**Star Island Corporation (SIC)**

**Chief Executive Officer’s Report**

**November 15, 2017**

***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**

* Marketing and outreach remains a top priority. On November 6, we met with our marketing consultant to debrief 2017 and outline our plans for 2018. Our staff/SIUCC marketing team met on October 11, and our staff/IRAS marketing team met on Monday. The Outreach and Engagement Committee met on October 17 to focus on pricing communications and our registration correspondence. Our new promotional video is nearly complete, and we expect to be rolling it out soon (rumor has it that there will be a sneak preview of the video over lunch at Saturday’s Board meeting).
* The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) had its annual retreat October 23-27 at Murray Grove Retreat and Renewal Center, in Lanoka Harbor, NJ. This was one of our most productive retreats yet, with working sessions on diversity/inclusion, financial best practices, planned giving and more. The UUACCC also decided against having a shared booth at the General Assembly of the Unitarian Universalist Association in 2018, though the intention is to continue marketing and outreach at UU events and in UU publications.
* The Council of Conferences (CoC) met on October 14, and a meeting recap will be presented at Saturday’s Board meeting. Phil Sears, CoC President, announced he will be stepping down next year. We are grateful for Phil’s service over the last five years.
* Since receiving the Pelican Compensation Task Force Report nearly three months ago, we have been actively focused on Pelican compensation (broadly defined to include more than wages), continuing to receive input from various sources – the Personnel Committee (which met on 9/18, 10/10 and 11/8), the working group of Pelicans selected by Pel Liaison to the Board Celeste Magliocchetti (which met on 9/16, 9/28, 10/12 and 11/7), the Pelican hiring team and others. Based on this input, we are closing in on a final set of action items for 2018 (some have already been implemented), and at the same time we are keeping track of longer-term possibilities (for 2019 and beyond).
* Our staff leadership team retreat took place on November 1 – with working sessions on crisis communications (a proactive review of our Crisis Communications Plan), the 2017 season debrief and, for the majority of our time together, marine transportation and logistics.
* We are gearing up for the 2018 Pelican hiring process, and we anticipate our application to be online in early December.
* We launched our fifth annual Veteran’s Raffle on Veteran’s Day (with the drawing on December 4). The raffle winner and his or her family will receive a free week on Star Island in 2018.
* We have a long-standing commitment to justice and hospitality, and to further this commitment, we recently engaged consultants to design and implement a task force dedicated to address racial justice, diversity, and being as welcoming as we possibly can be to all people.
* Please find attached a recommendation for an Extended Vacation Period (EVP) policy. This recommendation from the Personnel Committee is supported by staff/HR, and we look forward to discussing it at Saturday’s Board meeting.

