

Star Island Corporation (SIC)
Chief Executive Officer's Report
February 22, 2019

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 pleased to be sending a team of Board members, year-round/seasonal professional staff, and Pelicans to the Center for Ethical Learning and Social Justice Renewal in New Orleans, LA, the week of April 29. Our group will receive valuable anti-racism and diversity training, which they can bring back to Star as part of our Beloved Community Project.
- Our outreach and marketing efforts for the 2019 season have really ratcheted up over the last few months. The new Star Union conference is doing really well, having already essentially met its conference filling goal (which is remarkable for a start-up conference). Our staff/conference outreach and conference planning efforts with Star Gathering 2/Family Festival are not only working well, but seem to suggest a new way of doing things that could be replicated in 2020 and beyond.
- We are in the final stages of editing our new Star video, intended to be useful for people new to Star. Check out the most recent version: www.youtube.com/watch?v=AgwofA2Vxq8&feature=youtu.be
- Happy Valentine's Day! Star Island was recently featured on www.msn.com as the most romantic place in New Hampshire: www.msn.com/en-us/travel/tripideas/the-most-romantic-place-in-every-state/ss-BBTdHtR#image=29
- Please see attached article from the April/May 2019 edition of the Association of Traditional Hooking Artists' Art of Rug Hooking.
- As previously reported, Lavonne Black of New Albany, PA is our sixth annual Veteran's Raffle winner. The winner of our fifth annual Veteran's Raffle, Nelson Linscott, has contributed a moving blog post about his experiences – it is worth the read: www.starisland.org/blog. Nelson reminds us of the difference Star Island can make in a person's (and a dog's) life.
- We signed our annual agreement with CrossCurrent Communications, our professional marketing consultant, on January 25.
- We signed a new three-year agreement with the Isles of Shoals Association Unitarian Universalist on February 8.
- We have agreed upon a new office space sharing arrangement with the Portsmouth Historical Society for the Vaughan Room of our Portsmouth office, which is expected to go into effect early next month.
- We are pleased to welcome Lindsey Greene as our new Administrative Assistant, and also that Roger Trudeau will be returning this season, this time in the position of Island Engineer. We are in the final stages of the hiring process for two other facilities positions – Head Carpenter & Painter and Capital Projects/Facilities Specialist – and we expect to announce two exciting hires in the near future.

- We are looking forward to our professionally facilitated Spring Staff Retreat, which will take place on March 13. Stephen Gianotti will lead us in an exploration of our dynamic as a team, using the results of three assessment tools (personality, conflict and emotional intelligence).
- We have notified conference leadership that 2020 conferences (with some exceptions) will start five days later than this year, due the date of Labor Day 2020 (our conference calendar “travels” with Labor Day).
- Our Alcohol Safety & Awareness Task Force met on February 13 to focus on some specific action items identified during our Summer 2018 town hall-style meetings. The task force is unified in its support of the Rules and Guidelines for Fellowship/Social Hour (and Other Conference Events at which Alcohol is Present) document, which was disseminated to conference leadership at the January 5 meeting of the 2019 conference representatives.
- The Pelican hiring team, ably managed by Kate Brady, has made excellent progress with putting together an exceptional team of 2019 Pelicans. We are pleased to have seen a 7% increase in the number of applicants this year, which provides us with a stronger applicant pool. We expect to send out employment offers by the middle of next month.
- Some 2018 Pelicans and members of the management team met via Zoom video conference on February 12, focusing on a variety of topics, including compensation in all its forms, training, the Beloved Community project, and more. We agreed it would be beneficial to meet again in April.
- We have settled on a location for the May 4 Annual Meeting – the First Congregational Church of Holliston (www.hollistonucc.org). While there are many benefits of this church, including familiarity, meeting spaces and affordable pricing, we recognize that some in our community have concerns about the location of this wonderful church. We reached out to several UU and UCC churches (including South Church UU in Portsmouth), and the only church that replied in the affirmative was First Congregational Church of Holliston.

