

**Star Island Corporation**  
**Chief Executive Officer's Report**  
**March 19, 2014**

**Our 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.*

**Our Vision:** *To create on Star Island an environment that frees all who come to renew spiritually, explore matters of consequence, and gain knowledge about the world as it might ideally be.*

**COMMUNITY**

- Working with CrossCurrent Communications, we are closing in on a final draft of our situation analysis, which is the initial step in the process of developing our new overarching communications plan. This analysis will include how Star is viewed internally and externally and will help us prioritize our marketing efforts moving forward. Also, we have scheduled a “brandstorming” session for March 27, to help us articulate our ideas in a way that will resonate with our intended audiences.
- We received 195 applications for 103 Pelican positions. Pelican employment agreements were sent out on March 13, with a response deadline of March 28. Overall, responses have been positive. We are excited about our Pelican roster – things are shaping up nicely for us to have one of our best groups of Pelicans yet! We are also mindful that there are applicants who did not get offered a position, at least initially, many of whom have strong and in some cases multigenerational ties to Star Island. We are working wherever possible to address concerns and disappointment. Every applicant has heard from us, receiving one of ten letters specific to applicants’ particular circumstances (e.g. employment agreement, priority waitlist letter). Several of these letters were also customized to individual applicants, with the aim of addressing potential concerns proactively, and we are currently experiencing a lower than usual volume of calls and emails from unhappy/disappointed applicants and/or their family members and friends.
- Our proactive approach to hiring was informed by a conversation we had with the Personnel Committee in January. The committee met again on March 17 to discuss this and several other topics, ranging from the legal review of our “consolidated policies” (see below) to a conversation about our 2014 organizational chart. Our 2014 Personnel Handbook is now available online at [www.starisland.org/PDF/StarIsland2014PersonnelHandbook.pdf](http://www.starisland.org/PDF/StarIsland2014PersonnelHandbook.pdf).
- We are excited to have a booth at the 2014 General Assembly (GA) of the Unitarian Universalist Association, which takes place June 25-29 in Providence, RI. We plan to build on our momentum from last year’s GA experience, and capitalize on the fact that this year’s GA location is much closer to Star Island. We are actively looking for volunteers to work one or more booth shifts; people who are interested in this experience should email me directly ([jwatts@starisland.org](mailto:jwatts@starisland.org)).
- We are looking forward to our spring staff retreat on March 26. This spring, our professionally facilitated daylong retreat will focus on team-building, strategies for handling significant workloads and developing work plans for many of the tactics staff has identified to help us reach our strategic objectives.

- We are pleased to announce that Warren Simard has accepted the position of IT Technician. Warren comes to us with decades of relevant experience, and will be working 75%-time this season. With this hire, our 2014 seasonal staff is complete...we have an awesome team in place, and we are looking forward to one of our best seasons ever!

## ECONOMIC

- We have received 1,476 total registrations for 2014 conferences to date, representing 9,635 bed nights (50.1% of our 19,250 bed night goal). 1,414 of these registrations came via the online registration portal. Registration has generated \$409,261 thus far – \$248,351 in room and board deposits and \$160,910 in conference programming fees (the latter of which are disseminated to conferences). Last year at this time, we had registrations for 7,488 bed nights (40.2% of our 2013 goal), and though it's still early to draw meaningful comparisons, we appear to be trending in the right direction. Also, our 2014 Program Catalog went in the mail on March 6 (later than usual), so we anticipate a "Blue Book Bump" this month. One important note – the attached registration report indicates that 2,209 of our total bed nights to date are for All Star 1 (kudos to All Star 1!). However, we will not be able to fit everybody who has registered for this conference, so our effective bed night total to date is closer to 9,460 (49.1% of our goal). We are working with All Star 1 leadership on strategies to encourage waitlisted conferees to register for All Star 2 or other family conferences instead.
- The in-house portion of our 2013 audit has concluded, and our auditors expect to have a draft to our audit subcommittee by the end of this week. The audit will be presented at the April 22 Board meeting by Melanie Bunker, CPA.
- We are now projecting a 2013 operating gain of \$300,589 (please see the February Financials memo for more information). To put this figure into perspective – our audited financial statements indicate a net operating gain of \$153,848 for 2012 and a net operating loss of \$18,672 for 2011, so we are certainly headed in the right direction, recognizing that we want to sustain healthy operating gains for many years to come.
- Our recent success with grants has had a positive impact on our projected operating gain for 2013. It is important to recognize that if we hadn't received any grants, we would still have achieved our original budget goal of \$173,016 (deducting the \$123,107 of grant income credited to 2013 would result in a projected year-end operating gain of \$177,482). Through a variety of means, most notably a managed reduction of our overall expenses, we were able to achieve our bottom line goal for the year, despite falling 2.5% short of our bed night goal and incurring significant and unanticipated legal, database programming and storm damage expenses. Grants were an unanticipated bonus that increased our operating gain to a level significantly above both our original and modified (June) budget goals.
- We anticipate not needing to borrow against our credit line until May.
- We had a productive meeting of the Finance Committee on February 19, where we discussed various topics ranging from a review of our 2013 unaudited financials to a discussion on the status of our solar energy project. The committee meets again tonight.
- We met with David Nussbaum, our banker at Eastern Bank, on Tuesday, 2/25, to discuss the possibility of borrowing up to \$175K to support the cash requirement of the proposal from Revolution Energy. We have since learned that Eastern Bank will loan us up to this amount, should we choose to borrow it. Please see below for more information about the status of our energy project.

