

Island Housing Trust (“IHT”) Board Meeting – Regular Meeting

February 12, 2022 8:30 AM EST (Via Zoom Videoconference)

Board members present: Doug Ruskin, Jeffrey DuBard, Victoria Haeselbarth, Delos Lander, Richard Leonard, Dan Seidman, Michelle Vivian-Jemison, Sophia Welch, Norman Werthwein, Wendy Wolf, constituting a quorum

Board members absent: Pamela Craven, Peter Freeman, Trey Rasmussen

Staff: Philippe Jordi, Executive Director, Joanna McCarthy, Keith McGuire, Breeze Tonnensen, Liz Volchok

The Board Members received a package of materials in advance of the Meeting and an email dated February 11, 2022 containing an updated agenda and the outline for a project entitled: “Building a Constructive Partnership” (collectively, Board Materials).

Mr. Ruskin acted as chair of the meeting and called the meeting to order at 8:30AM EST. He explained that the plenary portion of the meeting was being recorded to permit the Assistant Clerk to write the minutes and would not be used externally.

CONSENT AGENDA

Thereafter, Mr. Ruskin turned to the two items in the Consent Agenda. There were no comments or questions regarding these items.

Action: On motion duly made and seconded, the Board members present unanimously approved the minutes of the meeting of January 22, 2022, as presented in the Board Materials, with those Board members who were not present at the December meeting abstaining.

Action: On motion duly made and seconded, the Board members present unanimously approved the engagement of Kevin P. Martin & Associates/Cohn Reznick (KPM) to audit IHT’s 2021 financial statements and prepare its tax returns on the terms and according to the fee schedule contained in the engagement letter dated October 2, 2019 and to prepare the confirmation with respect to Perlman House as required by MassHousing.

BOARD MEMBER RECRUITMENT AND OFFICER NOMINATIONS

Mr. Ruskin directed attention to the list of officer candidates recommended by the Governance Committee and informed the Board that officers would be elected for one-year terms at the March Board meeting. He invited the Directors to submit other nominations if they are so inclined. Mr. Ruskin also advised the Board that he did not intend to stand for election as President after serving for the April 2022 to March 2023 term, assuming that he is re-elected. He explained that his final term on the Board ends on March 31, 2024 and that he believed that it was prudent for a new president to be elected in March 2023 so that he can assist that officer with transition during his final year on the Board. He also confirmed that he had shared his intention with the Governance Committee.

PROS AND CONS OF PARTNERING FOR IHT

As a preface to this topic, Mr. Ruskin referenced last-minute changes to the Agenda due to the speed with which the organization is moving, citing as an example the RFP for 401 State Road in West Tisbury, which was issued during the preceding week. He explained that in the future the Agenda in the Board Materials will be considered a draft and that the final agenda will be circulated on the Friday prior to the Board meeting. Mr. Leonard requested that the full Board package with any updated or additional items be recirculated on Friday so that Board members may look at a single updated package.

Mr. Ruskin then explained that the topic of Partnering was triggered by the issuance of this latest RFP and that as IHT grows, it is not practicable for it to handle all of the development by itself. Mr. Jordi then presented a set of PowerPoint slides outlining various alternatives for handling RFP's issued by towns and the pros and cons of each alternative. A discussion then ensued regarding the various scenarios and when partnering might be appropriate, the risks, both financial and reputational, that might be implicated in a partnering arrangement, the ceding of some control that might be necessitated in a partnership and the importance of developing a list of partners who have been vetted carefully, followed by monitoring of their ability to continue to meet their obligations.

COMPENSATION PHILOSOPHY

Mr. Ruskin referenced the proposed Compensation Philosophy contained in the Board Materials, which is recommended by the Executive Committee. He explained that it memorialized practices that have in fact been ongoing and entertained questions and discussion about the document.

Action: On motion duly made and seconded, the Board members present unanimously approved the Compensation Philosophy as presented in the Board Materials.

2022 BUDGET AMENDMENT/ STAFF SALARY INCREASES

Mr. Ruskin also referenced the proposed amendments to the 2022 Budget to address salary adjustments recommended by the Executive Director and supported by the Executive Committee as detailed in the Board Materials. He outlined the process undertaken to obtain current market data for the staff positions (noting that the Executive Director's salary would be discussed in the Executive Session).

The adjustments would result in a combined merit and cost of living increase of 10% for every staff member, i.e., an additional 5% beyond the 2022 salary budget approved by the Board in December 2021 for a total increase of \$35,827. Additionally, management is recommending and the Executive Committee supports market adjustments for three positions for a total of \$12,454. All of the above adjustments would be retroactive to January 1, 2022.

Action: On motion duly made and seconded, the Board members present unanimously approved the additional 5% salary adjustment for all staff (other than the Executive Director) and the market adjustment for three positions as stated above.

EXECUTIVE DIRECTOR SUCCESSION PLAN

Mr. Ruskin next reported that the Governance Committee reviewed a proposed Succession Plan put forward by the Succession Planning work group, led by Trey Rasmussen and including Victoria Haeselbarth and Breeze Tonnesen. The Board's role is to ensure that IHT has a Succession Plan to address the unplanned or planned absence of the Executive Director and that the management team has and maintains a succession plan for other staff members. The proposed Plan, which addresses the absence of the Executive Director is included in the Board Materials.

During discussion, the questions were raised as to whether the Plan as written would permit the Board President to serve as acting executive director and, if so, to whom would that individual report. The consensus was that there could be circumstances in which it would make sense for the Board President to serve as acting executive director and that it would be appropriate for the Executive Committee to oversee that individual. Ms. Tonnesen and Ms. Haeselbarth agreed to amend the document accordingly and to return with an updated document at or prior to the March Board meeting.

Action: On motion duly made and seconded, the Board members present unanimously adopted the proposed Succession Plan, with the understanding that (1) it will be amended to permit the Board President to serve as acting Executive Director subject to the oversight of the Executive Committee; (2) it should be reviewed at least annually, and (3) management will create and maintain a succession plan for other key IHT positions.

LAST MINUTE UPDATES

Messrs. Jordi and Ruskin then updated the Board on a minor change regarding the purchase price for Planting Field Way in Edgartown (increasing from \$1.25M to \$1.3M) that had been reviewed with the Treasurer and Assistant Treasurer and on the possibility of IHT acquiring the home at 5 Harpoon Way.

BOARD WORKSOP

Mr. Ruskin referenced the draft workshop agenda in the Board Materials and urged Board members to respond quickly to the available dates as set forth in the cover email to the updated Board Agenda that was emailed on February 11, 2022.

EXECUTIVE SESSION

The Board members then met in Executive Session to discuss the following topics:

- ED review status
- ED compensation adjustment
- Board/Staff relationship – planning for another session or sessions with Susan Decker
- Partnering with other organizations

During the Executive Session, the Board members present unanimously approved an increase in the Executive Director's salary to \$142,000, retroactive to January 1, 2022.

The Board also supported including an Executive Session on each Board meeting agenda as a matter of routine.

The meeting was adjourned at 11:55AM, EST.

Respectfully submitted,

Pamela F. Craven

Pamela Craven

Assistant Clerk

The above minutes were taken from a recording of the plenary session of the Board meeting.