**Star Island Corporation (SIC)**

**Chief Executive Officer’s Report**

**February 27, 2018**

***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**

* On the outreach and engagement front, we continue to make excellent progress in many areas – one of which is with our conference specific marketing teams. We anticipate sending out a targeted email to every UU church in the country promoting LRE and IRAS, and we plan on emailing every UCC church in the country promoting our SIUCC conferences and IRAS. We are also working with the SIUCC marketing team on a postcard mailing and customized ambassador packets.
* Our Beloved Community Project is beginning to take form – please see attached memo from Revs. Leon Dunkley and Chris Jablonski for more information.
* As previously reported, US Army veteran Nelson Linscott of Kittery, ME is the winner of our fifth annual Veteran’s Raffle – here is a recent article: [www.seacoastonline.com/news/20180215/kittery-man-wins-star-islands-military-veterans-raffle](http://www.seacoastonline.com/news/20180215/kittery-man-wins-star-islands-military-veterans-raffle).
* We enjoyed a new Board member orientation session/Q&A on February 5.
* The Personnel Committee met on February 6 to discuss several topics, including our pension plan options and a review of our Safe Community/Consolidated Policies. Please find attached two unanimous recommendations from the committee, both of which are supported by staff. The first is to change our pension plan and co-fiduciary to what is included in the attached summary proposal from Dirk Richardson. The second is to update our Safe Community/Consolidated Policies as identified in the attached redlined policy document.
* Our year-round and 10 month, full-time staff are headed to Ferry Beach Park Association tomorrow for a winter staff retreat. SIC and Ferry Beach staff are working together to plan this retreat, which will focus on various topics including facilities, food service, registration, membership and risk management.
* We have formed an Alcohol Working Group (working title) to focus on the issues associated with alcohol use on Star Island, from varying perspectives. Our group consists of Health Committee Chair John Mark Blowen, LRE Conferee Bob Clay, IA and Star Women Conferee Lauri Yanis, Pelican Liaison to the Board Celeste Magliocchetti, Pelican Lily Hubbard, Community Health Advocate Sarah Whalen, Island Manager John Bynum and me. Our first meeting was on February 13, during which we got to know one another, heard a report to provide context to our work and brainstormed what we thought about the issues associated with alcohol use on Star Island. Our next meeting is on March 5, when we intend to focus on issues as they pertain to employees.
* On a related note, we are having a Zoom video conference open to all current Pelicans on March 7 to discuss the topic of alcohol use on Star Island. At this meeting, we intend to explain how we are conducting a comprehensive review of our existing policies and procedures, and to emphasize safe and legal consumption of alcohol on Star Island (this will be a similar message to the one shared with conference chairs and registrars at their January 6 meeting). We also intend to hear from Pelicans about their thoughts about these issues.
* The Pelican hiring team, ably managed by Kate Brady, has made excellent progress with putting together an exceptional team of 2018 Pelicans. The team is carefully considering several applications. Though we received fewer applications than last year, we believe we have a strong applicant pool. Employment offers are expected to be sent out by the middle of next month.
* We are pleased to announce that Peter Squires has been hired as our Director of Development. We conducted a broad search and had several qualified applicants, and Peter was the unanimous selection of our search committee.
* We are also pleased to announce that Tim Dullea has been hired as our 10 month, full-time IT Manager. This is an expansion of Tim’s 2017 IT role for Star Island, and it affords us an opportunity to get more of a handle on this increasingly important area of our operations.
* We are sad to report that Lisa Santilli will be leaving our employment, as her fiancé has been redeployed to Seattle, WA, effective this June. We are fortunate that Lisa will be able to continue working for SIC throughout the transition, which will include a job search for a “Community Outreach Manager” (expected to be launched next month).

