

**Star Island Corporation**  
**Chief Executive Officer's Report**  
**May 20, 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 2,237 total registrations for 2013 conferences to date, representing 13,174 bed nights (70.7% of our 18,630 bed night goal). 1,820 of these registrations came via the online registration portal. These registrations have generated \$501,898 of which \$315,458 is room and board deposits and \$186,440 is conference programming fees.
- As of May 15, we were at 12,610 bed nights (please see attached bed night report). This is 338 bed nights ahead of where we were on 5/15/12 and 42 bed nights short of 5/15/11. As of May 20, we are at 13,174 bed nights. This is 179 bed nights ahead of where we were on 6/1/12 and 291 bed nights short of 6/1/11. Since 4/1/13, we have been receiving registrations averaging about 90 bed nights/day, and while this pace is decreasing as we get closer to the conference season, it is reasonable to conclude that by 6/1/13 we will be trending ahead of where we were on the same date in each of the last two years. While this is good news, we aren't taking anything for granted. Because of online registration and other factors, we don't want to read too much into the pace of bed night accrual at this point. We still have a long way to go, and we are tracking bed night totals carefully and working actively in a number of ways to maximize enrollments.
- We are most grateful to have won a \$100,000 grant from the Unitarian Universalist Congregation at Shelter Rock to support critical fire safety upgrades on the island. Please see Angela Matthews' Director of Development report for more information.
- Our request to Liberty Mutual for \$10,000 to repair the Smith monument was declined.
- We have borrowed \$50,000 against the credit line in April and expect to borrow \$150,000 in May. Up until now, we have been able to defer the need to borrow for over five months, saving hundreds of dollars in interest payments and moving towards an increasingly strong financial position.
- On April 23, we had a meeting with representatives of Eastern Bank, including our new account representative. Our relationship with Eastern Bank is good.
- While it appears that we will fall short of our goal of doubling our sponsorships this year, we have made significant progress, including refining our benefit package, enhancing our materials/packet and hosting a recognition/informational event at the 100 Club. To date, 16 sponsors (3 partial) have signed on to the Gosport Regatta, representing \$7,500 in income (compared to 9 sponsors and \$6,000 last year). We expect this program to continue to grow in 2014.
- Pending Board approval, we are planning on applying for a grant offered through the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Grant Program to shore up the portion of the pier that was not included in our 2003 pier project. This grant would enable us to reinforce and resurface the concrete pier slab and install rip rap along the westerly facing side of the pier. An important side benefit of this process is that, through researching this opportunity this year, we were able to establish relationships with some of the folks at FEMA. Please see Angela's report for more information.

- We had a productive meeting of the Finance Committee on May 15, where we discussed a number of items, including long-term facilities and financial planning and bed night projections.

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 21<sup>st</sup> century standards consistent with the Corporation's values and mission.*

- Please find attached our updated 5 Year Capital Improvement Plan (CIP), along with a brief contextual memo. Our plan accounts for both the winter storm damage and the grant we've received from Shelter Rock. We look forward to presenting this plan to the Board on May 28, as well as continuing working with the Strategic Facilities Planning Committee and the Finance Committee to integrate long-range facilities and financial planning efforts.
- Open-up is proceeding nicely. Our major Oceanic north wall/carrying beam and front porch renovation project continues to go well. Our fire safety inspection is scheduled for May 23. We have hosted two successful volunteer weekends (out of a scheduled five).
- In addition to the Oceanic project and myriad routine open-up tasks, we are upgrading the two Underworld shower rooms to provide higher quality shower units with private changing areas. We have constructed one of our new float dock units (with two more to go). We have made significant progress towards making our facilities increasingly watertight with roof replacements on the north face of Parsonage, Cottage B and the dining hall and kitchen roofs (in progress).
- We have also expanded our cistern collection system with additional cistern-linked gutters at the back of the Oceanic/Caswell, all of Gosport and Cottage A. We are fortunate to be bringing additional gutters online this season, as the same sunny weather that has provided us with good outdoor project conditions has left us with little rainfall. In order to augment our cistern water reserves, we are planning on using our reverse osmosis system and receiving additional water loads from the Thomas Lughton, as needed.
- We continue to make good progress towards a comprehensive solar power solution for Star Island, including regular meetings and site visits with Revolution Energy to refine the technical components of the project, with an eye towards collecting more information during our peak usage time in early July. Meanwhile, Revolution Energy is actively pursuing financing options. Also, we are working towards development of a final contract, which we will present to the Ad Hoc Solar PPA Review Committee in the coming weeks.

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.*

- Our draft strategic plan for 2014-2016 was presented to Corporation members at the Annual Meeting on April 27, with a request for any comments or suggestions to be submitted by May 31. To date, there have been two responses, likely indicating that people are either happy with the plan in its current form or are not actively engaged in the process.
- As we move towards finalizing our strategic plan, staff continues to work on tactics for how to achieve the plan's objectives. We expect to have our tactics finalized this summer.
- We enjoyed a successful Annual Meeting of the Corporation on April 27, with 157 people in attendance. A lot of ground was covered, and a sense of excitement and positive energy was evident.

