

**Star Island Corporation**  
**Chief Executive Officer's Report**  
**June 24, 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 2,726 total registrations for 2013 conferences to date, representing 15,524 bed nights (83.3% of our 18,630 bed night goal). 2,216 of these registrations came via the online registration portal. These registrations have generated \$372,303 in room and board deposits and \$213,225 in conference programming fees, in addition to room and board payments collected on island.
  - As of June 15, we were at 15,121 bed nights (please see attached bed night report). This is 395 bed nights ahead of where we were on 6/15/12 and 3 bed nights short of 6/15/11. As of June 23, we are at 15,524 bed nights. This is 160 bed nights short of where we were on 7/1/12 and 162 bed nights ahead of 7/1/11. It is reasonable to conclude that by July 1, we will continue to be on track to reach our budgeted bed night goal of 18,630. While it is nice to be on track, we still aren't taking anything for granted. We believe that the bump from online registrations has now waned, and we continue to keep a very close eye on areas of both opportunity and concern in the remainder of the conference season.
  - We have borrowed \$350K against the credit line to date and may need to borrow another \$50K before June is over. In addition to saving hundreds of dollars in interest payments by deferring borrowing for over five months this winter/spring, we now expect to avoid having to tap into the full \$500K we have needed to borrow in previous years.
  - We are tracking the 2013 capital budget carefully. While we won't know the final numbers for certain projects for another month or so, we now expect to be significantly over budget on the hotel/front porch project (we originally thought we could address the additional damage we discovered this spring within the footprint of the approved capital budget). The main pump station, destroyed during Winter Storm Nemo, is also over budget. The roofing replacement projects (also damaged during Nemo), however, are expected to come in under budget, which helps bring our projected overage for the year to under 3%. Please see the May Financials for more information.
  - We continue to work with Federal Emergency Management Agency (FEMA), including a site visit on June 11, the purpose of which was twofold. Firstly, it turns out that we might be eligible after all for partial reimbursement (up to 75%) for those Winter Storm Nemo damages not covered by our insurance. Even though our per event deductible exceeds the estimated repair costs, we have filed a claim with our insurance company. Once denied, FEMA will be in a position to make their own reimbursement determination. Secondly, we have been issued a "FIPS number," which is a FEMA tracking number that we can use for any future events – we are now officially in their system.
  - We have changed our credit card processing provider on island, and we are estimating that we will save approximately \$6,000 this year by making this switch. The exact amount will depend on whether there is a change in usage from previous years and the types of cards used, but we feel confident that this move will result in significant savings.
  - On June 12, we had another meeting with representatives of Eastern Bank to discuss additional services they are interested in providing us moving forward.

- The Finance Committee met on June 19 and a number of items were discussed, including projected capital and operating overages, bed night projections, the “gap week” and recommending that the Board approve a revised operating budget.
- The Gosport Regatta was postponed from June 8-9 to September 28-29 due to weather. We expect that this postponement will not result in the loss of any income and could possibly increase the number of race participants, spectators and overnight guests.

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.*

- The center span of the Memorial Bridge was installed June 17-22, with ferry service aboard the Thomas Loughton able to resume as scheduled on June 22. We expect to see a modified bridge lift schedule in the weeks ahead, though we have been working carefully and extensively with the Steamship Company, the US Coast Guard, the NH Department of Transportation, the Pease Development Authority/Harbormaster and others to ensure that the modified bridge lift schedule will not disrupt our operations.
- During the waterway closure window, and the weeks leading up to this timeframe, we had to modify our transportation schedule significantly and in creative ways. We are grateful to the many people who helped minimize the impact, especially Tim O’Connor, our Logistics Manager, for his extra time and effort.
- We have made the transition from open-up to the conference season. Open-up was a very busy period, and much was accomplished.
- Our major Oceanic north wall/carrying beam and front porch renovation project is nearly complete. Some painting and installation of the railing cables are still happening, but this is not disruptive to people on island.
- The Underworld showers are open and include improved ventilation, clean shower stalls, and private changing areas. Our new float dock units are installed. The Cottage B, dining hall and kitchen roofing projects are nearly complete, and work continues around conference schedules.
- We have implemented a number of energy conservation measures, including reduced boiler usage through on-demand propane and electric hot water heaters for the shower rooms, hot water sink and laundry, and installing propane-powered dryers in the laundry room. We have also begun outsourcing the laundering of conference sheets, which has significantly cut down on our power and water consumption.
- Many more projects were accomplished through the good efforts of our staff and volunteers. Some projects did come down to the wire, but the island looks and feels ready overall.
- We continue to make good progress towards a comprehensive solar power solution for Star Island. On May 31, Revolution Energy and some solar project financing people came to the island. Bob Barton, of Catalyst Financial Group ([www.catalyst-financial.com](http://www.catalyst-financial.com)), expressed his opinion that we are developing an attractive and financeable project. The ad hoc solar PPA review committee met on June 6. Revolution Energy will have a presence on island during All Star I to gather needed technical data during peak usage. We are expecting to get a contract to the ad hoc committee for review by the end of July.
- On June 22, we hosted the NH House of Representatives’ Science, Technology and Energy Committee ([www.gencourt.state.nh.us/house/committees/committeedetails.aspx?code=H24](http://www.gencourt.state.nh.us/house/committees/committeedetails.aspx?code=H24)), including Committee Chair David Borden, for an island visit, tour and discussion about our planning for a comprehensive solar power solution on Star Island. Senator Martha Fuller Clark, a member of the NH Senate’s Energy and Natural Resources Committee, and Clay Mitchell of Revolution Energy, were also in attendance. Kyle Belmont led the group on a nice tour, and Clay Mitchell and I shared details of what we are hoping to accomplish on Star Island with solar power and energy efficiency. We believe that

interactions such as these will lead to numerous benefits for Star, including support for our sustainability and energy efficiency efforts, future grant opportunities and new conferees.

