

**Star Island Corporation
Chief Executive Officer's Report
September 17, 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 are grateful to the hundreds of conference leaders and volunteers who helped make our 2014 conference season a smashing success. Together, our work resulted in the significant advancement of many of our strategic objectives. As we approach the end of our season this weekend, it is worthwhile to pause and celebrate our achievements.
- The Society of Unitarian Universalist Retreat Camp Executives (SUURCE) held its annual retreat on Star Island on September 9-12. Five UU camps and conference centers were represented, and we were joined by Carey McDonald, Outreach Director for the Unitarian Universalist Association (UUA). We covered a lot of ground, including sharing best practices, engaging in a session on fundraising, discussing co-marketing opportunities (e.g. sharing a booth at the 2015 General Assembly of the UUA) and brainstorming ways that we can work more closely with the UUA to advance our mutual goals. We agreed to form an alliance dedicated to fostering and promoting the success, growth and well-being of UU camps, retreat and conference centers, and we are in the process of reaching out to those UU camps and centers not represented at our retreat to invite them to participate. We also discussed some grant opportunities, recognizing that the strength of our partnership will be appealing to some grant funders. All participants left the retreat feeling inspired by the possibilities, and we expect many benefits to each and all of our camps and centers in the months and years ahead.
- We plan to explore the possibilities of more closely aligning with UCC camps and conference centers in a similar manner to our current achievements with their UU counterparts.
- We enjoyed great success with our marketing and communications efforts for our 2014 season, as well as laying the groundwork for 2015 and beyond. Please see the attached Communications Report from Kyle Belmont, Program and Outreach Coordinator, for more information.
- The Personnel Committee met on September 9 to discuss several topics, one of which was to review and make recommendations on a draft whistleblower policy. The attached policy has also been reviewed by Saleha Walsh, our HR Consultant, and is recommended by the Personnel Committee for Board consideration and action at its September 23 meeting.
- The Isles of Shoals Association Unitarian-Universalist (ISAUU) Board's September 7 meeting took place on Star Island. During the meeting, we had a candid conversation about how Star Island Corporation and the ISAUU's Gift Shop Committee can improve upon our work together for the purpose of better achieving our shared goals.

- The Council of Conferences (CoC) will meet on October 18, to discuss several important topics including technology use on Star Island and how we might realign the conference calendar for 2016 and beyond. Please see attached CoC agenda for more information.
- To date, we have received 639 island evaluations. The attached summary covers the period of June 14 to September 12 and includes some very useful information, for example:
 - 96.7% of respondents rate the Pelicans and other staff as either excellent (74.3%) or good (22.4%).
 - 97.3% of respondents rate their overall experience at Star as either excellent (72.6%) or good (24.7%).

The island evaluation summary identifies areas in which we can improve and that our overall customer satisfaction is very high.

ECONOMIC

- As reflected in the attached bed night report, as of September 15 we received 3,875 total registrations for 2014 conferences, representing 19,361 bed nights (101% of our 19,250 bed night goal). Last year at this time, we had registrations for 18,160 bed nights (97% of our 2013 goal of 18,630). We are pleased to have surpassed our budgeted bed night goal for 2014, overcoming the cancellation of some smaller conferences and those resulting from our proactive notifications about the stomach virus. We increased bed nights by 6.6% compared to 2013 actuals (18,160) and 3.9% compared to 2013 budget (18,630), putting us ahead of schedule compared to the 3.5% annual increase called for by our strategic plan.
- Due to the nature of the bed nights achieved (more conferees and less personal retreaters), we are projecting falling just shy (99.6%) of our budgeted room and board income goals for 2014 – please see Finance Director Kristi Vazifdar’s August Financials, attached, for more information.
- We interviewed four audit firms yesterday. The Audit Subcommittee will be making a recommendation in the near future, which will be submitted to the Finance Committee for review, after which a recommendation will come to the Board for a final decision either at the September or October Board meeting. As our auditing firm reports to the Board, the Board will be making the final selection. Staff input has been solicited as part of this process.
- We are making progress on our draft 2015 budget, and we expect to meet the benchmarks identified in the 2015 budget timeline.
- The next meeting of the Star Island Permanent Trust is scheduled for October 2.

ENVIRONMENT

- On August 28, the new Rye Fire Department (RFD) Chief, Thomas Lambert, and our primary inspector from RFD, Lieutenant Jeff DiBartolomeo, joined our professional fire safety consultant, Jeff Murphy of SFC Engineering, for an island tour led by Island Manager and Facilities Director Jack Farrell. The group conducted a thorough walkthrough of our facility, and discussed our operations and particularly our fire safety procedures. The collaborative process between RFD, SFC and Star Island Corporation for planning and executing fire and life safety improvements was acknowledged. Chief Lambert appeared to be favorably impressed with what he witnessed, and we do not expect any major changes resulting in the transition from Chief Sullivan to Chief Lambert. Chief Lambert indicated that a likely priority for him is the continued expansion of our sprinkler system.

