

**Star Island Corporation**  
**Chief Executive Officer's Report**  
**June 22, 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 are looking forward to our “Sustainable Century” event, which takes place this Saturday. Highlights of the afternoon will include a birthday cake for Star Island Corporation and a yellow ribbon cutting ceremony for our solar power system. More information about the event, including how to purchase tickets, can be found at [www.starisland.org/centennial](http://www.starisland.org/centennial).
- Star Island continues to make a splash in various media outlets, in large part inspired by our various environmental stewardship and sustainability initiatives. One recent example is a nice feature in Microgrid Knowledge ([www.microgridknowledge.com/off-to-summer-at-my-remote-microgrid](http://www.microgridknowledge.com/off-to-summer-at-my-remote-microgrid)). We also continue to receive favorable general coverage about Star, such as a recent feature in Coastal Home ([www.coastalhq.com/Lifestyle/star-island.html](http://www.coastalhq.com/Lifestyle/star-island.html)).
- Working collaboratively with several conference leadership groups, we have made excellent progress with our 2016 conference calendar development. We now know the following for 2016:
  - Arts and Natural History will share the island during the week of June 18 to June 25
  - IRAS, ISHRA and Road Scholar will share the island during the week of June 25 to July 2
  - SG 2 UCC Family, SG 2 UCC Youth and YES will share the island during the week of August 6 to August 13

There are a few more pieces that need to fall into place, but overall the developments listed above – which have all been confirmed – make up the bulk of the changes we are planning for next year. We remain grateful to the leadership groups of all of these conferences, who are working positively to help implement these changes in a smooth and effective fashion.

- Our Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) presence at the General Assembly of the Unitarian Universalist Association takes place this week in Portland, OR. At our UUACCC shared booth, we will be fostering and promoting the success, growth and well-being of Unitarian Universalist camps, retreat and conference centers. We are not promoting our United Church of Christ side in this venue, as all of the other UUACCC members are not UCC (we are mindful that we are the only UU and UCC conference center in the world).
- We had a particularly successful and meaningful Pelican orientation week last week. Some highlights included an engaging and productive covenanting session facilitated by Rev. Lauren Smith, Co-Island Minister, and exceptional fire safety training sessions led by Lieutenant Jeff DiBartolomeo of the Rye Fire Department.
- Operations are in full swing, and we have now welcomed several conferences (and even a few weddings) to the island. Feedback from our guests has been positive to date – we are off to a fantastic start to the season. The island is in good shape and feels ready, and a strong sense of community and Star Spirit is in the air.
- We are pleased to welcome Liz MacLean and Kaitlin Hall to our off-island seasonal staff. Liz is our Messenger and Kaitlin is our Administrative Assistant.

## ECONOMIC

- As of June 15, we received 3,081 total registrations for 2015 conferences representing 16,707 bed nights (85.5% 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 16,885 bed nights (87.7% of our 2014 goal), and in 2013 at this time, we had registrations for 15,121 bed nights (81.2% of our 2013 goal). Overall, we are guardedly optimistic that we will come close to achieving our budgeted bed night goal for the season, and this is dependent upon a good final registration push from some of our key conferences. As of June 15, we needed to achieve 2,843 (net of cancelations) bed nights to reach our budgeted goal, which remains an attainable figure.
- Digging deeper, here are some of the conferences we have been focusing on over the last few weeks (June 15 registration totals vs. 2015 budget):
  - Yearly Adults Conference (complete): +88 bed nights
  - Star Island Paranormal Weekend (canceled): -70 bed nights
  - Star Arts (starts June 20): +237 bed nights
  - Natural History Week (starts June 27): +74 bed nights
  - Lifespan Religious Education (starts July 18): -205 bed nights
  - International Affairs (starts July 25): -177 bed nights
  - Star Gathering 1 UCC Family (starts August 1): -182 bed nights
  - Star Gathering 1 UCC Youth (starts August 1): -147 bed nights
  - (SG 1 UCC Combined) -329 bed nights
  - Institute on Religion in an Age of Science (starts August 8): -178 bed nights
  - Life On A Star 1 (starts August 15): -305 bed nights

We are anticipating increased enrollment at LRE, IA, SG 1 Family & Youth, IRAS and LOAS 1 – the question is how by how much. We have been working carefully and collaboratively with the leadership groups of these conferences to figure out how to maximize enrollments over the next few weeks.