**ECONOMIC**

* Please find attached three 2018 budget drafts, along with an accompanying memo. We look forward to receiving feedback from the Finance Committee and the Board of Directors during their upcoming meetings – this input will inform our final budget proposal, which will be submitted in January. The attached budget memo includes a menu of specific items included in each budget draft. From a bigger picture perspective, what we are trying to accomplish with these drafts, to varying degrees, is the following (after each bullet, relevant goals and objectives from our strategic plan are noted):
	+ (Versions A-C) Treating our employees well (Community Goal, Objectives 1-3);
	+ (Version A & B) Investing more in our IT department, to keep up with significant increase in demand over the last few years (Community Goal, Objective 2; Economic Goal, Objective 4; Environment Goal, Objective 4);
	+ (Version A-C) Committing to diversity/being an even more welcoming community (Community Goal, Objectives 1-3; Economic Goal, Objective 3; Environment Goal, Objective 4);
	+ (Version A & B) Investing in a capital campaign readiness study to help us choose our optimal multi-year fundraising plan (Community Goal, Objective 4, Economic Goal, Objective 1; Environment Goal, Objective 2; Stewardship Goal, Objectives 1-5);
	+ (Versions A-C) Deciding upon the right balance between our capital project plan and cash on hand desired at the end of FY18 (touches upon all goals and objectives in one way or another).
* Additionally, we would like to decide upon the 2018 room & board rate increase, if any, at the November 18 Board meeting.
* Please find attached the September and October Financials, the most recent of which project a year-end net operating gain of $242K (vs. a 2017 budget of $284K).
* The Finance Committee met on October 18 to discuss the September Financials, including an unanticipated overage for food service expense, and the Long-range Integrated Financial Tool (LIFT). The committee meets again tonight.
* On October 10, the Trustees of the Star Island Permanent Trust met to discuss various topics, and voted to accept the Board’s recommendation to change the annual distribution percentage from 4.50% of a three-year moving average to 4.25%, effective next year. The value of the Trust as of September 30 was $4,290,347, and the October 2017 distribution to SIC was for $180,700.
* We are planning our 2018 discount program, and expect it to be largely similar to our successful 2017 program.
* The 2018 budget drafts anticipate an increase in personal retreat bed nights, largely due to our plans to change our policy to permit confirmation of personal retreat registrations four weeks prior to the conference start date rather than two weeks prior. We are confident that the extra two weeks will provide the majority of personal retreaters enough time to plan their trip to Star. We also feel that asking conferees to register earlier than four weeks before the conference start date is reasonable. We look forward to communicating this policy change to conference leaders well in advance, at the January 6 meeting of the 2018 chairs and registrars.
* Mike Bray and Justina Maji recently reviewed every room on the island and came up with a plan to accommodate more conferees, comfortably, in existing conferee rooms. Their efforts have resulted in a theoretical maximum increase of 36 conferee bed nights on any given night (actuals will be lower, but are hard to predict at this time). Beyond this important tweak, we are working on a long-term, strategic housing plan to inform our efforts for 2019 and beyond.

**ENVIRONMENT**

* We have completed a successful close-up of the island, and our winter caretaker, Alex de Steiguer, moved out to the island on 11/9.
* We are making significant progress on plans for our next wastewater treatment facility. On November 2, staff met with representatives of the NH Department of Environmental Services (NHDES), Underwood Engineering, and Altus Engineering to receive a progress report and discuss options. Over the last several months ten types of systems were considered, and four systems were identified as worthy of active investigation. We have now narrowed our focus down to two systems – one is an existing, commercial system that meets all of our identified needs, and the other is a late breaking alternative proposed by a staff member of the NHDES. These two systems are largely similar, and we expect to come to a final decision by the end of next month. Regardless of which system is selected, we know we will need to install an enhanced grease removal system (which is separate from the main system) and a winter solution (also separate). We remain committed to water reclamation, especially for reuse/recirculation in toilets; underground drip irrigation appears to be more costly than anticipated, though we haven’t ruled it out at this time. Once the system is selected, next steps include:
	+ January-May:
		- Design contract and engineering
		- Working with NHDES and others to create acceptable reuse standards for our project (these regulations do not currently exist in NH)
	+ May-June:
		- 90% plans submitted
		- Receive feedback on 90% plans
	+ July:
		- Submit 100% stamped plans
		- Receive authorization to bid
		- Advertise construction bids
	+ August: Open construction bids
	+ September: Construction contract awarded

Our goal is to meet this schedule, which will enable us to begin construction in the fall of 2018 and finish construction in the spring of 2019, such that the new system would be online for the 2019 conference season.

* We incurred some fairly significant expenses this year due to one of our relatively new generators not functioning properly. We have paid a local, authorized service center for the work, which is reflected in the attached October Financials. We are also in conversations with the manufacturer about receiving full or partial reimbursement for these expenses.
* On November 3, we had a productive meeting with staff, Bruce Parsons and Tom Mansfield about two of our proposed major projects for 2018 – Phase IV of the Oceanic Rehabilitation Project (from the Oceanic Tower, to the area above the Lobby Alcove, and along the wall of Oceanic and Caswell); as well as Phase I of the Brookfield/Rutledge Marine Lab (RML) Renovation. We made significant progress envisioning both projects, and expect to develop plans over the winter. The Oceanic project would occur in the spring, and the Brookfield/RML project would begin in the fall.
* We are working on 2018 boat schedules, with a goal of finalizing all schedules prior to the January 6 Chairs and Registrars meeting. Our work involves negotiations with the Isles of Shoals Steamship Company and Granite State Whale Watch on ferry schedules for the 2018 season. Our work also involves taking a fresh look at our professional marine services agreement to come to the best possible arrangement for 2018. Overall, our goal is to come up with a robust boat schedule that meets our many needs.

