

Star Island Corporation
Chief Executive Officer's Report
December 11, 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 continue to expect to be ahead of our budget goals for 2013, forecasting a year-end net change in operating assets in excess of \$350,000. Recognizing that we have spent a lot on capital projects, we are on pace to have our best year in at least the last decade.
 - We expect online registration for 2014 conferences to begin in January this year, opening our registration process earlier than we have in the past. Registration for Institute on Religion in an Age of Science (IRAS) is already available online, and a handful of people have already registered.
 - We launched our 2014 certificate program on November 29, and to date have sold seven gift certificates totaling \$850.
 - We have been working carefully with our contact at the State of New Hampshire Department of Safety in order to ensure that we are meeting all of the requirements associated with the \$259,918 we received in late October (FEMA funds for reimbursement for and repairs to damages caused by Disaster FEMA-4105-DR-NH, as well as mitigation work to prevent damage from future weather events). Knowing that the fall is the best time to begin this project, we have formally requested an extension to enable us to do the work in the fall of 2014. It is also becoming clear that we must meet a cost sharing requirement of 25% for the pier project (we have already met cost sharing requirements for the pump station and dining room projects). What this means is that for us to utilize the full amount of the award (\$199,898), we would need to account for at least an additional \$66,632 in total contribution from Star Island Corporation. Though our approved 2014 budget does not account for this obligation, we knew this was a possibility all along. We understand that we are permitted to apply all indirect costs we incur (e.g. all labor, fuel usage), which will account for a substantial portion of the \$67K. We are currently working to manage this expenditure within the existing budget.
 - Consistent with our 2014 budget guidelines, we intend to present a 2014 budget version that accounts for the energy project, though not this month. We are making good progress with the project (see below) and want the budget we ultimately present to the Finance Committee and the Board to be accurate.
 - We are in the final stages of our lease negotiations with the Portsmouth Historical Society for our current office space in Portsmouth, and we expect to sign a five-year lease before the end of this month.
 - David Nussbaum of Eastern Bank called on December 6 for a general check-in. We had an excellent conversation about our energy project and future wastewater plans, among other topics.
 - We received a good response to our Giving Tuesday (December 3) email. There were seven donations totaling \$1,285. Numerous people responded to us on Facebook and Twitter with some inspiring reasons for why they chose to give to Star Island.

- We have satisfied the 30 day requirement to not borrow against our credit line, and we don't expect to need to borrow again till at least March. Please see the November Financials for more information.
- Life On A Star (LOAS) has issued Star Island Corporation a challenge to help raise funds for noise abatement in the dining hall. If we can raise \$5,000 in new donations from conferences and/or individuals for this project, LOAS will send us a check for an additional \$5,000. We gladly accept this challenge, and are grateful to LOAS for their commitment to this important project and to Star Island in general.

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.*

- We have completed a successful close-up of our island facilities and Alex and Brad, our winter caretakers, are now on island.
- We are working carefully with Jeremy Bell and Jerod Blanchette of ISSCo. (M/V Thomas Loughton) and Sue Reynolds of Island Cruises (M/V Uncle Oscar) to firm up all operational details for 2014, including finalizing 2014 boat schedules. The contract addendum with ISSCo. for 2014 has been signed. Conversations about our next long-term agreement with ISSCo. are underway, as our current contract runs through the end of the 2014 season.
- We are making good progress with our comprehensive renewable energy project, and we look forward to discussing this in greater detail at the December 17 Board meeting. Our staff and volunteers continue to work extensively and collaboratively with Revolution Energy, and substantial progress has been made over the last two months. We have worked together to refine and completely define the system to meet our needs through conservation and solar energy production. The system would provide approximately 70% of Star Island's energy via solar power with our current infrastructure and, once we install a new energy efficient wastewater system, over 80% of our energy would be derived from solar power. In so doing, the system would accomplish all of our strategic goals related to renewable energy.

The Ad Hoc Solar PPA Review Committee met on November 26, and continues to be both concerned that the project isn't further along and supportive of moving the project "across the goal line." A meeting of the committee is scheduled for December 13, at which time we anticipate determining if we believe that it is in Star Island Corporation's best interest to continue working with Revolution Energy beyond our current letter of understanding's deadline of December 31. We expect the committee to make a recommendation to the Board for its December 17 meeting.

Revolution Energy is also making good progress on finding a financing package to fund most of this project. They are meeting with their bank on December 12 to explore the bank's interest in providing debt financing and tax equity, which would reduce the need for additional funding (whether through investors, grants, gifts or other sources) to 20% of the total project, or just over \$200,000. Revolution Energy principals are optimistic about this idea since their bank had previously indicated interest in taking such a position in a Revolution 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.*

- As we approach the end of our current strategic plan, 2011-2013, we celebrate our many accomplishments and are grateful to the many people who have helped us realize our goals over the last three years.