- The May Financials indicate a projected net operating gain of \$127K (vs. \$113K for April) and a projected debt service coverage ratio of 1.52 (vs. 1.38 in April). Please see attached April Financials, prepared by Chris Bertoncini and Kate Mombourquette of Insource Services, for more information.
- The Finance Committee met on May 20 and again on June 17. At the May meeting, there was a discussion about the April Financials, the audit, our banking situation, and the composition of the audit subcommittee. The June meeting focused on the May Financials (with a particular focus on the capital budget and expenditures), the current draft of the Long Range Integrated Financial Planning Tool (see attached), and setting up two working groups for future work – one to focus on our wastewater treatment facility funding plan and one to focus on the format of our monthly operating financial statements.
- We have entered into an agreement for consulting services with Tata and Howard ([www.tataandhoward.com](http://www.tataandhoward.com)) to investigate potential sources of federal and state grant and loan funds specifically targeted for the construction of wastewater treatment facilities. The scope of work includes contacting potential grant and loan sources, determining eligibility, and providing us with a written report which we expect to receive by mid-July. The agreement also includes a peer design review option, which at this point we anticipate exercising upon completion of the investigation into grant and loan sources.
- We have received formal confirmation from Optima Bank that they are issuing us a new commitment letter, with the same terms as our December 23, 2014 commitment letter. The new letter will be for 90 days, thereby extending to September.

## ENVIRONMENT

- On June 4, our facilities were inspected by the Rye Fire Department (RFD), with Jack Farrell, Island Manager and Director of Facilities, Jeff Murphy of SFC Engineering Partnership, Inc. (our fire safety consultant), and Sarah Iselin, Island Safety Administrator, in attendance. Overall, our inspection results were exceptional, and

we continue to have an excellent relationship with RFD. As noted above, RFD returned on June 17 to train our entire staff, and Jack describes the training sessions as exceptional and based on mutual respect. We are in a good place with the RFD, and we are grateful for their support.

- Jack Farrell will be attending the June 27 Board meeting to provide a detailed report on our facilities, with particular emphasis on our accomplishments this spring and the status of our wastewater engineering design and permitting work. At this meeting, Jack will focus on the findings of the final wastewater treatment study report from Altus Engineering (attached), as well as next steps, including determining final pricing for the system and moving into the permitting phase. We also need to explore further the pros and cons of drip irrigation, which is one of the methods by which we can reuse treated effluent in an environmentally responsible way while at the same time keeping our lawns green. Please see attached report and facility designs for more information.
- Our new solar power system continues to provide clean power to Star Island, and our conferees and staff are very pleased that this is the case. We did not need to turn on our generators until June 1, and we have only needed to use them on an intermittent basis since. Strategic Facilities Planning Committee Chair and dedicated solar power system expert Dick Case continues to monitor the system on a daily basis, multiple times a day. We are still working out a few kinks in the system, which should optimize performance, though even with a few glitches the system has continued to exceed design expectations to date.
- Our pier upgrade project, largely funded by FEMA, is nearly complete. This successful project has resulted in a new batter wall and the placement of over 200 tons of rip rap along portions of the west face of the pier, resurfacing of much of the pier cap (104 cubic yards of concrete were poured during this project), a new sidewalk and grading at the island end of the pier, and a beautiful, safe and code-compliant railing. This project is expected to be fully completed within a week.
- The remainder of the soundproofing panels, as well as new curtains, have been installed in the dining hall. At this point, the entire dining hall (including the alcove/snack bar area) has been soundproofed, and we are pleased with the results. We look forward to our first big test of the completed system, which will occur during All Star 1, when every table in the dining hall will be in use. We are very grateful for the significant financial and volunteer support that made this project a reality.
- Beyond soundproofing, the dining hall has been further spruced up with old menus, pottery, and other decorations, and it truly is a grand dining hall. Through a generous donation, our “Star Table” program has brought new glasses, cutlery and the like to our tables. Our dining hall looks as good as it has in several decades. And the sound system works, also with the assistance of volunteer labor.
- Our IT infrastructure upgrade project is nearly complete. The new system on island has been finalized, and now we need to reset some equipment on Appledore to go live on Star, which we anticipate will occur soon. At that time, our new system rollout during the first few conference weeks is expected to be gradual, and consistent with the description of technology use we created in collaboration with the Council of Conferences (see April board packet for more information). In the meantime, we are benefiting from exceptional service provided by our old (now back-up) internet connection.
- We removed roughly 140 cubic yards of trash and debris from the island in advance of the conference season. Long-time Shoaler and current Volunteer Coordinator/Rounder Supervisor Linda Lehman comments that the “island is as clean as I’ve ever seen it.”
- The Property Standards Committee (PSC) had a productive meeting on Star Island on June 12. Please see attached report from PSC Board Liaison Jordan Young for more information on this committee.
- Generally speaking, our approach to regulatory compliance is proactive and collaborative, and we have formed good relationships with many in the regulatory community. In order to keep us in compliance with myriad regulatory requirements, including filings, we keep and maintain a dynamic workbook that serves as a repository for licenses, registrations, permits, and related materials. This workbook includes a compilation of details for each regulatory filing requirement, including: regulatory authority; contacts; compliance and renewal/revision requirements, schedules, and timelines; links to forms, fact sheets, and helpful information; passwords and log-ins for online submissions and renewals; ID numbers; personnel requirements (e.g.