**ECONOMIC**

* As of February 15, we received 1,223 registrations representing 7,534 bed nights (37% of our 2018 budgeted goal of 20,450). Last year at this time we had received 1,187 registrations representing 7,647 bed nights (38% of our 2017 budgeted goal of 20,350 bed nights), and in 2016 at this time we had received 1,112 registrations representing 7,489 bed nights (38% of our 2016 budgeted goal of 19,650 bed nights). Overall, we seem to be on track with where we usually are this early in the registration process, though it is still premature to draw firm conclusions.
* Our unaudited 2017 December/Year End Financials indicate a net operating gain of $230,168 (vs. 2017 Budget of $283,941). We invested $432,938 in capital projects (vs. 2017 Capital Budget of $460,000). Please see the attached financials and accompanying memo for more information.
* Our consolidated January/February Financials will be available in mid-March, as usual, and included in the April 10 Board meeting materials.
* The Audit Subcommittee of the Finance Committee and staff met with Berry Dunn (our auditors) on February 1, and the audit fieldwork is scheduled for next week. Our goal is to have a completed audit and Form 990s (for SIC and the Star Island Permanent Trust Fund) to present at the April 10 Board meeting, with the understanding that if more time is needed, these documents will be presented at the May 6 Board meeting.
* After serving as, effectively, our part-time CFO for the last few years, Chris Bertoncini left the employment of Insource Services at the beginning of this month. Kristen King, also of Insource Services, has succeeded Chris as our part-time CFO. We continue to work with Insource to ensure this important transition in our finance department works out smoothly, and we are also looking at how to improve some other functions, such as on-site bookkeeping services.
* The Finance Committee met on January 17 to discuss several topics, including the November Financials, the 2018 Budget, the annual audit, and transitions in our finance department. The committee voted unanimously to recommend the staff’s 2018 Budget proposal for approval by the Board (the Board approved the 2018 Budget at its January 23 meeting). The committee next meets on March 21.
* We continue to work with the NH Department of Environmental Services (NHDES) on details related to our Clean Water State Revolving Fund (CWSRF) loan. We expect to request our first loan disbursement prior to April 1, and we now anticipate it is more likely than not that we will be able to formally change the term of our CWSRF loan from 20 to 30 years.
* We have entered negotiations with the Portsmouth Historical Society, our landlord for our Portsmouth offices in the Discover Portsmouth Center. Our existing, five-year agreement runs through the end of this year, and we are hoping to enter into a new long-term agreement starting in 2019.

**ENVIRONMENT**

* Mike Bray, Information Services Manager, has prepared the attached memo about our current island housing situation, as well as some ideas to get the conversation started about developing a long range master housing plan. Such a plan would work hand in hand with our strategic plan and the Long-range Integrated Financial Tool (both attached) to inform our future work in this area. As indicated in Mike’s memo, there are several variables in the equation, and we need to weigh these options carefully to come to the best outcome(s) for the future. We are looking forward to the long-range visioning sessions at the upcoming Winter Board Retreat to help flesh this out further. Ideally, we will finalize a master housing plan in time for the 2019 budget process.
* Jack Farrell, Director of Facilities, met with the US Coast Guard (USCG) on January 25 to discuss emergency evacuations from Star Island. While the USCG can never guarantee an evacuation (due to things like multiple simultaneous deployments), they emphasized that they would continue to deploy all available assets in an emergency at Star. Additionally, the USCG suggested that we convene a series of meetings to anticipate the range of emergency response that might be required, and to include all of the potential responders. These meetings would include SIC employee training at Star Island during the orientation week, and this could become an annual process. The meeting was positive and collaborative, and Jack will be following up with Newcastle Coast Guard Station CWO John Harker, the station’s commanding officer, about next steps.
* We continue to make significant progress on plans for our next wastewater treatment/water reclamation facility. On February 8, we met with Underwood Engineering to discuss a draft design engineering contract, what we might propose to NHDES for effluent reuse standards, and the draft engineering report of SIC wastewater treatment/water reclamation facility evaluations. On February 14, staff and Underwood met with NHDES representatives to review the draft design engineering contract and facility evaluations report, as well as how to proceed to decide upon effluent reuse standards (given that the State of NH currently does not have any in place for reuse in toilets). Since this important set of meetings, a lot has been happening, and we expect for this pace to continue in the weeks and months ahead. Currently, Underwood is finishing up work on the design engineering contract, and once that is approved by the NHDES (expected this week), I intend to sign it so that we can enter the next phase of our project. Yesterday, Underwood submitted what we believe to be the final draft of the facility evaluations report to NHDES – this extensive (156 page) report specifies that we should install an Amphidrome system ([www.amphidrome.com](http://www.amphidrome.com)). Also, we are working on a proposal for SIC to engage in a long-term pilot program whereby we work with NHDES to establish effluent reuse standards for toilet flushing over time – we are in the process of preparing our formal proposal for this pilot program. These details and more will be discussed in greater lack by Jack Farrell during his presentation to the Board at its upcoming Winter Board Retreat.
* Jack will also be discussing how our plans are shaping up for many of our 2018 capital projects. One example is Phase IV of the Oceanic Rehabilitation Project, which we intend to complete this spring. We met with representatives from the ISAUU on February 2 to discuss the implications of this project on the Lobby Store and Lobby alcove area. Our current thinking is that we will try to preserve the façade of the Lobby Store, and we will upgrade the alcove area with a new paint job and, we hope, a propane fueled fireplace. Another example of 2018 project planning is our work with the Isles of Shoals Steamship Company, the Shoals Marine Lab and Geno Marconi, Director of Ports and Harbors, Pease Development Authority (PDA), on the layout and plans for upgrading our shore side facilities, which we also hope to complete this spring (in advance of the conference season).
* We have signed a one-year agreement with Granite State Whale Watch for service to and from Rye, NH for the 2018 season. The agreement is largely similar to the one-year agreements we have had in place for the last twenty years with Island Cruises (Uncle Oscar).
* We are working with Conference Services Committee Carla Cole on an outdoor exercise program/course, which we hope to design and possibly install (at least in part) during the 2018 conference season. We anticipate having a high quality program/course installed around the perimeter road, in tactful locations, prior to the 2019 season.

