our capital expenditures for the year were \$1,565,287. This was \$36K under the budget and was managed by the deferral of several projects in response to the higher than anticipated expenditures of the Brookfield/Rutledge Marine Lab project, which, he noted, turned out spectacularly and we're all very proud of it. The Wastewater Treatment Plant, funded by a state loan, was also completed last year.

Senior staff, facilitated by the Treasurer, held an After-Action Review (AAR) of the Brookfield/Rutledge Marine Lab project, which was an opportunity to reflect on the entirety of the process, including inception, planning, design, construction, and communications. The review included discussion of what went well and what should be improved upon in future major capital projects.

In closing Jeff thanked the Finance Committee for their dedication and work for the Corporation.

Report of the Permanent Trust

Chairman David Yermack, began his remarks by acknowledging his predecessor Jon Skillman, who recently concluded 8 years as chair of the Permanent Trust. He noted that the value of the Trust rose in 2019 from \$4M to \$4.6M, with strong investment gains and gifts of over \$119K. An increase in donors has allowed for significant gain for the Trust, and he noted that in the first 3 months of 2020, the Trust took in another \$62K in gifts. This support of the Trust is very good for the long-term growth of the endowment. Investment returns in 2019 were a little bit below the market rate, and the

committee engaged Wilkins Investment for the 25th year. David reported that many nonprofits have seen their endowments hit very hard in the first few months of 2020, but the Trust has so far done fairly well and is down only 4%. He credited this to the foresight of Wilkins, and he reported that this is very good news for the corporation in a time of financial stress.

Report of the CEO

Joe Watts, Chief Executive Officer of the Corporation, began his remarks by thanking everyone for joining this virtual meeting and noted that 267 people were tuned into the video feed, which was nearly 100 more attendees than the Annual Meeting had in 2019. He thanked Board President Nick Dembsey and the entire Board of Directors for all they have done for Star Island over the last year. Under the Board's collective leadership, it was an excellent year.

He also offered his thanks to all 2019 employees, including year-round and seasonal staff. He also offered a special thanks to all current employees, all of whom were in attendance, and to all Corporation members, noting that what we all do is encouraged, appreciated, and essential.

Joe then noted that we had a really good year in 2019, and he encouraged everyone to read the written reports thoroughly, since there was hardly enough time in the meeting to discuss everything that happened in the last year. He held up the installation of the new Wastewater Treatment and Water Reclamation Facility, which reached substantial completion a week ahead of schedule. It is an innovative and energy efficient system, and we continue to have a strong relationship with the New Hampshire Department of Environmental Services, and we look forward to working on a pilot program in the next several years focusing on building a water reuse system for the state of New Hampshire.

2019 also had a record number of registrations, with an increase of 5%.

He noted the creation of the Beloved Community taskforce which has been meeting regularly over the last few months. The task force has developed a draft mission statement and invitation to participate:

The Beloved Community Task Force aspires to create and uphold a more inclusive and authentically diverse community on Star Island, where all people feel honored and seen. We aspire to bring conferees, Pels, and staff into a conversation that examines how systemic oppression impacts our community and to do so with curiosity around our individual and shared experiences, as well as trust in each other's fundamental goodness.

Joe ended his report by noting that our Star Island community “unites us, and it inspires us to make the world a better place. Through the efforts of many, we are living our values and inspiring ourselves to reach new heights. It is an important time to be a Corporation member, and I am deeply grateful for all that you do and will continue to do for our Spirit’s Home”.

Recognitions

Nick began his remarks by noting that the traditional recognitions that take place at Annual Meetings will be delayed this year for a more appropriate meeting format. This includes acknowledging departing Board members, which includes Gary Kunz this year. Nick noted that we will properly

acknowledge Gary's extraordinary contributions in the future, as well as awarding the Bringer of Light, and the staff recognition of volunteers. However, Nick held up the staff and group of volunteers participating in the Crisis Response Team, which has stepped up to help Star Island chart a course to stability and sustainability in these uncertain times. He offered his thanks to this group of people for their dedicated efforts.

Actions of the Meeting

Nick Dembsey noted that the Commonwealth of Massachusetts has sanctioned online voting during public meetings for the duration of the pandemic. Nick briefly reviewed the technology for voting, and instructed Corporation members on, both, voting and reporting problems with voting. Tim Dullea explained the new process of online voting, walked everyone through a test vote, and presided over the subsequent electronic voting.