- To date, we have sold 21 gift certificates for 2014, worth \$4,250.

## ENVIRONMENT

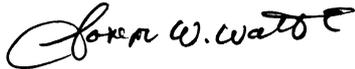
- Open-up officially begins on April 7, when the winter caretakers depart and a small open-up staff moves out to the island. We are in the process of planning for a successful open-up, during which we are expecting to complete many infrastructure and amenity improvements. Just today, we are bringing three professionals to the island to advance some of the projects planned for this open-up – our acoustical engineer (in connection with our dining hall upgrades), our sprinkler contractor (in connection with fire pump testing and expanding our sprinkler system, including to the chapel), and a grease trap consultant (to make recommendations to improve upon our grease collection system, which helps our wastewater treatment process).
- Other examples of open-up planning include contractor and material selection for the Gosport front porch and Oceanic north and east wall rehabilitation projects. Work on both projects is scheduled to commence on April 14.
- Work continues on our comprehensive alternative energy project. After extensive work with our attorney Tony Delyani, we have drafted a contract that our ad hoc contract review committee supports (with certain caveats). We expect that our negotiations with Revolution Energy will ultimately result in some changes to this contract draft. At this point, however, Revolution has deferred further work on contract development until they can confirm that the financing package outlined in their mid-December proposal is still on the table. At issue is whether or not their bank is permitted by the FDIC to serve as an equity investor in this project. On March 7, at Revolution's request, we provided their bank with our initial thoughts on how our project would enable their bank to remain an eligible investor. Our research indicates that this bump in the road is a routine part of the approval process, and we are optimistic that the FDIC will ultimately permit Revolution's bank to serve as the project's equity investor. Nonetheless, we have done some preliminary research into some alternative financing models just in case things don't work out with Revolution's current financing package. I have asked Revolution for an update on where things stand with the project financing by the end of this week, with the intent of being able to provide additional insight on this important topic at the March 25 Board meeting.
- We are ordering a new generator this week, which will take about 10-12 weeks to deliver and install. The manner in which we are ordering the generator is consistent with the method described to us by Revolution Energy, such that should we proceed to a final deal with them, the generator could be purchased back from Star and count against the project's proposed \$200K cash requirement. Between now and the date by which we will be using our new generator, we will be using an interim generator, which we will be borrowing free of charge (thanks to Island Engineering Technician Marshall Frye's excellent work).
- We have completed a legal review of our consolidated policies (safe community, sexual harassment, discrimination & non-sexual harassment and child abuse) and determined that all of the legal references cited in the policies approved by the Board on January 28, 2014 are still correct and relevant. On the advice of our HR consultant and counsel, we intend to remove specific legal references from these policies in future drafts.

## STEWARDSHIP

- Work is progressing on our stewardship installation project, including finalizing content for our volunteer list and working with our contractor, Infinite Imaging of Portsmouth, NH, on final panel design. We are looking forward to presenting a slide show on this installation to the membership of the Corporation at the Annual Meeting on April 26.
- For a second straight year, Robert's Maine Grill (Kittery, ME) will be hosting two Star Island community dinners, with a portion of the proceeds from each night going to Star (up to \$800 total). The dinners are scheduled for April 16 and April 23, and we hope to see many Shoalers in attendance.
- We are making good progress coordinating two of our important volunteer groups. Tim O'Connor, our seasonal Logistics Manager, has been working on a part-time basis this winter to coordinate our spring volunteer program, which takes place in May and early June. Under Tim's guidance, we are in the process of finalizing our spring volunteer rosters. Pat Ford, our seasonal part-time Island Nurse, has also been working diligently and effectively on a part-time basis this winter and, as has been previously reported, has finalized our medical volunteer roster for the conference season. We are grateful for Tim's and Pat's excellent work as we coordinate volunteers for the first time without a year-round staff member responsible for overall volunteer coordination in at least the last 17 years.
- On February 22, Around 80 people enjoyed the Star Island Block Party at South Church, a large increase in attendance from last year. In addition to numerous Shoalers, a fair number of people who have not been to a conference on Star before were in attendance, so we were able to "spread the good word" and hopefully gain some new conferees as a result. Here are some pictures from the night: <https://www.facebook.com/media/set/?set=a.10152293725811807.1073741842.131019501806&type=1>.

Spring arrives tomorrow, and with it another cycle of preparing the island for another successful season.

Sincerely,



Joe Watts  
Chief Executive Officer