**Star Island Corporation (SIC)**

**Chief Executive Officer’s Report**

**May 1, 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**

* As previously reported, we have been working closely and over time with selected conferences on marketing and outreach. The SIC/SIUCC marketing team met on April 19 to identify additional steps we can take to increase registrations both this year and for future seasons. The SIC/IRAS marketing team met to do the same on April 26. We have also been working with Star Arts, LRE and YES.
* We have nearly finalized our 2017 Pelican roster – with only one opening remaining. We are excited to have a very strong group of Pels this summer, including a few international workers.
* Our Alcohol Safety & Awareness Task Force (new working title) met again on April 25 to discuss a number of topics, including planning for town hall-style meetings during major conferences this summer. We have reached out to the following conferences to schedule these meetings, and to invite them to participate in meeting planning, if desired: Star Arts, NHW, IRAS, All Star 1, All Star 2, LRE, IA, SG 1 Family & Youth, SG 2 Family, YES, LOAS 1 and LOAS 2. We also anticipate having a series of meetings with our Pelicans this season.
* Island & Food Service Manager John Bynum, Conference Center Director Justina Maji and I attended a sexual harassment training on April 5. The training was hosted by Fred C. Church (our insurance agent) and Charla Stevens of McLane Middleton (our law firm). Charla, who chairs McLane’s Employment Law Practice Group, is working with John and Justina to craft a new sexual harassment training program to take place during Pelican orientation week this June. This program will supplement efforts we already have in place, such as our Healthy Living program.
* We continue to make good progress with changing our retirement plan and co-fiduciary arrangements. At our new financial advisor’s recommendation, we have formed a small group including Personnel Committee Chair Debbie Duval and Incoming Finance Committee Chair Jeff Loewer to look at our initial plan choices – this group meets on May 9. An employee education meeting is scheduled for June 8. We are now planning for a July 1 rollout.
* The deadline for applications for our Community Outreach Manager (COM) position was yesterday, and we are in the process of conducting interviews. Our hope is that the next COM will start by June 1.

**ECONOMIC**

* As of April 15, we received 2,459 registrations representing 14,966 bed nights (73% of our 2018 Budget goal of 20,450) – please see attached bed night report for more information. Last year on April 15, we were at 14,711 bed nights (72% of our 2017 goal of 20,350), and on April 15, 2016 we were at 14,145 bed nights (72% of our 2016 goal of 19,650). We believe we are on track to attaining our 2018 bed night goal, though we still have a way to go. We encourage all Shoalers to bring one or more new folks to the island this summer!
* At its April 10 meeting, the Board accepted the 2017 audit as presented. We are in the final stages of filing SIC’s and the Star Island Permanent Trust Fund’s 2017 Form 990s with the IRS and the State of NH, as well as filing our A-9 Form (real estate exemption) and A-12 Form (charitable organization financial statement) with the Town of Rye.
* The Finance Committee met on April 18 to discuss several topics, including reviewing our financial statements, the 2017 audit, SIC’s Form 990, reviewing the status of various capital projects, information security and an update on the timing of the next update of our Long-Range Integrated Financial Tool (LIFT), which is expected to be completed this fall.
* We have been working with Treasurer John Bush and Incoming Treasurer Jeff Loewer, as well as Insource Services, on transitional issues. On April 4, Kristen King (Insource) and I met with John and Jeff to go over a number of items John identified as important transitional items. Tomorrow, staff and Insource will be engaged in a finance and purchasing workshop. On May 8, Kristen, Jeff and I will be meeting to check-in, something we are planning on roughly a monthly basis over the next several months.
* We are currently projecting a net operating gain of $322K (vs. budget of $319K) – please see the attached March Financials for more information. The April Financials are expected to be ready by the middle of this month, as per usual.
* We have received two Clean Water State Revolving Fund (CWSRF) loan disbursements to date, totaling just under $10K – the process for these disbursements has run smoothly thus far.
* We will soon start borrowing from our credit line with Optima bank to help with cash flow between now and when we start receiving room and board revenue next month.
* Lease negotiations with the Portsmouth Historical Society, our landlord for our Portsmouth offices in the Discover Portsmouth Center, are ongoing. As previously reported, our existing, five-year agreement runs through the end of this year, and we are expecting to enter into a new long-term agreement starting in 2019.

