

**Star Island Corporation (SIC)**  
**Chief Executive Officer's Report**  
**June 4, 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 hosted two pre-season birding conferences last month, and we are excited to welcome Young Adults on Saturday, and Star Arts and Natural History starting June 15.
- Please see Community Relations Manager Ally Miner's Communications Report, attached, for a look at the many great things happening on the marketing and outreach front.
- As previously reported, we have been working closely with several conferences on marketing and outreach. Our "pilot program" with SG 2/Family Festival/YES Week has resulted in really great energy and enrollments so far – for example, SG 2 is up from 107 people/749 bed nights on June 1, 2018 to 161 people/1,127 bed nights on June 1, 2019...and that's before you factor in the 31 people/154 bed nights for 2019 Family Festival. A number of factors have contributed to this growth, but it is clear that our collaboration is working to bring in more people to this week than we've experienced in over a decade. We also expect that the conference programming this week will create a buzz that will continue to increase enrollments in future years.
- Another conference development approach has been to empower effective volunteer leaders to establish new conference offerings following our traditional conference business model. We are very pleased that the independently run conferences Star Union and Building Bridges – both new this year – have 59 people/403 bed nights and 62 people/367 bed nights registered, respectively.
- These efforts alone – SG 2, Family Festival, Star Union, and Building Bridges – have resulted in an increase in registrations of 1,302 bed nights vs. last year at this time. As noted below, we are 1,513 bed nights ahead of last year at this time overall, and thus the vast majority of this marked increase in registrations is the result of these conferences.
- It was an honor to be a part of a distinguished panel of community leaders at Leadership Seacoast's Arts and Culture Day on May 8. Our panel focused on Arts and Culture in the Seacoast Region, and it was rewarding to have the opportunity to discuss Star Island in this context with the Class of 2019 and distinguished guests.
- Kelly Dwyer, Celeste Magliochetti, Peter Squires and I attended the NH Center for Nonprofits' Nonprofit Conference & Expo on May 13, where we attended a range of workshops related to fundraising, marketing, finance, leadership & governance, operations & technology, and human resources. I attended some informative workshops focused on board engagement, roles and responsibilities of staff and board members, and visioning.
- We have nearly finalized our 2019 Pelican roster. Over the last month, a number of people who had previously committed to working as a Pelican this year notified us that they were backing out of their commitment (for a variety of reasons). As of today, we have three unexpected openings, compared to having all positions filled as of two weeks ago.

- Pelican Orientation Week, an intensive program covering many aspects of Pelican work and community living, takes place next week. We are pleased to be collaborating yet again with the Rye Fire Department (RFD) and the Rye Police Department on aspects of our orientation program. We are also pleased to be offering our employees additional orientation addressing the issue of sexual harassment, with Charla Stevens of McLane Middleton. Over the last few months we have sent out a series of orientation emails on specific topics – these emails have been sent to Pelicans in advance of their arrival on the island with the hope of supplementing and spreading out the core on-island orientation program.
- We are deeply grateful to the members of the Conference Services Committee for their role in envisioning and implementing our outdoor fitness route. A large number of Shoalers were involved in this project, responding to a repeated call from many in our community over the years. This new amenity is designed to fit into the environment, be accessible to people of all ages, and provide a new, healthy activity for our guests and employees. Balancing change and tradition can be a challenge on Star Island, and we understand that our outdoor exercise route might not please everyone, in the same way that similar amenities such as the playground on the front lawn, the tire dragon, and the tennis courts were not universally well received when they were installed. We look forward to seeing how the route will be perceived over time, especially as people see and use it this summer (I for one could really benefit from this new amenity!).
- We are in the process of surveying year-round and 10+ month professional staff on benefits, as part of our 2019 review process, in conjunction with our professional HR consultant and the Personnel Committee.
- We are grateful to the Health Committee, who worked with staff to craft a special message (<https://starisland.org/wp-content/uploads/2016/02/Message-about-measles.pdf>) in response to the recent increase in cases of measles in the United States this year.
- Our Alcohol Safety & Awareness Task Force met on May 20 to discuss a number of topics, including reviewing signage/messaging for the season. The task force will next meet on July 29.

## ECONOMIC

- As of June 1, we received 3,299 registrations representing 19,044 bed nights (92% of our 20,650 bed night goal). Please see the attached bed night report for more details. Last year at this time, we had registrations for 17,531 bed nights (86% of our 2018 goal), and in 2017 at this time, we had 17,503 bed nights (86% of our 2017 goal). We are pleased to be ahead of our projections for this point in the year, and we are optimistic that we will meet our budgeted bed night goal for this season, barring any significant changes (e.g. cancelations due to bad weather). As of June 1, we needed to achieve 1,606 (net of cancelations) bed nights to reach our budgeted goal.
- We are currently projecting a net operating gain of \$304K (vs. budget of \$311K) – please see the attached April Financials and Dashboard for more information.
- Our 2018 Form 990 has been filed with the IRS and the State of NH, as was the 2018 Form 990 and Form 990-T of the Star Island Permanent Trust Fund. Our A-9 (real estate exemption) and A-12 Forms (charitable organization financial statement) have also been filed with the Town of Rye.
- The Finance Committee met on May 4 to discuss several topics, including reviewing our YTD financial statements, financial reporting format, and reserve policy. Generally speaking, the committee expressed support for our current financial reporting format, and they also support building the reserve fund at an even faster pace. The committee meets again tomorrow evening, where discussion on this and other topics will continue.

