

**Star Island Corporation**  
**Chief Executive Officer's Report**  
**February 18, 2015**

***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**

- I am pleased to report that at its January 24 meeting, the Institute on Religion in an Age of Science (IRAS) Council voted to hold IRAS' summer conference on Star Island in 2016 and beyond. There are many reasons why this is of benefit to both IRAS and Star, not the least of which is that we each support the other's mission and vision. Now that we know IRAS is returning to Star indefinitely, we are actively working on a 2016 calendar solution (a process that has already been underway, including discussion at the October 2014 Council of Conferences meeting). A successful 2016 conference calendar will accommodate IRAS' growing numbers; reposition other impacted conferences in a way that will either improve their long-term situation or at least not detract from it; maximize overall conferee enrollment potential (across all conferences); and be in the best overall interest of Star Island. We are in the process of providing impacted conferences with some options, and while we hope to finalize the 2016 calendar by the May 2 Council of Conferences meeting, we do not want to rush the process.
- IRAS will continue to share the island with the Star Gathering UCC 2 Family & Youth Conferences for the 2015 season. Please see the attached week-by-week report of our upcoming conference season for more information on the 2015 season as a whole.
- Our Pelican hiring team, ably led by Kate Brady, has commenced review and preliminary placements of our 2015 Pelican applicants, with employment offers to be sent out next month. The hiring team is carefully considering 177 Pelican applications, which include 92 new applicants and 85 returning applicants, applicants from 24 states and 7 countries, and 11 sets of siblings.
- In addition to the senior seasonal staff members previously reported on, Tim O'Connor (Logistics Manager) and Kristen Simard (Environmental Services Manager) will be rounding out our exceptional returning island leadership team this year. We are also pleased that our new, part-time Island Minister position will be filled by Rev. Chris Holton Jablonski and Rev. Lauren Smith, also of South Church UU in Portsmouth, NH.
- Our annual gathering and training session with conference chairs and registrars took place on February 7. This was a positive and productive meeting, and a true sense of collaboration was evident. One conference leader submitted "kisses" to us via our local media outlet: [www.seacoastonline.com/article/20150217/NEWS/150219326](http://www.seacoastonline.com/article/20150217/NEWS/150219326).
- The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC), of which Star Island Corporation is a member, will have a booth at the General Assembly of the

Unitarian Universalist Association, which will take place June 24-28 in Portland, OR. We/the UUACCC are looking for volunteers who will foster and promote the success, growth and well-being of Unitarian Universalist camps and conference centers. Booth volunteers, and housing for booth volunteers (for those who live in the Portland area), are needed – if you or someone you know is interested, please contact Kyle Belmont at [kbelmont@starisland.org](mailto:kbelmont@starisland.org).

- We signed our annual agreement with the Isles of Shoals Association, UU on January 23.
- The Personnel Committee met on February 3, when our four consolidated policies (see attached) were discussed. In addition to committee feedback, we have received input from Tom Kennedy (see January Board packet), our HR consultant, and members of our year-round staff team. We look forward to receiving more input from the Board at its retreat on Saturday, and hope to approve the policies no later than the March 24 Board meeting.

## ECONOMIC

- Our 2014 year-end financials indicate an operating gain of \$500,183 and that we have met our debt service coverage obligations with Eastern Bank. We are pleased to have enjoyed another successful year financially, including registering the highest operating gain in the history of the Star Island Corporation. Please see the attached financials and accompanying memo for more information.
- As of February 13, we received 842 registrations representing 5,585 bed nights (28.6% of our 2015 budgeted goal of 19,550), with 96% of registrations being made online. Last year at this time we had received 585 registrations representing 3,870 bed nights (20.1% of our 2014 budgeted goal of 19,250 bed nights). Though it is too early to draw any meaningful conclusions at this point, it is nice to be ahead of last year at this time. We continue to look for ways to encourage early registrations – one thing we have observed is that when people feel that there is a chance they might not get into the conference of their choice, they tend to register early.
- It seems clear that online registrations are on the rise. In 2013, 74% of our registrations came via our then brand new online registration portal. In 2014, this figure jumped to 81%. If one ignores conferences that did not use our online registration system (e.g. Road Scholar, Granite State College), 87% of our 2014 registrations came via our online registration portal.
- The Finance Committee met on January 22 to discuss, among other items, our upcoming banking renewals and to make a recommendation to the Board about how to proceed, a recommendation that the Board accepted at its January 27 meeting. The Finance Committee meets again this evening.
- On February 10 the Trustees of the Star Island Permanent Trust Fund (PT) held a special meeting at our request. At the meeting, the Trustees voted to accept the new Second Amendment (see attached) to the original PT agreement dated April 4, 1998. This is an important housekeeping matter; once the new Second Amendment – which is simply a combination of the previously approved old Second Amendment of 2005 and the Third Amendment of 2014 – is signed by the Trustees and ratified by a two-thirds majority vote of the Board on February 23, all of the PT's paperwork will be current and official.
- The Trustees also considered our collateral requests in connection with our upcoming bank loans, voting unanimously to have the PT's holdings serve as collateral for a \$1.1 million term

loan and to cross-collateralize a \$650K revolving credit line. The Trustees were split on having the PT's holdings serve as collateral for a loan of up to \$500K for our new, energy efficient wastewater treatment facility. We are in the process of responding to questions and comments raised by some of the Trustees after the February 10 meeting, with one possible outcome being another special meeting of the PT in the near future.