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.*

- The comment period for our draft strategic plan for 2014-2016 concluded on May 31, and there were no suggestions that would lead to a change in the plan's goals or objectives. There were some useful suggestions that will inform staff tactics, which are in the process of being developed and are expected to be presented at the August Board Retreat.
- The first "Talk on the Rocks" took place on June 17 during the Star Arts and Meditation conferences. This session, offered weekly throughout the season, is designed to provide an overview of Star Island Corporation affairs and to hear from our guests about their questions, hopes and dreams.
- We have increased our email communications to Corporation members and other stakeholders. Our typical email communication is a one or two topic news item, usually accompanied by a nice Star Island photo. We call these "Starbursts" and intend to send something out monthly moving forward.

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

- In conjunction with our HR consultant, we are working on our benefit and compensation review. We are going to be presenting something to the Personnel Committee for their review and input.
- This spring, we hosted over 100 island volunteers, spanning five weekends and three midweek sessions. So much was accomplished, and we are very grateful for the thousands of donated people-hours to help prepare our island for the conference season. Some highlights include significant improvements at the Art Barn, a complete interior painting of Cottage E, thorough cleaning of every room on island, and revamped gardens and new flowers. We are also grateful to our open up staff members, who work alongside volunteers and help make their volunteer time productive and fun.
- Staff orientation is complete (though staff training continues throughout the summer). This year, we placed even more focus on hospitality and community building, and we are receiving a lot of compliments from guests about how accommodating the Pelicans are. We have a great group of Pels this year!
- The Pelicans have elected "Pel Club" officers for the season, including Rich Kunz as President and Don Kirlis as the Pelican Liaison to the Board. Don is planning on attending the June 29 Board meeting on island.

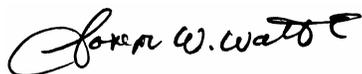
5. *Community Building Goal: Support a sense of community that serves conferences and conferees and inspires them to support initiatives for the well-being of the entire community consistent with the Corporation's values and mission.*

- Our presence at the 2013 UA General Assembly in Lexington, KY, was a success. The Mountain, our booth neighbors, were great partners. We are especially grateful to Kris LoFrumento and Sue Flynn, our booth "anchors," who reported that waves of folks visited our booth. Some were old Shoalers, some have heard about it for years but have not been yet and others hadn't ever heard of Star. There was lots of interest, and we believe our presence at GA will result in more conferees this year and beyond. We are intending to have a strong presence at next year's GA in Providence, RI.
- We have successfully hosted 10 conferences and groups so far, and we currently have three conferences on island. We strive to ensure that all of these gatherings are filled with the Star Spirit.

- In the spirit of Island Citizenship, every conference so far has agreed to have open seating in the dining hall, so people are not segregated by conference or personal retreat. We are recommending this approach to all conferences this summer.
  - We are building on our great work in the area of sustainability, becoming an official “Worldwide Opportunities on Organic Farms” (WWOOF) site ([www.wwoofinternational.org](http://www.wwoofinternational.org)) and hosting our first WWOOF volunteer (Christine Mueller from Hamburg, Germany), growing more crops to supplement conferee and staff meals, bringing chickens to the island, establishing a staff environmental task force and much more. These sustainability initiatives, among other benefits, are helping to build community on the island.
  - We have launched our new island evaluation procedure, using Survey Monkey in conjunction with the email function from our new database to solicit island guest input. We believe that this new approach will be more convenient for the majority of our guests and will deliver more responses. We use island evaluation results primarily to improve our operations, though offering people this opportunity to express their thoughts provides other benefits ranging from increased engagement to marketing opportunities.
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.*
- Please see attached the full page ad we ran in the HarborGuide, the official publication of the Greater Portsmouth Chamber of Commerce. The HarborGuide’s circulation is around 60,000. We secured this ad, valued at \$1,950, through a barter arrangement.
  - On June 7, Sharon Kennedy and I, as well as many others from the Star community, witnessed Governor Maggie Hassan sign a bill posthumously freeing 14 slaves (see more details at [www.bostonglobe.com/metro/2013/06/07/governor-maggie-hassan-signs-bill-into-law-that-frees-african-slaves/84cMVEhqwObWZ7TFTnjvWK/story.html](http://www.bostonglobe.com/metro/2013/06/07/governor-maggie-hassan-signs-bill-into-law-that-frees-african-slaves/84cMVEhqwObWZ7TFTnjvWK/story.html)). This event was hosted by the Seacoast African American Cultural Center, one of our Portsmouth office neighbors. Numerous dignitaries from local and State levels were in attendance.
  - For 2013, we are working with selected conferences with lower than expected enrollments to try to increase their numbers. For 2014, we are already working with some conferences (e.g. Star Arts) on how to increase enrollment with some new and coordinated approaches.
  - The last piece of the database conversion, Oceanic Edge, is in final testing stages and will go live for the All Star I conference. Oceanic Edge is responsible for housing assignments and billing.
  - To date, 64 eligible people (representing 418 bed nights) have registered for the duration of a full conference under the former Pelican discount; 13 eligible families (representing 313 bed nights) have registered under the new family maximum; and 11 eligible people (representing 71 bed nights) have registered under the multi-conference discount. In total, these three programs have brought in 802 bed nights so far, and we expect this number to increase somewhat prior to the end of this season. This number of bed nights has already exceeded our goals for the discount program.

We are well underway with the conference season, and there is a positive and enthusiastic spirit in the air.

Sincerely,



Joe Watts  
Chief Executive Officer