

Star Island Corporation
Chief Executive Officer's Report
January 15, 2013

Mission: To own and maintain Star Island and such other property as the Corporation may hold or acquire, as a center for religious, educational, and kindred purposes consistent with the principles of the Unitarian Universalist Association and the United Church of Christ.

1. *Finance: SIC will be a fiscally sound organization with a sustainable business model consistent with the Corporation's values and mission.*
 - We expect the December financials to be completed by the end of the month. We know enough at this point to say that we will be ahead of our budget goals for 2012 by a significant amount – we're expecting to end the year with an operating margin of approximately \$130,000. This is approximately \$25,000 less than what we projected in the November financials, which is a direct result of capital campaign donations that we will receive, but not in time to account for them in FY 2012.
 - In response to a Request for Proposals from the Unitarian Universalist Congregation at Shelter Rock, we are preparing our project description and detailed budget in support of our Shelter Rock Large Grant application. Shelter Rock's RFP states that they "expect that the congregation will select at a meeting on May 5, 2013, two grantees from the *UU Camps & Conference Centers* category." Please see attached Development Report from Angela Matthews for more details.
 - We are actively investigating funding options for a new wastewater treatment system (see below for more information on the wastewater study results). We are working with Tim Nichols of AEC, who came to us highly recommended by Mike Magnant, Rye's Town Administrator. With no obligation to Star, Tim and AEC will be providing a professional analysis of our systems and determining if NH's Pay for Performance (NH P4P) program will help fund the installation of our new wastewater treatment system. Additionally, we are exploring NH's Community Development Finance Authority's (CDFA) state tax credit program for community infrastructure development. Either (or both) of these programs could provide a substantial amount of funding for a new wastewater treatment system.
 - Working with the financial aid group chaired by Sharon Kennedy, we've established that people eligible for room & board discounts are also eligible to apply for financial aid through the Star Island Corporation. We are also working to improve the visibility and therefore effectiveness of Star's financial aid program and individual conference scholarship programs. Sally Russell, a member of Star's financial aid group, will be attending the February 2 Chairs & Registrars/Council of Conferences meeting to discuss our program. Additionally, we are planning on posting links to each conference's scholarship program information on our web site.
 - Our pilot gift certificate program has generated \$3,190 in income (10 certificates sold). We are pleased to have this option in place and expect this program to grow in the future.
 - We are working towards doubling our Regatta sponsorships this year with an eye towards exploring other corporate sponsorship opportunities in a manner consistent with our image and values. Please see attached Development Report from Angela Matthews for more on the 2013 Regatta.
 - We are updating our five year capital improvement plan in preparation for working on an integrated five year financial plan that's fully informed by our known capital needs and development strategies (and, ultimately, by our strategic plan).

2. *Facilities: The SIC facilities will be kept in a steady state to keep Star Island safe, well maintained, structurally sound, and up to date with 21st century standards consistent with the Corporation's values and mission.*

- We are in the planning and permitting stages of the major Oceanic north wall/carrying beam and front porch renovation project we are undertaking this spring. To meet current life safety codes, this project will result in a new railing design. We are working carefully with the Property Standards Committee, the Town of Rye, and others to ensure that we factor in the myriad considerations associated with this high profile project. We expect this work to be completed with an efficient combination of staff, consultant and volunteer time, a model which, when done properly, can stretch our capital dollars further while achieving excellent results.
- Work on the Solar PPA project is moving right along. Please see attached an updated timeline, a memo presenting our current energy costs, and a workbook with six spreadsheets that breaks down our current energy costs. The timeline, which Revolution Energy believes is realistic, indicates that we expect to have a final contract draft ready for Board and Star Island Corporation endorsement in April. We are in the process of conducting comprehensive reference checks, and we intend to sign a formal letter of understanding with Revolution Energy before the end of this month. The LOU will verify our key assumptions for this project (e.g. we will not incur out of pocket expenses, this will cost the same or less as our current costs, we will be using "other people's money," we will not be relying upon our existing donor base to fund the project). Representatives from Revolution Energy will be participating in the Solar PPA project update at the February Board Retreat and will join us for lunch. The Ad Hoc Solar PPA Contract Review Committee has provided invaluable assistance to date, and will continue its work by reviewing the LOU prior to signature and the contract draft we expect to receive by the end of February.
- Please find attached a wastewater study summary letter from Altus Engineering. The study makes a number of recommendations, the most significant of which is to explore SeptiTech technology for our next wastewater treatment system (www.septitech.com). Additionally, the study recommends a number of items that could be wrapped into the Solar PPA contract (e.g. new toilets (including composting toilets), kitchen and laundry room upgrades). Jack Farrell will be providing a wastewater study update at the February Board Retreat.
- We continue to work carefully with Jeremy Bell of ISSCo. (M/V Thomas Lughton) and Sue Reynolds of Island Cruises (M/V Uncle Oscar) to firm up all operational details for 2013. We are working carefully with Jeremy on a number of issues, and we're thrilled to announce that the Thomas Lughton is expecting to run on Monday afternoons this season (in addition to the Saturday, Sunday, Wednesday and Friday runs they were running last year). On December 14, we met with Sue to discuss our 2013 agreement, and we're on pace to have this finalized (with no substantial changes from 2012) by early February.

