

**Star Island Corporation**  
**Chief Executive Officer's Report**  
**September 17, 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 September 15, we received 3,768 total registrations for 2013 conferences and personal retreats, representing 18,170 bed nights (97.5% of our budgeted 18,630 bed night goal). 2,801 (74.3%) of these registrations came via the online registration portal. These registrations have generated \$425,404 in room and board deposits and \$241,451 in conference programming fees, in addition to room and board payments collected on island.
- As of September 15, we were 7 bed nights behind where we were on 9/15/12, and we are now projecting a final tally of 18,200 bed nights for the season. This would leave us 430 bed nights short of where we originally thought we would be this year, and we are managing the budget to make up for this shortage in other ways. We have succeeded in making up for the loss of SNHU's writers in residence program (480 bed nights in 2012), though we did not achieve additional growth. Due to record-breaking enrollment at some conferences – most notably All Star 1, LOAS 1 and LOAS 2 – we were able to offset some of the following more significant shortages:
  - International Affairs – 288 bed nights
  - Natural History Conference – 210 bed nights
  - Personal Retreats – 198 bed nights, in part from inclement weather cancelations and in part from having less available nights because more weeks were otherwise full with conferees.
  - Star Gathering UCC 2 Family & Youth Conferences – 197 bed nights
  - Star Arts Conference – 98 bed nights

In total, the above conference/personal retreat bed night shortage is 991. We are working collaboratively with the leaders of these and other conferences to increase enrollments next year.

- Reimbursement and mitigation funds from the Federal Emergency Management Agency (FEMA) appear to be increasingly likely to be granted this year. We expect to have confirmation either way within a month. Please see Director of Development Angela Matthews' report for more details.
- Lease negotiations with the Portsmouth Historical Society continue, and we expect our offices to remain in our current location.
- We continue to work with IRAS (Institute on Religion in an Age of Science) and Star Gathering UCC 2 Family & Youth to ensure that their 2014 conferences are successful. We are also working proactively towards a goal of having IRAS choose Star Island as its 2015 venue. IRAS intends to make this decision at its January 2014 winter meeting, at which I will be making a presentation to the IRAS Council at the invitation of IRAS President Barbara Whittaker-Johns.
- We hosted representatives from Eastern Bank on island on September 13, to provide a tour of the facilities and continue to improve our already strong 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 21<sup>st</sup> century standards consistent with the Corporation's values and mission.*

- The Department of Health and Human Services conducted its annual inspection of our food service facilities on August 30. We received the most favorable result of "green," and the inspector praised Food Service Manager John Bynum for his attention to regulatory matters.
- Following the Board's August 26 vote to accept the recommendation of the Ad Hoc Solar PPA Review Committee to approve the contract with Revolution Energy dated August 8, subject to certain conditions, we have made substantial progress on a number of fronts. Revolution Energy's investor summary is in the final stages of being reviewed by various experts, and is expected to be completed this week. A new contract draft which addresses the conditions identified by the ad hoc committee, as well as additional input from other sources, is in the final stages of being negotiated with Revolution Energy, and is also expected to be completed in the near future. Once the investor summary and the contract are completed, the ad hoc committee will reconvene. Meanwhile, Revolution Energy is making progress on the conditions articulated in Article 9 of the contract.
- We have entered a modified close-up period on the island, during which we are shutting down some of our facilities while at the same time preparing to host two weekend conferences, a volunteer weekend, and the Gosport Regatta.
- We have made significant progress in updating the 5-year (2014-2018) Capital Improvement Plan (CIP), with the intent of having the 2014 CIP budget become the 2014 Proposed Capital Budget. In the past, the CIP was updated on a different schedule from the annual capital budget.
- We intend to perform \$100,000 out of the planned \$112,000 worth of work installing the new fire pump and extending the sprinkler system to the Stone Village. We are very grateful to Shelter Rock for the \$100,000 grant to fund this important life safety work which, we hope, will enable us to increase our occupancy limit in the chapel.
- We have made substantial progress limiting the use of our reverse osmosis desalination water treatment facility (RO) this year, thereby reducing the amount of energy required to meet the island's drinking water demand. In August alone, we operated the RO 235 fewer hours than during August 2012, which equates to production of approximately 38,000 fewer gallons of drinking water. Reduced water demand (accomplished via methods such as increasing the capacity of our cistern intake system) accounts for around 127 of these hours, and around 108 of these hours can be attributed to receiving more water from the Thomas Loughton. Reducing RO use helps our bottom-line, though it is still important to have the RO system available for when we need to use it.
- A joint meeting of the Strategic Facilities Planning Committee and Property Standards Committee took place on island on September 1, with a strong focus on our comprehensive energy 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 are gearing up for the October 12 Council of Conferences (CoC) meeting, where we expect increased attendance and a productive meeting. Working with Phil Sears, CoC President, we have set the meeting dates for all 2014 CoC meetings, which will take place on February 1 (same day as the Conference Representatives Meeting), April 26 (same day as the Annual Meeting of the Corporation) and October 11, 2014.
- We continue to send out email communications to Corporation members and other stakeholders on a regular basis. Upcoming communications will include announcements of our Strategic Map for 2014-2016 and our progress to date with our comprehensive energy solution.