- Please find attached an updated draft of our integrated financial plan, with a brief accompanying memo. This is a work in progress, and we are planning to finalize the template for the plan – which will be thereafter updated annually – by the June 27 Board meeting.
- We have received our finance department assessment, which recommends that we outsource our finance department, either in part or in full. The full outsourcing option would be budget neutral, could be implemented in the near future, and could be reevaluated in the fall. We anticipate making a final decision about how to proceed for 2015 in the near future.
- The Audit Subcommittee meets on Friday, and our audit field work is scheduled for next week.

## ENVIRONMENT

- We signed our annual agreement with Island Cruises (M/V Uncle Oscar) on January 30.
- We continue to work with the Isles of Shoals Steamship Company (M/V Thomas Loughton and M/V Celia Thaxter) on the 2015 island ferry schedule and our next long-term agreement, both of which we anticipate finalizing by the end of this month.
- We are in the process of planning our capital project work for the 2015 season. In the months since the 2015 Budget was approved in November, our plans have changed somewhat – highlights include an expansion of the Truck Trestle project to include a pedestrian walkway, a path improvement project by Tucke Monument that will also showcase the new solar array, and additional work on the south/island end of the pier. We are changing some of our other project plans accordingly, to ensure that we stay within the footprint of the approved capital budget. Please see the attached January Financials for more information.
- The island has experienced some severe weather this year, along with corresponding damage. The Cottage B roof needs repairs, as does the main pump station for the wastewater treatment facility. Additional damage has been reported from the most recent blizzard, and Jack Farrell, Island Manager and Director of Facilities, is working with our winter caretakers on getting a full damage report. All told, the damage to date could have been a lot worse given the frequency and intensity of the storms that have been hitting the region over the last few weeks.
- We have now provided our consulting engineer and Busse Green Technologies with all of the information that they need from us in order for them to provide us with a new, energy efficient wastewater treatment facility design ready to be submitted for the permitting process. We expect to receive a final design proposal, along with more precise pricing for the system, in the near future. Ensuing steps include creating a detailed project plan and timeline, initiating the permitting process, and outlining a detailed funding plan for the project.
- On February 5, in partnership with the Shoals Marine Lab (SML) and the Seacoast Science Center, we enjoyed a collaborative dinner event focusing on the greening of the Isles of Shoals. Jack Farrell and Ross Hansen, SML's Director of Facilities and Planning, offered excellent presentations on the many sustainability measures that are in effect on Star and Appledore Islands. It is clear that our substantial progress on our strategic environmental goal and

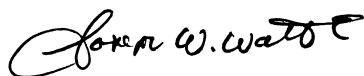
objectives is generating increased interest in Star Island and the Isles of Shoals, including new audiences in the Seacoast Region and beyond.

## STEWARDSHIP

- Please see Pam Smith's Development Report, attached, for information on our 2014 fundraising efforts and an outline of our 2015 development goals. It is wonderful having Pam on staff, and I am confident she will accomplish a lot on behalf of Star Island in the months and years ahead.
- To date, we have quietly raised \$53K in pledges and gifts from individuals and foundations to support our 2015 solar power operations, prior to the targeted appeal we intend to launch next month. Pam Smith will briefly discuss this at the Board Retreat on Saturday. Still in the planning stages, our goal is to create a multi-year plan to broaden support for our environmental and sustainability efforts via the Green Gosport Initiative which will begin this year with focus on the solar array, and ultimately include our future energy efficient wastewater treatment facility.
- The Outreach and Engagement Committee met on February 10 to discuss a number of topics, including identifying some projects individual committee members can work on this year and focusing on the engagement aspect of the committee's work.
- We are currently receiving applications for our spring volunteer weekends via [www.starisland.org/working/springvolunteer](http://www.starisland.org/working/springvolunteer), with a deadline of March 14. Linda Lehman is ably coordinating our volunteers this spring.
- With the exception of one open-up week, our 2015 medical volunteer roster is complete, thanks to Pat Ford, our Island Nurse. We are excited to have our medical team lined up this early in the year.
- The Fund Development Committee met on February 11. In addition to reviewing overall fundraising for 2014 and 2015 development goals, the committee provided valuable input into how we might structure a new Memorial Courtyard Stone policy (see attached).

Despite experiencing a blizzard on Valentine's Day, Star Island still provided us with some Valentine's to send to our loved ones ([www.starisland.org/2015/02/10/for-your-shoalmate-and-other-notes](http://www.starisland.org/2015/02/10/for-your-shoalmate-and-other-notes)). In the heart of winter, it's nice to remember just how much there is to love about Star Island.

Sincerely,



Joe Watts  
Chief Executive Officer