

Star Island Corporation
Chief Executive Officer's Report
March 19, 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 have received 1,051 total registrations for 2013 conferences to date, representing 7,488 bed nights (40.2% of our 18,630 bed night goal). 907 of these registrations came via the online registration portal. These registrations have generated \$276,355, of which \$176,285 is room and board deposits and \$100,070 is conference programming fees (the latter of which are disseminated to conferences).
- The new registration system continues to have a favorable impact on our cash flow. We are now expecting to postpone having to borrow against our credit line until April.
- The auditors were in-house the week of March 4 and the process went smoothly. A first draft of the 2012 audited statements was submitted to our audit committee last week for review and comment. Our goal is to have a final draft ready in early April with the auditors presenting at our April Board meeting.
- As we approach the 2013 Gosport Regatta, we have had a good response from existing and potential local business partners, and we continue to expect to double our sponsorships from last year. Due to a snowstorm, we postponed our March 19 sponsorship event at the 100 Club in Portsmouth to April 2, when we expect more businesses will be able to participate.
- Our Financial Edge "go live" date is set for April 1. Financial Edge is our new finance database.
- In preparation for the 400th anniversary of Captain John Smith's mapping and naming of New England, we are hoping to repair and restore the monument erected in 1864 by the Society of Colonial Wars of NH. To this end, in addition to other possible funding sources, we would like to apply for a grant of \$10,000 from Liberty Mutual Insurance Company (see attached report from Angela Matthews).
- We will be meeting with Brendan O'Neill of Eastern Bank on Monday, April 1, for a general check-in and discussion, including the topic of our future banking relationship.

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.*

- The island continues to be damaged by some harsh winter storms. A recent storm further damaged the kitchen roof, and we are in the process of assessing this damage and getting firm quotes for the work. The total cost of repairs is now likely in excess of \$40,000. Please see February Financials for details.
- Work continues on updating our five year capital improvement plan (CIP). SFC (our fire safety consultant) is performing a preliminary review, and we expect the plan to go before the Strategic Facilities Planning Committee later this week. Our goal is to have our updated CIP ready to use for more precise long-term financial planning by next month.

- Open-up begins on March 25, when the winter caretakers leave and a small open-up staff moves out to the island. As usual, we have a lot planned for this open-up to get our facilities in excellent shape before guests arrive for the season. Despite the snow on the ground, spring has arrived.
- We're having our annual meeting with SFC, the Rye Fire Department and the Rye Building Inspector on March 21.
- Planning work continues on the major Oceanic north wall/carrying beam and front porch renovation project, and we expect to begin on-island work on March 25. Though this major project involves much more than the new porch railing, the most noticeable change to the Oceanic/Atlantic façade will be the new railing. The Property Standards Committee and the Rye Building Inspector have already approved the new porch railing design attached to this report. On March 19, the Rye Historic District approved the design as well, with slight modifications that now need to go back to the Property Standards Committee (we expect this to happen soon). The new railing design is the result of many people working together through a complicated issue, including the Strategic Facilities Planning Committee and the Property Standards Committee (with special thanks to Tom Mansfield and Bruce Parsons). This new railing is a safety and code requirement, and after numerous iterations, the design was deemed to be the best overall plan to balance these requirements with historical and esthetic considerations, including ensuring that people sitting in a rocking chair can still enjoy our wonderful views. We expect that this new railing will be a big topic of conversation this summer, and we are actively working on ways to manage this noticeable change effectively.
- We are making significant headway on the technical details of our comprehensive solar power project (see attached memo from Jack Farrell). Revolution Energy and Star Island Corporation staff and volunteers are working well and regularly together. Jack reports that Revolution Energy has been enthusiastic about this project all along, and yet they are exhibiting an increasing sense of enthusiasm in recent meetings. A lot of excellent work is getting done to advance our understanding of how we can achieve our Facilities Goal's objectives, in concert with the terms of our Letter of Understanding with Revolution Energy. This is a complicated and dynamic project. We have received a rough draft contract, though our attorney deems it too preliminary for a detailed review and recommends that we get to a place where a close to final draft can be presented prior to further review. It's increasingly apparent that we need to let the technological aspects of this project further develop prior to having a final draft contract in hand, and we're working hard to get this done and also to develop a realistic sense of when this will be done.
- The Perseverance was put back in the water on March 15, after a complete repainting up to the gunwales. Through an efficient mix of professional services and seasonal staff members, we managed to perform this important work well below market rates.
- Our generators remain a concern, and we are looking at back-up and lease options for this summer just in case we need to bring in a generator to ensure reliable power generation until 2014, when our CIP calls for the purchase of a new generator and a rebuild of another (pending the outcome of the solar project).

