

Star Island Corporation
Chief Executive Officer's Report
May 20, 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

- We continue to receive favorable media coverage – in addition to several recent articles, New Hampshire Chronicle is planning on doing another special interest piece on Star Island this summer, this time focusing on our sustainability initiatives. Additionally, we made the front cover of the 2015 Harbor Guide (see attached cover draft), which is due out next week. The Harbor Guide has a distribution of about 55,000, reaching Seacoast Region locals and tourists.
- We are gearing up for our June 27 yellow ribbon cutting ceremony. Our afternoon event will feature brief remarks near the solar array (weather permitting), followed by a reception and sustainability and history tours for guests. We are sending out an email today that will highlight this centennial kickoff event and will include a link for people to purchase tickets.
- We are making good progress with our 2016 conference calendar. The final calendar is not complete, but there are some developments worth noting –Institute on Religion in an Age of Science (IRAS) will move to Week 2 and Youth Empowerment and Spirituality (YES) will move to Week 8 (sharing the island with Star Gathering 2 UCC Family & Youth). We continue to work closely with the conference leaders of all of the conferences that will be impacted by these changes to our calendar, and we are grateful to them for their collaborative spirit and island citizenship.
- We are looking forward to our Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) shared booth at the General Assembly of the Unitarian Universalist Association, which will take place June 24-28 in Portland, OR.
- The Annual Meeting of the Star Island Corporation took place on May 2 at the First Congregational Church of Holliston, MA. 165 Shoalers were in attendance, just above our five year average attendance of 159 Shoalers. Special thanks go to Kate Brady, Office Manager, for all her good work behind the scenes helping to make our Annual Meeting enjoyable and successful.
- The spring Council of Conferences (CoC) meeting also took place on May 2. In addition to general updates from the Star Island Corporation, delegates participated in two breakout sessions, one focusing on conference web site management and the other focusing on our centennial planning.
- We are looking forward to hosting our first conference this weekend – the Spring Birding Weekend. As a pre-season conference, guests understand that we are still in open-up mode, accommodations are in the outbuildings, and services are limited.
- Please also find attached our May Communications Report from Kyle Belmont, which highlights where we are focusing our marketing efforts as we approach the 2015 regular conference season.

- We have an excellent group of Pelicans lined up for the summer. Due to last minute withdrawals, we have two unfilled Pelican positions, which we expect to fill soon. Demographically, we have 55 returning and 44 new Pelicans and, as it happens, 55 women and 44 men, ranging in age from 18 to 66.
- We are in the process of hiring for two part-time seasonal positions – an Administrative Assistant to support our mainland office functions during the summer and an in-town Messenger position. We have a strong applicant pool and will be conducting interviews this week.
- The Laity Family Weekend Conference’s recent postcard promotes all Star Island conferences, not just Laity. We are grateful for this shining example of island citizenship.

ECONOMIC

- Our 2014 audited financial statements are complete, and confirm a 2014 net operating gain of \$485,479. Our Form 990 has been filed.
- As of May 15, we received 2,539 total registrations for 2015 conferences representing 15,094 bed nights (77.2% of our 19,550 bed night goal). Please see the attached bed night report for more details. Last year at this time, we had registrations for 14,662 bed nights (76.2% of our 2014 goal), and in 2013 at this time, we had registrations for 12,610 bed nights (67.7% of our 2013 goal). We are pleased to see some conferences exceeding our enrollment expectations (one stellar example is Arts). Some other conferences are behind where we’d like to see them at this point, and we are working with their leadership groups and adjusting our marketing plans to help boost enrollment at these conferences. Overall, we are pleased to be slightly ahead of pace compared to last year.
- The April Financials indicate a projected net operating gain of \$113K and a projected debt service coverage ratio of 1.38. Compared to March, we are projecting a decrease to year-round staff compensation and benefits and an increase to professional services, which is the result of our finance department transition. Please see attached April Financials, prepared by Chris Bertoncini and Kate Mombourquette of Insource Services, for more information.
- The finance department transition is going well. Kristi Vazifdar will remain with us on a very limited basis through the end of this month, but Insource Services is now serving as our finance department. Essentially, Chris Bertoncini serves as our Finance Director, Kate Mombourquette serves as our Finance Manager, and Trisha Allard serves as our Bookkeeper. We have benefited from a good overlap period between Kristi and Insource, and we believe the transition has been a smooth one overall.
- The Trustees of the Star Island Permanent Trust Fund had a full and productive meeting on April 21 and, as of this date, the Trust was valued at \$3,772,079. Please see the attached synopsis and performance history of the Trust, prepared by Wilkins Investment Counsel, for more information.
- The Finance Committee met on April 15 and discussed various topics, including the 2014 audit and some financing alternatives we might pursue in connection with our new wastewater treatment facility. The committee meets again tonight.

