

Regular Session Board Meeting Minutes for May 4, 2021

STAR ISLAND CORPORATION
Regular Session of the Board of Directors

MEETING MINUTES

May 4, 2021 at 7:00 p.m. EST

Via Zoom

Members in Attendance

Kyle Belmont

Patricia Coleman (President, ISA UU)

Tom Coleman (President)

Leon Dunkley

Debbie Duval (Vice President)

Elizabeth Erickson

Lucia Green-Weiskel

Tom Kennedy

Jeff Loewer (Treasurer)

Keri Mattaliano (President, SIUCC)

Topher Soltys

Arlyn Weeks (Clerk)

Absent

Louise Williams

Other

Joe Watts (CEO)

Russ Peterson

Ryan Gough

Opening Words were offered by Debbie Duval.

Call to Order: Tom Coleman called the meeting to order at approximately 7:07 p.m.

ACTION ITEMS

Minutes of April 6, 2021 Regular Session

A vote to accept these minutes was deferred to the June meeting of the Board.

2020 Audit Presentation

Russ Peterson, Chair of the Audit Subcommittee of the Finance Committee, introduced Ryan Gough from Berry Dunn, our auditors, and presented an oral report in addition to a written report that was presented to Board members yesterday. He said that the auditors were easy to work with and had met twice with the Audit Subcommittee. They have produced a “clean” opinion. The subcommittee recommends that the Board accept the financial report.

Russ noted that, compared to 2007, our previous “crisis” year, when we lost \$1million in revenue, in 2020 we lost \$3 million in revenue. Without \$600,000 in grants, a \$300,000 PPP loan that has been forgiven, conversion of restricted gifts to unrestricted status, and an extraordinary increase in the Annual Fund, 2020 would have sustained a loss of \$1.4 million. Instead, we end with an operating balance of \$300,000. Russ extended kudos to the Board and staff for making this bottom line possible.

Ryan Gough expressed appreciation to Hope Coolidge, Kelly Dwyer, Joe Watts, and Jeff Loewer as well as to the Audit Subcommittee. He highlighted portions of Berry Dunn’s report and stressed that the financial information provided to the Board by the financial team is sound. There are no weaknesses in the Corporation’s internal controls despite having to operate in a remote environment, and management’s estimates are reasonable and consistent. Joe and Hope will sign a management letter tomorrow “to the best of their knowledge” verifying the information supplied. The Corporation’s bottom line for 2020 is “pretty remarkable.”

Jeff Loewer reported that the Finance Committee met last week and recommended that the Board accept the audit.

Upon a motion duly made and seconded, the Board

VOTED to accept Berry Dunn’s 2020 audit of the Star Island Corporation.

Russ Peterson and Ryan Gough left the meeting at 7:30 p.m.

2020 Form 990

Jeff Loewer noted that the public copy of our tax filing, known as Form 990, was provided to the Board in its packet of materials for this meeting. The public copy differs from the copy to be filed only in that the names of donors are not included in the public copy. It was noted that, having the opportunity to review the Form 990 prior to the meeting, there were no suggestions to amend the Form 990 and, therefore, the Form 990 is deemed to be final and ready to be filed. Joe Watts intends to file the Form 990 tomorrow morning (May 5).

Authority to Proceed with Second CWSRF Loan

Joe Watts reminded the Board that the state funded CWSRF revolving loan at issue now is not the existing \$1.3 million loan. Rather, this will be a loan of up to \$500,000 to fund future improvements at the wastewater treatment/water reclamation facility stemming from the pilot project with the State of New Hampshire on standards for wastewater reuse.

Based upon a motion duly made and seconded, the Board

VOTED to authorize the Chief Executive Officer to make arrangements for the Corporation to enter into a loan agreement with the State of New Hampshire Clean Water Revolving Fund to borrow an amount no greater than \$500,000 for purposes of making improvements to the wastewater treatment/water reclamation facility on Star Island, such agreement to be upon such terms as such officer deems necessary or advisable to effect such purposes [provided, however, that prior to executing and delivering the loan agreement, the Board shall first confirm its approval of the same in writing]. The Board further authorizes the Chief Executive Officer to sign the aforementioned loan agreement and related documents, as well as subsequent disbursement requests and related documents.

The application for this loan is due next month.

2020 Final Budget Approval

Joe Watts indicated that items in the budget memo are ranked by magnitude. Projected room and board income has been lowered from that in the provisional budget due to lower conference registrations to date than had been anticipated. The budget includes a 3% salary and wage increase for most employees. It includes the employee retention tax credit for which we have applied. It uses the Board's reserve fund, but it may be possible to revisit this use after the summer. The budget meets the debt service coverage ratio set by our bank. The bank will likely be flexible on

this issue if need be. We have rough numbers on the potential impact of closing the conference center for a week or more. We could possibly close for two weeks and still meet the debt service coverage ratio.