**STEWARDSHIP**

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

* Our unaudited 2017 Year End Financials indicate that our 2017 Annual Fund total came in at $554,896 (113% of our $490,000 goal). Annual Fund giving, which is unrestricted, is our primary fundraising goal, and thus we are pleased with our success (even though restricted giving came in under budget). Combined, our fundraising totals for 2017 exceeded budget, and we are especially grateful to everyone who contributed last year!
* As of January 31, our Annual Fund (AF) had realized $18,162 in gifts, with a pledge balance of $7,333, for a total of $25,496 (5% of our 2018 goal of $505,000). Please see the attached January AF Comparison Report for more information. The following chart compares 2018 to the previous two years:

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| --- | --- | --- | --- | --- | --- |
| **Year** | **Realized Gifts** | **Pledge Balance** | **Total** | **% to Goal** | **Total Donors** |
| **2018** | $18,162 | $7,333 | $25,495 | 5% | 145 |
| **2017** | $9,868 | $0 | $9,868 | 2% | 133 |
| **2016** | $11,502 | $0 | $11,502 | 2% | 91 |

Despite our success with the 2017 AF, and a better than usual start to our 2018 AF campaign, our 2018 budgeted goal is lower than 2017 actuals – this is based on several factors, including new federal tax law changes, recent stock market volatility and the potential for a sustained stock market downturn.

* Planning for our spring AF appeal is underway, and Peter is working with conference leadership groups to identify 2018 AF volunteers for each conference. We have thirteen AF representatives lined up so far, including five from conferences that did not have AF representatives in 2017. Two of our goals for 2018 are for every conference to have an AF volunteer, and for the number of donors at every conference to increase.
* After receiving an invitation to apply, we submitted a $30K grant proposal for operational support of the Green Gosport Initiative from the Seacoast Women’s Giving Circle. All applicants are scheduled to be notified by April 6.
* Thanks in large part to the advocacy of Star Island’s advocates at the UU Congregation at Shelter Rock (UUCSR), especially Jessica Vega and Frank Teltsch, the UUCSR Large Grant Program selected UU Camps and Conference Centers as a funding category this year. UUCSR has made it clear that they support the Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC), and they opted to send out a single RFP – to the UUACCC (administered by SIC) – for a $100K grant (thus, there is an extremely high likelihood that this grant will be awarded). SIC’s share – approximately $14K – would go towards fire safety improvements on the island. SIC is a co-applicant and is not responsible for how other UUACCC member organizations will ultimately use grant funds (though we anticipate they will honor their commitments). SIC has agreed to administer the grant on behalf of the UUACCC, including applying for the grant (we submitted our application yesterday) and, if we are successful in our application, receive one check for $100K and distribute the funds to the other UUACCC members (less SIC’s grant portion).
* We intend to apply to the UU Funding Program for a grant of up to $20K in support of the Beloved Community Project. This application requires a letter from the governing board of our organization endorsing the proposal and agreeing to be financially responsible for the project if funded. This letter is attached for your consideration. The grant application deadline is March 15.
* The Fund Development Committee (FDC) met on February 15 to receive various updates – including development staffing updates and discussing donor recognition, particularly restricted gifts. This was the committee’s first meeting of 2018, and the first meeting as FDC Chair for Judy Samuelson.
* Thanks to volunteer Arlyn Weeks, we have submitted our completed application for an AmeriCorps’ ([www.nationalservice.gov/programs/americorps](http://www.nationalservice.gov/programs/americorps)) National Civilian Community Corps team to work on Star Island this spring. The team, which would consist of 6-10 members aged 18 to 24, would work on projects that support Star Island’s sustainability, possibly including winterization, historic preservation of buildings, and the Green Gosport Initiative. This is our second AmeriCorps application – our first was accepted for a project last fall, but the team was reallocated to help with recovery efforts in response to Hurricane Harvey.
* We are currently receiving applications for our spring volunteer weekends, with a deadline of March 18. More information about spring volunteering, and our volunteer application can be found at [www.starisland.org/volunteer-information-spring-2018](http://www.starisland.org/volunteer-information-spring-2018).

We are off to a great start to 2018, and early open-up starts in just over a month.

With Star Spirit,

Joe Watts

Chief Executive Officer