Report of the Membership Committee and Action

Caroline Quijada, Chair of the Membership Committee, noted that the group met via conference calls throughout this past year. Caroline stated that the strength of Star Island depends on the work of our membership and committees, and she acknowledged her fellow committee members: Tom Coleman, Patty Boynton, Candace Erikson, Marlene Smurzynski, Ben Cordes, and Nancy Wood.

She noted that the Committee is grateful to Peter Randall for his years of service to Star Island and the Corporation and recommend him for emeritus status.

The Membership Committee is delighted to present a slate of 14 candidates for membership in the Star Island Corporation. Caroline asked for the SIC to consider the proposed slate of nominees:

Anna Birch	Jennifer Khavari	Steve Parr
Tom Check	Ellen Koenig	Nina Peluso
Brendon Chetwynd	Sarah Ladner Gomez	David Phoenix
Liz Hanna	Aliza Majewski	Topher Soltys
Sarah Iselin	Cyndy Parr	

Upon a motion duly made and seconded, the Corporation **VOTED**

To approve the (14) new candidates for membership in the Star Island Corporation.

Approval of 2019 Annual Meeting Minutes

Due to a technical glitch, Clerk Mary Trudeau requested that Joe Watts ask the membership to dispense with the reading of the minutes, and to vote to approve the Minutes of the 2019 Annual Meeting.

Upon a motion duly made and seconded, the Corporation **VOTED**

To dispense with the reading of the minutes.

Upon a motion duly made and seconded, the Corporation **VOTED**

To approve the minutes of the Annual Meeting of May 4, 2019, as written.

Action on Reports

Joe asked the members to accept the reports given this afternoon and included in the member packets distributed prior to the meeting. These included: President's Report, the reports from the affiliated organizations (ISA-UU and SIUCC); the Financial Report; the Report of the Permanent Trust; the Report of the CEO, and the Report of the Membership Committee.

Upon a motion duly made and seconded, the Corporation **VOTED**

To accept the reports of the President, the affiliated organizations (ISA-UU and SIUCC); the Financial Report; of the Permanent Trust; the CEO, and the Membership Committee.

Report of the Nominating Committee and Action

Annie Stewart, representing the Nominating Committee, reported that the committee has nominated (3) members to the Board.

Nominations for three-year terms as Directors of the SIC:

Tom Coleman- 2nd three-year term

Debbie Duval- 2nd three-year term

Tom Kennedy- 1st three-year term

Nominations for one-year terms as Clerk and Treasurer of the SIC:

Clerk: Mary Trudeau (incumbent) Treasurer: Jeff Loewer (incumbent)

Nominations for five-year term as an Officer of the Permanent Trust of the SIC:

Edmund Jones (new)

Nick thanked Annie Stewart for the committee's good work and asked for any nominations from the floor. Hearing none, Nick asked for a motion to close nominations.

Upon a motion duly made and seconded, the Corporation **VOTED**

To close nominations for the Board of Directors, the Treasurer, the Clerk and the Permanent Trust positions.

Upon a motion duly made and seconded, the Corporation **VOTED**

To approve the recommendations of the Nominating Committee for the positions on the Board of Directors; the Treasurer; the Clerk and the Permanent Trust.

Nominations for Election to the Nominating Committee and Actions

In accordance with the bylaws, the Star Island Corporation members directly elect members to the Nominating Committee. Arlyn Weeks reported on the nominations to the Nominating Committee, noting that recommendations include:

Kyle Belmont for a first, three-year term

Irene Bush for a first, three-year term

Patricia Coleman for a first, three-year term

Will Emmons serving as Chair

As there were no nominations from the floor, a motion was made and with no second needed, it was **VOTED**

To close nominations for the Nominating Committee.

Based on a motion made and with no second needed, it was **VOTED**

To elect Kyle Belmont; Irene Bush; and Patricia Coleman; and to have Will Emmons serve as Chair of the Nominating Committee.