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 enjoyed an effective strategic plan work group session on February 23, which resulted in the attached draft strategic plan for 2014-2016. Special thanks to all work group participants, especially Jan and Jim Prochaska for facilitating the session. Together, we have produced something useful on schedule, and we are looking forward to hearing Board and Corporation member thoughts on the draft plan.

- Staff will be developing tactics for achieving our strategic plan's objectives at our April 12 staff retreat, with a special focus on drafting tactics for our next strategic plan (even though it is still in draft form), as this will allow us ample time to start planning and budgeting for the 2014 season.
- The Board is developing 2013 goals that support this Governance Goal's objectives, including improving communication with constituencies. We feel this is an important goal and look forward to working together to develop more and more opportunities for clear and effective communications.

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

- The Pelican hiring team designated each of the 216 applicants for a specific job offer or waitlist assignment, and all notifications went out on March 11, ahead of schedule. Thanks to our strong applicant pool, we will have a great group of Pelicans this year. Thanks to the strong connections individuals and families form with and on Star, there are many folks who will be saddened to know that they and/or their loved ones weren't offered a position – this is the inevitable consequence of having more than two applicants for every one Pelican position. Special thanks to the hiring team and particularly Kate Brady for her excellent work shepherding this process to a wonderful result.
- With the exception of our boat captain, we have assembled our complete senior seasonal staff team for the 2013 season. Together with our year-round staff, I believe we have one of the best staff leadership teams I've seen in my time at Star Island.
- We received ample volunteer applications for our spring volunteer program and are in the process of making final assignments. We are pleased to have most of our summer medical volunteer positions filled, significantly ahead of where we were this time last year.
- With the help of Saleha Walsh of Insource Services (our HR consultant), we have nearly completed a comprehensive review and revision of our Personnel Handbook. We expect to complete this process by early April.
- The Personnel Committee is meeting on March 20 to discuss various topics including the Pelican hiring process, our alcohol & drug policies, and our year-round staff benefit package.

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 continue to look for volunteers to help work Star Island's booth at the 2013 UUA General Assembly (GA) in Louisville, KY (June 19-23). If you or someone you know is interested, please let me know.
- We have received positive feedback from numerous people about our recent ad on the back cover of the spring issue of *UU World* (see attached).
- We are supporting the Isles of Shoals Historical Research Association (ISHRA) September Conference as they redefine their 2013 conference due to the cancellation of their speaker. This is an opportunity for Star Island Corporation to work collaboratively with a conference on specific programming, an area worth exploring as we balance tradition and change.
- Our online registration process is enhancing the already existing commitment on the part of numerous conferences to act for the good of Star Island as a whole (island citizenship).
- We are following up on the successful Shining the Star capital campaign in a number of ways, including sending out a report to donors in advance of the April 27 Annual Meeting, having a Campaign Celebration during the Annual Meeting, and working towards on-island recognition (e.g. a book of donors in the Writing Room).

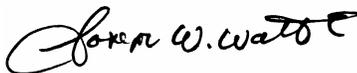
- We have established a work group to take a comprehensive look at our recognition plans in general, including the recent capital campaign, past staff leaders, and significant volunteer achievements. The group, which consists of Irene Bush, Angela Matthews, Bruce Parsons, Suellen Peluso, Melissa Saggerer, and myself, will be meeting next month. Our hope is to present a recommendation, which would come before the Board, prior to this summer.

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.*

- We had a successful "Block Party" event at South Church in Portsmouth on February 22, with approximately 45 people in attendance. We enjoyed a variety show followed by a dessert social. Feedback from the event was positive, and we look forward to expanding this in the future.
- The Star Island Newsletter is now due out in early April.
- The premiere episode of "Stranded," set on Star Island, aired on February 27 on the Syfy Channel. On that date, our website received 6,896 views, with 10,461 more visits the next day (we normally receive about 1,500 site visits a day). During the show itself, the high volume of website visits caused our website server company to limit access to our website due to the possibility of failure. We are attempting to capitalize upon this exposure by matching this specific interest with the Paranormal Adventure Weekend scheduled for mid-June.
- To date, we have sold \$4,390 worth of gift certificates, without any additional promotion of this option beyond our winter holiday announcement. In the coming months, we plan to determine the best ways (including times) to promote this option moving forward.
- We had a positive and collaborative meeting with representatives from the University of New Hampshire, in which they discussed their long-range thoughts about the Shoals Marine Lab.
- Robert's Maine Grill (Kittery, ME), is hosting two community dinners on May 7 and May 14, with a portion of the proceeds from each night going to Star Island (up to \$800 total). In addition to modest income generation, we are excited about this community outreach opportunity.

Though there is still snow on Star Island, Spring has arrived and our first conferences begin in less than three months. This is a busy and exciting time!

Sincerely,



Joe Watts
Chief Executive Officer