- This is my last CEO report structured around our current strategic plan's six goals. I envision future reports to follow a similar strategic goal format, consistent with the goals spelled out in our new strategic map, 2014-2016, which goes into effect on January 1. Our strategic goals continue to serve as beacons, keeping us on course and guiding us to where we want to be.

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

- We have fully implemented our two-year staffing reorganization plan, launched in 2011. We are pleased with how this has unfolded – having a positive and productive employee team while reducing staffing expenses significantly. It is safe to say that our staffing reorganization has been successful.
- Our online Pelican application went live on December 2. To date, we have received 32 applications, a pace consistent with previous years. In addition to our usual advertising venues (e.g. our web site, email lists), we are advertising in a variety of relevant venues (e.g. UU and UCC congregations). Please see attached Pelican flyer (and post anywhere you feel is appropriate).
- Kate Brady will again serve as the administrative manager of the Pelican hiring process and I will provide macro-level oversight of the process. In addition to Kate, the primary hiring team is once again comprised of Jack Farrell, Justina Maji and John Bynum. We will once again be placing a special focus on hiring candidates who can contribute to fostering a healthy community, promoting spiritual hospitality, and being leaders in the areas of safety and responsibility – this approach worked well in 2013 and we expect to build on our momentum in the year ahead.
- We are in the process of confirming 2014 senior staff agreements, and are pleased that John Bynum, Food Service Manager, and Pat Ford, part-time Island Nurse, will be returning next year. We expect to fill four more senior staff positions by the end of this month, and expect to have one position that we will need to advertise (expected in January). We had a great team this year, and we expect to reap the rewards of overall leadership continuity as we head into next season.
- We had a productive meeting of the Personnel Committee on November 20, at which we reviewed some of the policy changes we intend to make as a result of our recently completed benefits and compensation review.
- We sent a Thanksgiving email to our 2013 Pelicans, thanking them for the many wonderful things they offered all of us in 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.*

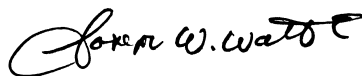
- We have continued working with the Isles of Shoals Association UU on various issues. On December 13, I will be meeting with Tom Smurzynski (President) and Dave Brown (Shops at Star Coordinator), to review our annual agreement for 2013.
- I am sending out a personal note this holiday season to all of our donors who gave \$1,000 or more this year. I would prefer to send a personal note to everyone, though we made the cutoff \$1,000 due to sheer volume. The photo to the right demonstrates how many \$1,000+ donors we have, depicting the hefty stack of cards that will be sent out by month's end. We are fortunate to have so many dedicated donors.



- We are making significant progress on planning for our stewardship installation (formerly known as the recognition wall) in the hallway outside of Lawrance and Elliott Hall. Our ad hoc group meets on December 16 to review and refine our plan. In the months ahead, we intend to share our plan with the Property Standards Committee and bring a final plan before the Board of Directors. Please see the Director of Development's report for more information.
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.*
- On December 10, we had productive meetings with representatives of International Affairs, Natural History Week, Youth Empowerment & Spirituality and Isles of Shoals Historical Research Association to check-in prior to registration opening up in 2014. We looked at conference planning, ways for conferences sharing the week to work together and outreach opportunities. We continue to work with specific conferences such as these as we approach the launch of 2014 registration.
 - Work continues with the Outreach and Engagement Committee, as we look ahead to our marketing and outreach plans for the 2014 season. On November 21, we went over our planned 2014 discount programs and received valuable input for fine-tuning these programs ahead of publication of the 2014 Program Catalog (formerly known as the Blue Book). We continue to receive committee input on a variety of issues.
 - We have set up our profile on GreatNonprofits and have already received eight positive reviews – we are looking for at least ten, so please write a review today and encourage your Shoaler friends (except paid staff members) to do so (<http://greatnonprofits.org/org/star-island-corporation>). GreatNonprofits' mission is to “inspire and inform donors and volunteers, enable nonprofits to show their impact, and promote greater feedback and transparency.”
 - We are meeting with two professional marketing consultants over the next two weeks to discuss our marketing plans for 2014 and as we look ahead to the 100th birthday of the Star Island Corporation in 2015.
 - We are gearing up for our veteran's raffle drawing on Monday, December 16, at the Discover Portsmouth Center. Portsmouth Mayor-Elect Bob Lister, City Manager John Bohenko, Portsmouth Poet Laureate Kimberly Cloutier Green and Veteran Roger Wilkinson (USMC, Retired) are participating in the festivities, which will begin at 10:00 a.m. This event is open to everybody and we ask for your help in spreading the word. Since launching the raffle on November 11, we have garnered 80 registrants, about 60 of whom do not have a known previous connection to Star Island. The winner of the raffle and his or her immediate family will receive free room and board at one of our selected 2014 conferences.

Happy holidays, and health and happiness in the New Year, to everyone in our Star Island family!

Sincerely,



Joe Watts
Chief Executive Officer