3. *Governance: The SIC will be an effectively governed, well managed organization positioned to deliver maximum value to its members and stakeholders consistent with the Corporation's values and mission.*

- We are continuing planning for our next Strategic Plan, including finalizing the attached list of Shoalers in addition to Board members who will be participating in the strategic planning process during the afternoon session of the February Board Retreat.
- We are gearing up for the first ever joint meeting of the Chairs & Registrars and the Council of Conferences on February 2. We expect a strong turnout at this meeting.
- Russ Peterson and I continue to meet weekly, and we are pleased that Sharon Kennedy is now joining us. Following a similar transition model to the successful plan we implemented during our CEO transition last summer and fall, these meetings will help to ensure a smooth Board leadership transition.

- On January 9, I attended an informative new member orientation session at the NH Center for Nonprofits. There are many valuable opportunities for Star Island Corporation through this membership, including resources for staff and Board members. Please find attached a one pager on how Board members can benefit from NonprofitNext (www.nonprofitnext.org/index.aspx). The Board section includes some excellent information on updating strategic plans, for example.

4. *Human Resources: The SIC will develop, train and maintain effective human resources consistent with the Corporation's values and mission.*

- Kristi Vazifdar has been accepted into the Leadership Seacoast program, the same professional development opportunity that some other leaders at Star Island Corporation have participated in over the years. As a graduate of this program, I can speak to its value, and I trust Kristi and Star will benefit from this enriching experience.
- We have received 125 Pelican applications to date, a pace consistent with last year but behind where we were at this point in 2011. We continue to advertise Pelican job opportunities in new venues, including sending out our flyer to approximately 500 UU and UCC congregations and placing a (free) ad with the NH Center for Nonprofits. We typically see a surge in last minute applications – our application deadline is January 21.
- We have successfully transitioned from having an HR Director on staff to using a professional HR consultant firm.
- Our staffing reorganization plan for 2013 is complete. Please see attached a handwritten draft organizational chart of every Star Island Corporation position. The content of this draft is complete, though the format needs some work (e.g. making a digital version of this document that fits on one page). This org chart demonstrates the culmination of a lot of our hard and difficult work, and serves as a symbol to remind us that we have both realized substantial savings and planned for success.
- On January 9, we enjoyed our second staff mini-retreat, where we focused on our meeting and meeting facilitator guidelines. These retreats also serve as good team building opportunities.

5. *Community Building Goal: Support a sense of community that serves conferences and conferees and inspires them to support initiatives for the well-being of the entire community consistent with the Corporation's values and mission.*

- We have continued working with the Isles of Shoals Association UU on various issues. We have signed our annual agreement with the ISAUU, and we have discussed various issues pertaining to how our organizations interact with one another. In response to our “wish list” – items which would benefit Star but are not covered in our annual budget – the ISAUU Board voted on January 3 to budget funds to pay for wool blankets, a lectern light for the chapel, new art auction dividers, and chair caning materials, representing warmth, light, art and relaxation.
- Our February 2 Chairs & Registrars meeting (distinct from the Council of Conferences meeting) is shaping us nicely, under the oversight of Justina Maji. We are structuring this meeting with many of our Community Building Goal's objectives in mind, with a special emphasis on encouraging collaborative activities for conferences that share time on the island.
- We continue to increase our outreach to and engagement with UU and UCC congregations. We have registered for a booth at the UUA's General Assembly (GA), which takes place June 19-23 in Louisville, KY. We are looking for volunteers to work selected shifts at our booth – people already attending GA who are interested in this important outreach effort should contact me directly.

6. *Outreach and Engagement Goal: The Star Island Corporation will proactively reach out to attract new populations to the Island and to engage all in ways that bring them back each year consistent with the Corporation's values and mission.*
- The 2013 Blue Book is at the printer. Our plan is for these brochures to be received in the mail near the end of the first week of February (same as last year).
 - We are beginning work on the winter edition of the Star Island Newsletter, which we expect people to receive around the beginning of March.
 - We had a productive meeting with Star Island UCC's marketing team on December 17 to coordinate our 2013 marketing strategies for Star Gathering I & II Family and Youth Conferences. A number of projects have stemmed from this excellent meeting, in various stages of implementation.
 - We also had a productive meeting with LOAS' marketing team on January 11. LOAS has long been a conference marketing leader, and we are working with them on a number of strategies that will help us move towards filling LOAS II, as well as provide a template for other conferences (those with less developed marketing plans). Some chief areas of focus include establishing former Pelican clusters within a single conference, converting personal retreaters to conferees, and making sure potential conferees know about and clearly understand all of their discount, financial aid, and scholarship options.
 - We had a brainstorming session with Terie Norelli, Speaker of the NH House, and Bob Lister, Assistant Mayor of Portsmouth, on December 21. The topic was the 400th anniversary of John Smith's mapping of the Shoals and a celebration of the First People (scheduled for 2014). Angela Matthews is taking the lead on coordinating this effort.
 - Work on the database conversion project (including online registration) continues on track. We are sending the final data from NED to Blackbaud this week and expect to go live with Raiser's Edge (fundraising) at the end of this month. Once this is accomplished, we can begin configuring conference-specific online registration pages, with a goal of going live on March 10. After this is accomplished, we will turn our attention to the housing and billing module. Also of note is that Financial Edge (finance) is now scheduled to go live on March 1.
 - On February 22, we will be hosting an off-season gathering at South Church in Portsmouth with a few goals in mind, including maintaining the Star Island experience in the winter, kicking off the 2013 season (we will be encouraging people to bring any friends that they want to introduce to Star), and having fun in the name of Star and in the company of old friends and new. This will be a low-key, family-friendly event with dessert and live music.
 - A group of UU camp directors is getting together at Unirondack on the weekend of September 27-29. I plan on attending this retreat and exploring how we can partner for our mutual benefit.

We begin the New Year excited about the possibilities in the year ahead.

Sincerely,

Joe Watts
Chief Executive Officer