**STEWARDSHIP**

 *(NOTE: Interim Director of Development Peter Squires and I have co-written this part of my report.)*

* As of October 31, our Annual Fund (AF) had realized $352,069 in gifts, with a pledge balance of $55,894, for a total of $407,963 (83% of our 2017 goal of $490,000). Please see the attached October AF Comparison Report for more information. The following chart compares 2017 to the previous two years:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Year** | **Realized Gifts** | **Pledge Balance** | **Total** | **% to Goal** | **Total Donors** |
| **2017** | $352,069 | $55,894 | $407,963 | 83% | 979 |
| **2016** | $320,640 | $49,297 | $369,937 | 77% | 1,134 |
| **2015** | $284,489 | $43,247 | $327,736 | 70% | 1,040 |

We are currently ahead of last year’s pace, despite fewer donors, indicating room for a strong finish to the year. We believe we will surpass our 2017 AF goal, as indicated in the attached October Financials.

* Our Fall AF appeal letter was mailed at the end of October and has already begun to yield significant returns.
* Conference AF volunteers are reaching out to selected recent-year donors who have yet to contribute in 2017.
* We are especially grateful to the All Star 1 Conference for their recent 2017 AF donation of $20,000, which they raised during their wildly successful conference auction.
* We are pleased to have been awarded a $2,000 grant from the Rosamond Thaxter Foundation for “support for Star Island’s Environmental and Sustainability Education Internship Program, which provides assistance in all practical, educational, and outreach elements of Star Island’s award-winning Green Gosport Initiative.”
* Also on the grants front, we have submitted final reports to 2017 grant funders the Madelaine G. von Weber Trust and the Portsmouth Garden Club. We are awaiting word – expected this month – from the Land and Community Heritage Investment Program (LCHIP) about our $125,000 grant application for Phase IV of the Oceanic Rehabilitation Project.
* The Fund Development Committee met on October 18 to receive various updates and to brainstorm better fundraising practices for Star Island, primarily regarding AF volunteer outreach and more aggressively promoting the Star Island Legacy Society.
* The Isles of Shoals Association Unitarian Universalist (ISAUU) held its annual meeting on November 4. During the meeting, I provided an SIC update and expressed our appreciation for all that the ISAUU does for Star Island. There was also a presentation and discussion about accessibility on the island.
* Starry Night will take place in the Discover Portsmouth Center on November 18 (we are nearly sold out – register today at [www.starisland.org/programs/events](http://www.starisland.org/programs/events)). This year’s speakers are Mary Ellen Burke and Peter Randall, who will be talking about *Gosport Remembered: The Last Village at the Isles of Shoals*, a Shoals classic reprinted by SIC as a special 20th anniversary commemorative edition.
* On October 20, over 100 people attended the opening celebration of the NH Society of Photographic Artist’s “20 Years of Star Island Photography” exhibit at the Discover Portsmouth Center. The exhibit will continue through November 21, and photos on display are currently on sale, with a portion of the sales benefiting Star Island Corporation.
* Robert’s Maine Grill in Kittery, ME, recently hosted two “Community Suppers,” during which many Shoalers and non-Shoalers dined in support of Star Island – we received a check from Robert’s for $550.
* We are grateful to all of our volunteers, who help out in so many ways. This year, we were the beneficiaries of over 13,000 hours of island volunteerism. Please see the attached summary of 2017 island volunteerism for more information.

I appreciate the time period from Veteran’s Day through Thanksgiving, as it is a time to think about and express gratitude. I am grateful for Star Island, for the many people who make it happen, for what we represent and for what we have the potential to become.

With Star Spirit,

Joe Watts

Chief Executive Officer