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

- Now that we have finalized the 2013 Pelican hiring process, we can step back and assess how things went. In a word, the process was successful. Kate Brady ably managed the process from start to end,

a significant responsibility for the Office Manager position previously handled by the HR Director position. An emphasis was placed on setting expectations upfront and positive and proactive communications throughout the process. There were very few complaints and concerns expressed by our wider Shoaler family. We expect that up to three would-be returning Pelicans chose to not return due to wages remaining flat over time, which is something we need to keep an eye on as we work on our 2014 budget. Overall, we are confident that we have an excellent staff lined up for the 2013 season!

- Our Pelican staff includes 57 returning Pelicans and 41 new Pelicans, 58 women and 40 men, and 7 sets of siblings. Pelicans range in age from 18 to 66 and hail from 19 US states.
- We are working on our Pelican orientation plan for 2013, with an increased focus on hospitality training and community building.
- We had a productive meeting of the Personnel Committee on May 13, where we discussed a number of topics ranging from our vacation accrual policy to our alcohol and drug policies. The committee will serve as a sounding board as we conduct a benefit and compensation review over the next several months (a Board goal for 2013).

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.*

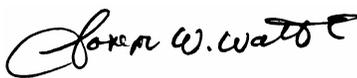
- We continue to gear up for the 2013 UUA General Assembly in Lexington, KY. With great volunteers and partnering with The Mountain, we believe we'll have a great experience this year, which we will be able to learn from and refine as we keep an eye on the 2014 GA in Providence, RI.
- Our recognition work group is making progress on envisioning plans to recognize, in a significant way, recent capital campaign donors and significant volunteer achievements. We are also looking at a separate way to recognize staff leaders since World War II.
- 583 people, the majority of whom have come to Star for five or more years, responded to our food service survey. Results indicate that more people care about having healthy and nutritious meals than indulgent meals, though returning to dessert at lunch is strongly suggested. About 10% of respondents require gluten free meals, though only some expect Star to provide them. A strong majority of respondents would support a day of all vegetarian meals and most feel we don't need to serve meat at every meal. Other than grilled cheese and tomato soup, there isn't a need to continue so-called traditional meals and selections (e.g. deli day, tomato juice at banquet). It is strongly suggested that we provide more kid-friendly options on the side bar. New Shoaler respondents (61 in total) are strongly vegetarian and health conscientious. We will be using the information gleaned from this survey to refine our food service operation for the 2013 season.
- We had a productive Council of Conferences (CoC) meeting on April 27, at which Phil Sears was elected President of the CoC. An update from Star Island Corporation was provided, and we had a productive workshop on filling the "gap week" (the week before Labor Day Weekend) in 2014.
- The Isles of Shoals Association Unitarian-Universalist (ISAUU) Board met on May 2, where Star Island Corporation's appreciation for all that the ISAUU does for Star Island was offered. It is evident and exciting that there are many opportunities for increased collaboration between our organizations.

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 enjoyed two community dinners at Robert's Maine Grill (Kittery, ME) on May 7 and May 14. A portion of the proceeds of these dinners go directly to Star Island, as well as proceeds from Bob's Clam Hut (Kittery, ME). We are grateful to Robert's and Bob's for supporting Star Island in this way, and we are grateful to the many Shoalers who participated.
- Please see attached an ad we ran in Christian Century magazine, part of our UCC outreach efforts this year.
- On April 25, in conjunction with Sue Reynolds (Island Cruises, Lighthouse Kids) we offered a presentation about Star Island to the Rye Historical Society.
- On May 7, I attended the New Hampshire Center for Nonprofit's "Nonprofit Capitol Exchange," where I had the privilege of meeting NH Governor Maggie Hassan and inviting her to Star Island this summer. We are working with Governor Hassan's staff to try to coordinate a visit.
- In consultation with the Outreach and Engagement Committee, we have decided to extend the deadlines of the former Pelican and new family maximum discounts from May 15 to June 1. This will be the only extension of these programs. The multi-conference discount, which has no deadline, remains in effect.
- To date, 57 eligible people (representing 373 bed nights) have registered for the duration of a full conference under the former Pelican discount; 10 eligible families (representing 236 bed nights) have registered under the new family maximum; and 9 eligible people (representing 60 bed nights) have registered under the multi-conference discount. In total, these three programs have brought in 669 bed nights so far, and we expect this number to increase to somewhere in the 700-800 range in the end. At a later date, we will be surveying discount recipients to determine who would have come without the discounts, which will enable us to evaluate these programs properly and plan for 2014. It is safe to say now, however, that our discount programs appear to be working overall, and that the former Pelican discount is the most successful.

The start of the conference season is almost upon us, and we look forward to a successful and rewarding conference season!

Sincerely,



Joe Watts  
Chief Executive Officer