

Star Island Corporation
Chief Executive Officer's Report
August 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.*

- As of August 16, we received 3,464 total registrations for 2013 conferences, representing 17,856 bed nights (95.8% of our 18,630 bed night goal). 2,604 (75.1%) of these registrations came via the online registration portal. These registrations have generated \$413,179 in room and board deposits and \$235,816 in conference programming fees, in addition to room and board payments collected on island.
- As of August 16, we were 133 bed nights ahead of where we were on 8/15/12. To meet our originally budgeted goal of 18,630, we need to pick up 774 bed nights between now and the end of the season. To meet our projected bed night total of 18,380 (see June and July Financials), we need to pick up 524 bed nights. We anticipate reaching 18,380 by the end of the season (and we hope to get even more).
- We continue to work with Federal Emergency Management Agency (FEMA), including a second site visit on July 30, and have applied for reimbursement for up to 75% of the damages caused by Winter Storm Nemo. We are also applying for mitigation funding to repair and protect our pier against future storms. Please see the Director of Development's report (attached) for more details.
- We received a \$2,500 Gosport Regatta sponsorship from Eastern Bank, and are looking forward to a wonderful event to close out our season.
- We are in discussions with the Portsmouth Historical Society about our next lease (our current lease ends at the end of January, 2014). Our intention is to remain in our current location.
- IRAS (Institute on Religion in an Age of Science) has voted to hold its 2014 conference on Star Island. They also voted to explore two venues – Star and a college campus – for their 2015 conference, to be decided this winter. IRAS will be sharing the island with Star Gathering UCC 2 Family & Youth Week, and both groups (IRAS and SG2 Family & Youth combined) will be granted a capacity of 135 people. Karl Peters, the 2014 IRAS Co-Chair, Warren and Jenny Giering, the SG2 Family Co-Chairs, staff and others from IRAS and SG2 enjoyed a productive meeting on island on August 8, and collaborative advanced planning will be ongoing to ensure that this three-way partnership is successful. We are grateful for those who facilitated IRAS' return to Star, and to those who are working hard to make the 2014 conferences successful, including the IRAS Council and the Star Island UCC, Inc. From a financial perspective, this will increase our projected income for 2014 by over 900 bed nights and potentially some increase to the Annual Fund. Just as important, we are pleased to be welcoming back a conference that fully supports our mission and which has held over 50 years of conferences on Star Island in the past.

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 Rye Fire Department performed a follow-up inspection of our entire facility on July 18. Inspector Bill Clark, from the State Fire Marshal's office, was also present, which is significant as he

was part of the 2007 inspection team. Mr. Clark said “tell anyone that asks that Star Island is in a very good place with the Office of the Fire Marshal.”

- On July 29, officials from the NH Department of Environmental Services inspected our wastewater treatment facility to ensure we are in compliance with our NPDES discharge permit, verify the accuracy of permit-required information, and to make sure we are accurately sampling and analyzing data. No deficiencies were found, no response was required of us, and they were pleased overall.
- Our major Oceanic north wall/carrying beam and front porch renovation project has been favorably received by our guests this summer, both in terms of the look and feel of the project and an appreciation of our commitment to our infrastructure. The final stage of this project is to install stainless steel cables in the railings, which we expect to do soon.
- Our Underworld shower renovations have been very popular this summer. Since working out some of the kinks in the system early in the season related to water temperature and timer valves, we have received numerous appreciations of this important improvement to our amenities.
- Progress towards Star’s next generation energy system has been substantial. On August 12, the Ad Hoc Solar PPA Review Committee unanimously agreed to recommend that the Board of Directors approve the attached contract, subject to certain conditions. The ad hoc group was tasked with evaluating the contract, including assessing the financial impact of changing our system from what we currently have to what is being proposed. In addition to the contract, please see the attached contract memo from Tony Delyani (SIC counsel), energy cost comparison and memo from the ad hoc committee (with a recommendation to the Board) for more information.
- We are getting closer to realizing other important goals through this work on our next generation energy system, some of which are articulated in our current strategic plan as follows:
 - (Core Direction) Honoring the history and natural environment of the Isles of Shoals.
 - (Core Value) Preservation of the historic physical and natural setting of Star Island and the Isles of Shoals.
 - (Core Value) Green principles of reduce, reuse, recycle, replace.
 - (Objective of Facilities Goal) Develop a five year plan for use of alternative fuels/sources for the Island.
 - (Objective of Facilities Goal) Decrease the dependency of Star Island operations on fossil fuels.
 - (Objective of Facilities Goal) Promote a culture of reduce, reuse, recycle and replace, across the Island communities – staff, volunteers, conferees and visitors.
- Please see the Island Manager & Director of Facilities report (attached) for more information on the state of our facilities in general. We should celebrate our successes and commitment to regulatory compliance and preserving our infrastructure. We should also continue to realize that we have more and ongoing work to accomplish, and continue to look for additional ways to fund this work.