Jeff Loewer reported that the Finance Committee discussed this budget, showing us \$44,000 in the black for the year, at its meeting last week. Given substantial uncertainty with COVID and our usual weather uncertainty, and with substantial government support, the committee and the staff have done a good job in putting this budget together. Jeff was surprised that demand for the conferences has been soft. The budget does not include any extraordinary disbursement from the Trust. Jeff reminded the Board that we need \$600,000 to get to the 2022 conference season.

The Finance Committee and the staff recommend that the Board adopt this budget.

Tricia Coleman informed the Board that the ISA UU has been able to budget only \$15,000 for its annual contribution to the Corporation this year, instead of the \$30,000 that has been contributed in recent years. Both Joe Watts and Jeff Loewer were comfortable leaving an ISA UU contribution of \$30,000 in the budget with an intent to work together to make up the difference.

Following discussion of the possibility of surveying conferees and members relating to conference attendance, new fundraising plans, and the wage and salary increase,

Based upon a motion duly made and seconded, the Board

VOTED to approve the amended 2021 budget as presented.

VERBAL REPORTS

CEO Report

The budget proposal, audit report and the Form 990 report are the CEO's report for this month.

Feedback from the Annual Meeting has been positive. Updates on policies for vaccination, on-Island housing and alternative travel planning were sent out this week. Response has been overwhelmingly positive. Most questions are about testing requirements.

Transition from the winter caretaker to Island staff began on April 19.

The Annual Fund is doing well. Through April 30 it is at \$140,000, compared to \$138,000 at this time last year. This year's Fund can be expected to fall behind last year's in the future, due to many people donating their room and board deposits last spring.

Registration report to date, by number of people:

Week 1	Arts, NHW and ISHRA	99
Week 2	Star Union and IRAS	145
Week 3	All Star I	139
Week 4	All Star II	129
Week 5	Faith Development and Building Bridges	91
Week 6	International Affairs	145
Week 7	Star Gathering I	133
Week 8	Star Gathering II	168
Week 9	LOAS I	211
Week 10	LOAS II	207

With a bed night goal of 11,232 for the year, and assuming 2,190 bed nights in September, these numbers put us at 96% of our budget goal.

Beloved Community Project Update

Joe Watts asked all Board members to review the guide for conference leaders that has been created by the Beloved Community Task Force. It will be updated on an ongoing basis.

The Task Force is chaired by April Rosario and now includes Lucia Green-Weiskel, Kyle Belmont, Debbie Duval, Steve Lee, Justina Maji, John Bynum, and Lindsey Greene. Lucia reported that one project of the Task Force involves overseeing the use of the Guide Book, making it more accessible, and determining what worked for 2021 and what will work for 2022.

Treasurer's Report

Jeff Loewer directed the Board's attention to the memo and financials prepared by Hope Coolidge. Both the provisional and the final budgets are addressed in the memo. We are doing well; expenses are down a bit and the Annual Fund is strong. We are assuming full forgiveness of the current PPP loan. Having an employee rather than outsourcing CFO responsibilities is working out well. We may be able to apply for an employee retention tax credit next year as well. We investigated the

possibility of applying under the stimulus program for restaurants but concluded that it is not applicable to us.

There was no Pel Report at this meeting.

DISCUSSION ITEMS

Board Conflict of Interest

Board members are legally required to execute a conflict of interest statement annually. It is possible that we may be able to do this electronically this year. Tom Coleman will keep us informed.

Board Liaison Assignments

We currently need Board liaisons for the Rutledge Marine Lab, Conference Services and Membership Committees. Board members who wish to volunteer for these roles, or who wish to switch from their current assignments, should contact Tom Coleman within the next two weeks. After that, he will ask particular members to serve in any remaining vacant spots. An online poll on this issue is possible.

Annual Meeting Debrief

Members discussed the possibility of a hybrid meeting next year, as well as a suggestion of an Annual Meeting in two distinct parts, one in person and one as a Zoom meeting for the formal requirements. In general, members felt that the meeting this year went well. Attendance was down from 2020, but still much higher than that of past in-person meetings. In-person meetings are much more labor intensive. The voting section of the meeting this year took 20 minutes. The social session after the meeting had about 40 attendees, which was not as high as we had hoped.

Suggestions included reviewing how many votes actually need to be taken at the meeting and investigating how other hybrid model annual meetings have worked.

Based upon a motion duly made and seconded, the Board

VOTED to enter into executive session at 8:45 p.m. to approve the minutes of the Executive Session of April 6, 2021 and to discuss Appledore Island.

The Board returned from Executive Session at 9:02 p.m.

MEETING REFLECTIONS

Lucia Green-Weiskel observed that she had enjoyed her first meeting as a member of the Board and appreciated members' dedication and spirit of cooperation.

Based upon a motion duly made and seconded the Board

VOTED to adjourn at 9:05 p.m.

Submitted by:

Arlyn Weeks, Clerk