ENVIRONMENT

- We have submitted the final draft of our annual letter to the Rye Fire Department (RFD), documenting the fire and life safety work we completed in 2014 as well as the main projects and

priorities for the 2015 season, as agreed upon at our annual meeting with RFD on March 31. We are expecting RFD to conduct their annual inspection of our facilities by the end of this month.

- Open-up is going well and morale is high. A tremendous amount of work is getting done by volunteers, staff and contractors. There are many examples of this work – we have constructed a safe and structurally sound truck trestle; our dining hall soundproofing project is expected to be completed before the start of the conference season; most of our lobby furniture has been reupholstered (through a generous contribution of time and materials); we decorated the main dining hall with reproductions of several old recipes and other pieces of culinary history; our major pier project is nearly complete.
- We have constructed a new solar viewing area/pathway, designed to achieve several goals at once. The viewing area, which is by Tucke Monument, provides an excellent place from which to observe and learn about our solar array. It makes the pathway between Tucke Monument and Beebe Cemetery more accessible, and it provides an alternative location for small conference workshops/gatherings. We are grateful to the Property Standards Committee and others for helping us come to a final design – despite some process issues, the final result is favorable, and will be enjoyed by countless guests in the years to come.
- Speaking of our new solar power system, to date, our generators have yet to be turned on this year (except for routine maintenance) – continuous power is being provided solely via our new solar power system. While we do expect to use just over 5,000 gallons of diesel fuel this year, it is satisfying to operate this far into open-up purely on solar power. Our hope is that our system outperforms expectations throughout the entirety of its first full operating season. Strategic Facilities Committee Chair Dick Case is our designated solar power system expert, and he is routinely monitoring our system – we continue to remain grateful to Dick for his enormous volunteer contributions to this project.
- We continue to work with our consulting engineer to review the detailed information we’ve received about our new, energy efficient wastewater treatment facility. We anticipate having an update from our engineer in time for the Board’s June 27 on-island meeting.

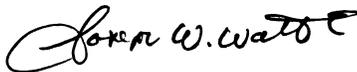
STEWARDSHIP

- Please see Director of Development Pam Smith’s Development Report, attached, for how we are progressing towards our 2015 development goals. Overall, we are pleased with progress to date.
- The April Annual Fund Comparison Report indicates that as of April 30, we were at \$51K in gifts and pledges from 117 donors (compared to \$68K from 269 donors at the same time last year). Despite being behind last year at this time, we are reassured by the fact that this year’s spring appeal (see attached) was sent out in early May, whereas last year’s appeal was sent out in late March. We anticipate that the “spring appeal bump” will catch us up, or even put us ahead of last year, by the end of this month.
- To date, we have received over \$72K in gifts and pledges to our Green Gosport Initiative appeal, getting closer to our goal of \$125K in donations from individuals and grants.
- We enjoyed a successful Earth Day event on April 22, with about 60 people in attendance. We were pleased to have two of our four event sponsors in attendance, as well as three Board members, a number of long-time Shoalers, and several people who have not yet attended conferences on Star Island. It continues to be clear that our sustainability efforts are bringing more people into the Star Island family.

- Pam Smith did a superb job representing Star Island at the New Hampshire Charitable Foundation's "Pitch Camp" (run by the Entrepreneurs Foundation of New Hampshire). While we fell short of the winning the \$25K grant (by a mere 3 votes), we achieved many benefits beyond our second place finish, including showcasing Star Island to over 60 prominent NH entrepreneurs, several of whom are intending to visit Star Island this season.
- We continue to pursue a number of grant opportunities – please see the attached grant report for more information, including the status of applications we have already submitted and some for which we are requesting application approval at the Board's May 26 meeting. One such grant is to continue the Oceanic/Atlantic rehabilitation and restoration project through a matching grant request of the Land and Community Heritage Investment Program (LCHIP) – we have received two LCHIP grants over the last few years for this comprehensive project (for the roof and the Oceanic's north and west walls and windows), and we are hopeful that we will receive a third, for work to be performed in FY2016.
- The Fund Development Committee met yesterday to discuss year-to-date fundraising results, the Legacy Society on-island socials, and grant opportunities.
- We have benefited from two exceptionally productive volunteer weekends so far, with three more yet to come.
- The Outreach and Engagement Committee met on April 28 to discuss several topics, including our conference web site review project, how we intend to simplify our room and board rates in our 2016 Program Catalog, and analyzing our "How'd You Hear about Star Island?" survey results. The committee next meets on June 2.

So much is happening on Star Island, and the warm promise of a fun and enriching conference season is before us once again.

Sincerely,



Joe Watts
Chief Executive Officer