ECONOMIC

- As of February 15, we received 1,514 registrations representing 9,097 bed nights (44% of our 2019 budgeted goal of 20,650). Last year at this time we had received 1,223 registrations representing 7,534 bed nights (37% of our 2018 budgeted goal of 20,450 bed nights), and in 2017 at this time we had received 1,187 registrations representing 7,647 bed nights (38% of our 2016 budgeted goal of 20,350 bed nights). While it is still premature to draw firm conclusions, we are noting with interest that registrations are strong in a number of areas, including those we expected (such as All Star 2 going to waitlist within a day of when they opened their registration period), and those we are pleasantly surprised about. We are experiencing stronger than usual registrations at some of our August and September conferences, including Star Women, Yoga and Star Hampshire Dance, which are already on waitlist status. Star Gathering 2 has more registrations at this time than in the last three years, which we believe to be connected with our collaborative outreach and conference planning efforts, as well as our joint SIUCC/SIC family grant pilot program. LOAS 1 and 2 are both nearly halfway to their conference filling goal, which is ahead of where they normally are this time of year.
- Our December/2018 Year End Preliminary (Draft) Financials indicate a net income of \$370,967 (vs. 2018 Budget of \$318,895). We invested \$1,113,221 in capital projects (vs. 2018 Capital Budget of \$1,342,850). Please see the attached financials, as well as the December Dashboard, for more information.
- Our consolidated January/February Financials will be available next month and, as usual, included in the April Board meeting materials.

- The Audit Subcommittee of the Finance Committee and staff met with Berry Dunn (our auditors) on January 31, and the audit fieldwork is scheduled for the week of March 4. Our goal is to have a completed audit, Form 990s (for SIC and the Star Island Permanent Trust Fund), and Form 990-T (for SIC) to present at the April 9 Board meeting.
- The Finance Committee met on January 16 to discuss the November Financials and Dashboard, the 2019 Budget, development of a Finance Committee calendar, and our debt and repayment schedule. A debt working group was formed to examine our current debt situation and report back later this year. The committee meets again on Wednesday, and the debt working group next meets on Thursday.
- The Trustees of the Star Island Permanent Trust meet on April 8.
- As previously reported, we have submitted our formal request to change the terms of our existing Clean Water State Revolving Fund (SRF) loan. Our request included changing the maximum loan amount from \$947,500 to \$1.3 million, the scheduled completion date, and the term of the loan from 20 to 30 years. Since we submitted this request in December, the New Hampshire Department of Environmental Services (NHDES) has been working on preparing all of the paperwork for these changes. As part of their internal process, they realized they were unable to hold the interest rate at 2.000% if we change the term of the loan from 20 to 30 years, as they had previously thought. On February 8, they informed us that if we chose to increase the term to 30 years, the new interest rate would become 2.704% (this is the result of rising interest rates since we closed the original SRF loan in July 2017). Given this new information, we convened a special meeting of both the Finance Committee's debt working group (February 11) and the Executive Committee of the Board (February 12), and we determined that we still want to go with the 30 year term, despite the higher (albeit still good) interest rate. We then met with NHDES and their accounting department to go over other details pertaining to our request to change the terms of our SRF loan, including confirming that we can choose to pay more than required each year without any penalty, and that we can continue borrowing up till December 1, 2020. The final two steps in this process are a vote at the March 27 Governor and Council meeting and closing the loan, which will likely occur by mid-April. Despite the change of interest rate, we remain pleased to be able to borrow up to \$1.3 million at a fixed interest rate of 2.704% for a term of 30 years.

ENVIRONMENT

- Director of Facilities Jack Farrell will be offering a presentation to the Board at its upcoming Winter Board Retreat which will focus on how our plans are shaping up for many of our 2019 capital projects, with a special focus on the Brookfield/Rutledge Marine Lab reconstruction and our new wastewater treatment/water reclamation facility.
- On February 19, Jack shared our final plans for Brookfield/Rutledge Marine Lab with the Rye Historic District Commission, which was pleased not only with our plans, but also the community outreach and educational aspects of our project.
- On January 23, we had a wastewater treatment/water reclamation facility construction planning meeting with contractors, staff, our engineers and the NHDES, and our next meeting is on Tuesday. These meetings are an important part of the planning process, affording us the opportunity to check-in on the project, work through any issues, and maintain good lines of communication. One important outcome of our January 23 meeting was a reconsideration of Bid Item 2 – Pre-purchased Equipment Install. We originally planned to complete this bid item with our staff in the spring, though after consultation with all parties, as well as consideration of our overall open-up plans, we

have made the decision to award Bid Item 2, in its entirety, to HL Patten Construction (which has already been awarded Bid Items 3-5).