**ENVIRONMENT**

* Open-up is going well as we rapidly approach the start of the conference season. Despite some challenging weather and an ambitious capital project plan, we believe we are on track to complete the projects we have lined up for the spring.
* We are well underway with several projects, including substantial progress renovating the Shack. Yesterday, we started work in earnest on the Oceanic Rehabilitation – Phase IV project (exterior work). Additionally, we have made progress fixing up the Lobby alcove area, including reconfiguring the Lobby Store. We are about halfway through creating a new Cottage E pathway to make that building more accessible. We are continuing upgrades to the bedrooms and hallways on the second floor of the hotel (started last year), and we are extending this work to the third floor this year as well.
* We have three unbudgeted capital projects we are working on at this point – installing a new Main Pump Station (MPS) for our existing wastewater treatment facility, fixing the Lawrance floor and planning for the installation of an outdoor exercise course. For the MPS project, we have received formal approval from the NH Department of Environmental Services (NHDES) and have ordered the main tank. For Lawrance, our original intention was to install a doorway on the east wall of the building, which would be connected to the Gosport porch thus making Lawrance more accessible. However, when we examined the floor on the inside of Lawrance, it was determined that it was in worse condition than previously thought, and as the floor was pulled back, more and more rot was discovered. The result is that we need to replace the entire Lawrance floor this year (ahead of schedule – this would probably have otherwise occurred in 2019 or 2020). Finally, we are planning to install a number of exercise stations around the perimeter road, according to a plan designed in collaboration with the Conference Services Committee. At this time, we anticipating managing all of these projects within the footprint of the approved 2018 Capital Budget.
* In addition to ongoing capital project work and routine open-up activities, we are in the midst of planning for future projects. We engaged an engineer to look at the Brookfield foundation to come up with the best plan for how to proceed (project scheduled for this fall), and to provide a structural review of the Underworld, which will be part of the planning work we complete this year, with the project itself expected to follow in 2019-2020.
* We continue to make good progress with our planning for our next wastewater treatment/water reclamation facility. A comprehensive environmental review of our project was submitted to the NHDES in a letter dated April 24. Today, we received formal approval for sole sourcing of marine services during our project. Our effluent reuse pilot program proposal is being actively discussed and reviewed by the NHDES.
* For many years now, our approach to regulatory compliance has been proactive and collaborative. 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; filing requirement status; 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. Additionally, many key regulatory due dates are set as recurrences on my (digital) calendar, as well as on Office Manager Kate Brady’s calendar, and I routinely review these due dates with relevant senior staff throughout the year.

**STEWARDSHIP**

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

* As of March 31, the Annual Fund (AF) had realized $49,340 in gifts, with a pledge balance of $12,000, for a total of $61,340 (12% of our 2018 goal of $505,000), with 124 recurring monthly donors – 111 via credit card and 13 via recurring bank check. The April AF Comparison Report is due out soon – while we do not have final numbers yet, the Spring Appeal was sent out on April 16, and we have already started receiving a significant number of contributions in the mail.
* Our annual Star Island Newsletter also went out recently. Based on the quality of this publication, we made a marketing decision to expand the audience that would receive it from under 3,000 to over 14,000, in an effort to reengage lapsed Shoalers. We have received great feedback on this edition of the newsletter – a digital version, as well as archives of previous newsletters, can be viewed at [www.starisland.org/organization/newsletter](http://www.starisland.org/organization/newsletter). We also received a request to republish our article on our new wastewater treatment/water reclamation facility from the NH Water Pollution Control Association’s The Collector.
* The Fund Development Committee met on April 25, with a focus on identifying successful on-island Annual Fund fundraising practices.
* Peer-to-peer fundraising efforts for the Shack and Underworld renovations are underway. The project-specific web page to support this effort ([www.starisland.org/pelicanprojects](http://www.starisland.org/pelicanprojects)) will be shared on Facebook after the Annual Meeting in order to increase interest among former Pelicans of all ages. Please share it with your Pelican friends!
* We received a Disaster Relief Grant of $3K from the United Church of Christ in response to the winter storm damage to our Main Pump Station. Coupled with the $22K grant we received from the Unitarian Universalist Association, we have secured 100% of the anticipated expense of this project.
* Our $30K grant request to the Seacoast Women’s Giving Circle (SWGC) in support of the Green Gosport Initiative was declined. We have requested feedback from the SWGC to inform future grant requests.
* We are awaiting word on several other grant applications, including our $25K request of the McIninch Foundation in support of the Brookfield/Rutledge Marine Lab project.
* On May 6, we will request Board approval to apply for a $25K grant from the Cogswell Benevolent Trust, also in support of the Brookfield/Rutledge Marine Lab project. There is no due date for this application, though the Trust reviews applications monthly, and we would like to apply this month or next.
* On April 19, we welcomed local legend and incoming SIC member Dudley Dudley, who spoke to a crowd of approximately 85 people for our 2018 Earth Day event. Dudley recounted her 1974 resistance to the Aristotle Onassis plan to open the world’s largest oil refinery, which would have turned the Isles of Shoals into a super port. The event received front-page (above the fold) coverage in the Portsmouth Herald:  [www.seacoastonline.com/news/20180419/dudley-dudley-recalls-her-fight-with-big-oil](http://www.seacoastonline.com/news/20180419/dudley-dudley-recalls-her-fight-with-big-oil).
* On May 8, Flatbread in Portsmouth will donate a portion of the night’s proceeds to Star Island. The fundraiser begins at 5:00 p.m. – please join us, and help spread the word!
* Planning for the ninth annual Gosport Regatta continues. We are working with the Piscataqua Sailing Association on event promotions (the poster is finalized), sponsors (being solicited this week), and the trophy for our September 16 event.
* We are pleased to announce that the featured speaker for this year’s Starry Night has been confirmed – Eric Masterson. Eric works by day as a Land Specialist for the Harris Center for Conservation Education in Hancock, NH. He also runs the Star Island Birding Conferences each spring and fall, and has a good following in the Seacoast area.

The island is being lovingly prepared, and we are doing more capital work than in recent memory. We look forward to another successful conference season, which begins in just a few weeks.

With Star Spirit,

Joe Watts

Chief Executive Officer