- The NH Department of Environmental Services, Air Resources Division, performed an on-site compliance evaluation of our facility on August 11. The inspector was cordial and was pleased with what he saw. His written compliance report indicated that we were in compliance with 38 of the 39 applicable categories. We have since come into compliance in the one area indicated as a deficiency (including the number of hours of operation of each generator in our annual reporting).
- We are making steady progress with our solar power project. Of note is that there is considerably less ledge at the array site than anticipated, which has resulted in a modification of the design to include concrete slabs for panel anchoring. As a result of the pier project (see below), a barge to transport the slabs has already been mobilized, and the anticipated extra expense to Star Island Power, LLC appears to be manageable. Though the commissioning date of September 30 is looming, and the project will not be fully completed by this date, we anticipate the work to be substantially completed this fall and, therefore, don't anticipate any problems with the project timeline. To date, we have secured pledges and gifts totaling \$17K toward the solar project, and we anticipate securing substantially more as we move toward the launch of the next phase of our solar fundraising efforts.
- Our pier project is underway, with an anticipated substantial completion date of November 15 (the pier railing system will be completed during spring of 2015). All permitting for this project has been secured, and we have signed a contract with Riverside and Pickering Marine Contractors to perform the majority of the work, including mobilization of all material and placement of the rip-rap that will protect the westerly face of the pier. We anticipate using volunteers, under the direction of staff and masonry contractors, to mix and pour the concrete.
- We have made some progress with our IT infrastructure upgrades, and our new internet connection is approaching the standards set forth in the parameters appended to our contract with Day Systems. We continue to target the end of September for full project completion and testing.
- Our capable soundproofing volunteer crew returned to the island recently and accomplished two tasks – adding some additional soundproofing, and realigning the system in accordance with the recommendations made by our acoustical engineer. Noise reduction in the main dining hall has improved as a result. We are developing our plan for soundproofing in the Snack Bar Alcove area, which when full seats well over 100 people, and our intention is to complete the entire soundproofing project prior to the beginning of the 2015 conference season.
- Jennifer Seavey, Executive Director of the Shoals Marine Lab (SML), attended the Historic Star Conference at our invitation. Jenn was grateful for the experience, which among other things helped her to get a better feel of what we do on Star Island. I have been invited to attend SML programs, and anticipate participating sometime during their 2015 season.

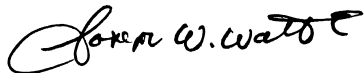
STEWARDSHIP

- Please see Director of Development Angela Matthews' attached report, including the August Annual Fund Comparison Report, for an update on our progress with fundraising through the end of August. Angela has identified a viable pathway to \$418K in non-Combined Appeal funds. Also, we expect to realize \$34K in Combined Appeal gifts allocated to the Annual Fund by year's end. Additionally, we expect increased giving this year for a number of reasons (e.g. solar project, larger donor population), and thus we continue to believe that we are on track to reach our Annual Fund budgeted goal of \$455K.
- We anticipate conducting first round interviews for our Director of Development position the week of September 29, on track to hire a qualified candidate by early December.

- Our Smith 400th interactive history events were quite successful, as was the August 22 Smith Monument rededication, attended by several dignitaries.
- Staff and volunteers met on September 4 to brainstorm ways in which we can celebrate Star Island Corporation's centennial. We have invited the ISAUU and the SIUCC to participate in our celebrations, and we envision involving more volunteers in the weeks and months ahead (including representatives from specific committees). As we were incorporated in December of 1915, and inaugural events took place on Star Island in July of 1916, we are working out a rough timeline that capitalizes on our centennial in both 2015 and 2016. The next meeting of our centennial group is scheduled for October 9.
- We continue to benefit greatly from the commitment of our island volunteers. Not including Shops on Star volunteers (administered by the ISAUU) and our medical volunteers (approximately 1,000 hours), we received the benefit of 10,410 island volunteer hours (approximately 1,487 days) during open-up and the conference season to date. This figure already surpasses our impressive mark of 10,058 hours (1,436 days) for the entire 2013 season (including close-up).
- We are in the final stages of gearing up for the Gosport Regatta, which takes place on September 20-21. Our Sponsors and Skippers reception will occur tomorrow evening aboard the Thomas Loughton.
- Starry Night will take place in the Discover Portsmouth Center on November 22.
- We hosted representatives from the New Hampshire Charitable Foundation, including Simon Delekta, the new Senior Program Officer for our region, on Star Island on August 25. The NHCF delegation was favorably impressed by our operation, our sustainability work and, specifically, our progress towards a new, energy-efficient wastewater treatment system (the study and design work for which is partially funded by NHCF).

I moved off the island for the season on Sunday, and jumped right back into the important work that happens in our Portsmouth office on Tuesday, with our auditor interviews. It is exciting to begin this new phase in the life cycle of our work on behalf of our Spirit's Home.

Sincerely,



Joe Watts
Chief Executive Officer