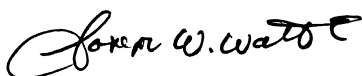
licensing, vaccinations); status of the filing requirement (e.g. active, expired); and which staff member is responsible for the entry. Our regulatory compliance program also includes a checklist/calendar, which includes due dates for all regulatory filing requirements.

## STEWARDSHIP

- Please see Director of Development Pam Smith's Development Report, attached, for information on how we are progressing towards our 2015 development goals. Overall, we are pleased with our progress to date.
- The May Annual Fund Comparison Report indicates that as of May 31, we were at \$81K in gifts and pledges from 233 donors (compared to \$85K from 321 donors in 2014 and \$63K from 217 donors in 2013). While it is still early in the year to draw meaningful conclusions, we are analyzing trends carefully and responding accordingly.
- We have raised \$72K in support of our Green Gosport Initiative (including our solar power system) to date and, now that the conference season is underway, we anticipate a significant increase in the months ahead.
- Yet again, Pam Smith did a fantastic job representing Star Island to the New Hampshire Charitable Foundation (NHCF), this time presenting general information about Star Island as well as updates on our Green Gosport Initiative to the entire NHCF staff at their June 2 staff meeting. The NHCF is particularly pleased with the benefits our environmental stewardship projects, including our collaborative regulatory approach, can bring to the State of New Hampshire.
- We continue to pursue a number of grant opportunities – please see Pam's attached grant report for more information, including the status of applications already submitted.
- The Outreach and Engagement Committee had a productive meeting on June 2.
- Our new vessel, the Tom Dudley, was formally welcomed into the Star Island fleet on June 21. The event was attended by about 50 people in the local boating community. We are grateful to the Dudley family and many friends whose gifts have made this wonderful new launch service possible. The boat is a symbol of our openness and welcoming of people to the Star Island family, as directed by our strategic map. We have received several donations in connection with this exciting project, and we anticipate continuing to receive donations in the months to come from a new segment of donors.
- We benefited from six spring volunteer weekends this year – one more weekend than last year. Volunteers scrubbed every room on the island, completely cleaned and stocked the First Aid Station, weed-whacked, trimmed rose bushes, helped establish/maintain the flower and vegetable gardens, sewed and installed drapes in the dining room, and painted all of Cottage B, among their many accomplishments. Special thanks go to Dave and Patty Boynton, who worked on the island for six weeks and between the two of them donated 512 hours. Their paint crew accounted for 694 hours of the volunteer total. Additionally, we had two work groups who came for the day from nearby businesses – 13 employees from Newmarket International poured concrete around the new truck trestle, and 12 employees from Timberland dug postholes and set posts in concrete footing covered by sod for signage along island trails. In all, our 232 volunteers donated approximately 4,286 hours of work on the island between May 8 and June 20. Clearly we would not be able to accomplish all that needs doing on Star Island without our amazing volunteers.

We are off to a great start to our conference season, and so many things are going well. We look forward to an enjoyable and meaningful season for all who come to Star Island this year.

Sincerely,



Joe Watts  
Chief Executive Officer