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 have created an attractive one page version of the Board-approved Strategic Map for 2014-2016 – see attached. We expect to be unveiling this map in a variety of ways in the coming months, as we lead up to January 1, 2014. We are proud of the map that was produced with the input of many, and we are confident that it will serve as an excellent guide for next three years.
- Staff has created tactics to achieve the objectives stated in our strategic map – please see attached tactical version. Year-round and senior seasonal staff participated in the creation of these tactics, with input from several committee chairs. While we realize there is a lot to accomplish to get us to where we want to be, our tactics, which are intended to be measurable, provide us with inspiration

and direction towards achieving our strategic goals. We recognize that we might not accomplish everything, but we intend to try and adjust as we go.

- We have been working with Phil Sears, President of the Council of Conferences (CoC), to enhance the vitality of the Council. The next meeting of the CoC will take place on October 12 in the Boston area, and the CoC is on track to send out the agenda for this meeting a month in advance. The goal is to have relevant and meaningful topics, and to increase attendance.
- We continue to send out email communications to Corporation members and other stakeholders on a regular basis.

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

- After many years of good service to Star, Athena Steinkraus is moving on, to work at her family's apple orchard while pursuing a nursing degree. Athena has made many contributions over the years and has been an invaluable support to the rest of the staff, for which we are very grateful. Though she will only be working through early September, we expect she will remain connected to Star Island forever.
- Athena's planned departure, in conjunction with the implementation of our new database, offered us the opportunity to examine our staffing plan to look for further efficiencies. As a result, we will no longer have a Development and Volunteer Services Administrator (DVSA). We are pleased to announce that Mike Bray, currently our Island Registrar (IR), will become our first Information Services Manager (ISM) on September 1. The ISM position will include all of the IR's duties, as well as the development support duties of the DVSA position. We are still in the process of figuring out our plans for volunteer coordination and some summer office work, but we are confident that our ultimate staffing plan will work well and cost the same or less as our current plan.
- With the support of our HR consultant, work continues on our benefit and compensation review. We are going to be presenting something to the Personnel Committee for their review and input.

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 had a great presence at the 2013 General Assembly of the UUA. Please see the attached report from Sue Flynn, one of our two booth "anchor" volunteers for more information.
- We have hosted 27 conferences and groups so far, including having a very full LOAS 2 conference on island right now. This year, All Star 1, LOAS 1 and LOAS 2 broke all records, bringing more conferees to the island, we believe, in the storied history of the Star Island Corporation. We are very grateful to all three conferences for filling the island, and we are grateful to the many who ensured these full conferences didn't feel overfull. In total, 897 people came for part or all of these three conferences, resulting in 5,915 bed nights (32% of our budgeted goal).
- We strive to ensure that all conferences are filled with the Star Spirit. Guest satisfaction has been very high this year. We have received consistent high praise about our Pelicans and staff, our food service, and how the island looks and feels in general. This good vibe helps to reinforce and build community, both this season and in the years ahead.
- The Recognition Task Force has developed a concept for a recognition wall that would honor capital campaign donors and volunteers, as well as generally recognizing the rich history of giving that has been in place since conferences first came to Star Island (please see attached report). A recognition wall proposal has received unanimous support from the Fund Development Committee, yet the

Property Standards Committee is unanimously opposed to the proposal as submitted. We will explore the reasons why these committees are in opposition. We intend to more fully develop our proposal and also to hear more from our Board of Directors on this topic before proceeding.

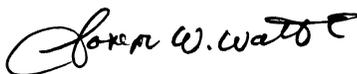
- The Star Island Experience Week (formerly known as the “Gap Week”) is really starting to take off! We have over 130 people registered for a conference during this week, and the island and programming is intended to be shared regardless of which conference one is attending. This week is being developed using a One Star/Island Citizenship approach, and enthusiasm is building. We expect to grow this week even more in 2014.

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.*

- Throughout this conference season, we have met with leaders of various conferences to start a conversation about our 2014 marketing efforts, with the full intent to integrate our efforts with individual conference initiatives, to find out other ways in which we can support them, and to encourage them to consider certain strategies that they might not have considered in the past.
- The Former Pelican Discount is back! We made the decision to reinstate this, our most popular discount program, after a request from a conference leadership group. It appears that this program is once again bringing in folks who haven’t attended a full conference in over three years.
- We received \$691 from Robert’s Maine Grill & Bob’s Clam Hut in Kittery, ME, as part of their community supper program. We are grateful to Robert’s, Bob’s and the many Shoalers who helped make this happen.
- John Bohenko, Portsmouth City Manager, is coming to Star Island for the day on Friday, August 23.
- We continue interacting with the Shoals Marine Lab, with an eye to enhancing our already existing partnership. I attended an internship presentation on Appledore on July 6, and I had a cordial meeting with incoming SML Interim Executive Director Jon Pennock on July 26. Jon will be working on setting up things for 2014, to ensure a smooth transition as Willy Bemis leaves the position and a new, permanent Executive Director is selected.
- We are pleased to have been selected from among many organizations to participate in *Giving Matters*, a nonprofit series produced in partnership between the New Hampshire Charitable Foundation and New Hampshire Public Radio. Over the next few months, we will be helping to create a two-minute segment that will air on a Saturday morning, likely sometime next spring.

It is hard to believe that the regular conference season is nearly over, and our September season is nearly upon us. It has been a fantastic season so far, and many, many people have had a fun and meaningful experience on the island.

Sincerely,



Joe Watts
Chief Executive Officer