

Star Island Corporation
Chief Executive Officer's Report
August 18, 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

- We enjoyed a successful presence at the 2014 General Assembly of the Unitarian Universalist Association. Special thanks to Kyle Belmont, Program and Outreach Coordinator, and the many volunteers who made our booth and overall presence at GA a success.
 - We continue to receive excellent media coverage, the messaging of which is consistent with the goals set forth in our Strategic Marketing and Communications Plan. Examples since my June report include:
 - August 16 – Giving Matters on NH Public Radio, story about Star Island: www.nhpr.org/post/giving-matters-star-island-brings-visitors-closer-nature-and-themselves
 - August 5 – NH Chronicle on WMUR-TV, story about Star Island: www.wmur.com/new-hampshire-chronicle/tuesday-august-5th-star-island/27246748#!bEAMyq
 - July 27 – Portsmouth Herald, story about Isles of Shoals history and current uses of the islands: www.seacoastonline.com/articles/20140727-LIFE-407270301
 - July 24 – New York Magazine, mention of Star Island as a tourist day trip option in Portsmouth, NH article: www.nymag.com/travel/weekends/portsmouth/index4.html
 - July 17 – Lebanon Voice, story about Star Island being open: www.thelebanonvoice.com/star-island-open-for-business-waiting-to-enthrall-cms-2299
 - July 14 – NH Public Radio, story about Star Island sustainability: www.nhpr.org/post/star-island-seeks-go-solar-serve-energy-example
 - July 4 – Portsmouth Herald, Star Island staff recognized for boat rescue: www.seacoastonline.com/articles/20140704-NEWS-407040388
 - June 23 – Portsmouth Herald, story about Star Island being open to public: www.seacoastonline.com/articles/20140623-NEWS-406230340
- One of the most broadly accessed pieces was WMUR-TV's NH Chronicle story on Star Island. This story has been resonating with non-Shoalers and Shoalers alike. We have received many comments on this story, similar in vein to the following: "I just watched WMUR's piece on the island, and want to say how perfectly wonderful it is in every respect. Star Island Corporation couldn't have put together a better marketing video with a hired crew, complete editorial control, and a \$20,000 fee! Isn't it great to work with an organization whose spirit and mission is so expansive, has such an open door to the world! To let a news team come in and put together their own take on the island required a lot of trust . . . and the result is magnificent."
- We have been making good progress with our Three Year Strategic Map (2014-2016). Though only 21% of our map's timeframe has passed, it feels like we have accomplished or are in position to

accomplish a much higher percentage of our strategic goals and objectives. The attached staff tactics version of our strategic map is color coded to demonstrate in a general way how we are faring. Tactics are highlighted as follows: green highlighting indicates substantial progress or completion; yellow highlighting indicates good progress/underway; pink highlighting indicates little progress/not underway.

- We continue to develop meaningful relationships with Unitarian Universalist and United Church of Christ congregations and organizations. We are in conversations with local UCC and UU ministers about ways we can further engage; UU camp and conference center executives met with UUA representatives on June 26 to begin a conversation about how we can further our work together (a conversation which will continue on Star Island next month); our public messages include our UU and UCC association (while at the same time welcoming people of other/no faiths); we are adding important UCC and UU symbols on island (including a lovely poster with UU and UCC principles, as well as flags of the UCC and UUA which we expect to start flying soon); we hosted Waltrina Middleton, Minister for Youth Advocacy and Leadership Formation for the United Church of Christ (national headquarters) to begin conversations about how Star Island can further engage with the United Church of Christ on a national level, as well as with other UCC camps and conference centers in New England.
- On September 9-12, we are hosting the Society of Unitarian Universalist Retreat Camp Executives (SUURCE) on Star Island, as well as Carey McDonald, Outreach Director with the UUA, for conversations ranging from how we can engage more fully with the UUA to sharing of best practices.

ECONOMIC

- As reflected in the attached bed night report, as of August 15 we received 3,552 total registrations for 2014 conferences, representing 18,674 bed nights (97% of our 19,250 bed night goal). Last year at this time, we had registrations for 17,856 bed nights (96% of our 2013 goal). Our July Financials project 19,050 bed nights for the season – the decrease in our projection since June is primarily due to the recent cancellation of two smaller conferences (170 bed nights budgeted) plus cancellations stemming from our proactive notifications about the stomach virus (80+ bed nights). While there remains a viable pathway to attain or even exceed the 576 bed nights needed to reach our budgeted goal of 19,250, we feel the prudent course at this time is to modify our expectations and plan accordingly.
- We received four proposals in response to our request for proposals from auditing firms. Our audit subcommittee will be meeting in the coming weeks to discuss upcoming interviews of audit firms, which will likely occur in September.
- We are looking ahead to when our loans with Eastern Bank come due in 2015. Our intention is to begin careful analysis of our renewal options in earnest by late September, and come to a decision on how to proceed by November.
- We are meeting today with the ad hoc group working on the long range integrated financial plan (please see attached). The draft is preliminary, and after securing input from our ad hoc group, various committees (including Conference Services, Facilities, Finance and Fund Development) and the Board of Directors, we will be making refinements. Our goal is to have a working draft in place to inform the 2015 budget process, and to finalize the format of the plan early next year (when we have the added benefit of our new Director of Development's perspective).