Special Nominating Committee Report

Arlyn Weeks reported on the work of the Special Nominating Committee. She noted that the Special Nominating Committee is created under the bylaws, consists of the Chair of the Nominating Committee (who also serves as Chair of the Special Nominating Committee), the Presidents of ISA-UU and SIUCC, the Clerk of the Corporation, and one other Board member. The Board of Directors will be voting on this matter at their next meeting.

She noted that the committee had met and is recommending the election of Nick Dembsey to a second one-year term as President of the Board of Directors, and the election of Tom Coleman for a second one-year term as Vice President of the Board of Directors.

Ratification of Board Actions and Technical Motions

Joe Watts, representing Mary Trudeau, moved to ratify and approve all acts of the Officers and Directors of the Corporation since the last Annual Meeting, as disclosed in the minutes and other Corporation records.

Upon a motion duly made and seconded, the Corporation **VOTED**

To approve the motion to ratify and approve all acts of the Officers and Directors of the Corporation since the last Annual Meeting, as disclosed in the minutes and other Corporation records.

Authorization to sell and endorse stock and bonds standing in the name of the Corporation

Speaking on the Clerk's behalf, Arlyn Weeks moved that the Treasurer, the President of the Corporation, and the Chief Executive Officer of the Corporation be authorized to sell, assign, and endorse for transfer certificates representing stocks, bonds, mutual funds or other securities now registered or hereafter registered in the name of the Corporation. The motion was seconded and the Corporation **VOTED**

To authorize the Treasurer, President, and CEO to conduct the aforementioned transactions on behalf of the Corporation.

Star Island and Star Island Corporation – 2020 and Beyond

Message from the Board and Staff

Nick Dembsey, speaking on behalf of the Board, gave context to the details that Joe Watts and Jeff Loewer would be providing. Nick observed that the work of SIC and the entire Star Island community since 2007 has greatly strengthened the Corporation. He reported that this strength

positions us well to be able to navigate through uncertain times such as what we and the world are now facing in terms of COVID-19. After noting that we are well positioned for this marathon, he turned the floor over to Joe Watts, CEO.

Joe Watts reiterated that the sad and difficult decision has been made to not open the island for the 2020 season. He reviewed the timeline through which this decision has been made, incorporating some of the questions that had been submitted in advance of this meeting: SIC began considering the possible impacts of COVID-19 on Star Island back in February, and the Board of Directors met on the 29th to brainstorm potential impacts. The focus shifted further away from the routine business of the Corporation as this group devoted most of their time to COVID planning. They explored a few scenarios, including delaying the opening.

A 100% cancellation policy was enacted in March, and the Portsmouth office was closed to the public with the staff working remotely. The Crisis Response Team was formed, and it was decided that this Annual Meeting would be held remotely. Island open-up was moved back from April to the beginning of May, and the staff was in regular communication with conference leadership and 2020 Pelicans/seasonal senior staff, as well as the rest of our community. Several subgroups of the Crisis Response Team were formed to explore matters of Health and Safety, Finance, Communications, Pastoral Care, Virtual Programming, and Development to support the work of the Crisis Response Team.

Joe noted that it has been amazing how many people have stepped up and devoted time and effort to supporting Star in this time. He also noted that from a Health and Safety perspective, it became clear that we could not safely open the island in 2020. Our top priorities of care are the health and safety of our Star community, and the long-term stability of SIC. The work continues to develop virtual programming with conferences, and a small caretaking workforce will be heading out to the island this spring to focus on specific on-island projects.

Joe offered thanks to everyone who has already stepped up to donate to the organization and encouraged anyone in a position to donate to do so. Along with being closed to day trippers, there will be no volunteers on island in 2020. There may be plenty of opportunities to volunteer for the Corporation off-island, though. He also noted that we're hoping to get meaningful work done on some intended projects on island, and that the small caretaking/security workforce would be well equipped to work on these projects. This workforce would also be supported by the Rye police and fire departments to keep the island safe, and we'll be installing signage making it clear that the island is closed. He asked everyone for their support in making it clear that the island is closed to boaters, and no one will be permitted on the island in 2020.

He concluded his remarks by acknowledging that our community is strong, and while this is a very sad decision, we are focused on protecting one another right now, and he is very proud of the decision to close for this reason, and we will come back.