- We are making good progress in planning for what we recognize will be a challenging open-up period, given the scope and timing of some of our 2019 capital projects. As a result, we have spent more time than usual focusing on advance planning, reorganizing our spring volunteer program, assembling an excellent staff and contractor team, and more. Depending on the weather, we expect to send selected facilities staff and contractors out to the island to work for day trips starting March 11.
- We have finalized the 2019 boat schedules with the Isles of Shoals Steamship Company (Thomas Loughton and Challenger) and Granite State Whale Watch (Uncle Oscar), and we have posted them on online at www.starisland.org/boat-schedule. We are in the process of finalizing the rest of our 2019 marine transportation schedule, including Hurricane and Utopia runs, which we will post online by April 1.
- We have negotiated a five-year extension of our Burge Wharf agreement, through which we are permitted to have Portsmouth dock space, storage, trash and recycling, and more. We expect the Pease Development Authority to approve this extension next month.
- We have negotiated a one-year trash and recycling cost sharing agreement with the Isles of Shoals Steamship Company and the Shoals Marine Lab for the 2019 season.
- Keith Fletcher of the Maine Coast Heritage Trust met with us on January 30 to discuss conservation easements and other, related possibilities.

STEWARDSHIP

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

- Our December/2018 Year End Preliminary (Draft) Financials indicate that our 2018 Annual Fund total came in at \$556,732 (110% of our \$505,000 goal). We are pleased with our results, and we are grateful to everyone who contributed last year!
- We are also grateful for a good start to our 2019 Annual Fund. As of January 31, our Annual Fund (AF) had realized \$30,310 in gifts, with a pledge balance of \$8,250, for a total of \$38,560 (7% of our 2019 goal of \$525,000). Please see the attached January AF Comparison Report for more information. The following chart compares January 31, 2019 to the previous two years on the same date:

Year	Realized Gifts	Pledge Balance	Total	% to Goal	Total Donors
2019	\$30,310	\$8,250	\$38,560	7%	203
2018	\$18,162	\$7,333	\$25,495	5%	145
2017	\$9,868	\$0	\$9,868	2%	133

- We have secured commitments from Annual Fund volunteers at 10 conferences so far: YAC, Star Arts, NHW, AS1, AS2, Faith Development (LRE), IA, LOAS1, LOAS2, and Star Hampshire Dance. We hope to surpass last year’s total of 16 conferences with Annual Fund volunteer representation.
- We are planning on sending out our spring Annual Fund appeal letter in April.

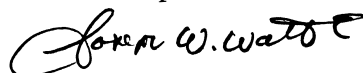
- We are creating a targeted appeal to Legacy Society prospects. This appeal, which is being formatted as an invitation, will be sent to recent major donors as well as consistent long-time donors at lower levels.
- At the upcoming Winter Board Retreat, we are requesting Board approval to pursue the following grant opportunities:
 - (Due March 15) A grant of up to \$25,000 from the Samuel P. Hunt Foundation in support of the Brookfield/Rutledge Marine Lab project.
 - (Due April 15) A grant of up to \$25,000 from the Madelaine von Weber Trust in support of the wastewater treatment/water reclamation project.
 - (Due May 1) A \$10,000 grant from the Cricket Foundation in support of the wastewater treatment/water reclamation project.

We had great success with grants in 2018, and we are hopeful to continue this trend in 2019.

- Please find attached Philanthropy Resource Group's Campaign Readiness Assessment. We look forward to discussing this report at the upcoming Winter Board Retreat.
- Please also find attached our proposal for changes to our existing Memorial Bench Policy. As previously noted, our proposal is informed by input from several constituencies, gathered over time. We respect that there are differing opinions on memorial benches, and we have carefully considered the issues as we understand them. We are looking forward to a productive discussion at the upcoming Winter Board Retreat, and we hope our proposal is accepted so that we can order benches in time to install them for the upcoming season.
- The Fund Development Committee (FDC) met on February 13 to review and analyze the fundraising outcomes of 2018 and to discuss the idea of raising funds by offering naming rights for our rowboats.
- We are currently receiving applications for our spring volunteer weekends. More information about spring volunteering, and our volunteer application can be found at www.starisland.org/spring-volunteering.

Despite the snow on the ground, we are gearing up for a productive open-up, with a crew headed out in less than three weeks!

With Star Spirit,



Joe Watts
Chief Executive Officer