- We expect to sign a contract this week with the producers of *Haunted*, which will film on Star in mid-September. This project will result in a small site fee, some bartered video production to benefit Star's marketing efforts, and approximately 45 bed nights of income.
- We saved a boat (Sea Ray) on June 18, which has resulted in good press (see link above), award citations from the United States Coast Guard, and \$20,000 in income from a professional salvage operator with whom we have worked in the past. The \$20,000 was a result of our primary claim on the salvage of the Sea Ray, which was the result of our rescue work and our provision of documentation demonstrating that without our intervention, the vessel would have been lost. Special thanks to Jack Farrell for helping to secure this income.
- We have piloted the "Star Island Grille" over the last few weeks, which is set up at the base of the pier. Customers at the Grille – including day visitors and the occasional conferee and Pelican – can purchase lobster rolls, grilled burgers and hot dogs, chips and drinks. To date, the Grille has been open six times, recouping the initial equipment investment of around \$800, and averaging about \$450/opening (around 11:00 a.m. to 2:30 p.m. each day). We are learning a lot from this pilot program and expect to expand operations next year, including some permanent infrastructure and targeted marketing efforts.

ENVIRONMENT

- The Rye Fire Department and Rye Code Enforcement Officer performed a routine follow up inspection of our facilities on August 6, and the atmosphere was cordial and collaborative. As we continue to satisfy the most pressing concerns, our inspections now focus on smaller details and issues in need of correction, such as removal of no longer functioning equipment and additional support for piping and cabling. In addition to a thorough inspection of our facilities, 2015 capital plans were discussed, reinforcing that the primary fire safety project for next year will be the Atlantic fire escape rebuild. The solar power project was also discussed, including helpful clarifications of code details surrounding battery ventilation, cabling details and the like.
- On August 1, our food service operation was inspected by the Department of Health and Human Services (DHHS), in the midst of our stomach virus outbreak. We have a good and proactive relationship with the DHHS, and the inspection was helpful in identifying a few minor issues that we can improve upon. Our inspector will be returning for a follow up inspection later this month to confirm that our dishwasher temperature is sufficient, after which we expect to receive a green grade (optimal result) for the year. We have also been working with the DHHS on our management of the stomach virus, and they have provided useful insights and an endorsement of the many procedures we are using to combat it. As of the writing of this report, due to our procedures and the diligent efforts of the entire community, stomach virus cases appear to have ceased.
- The solar power project is well underway. All permitting has been secured, work in the Power House is going well, and the solar panel site is being cleared. Reaction to the project on island and beyond has been overwhelmingly positive. We are working on short- and long-term fundraising plans in connection with this project – please see the Director of Development's report for more information.
- Work continues on our IT infrastructure upgrades, though we are running behind schedule. We experienced some successes and some hiccups during the IRAS conference (which is a high-IT use conference). We are learning a lot as we proceed, and are now targeting the end of September for full project completion and testing. We will be discussing the cultural issues associated with our IT upgrades in the coming months, so that we have everything lined up prior to 2015 season.

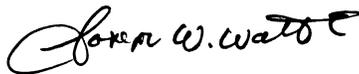
- Jennifer Seavey, Executive Director of the Shoals Marine Lab, will be visiting Star Island during the August Board Retreat, as well as attending the Historic Star Conference.

STEWARDSHIP

- Please see the attached Director of Development report, including the July Annual Fund Comparison Report, for an update on our progress with fundraising through the end of July. We believe that we are on track to reach our Annual Fund budgeted goal of \$455K. One promising trend is that the number of donors is ahead of the previous two years by 17-18%.
- We have received several applications for the Director of Development position, including some strong candidates. In consultation with Saleha Walsh (HR) and Suellen Peluso, we have decided to extend the application period beyond the originally published deadline of August 8 by at least a couple of weeks. Though this will impact some aspects of our timeline, we are still planning to hire a qualified candidate by early December.
- Our stewardship installation in the Gosport first floor hallway continues to receive accolades. We have received two edits to date, and we anticipate ordering corrected panels in time to install prior to the 2015 season. More broadly, the many improvements we have been making on the island have generated a good deal of interest and excitement, with many people commenting on how we (collectively) are being excellent stewards of our Spirit's Home.
- We have hosted two very successful Smith 400th interactive history events to date, with one more coming up on August 27. People attending the events, including several children, have really enjoyed them, and comments are universally favorable. Special thanks to Angela Matthews and the many volunteers who have worked hard to plan and implement these wonderful events.
- We are hosting a delegation on August 22 for the rededication of the Smith Monument, refurbished with funding from the Samuel P. Hunt Foundation. Various dignitaries will be in attendance, including SIC President Sharon Kennedy and Vice President Gary Kunz, and a proclamation from NH Governor Hassan will be offered.
- We are grateful to the All Star 1 and Life On A Star Conferences for pledging a combined \$10,000 to improve soundproofing in the dining hall. All Star 1 has recently responded to LOAS' \$5,000 challenge grant with a pledge of \$5,000, and we expect funds to be received within the next few weeks. Our plan is to augment the soundproofing already installed in a number of ways, such that the entire project is completed and working as intended prior to the 2015 conference season.

This has been a fantastic season overall – one of the best on record. We have an amazing staff and wonderful volunteers. Guests are having a fun and meaningful experience on the island. Though we continue to strive to improve upon every aspect of our operation, it's also important to pause and reflect upon how many things have gone and are going so well.

Sincerely,



Joe Watts
Chief Executive Officer