- The attached 2013-2014 Master Board Calendar was developed with an eye towards enhancing the reporting Board members receive. Highlights include schedules for opening words, staff reports and Board liaison committee reports. Some reports are new, including this month's Communications Report from Kyle Belmont and Report on 2013 Conferences from Justina Maji.

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

- Angela Matthews has announced her plans to retire at the end of 2014. We are grateful for Angela's many years of good service as our Director of Development, and we are also grateful to be afforded this excellent opportunity to plan for a smooth transition such that our development efforts remain productive and coordinated.
- We have received a review of our current benefits package and compensation from our HR Consultant Saleha Walsh. The review concludes that our benefits are excellent overall, and offers some suggestions for refinement of what we offer over time. The review also indicates that most of our year-round positions are within an acceptable range of compensation, and identifies a few positions that we can look at more closely to ensure that they are within an acceptable range.
- We had a productive meeting with members of the Personnel Committee on September 17, during which our benefits and compensation review was discussed. The committee members generally agree with the findings of the review, and support looking at ways to augment one of our senior seasonal staff positions via benefits and other means. Committee members supported our existing benefit package, and suggest only making common sense/low impact changes.
- The year-round and senior seasonal staff will be having its Fall staff retreat on Star Island on October 10. These biannual daylong events are great opportunities for team-building and for focusing on specific areas for development.

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.*

- The attached Report on 2013 Conferences from Justina Maji, Conference Center Director, provides an overview of our successful summer season.
- We have hosted 63 overnight conferences and groups to date, striving to ensure that these gatherings are filled with the Star Spirit. We have had a very successful season in this regard, which has numerous benefits including increased engagement, enrollment and donations in 2014 and beyond.
- On September 1, the Property Standards Committee further discussed the 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. This was a good opportunity to hear in more detail the specific questions and concerns of the committee, which will help as we create a final design for the proposed wall. It is evident that not everyone in our Shoaler community will embrace the concept, so as we move forward, inclusiveness, transparency and good communications will be especially important.
- During the Star Island Experience Week (August 24-31), we hosted 134 conferees (7 conferences), plus an additional 50 youth (2 groups) and members of the Board and their guests. The week included a variety of events, including a Great Gatsby-era lawn party, a helicopter landing (as part of a medical evacuation drill) and a visit from Queen Victoria. Overall the week was successful in a number of ways,

including fostering the One Star/Island Citizenship approach. We also learned a lot about how to improve upon this experience in the future, and we anticipate good growth in 2014.

- The Isles of Shoals Association Unitarian-Universalist (ISAUU) Board's September 7 meeting took place on Star Island, where I had the opportunity to thank the ISAUU for all they do for Star. Topics ranged from the ISAUU grant program to a report on how the shops were faring for the season.

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.*

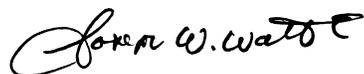
- The attached Communications Report from Kyle Belmont, Program and Outreach Coordinator, provides an overview of many of our outreach efforts this year.
- John Bohenko, Portsmouth City Manager, visited Star Island for the day on Friday, August 23. We provided an island tour. The purpose of this visit was primarily relationship building.
- We received \$878 from a recent shared collection at South Church UU in Portsmouth. We are grateful to South Church for this gift, and for our increasingly meaningful partnership with this vibrant and local congregation, of which many Shoalers are a part.
- We had a productive meeting of the Outreach & Engagement Committee (OEC) on September 12. Topics ranged from retaining a professional marketing consultant in 2014 to variable pricing for off-season mid-weeks next year. Brian Winters, IT Manager, provided the OEC with an advanced look at our new web site, which is being developed with input from the committee. We also discussed the discount programs we are considering for the 2014 season, which include the following:
  - Former Pelicans: Same as 2013, and 25% off for Former Pels who received 50% off in 2013.
  - Veteran's Raffle: A raffle to provide a limited number of veterans and their families a Star conference experience, to be promoted on or around November 11.
  - New Families: Something similar to 2013, with selected changes under consideration.
  - Targeted Congregations: 50% off for people new to Star from selected UU and UCC congregations, with a focus on churches where we already have a strong presence.
  - History Groups: Similar discount for historical society members attending selected conferences for the first time.

Our staff discount group meets September 20 to bring further shape to these and possibly other programs.

- The Fall 2013 edition of the Star Island Newsletter will be sent out later this month. This edition, which has a new look and feel, focuses on Star giving in its various forms.
- We are gearing up for the Gosport Regatta, which takes place on September 28-29. We expect a good turnout for this event, which will be an excellent way to close out a wonderful season.

As I left the island for the season on Sunday to resume full-time mainland duties, I reflected on how fortunate I am to work for such an amazing organization. Wonderful people forming community on an inspiring island – what an amazing thing to be a part of!

Sincerely,



Joe Watts  
Chief Executive Officer