Financial Report

Jeff Loewer, as Treasurer of the SIC, began his remarks by noting the planning done for 2020, as we do every year. 2019 was a transformational year in terms of capital investment and number of guests on island, and the budget was designed with this in mind. The budget is intended to align values, visions, and goals in accordance with the 4-year strategic plan. We had projected a realistic bed night goal of \$21K, an Annual Fund increase of 5%, and anticipated a net income of \$203K. 2020 had a much more modest capital budget than in years prior, intended to support the completion of Brookfield/RML and address a few deferred projects from 2019.

But that was then, Jeff noted, and once it became clear that the pandemic would threaten the season's operation, members of the community stepped forward and offered their help and financial guidance. Notably, this includes John Bush (emeritus Board Treasurer), Russ Peterson (emeritus Board President), and David Yermack (Permanent Trust Chair and finance professor at NYU). A subcommittee was immediately formed and meets weekly to discuss tactical issues as the pandemic has unfolded. He then outlined the process this group has been working through: they began by evaluating the overall financial health of the organization, considered how to break even and manage spending. They then pivoted to a "worst-case" scenario and explored the idea of having no income until July 2021.

It was determined that full-time staff would be maintained, and options for managing debt were explored. Small business and other such loans were also explored, and the Paycheck Protection Plan (PPP) loan was a primary focus. Members of staff and volunteers put in countless hours to research and prepare. Basic work and expenses would continue on and off island, and a strong Annual Fund was anticipated. SRF-funded projects would continue, but other capital projects would be limited. Our line of credit would be used normally but not excessively, and we would not exercise any additional borrowing in 2020. This is based on the assumption that the island will be open in 2021, though with decreased bed nights and financial aid.

Jeff noted that this plan is a work in process, and the committee is working on a new budget to more accurately reflect the reality of 2020. He then addressed specific questions submitted in advance, pertaining to the cost of maintaining the island and the loss of revenue in closing the island. In conclusion, Jeff outlined four points: We are in a strong starting position coming off a solid 2019, we have good banking relationships, we have great alignment with the Permanent Trust, and we have strong support from our Shoaler community, and he is confident that we will make it through.

Question and Answer Period

The staff and Board entertained a series of questions posed by members of the Corporation. Many of the questions centered around informal visits to the island, and volunteer opportunities. Joe continued to reiterate that the reasons for the closing and the imposed limitations on visitation reflect a sincere concern for the health and safety of the skeleton crew on island this summer, as well as the health and safety of potential visitors. He noted it is unlikely that the Loughton will be allowed to discharge passengers at any point this summer, and that the island will remain closed to day visitors. Personal retreats will not be possible, nor will access from harbor boats. He noted that volunteer opportunities are likely to be curtailed, as well, in reflection of the same health and safety concerns.

Some questions included:

Would we continue using Zoom for meetings? At this point, it seems like a strong substitute for in-person meetings, and for the time being we will continue doing it.

Did we make the right decision to close? There is no one right answer, and it involved a careful consideration of an unfolding situation, and the staff has worked closely with the Crisis Response Team to make this decision with the safety of our community as the top priority.

Other questions asked for more information about: the PPP and other loans; relationships and collaborations with Rye Police Department and Fire Department, the Isles of Shoals Steamship Company, Smuttynose, Appledore, and other partner organizations; unemployment for 2020 Pelicans; availability of conference services and other offerings, ex. Island Minister; details about the summer caretaking crew; fundraising goals and planned efforts; Permanent Trust plans for selling stock and other investment plans; donations and gift certificates; anticipations for the 2021 season; winter caretaking presence; and plans for camera usage on island (security, live feeds, etc.).

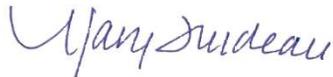
Closing

The Reverends Leon Dunkley and Debbie Duval presented a closing and two songs to end the 2020 Annual Meeting. The traditional hymn, "Gosport Harbor", written by Fred McGill, was sung along with an original piece written by Leon Dunkley. Debbie's closing words were: "Love is the spirit of our Star Island community. May the songs we sing celebrate this love. May the lives that we lead embody this spirit. And may we go forth in peace, leaning deeply into the knowledge that we will come back."

Upon a motion duly made and seconded, the Corporation **VOTED**

To adjourn the Annual Meeting at 14:45.

Submitted by:



Mary Trudeau, Clerk
Star Island Corporation