- Our Debt Working Group, a subgroup of the Finance Committee, met on May 21 to continue its look at our borrowing with an eye towards making recommendations in October. The Debt Working Group next meets on June 24.
- We are grateful to the Isles of Shoals Association, UU, for its generous spring gift of \$20K, which was received by the Star Island Corporation last month.
- Our retirement plan investment committee met with our plan advisors on May 30 to review fiduciary duties, adopt an investment policy statement, review fund balances, and review the various funds included in our plan.
- I met with a representative of Optima Bank & Trust on May 29 to discuss their merger with Cambridge Trust. We do not anticipate any negative consequences stemming from this merger, and it's possible there may be some benefits. We have appreciated the partnership with Optima over the last few years, and we expect this partnership will continue with Cambridge Trust.
- We have received twelve Clean Water State Revolving Fund (SRF) loan disbursements to date, totaling \$805,643 (\$380,746 in 2018 and \$424,897 in 2019), and...

## ENVIRONMENT

- ...we are pleased with our investment. Our new wastewater treatment/water reclamation project is coming along nicely. The system went online on May 30, a week earlier than our targeted substantial completion date of tomorrow. While there are still a number of things that need to be finished up in the weeks and months ahead, reaching substantial completion/operational status was a major milestone for us. Our ongoing collaborative process is a big reason for our success – we had two more construction planning meetings with contractors, staff, engineers, and the New Hampshire Department of Environmental Services (NHDES) on May 14 and May 28, and we meet again on June 11. A team from NHDES performed a site visit on May 17, and noted that things were proceeding nicely. As a reminder, this season our primary goal will be to operate our new system effectively, including working through any kinks, learning its nuances, and the like. We will soon return our attention to other important aspects of this comprehensive project, including a winter solution of the Elliott Memorial Building and the water reuse pilot program.
- On the latter front, the NHDES has released a “Request for Qualifications (RFQ) for a Water Re-Use Demonstration Program” with a response deadline of June 14. This comprehensive and Star Island specific RFQ addresses ten different tasks, ranging in scope from development and implementation of a water quality test program to the development of a water reuse public outreach program. NHDES expects to hire a qualified engineering consulting firm next month, after which our focus on the water reuse aspects of our new facility will move to the fore.
- We are pleased with how Brookfield/Rutledge Marine Lab (RML) is shaping up. We now expect the building to be substantially completed (95%+) by June 28. It is becoming increasingly clear what the building will look like, and how awesome it will be. We are looking forward to a dedication ceremony on July 5, with many people (including donors and grant funders) in attendance!
- In addition to these two major projects, we are pleased to be finishing up a number of other improvements this open-up, including a complete renovation of the first floor of Cottage D (including adding four first floor rooms); moving the Business Center from Cottage D to Gosport; improvements to various guest and Pelican rooms; installation of the outdoor fitness route; and finishing installation of the windows as part of the LCHIP funded Oceanic Rehabilitation Project, Phase IV. The staff, volunteers, and contractors who have completed this work – on top of everything that goes into regular open-up/preparation of the island – are to be commended.

- On May 23, RFD conducted our pre-season fire safety inspection. The following individuals were present for the inspection: RFD Chief Mark Cotreau, RFD Lt. Jeff DiBartolomeo; Rye Building Inspector/Code Enforcement Officer Peter Rowell; Rye Deputy Building Inspector/Code Enforcement Officer Chuck Marsden; Jeff Murphy of SFC (our professional fire safety consultant); and, representing staff, Jack Farrell, John Bynum, Mark Nash, Roger Trudeau, and Matt Doolittle. The inspection team visited most of the island buildings, conducting a room-by-room inspection of key fire prevention, suppression, detection, and alarm systems. As is typical, a punch list of a few minor issues was generated; no major deficiencies were discovered or cited. In addition to the inspection proper, the upcoming renovation of the Underworld was discussed, as well as the possibility of adding a floor to Caswell House, an idea that was met with enthusiasm and approval (subject to review of the actual plans). A plan was formulated to convert the Oceanic Tower attic to limited access storage space, provided we renovate the space in certain ways. Overall, the inspection was a positive, collaborative experience, and there is a true feeling of teamwork between Star staff and RFD.
- We are looking forward to a site visit from the United States Coast Guard on Thursday, as a routine follow up to our Public Access Facility Plan Document update this winter.

### STEWARDSHIP

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

- As of May 31, the 2019 Annual Fund (AF) had realized \$132,531 in gifts, with a pledge balance of \$7,900, for a total of \$140,431 (27% of our 2019 goal of \$525,000). Please see the attached May AF Comparison Report for more information. The following chart compares our progress this year to the previous two years:

Year	Realized Gifts	Pledge Balance	Total	% to Goal	Total Donors
2019	\$132,531	\$7,900	\$140,431	27%	395
2018	\$113,145	\$9,517	\$122,662	24%	336
2017	\$99,962	\$8,725	\$108,687	22%	327

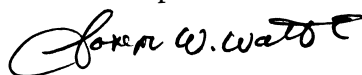
As of the end of May, we had 183 recurring/monthly donors (163 via credit card and 20 via check), representing a 42% increase over the 129 recurring/monthly donors we had on May 31, 2019.

- We have secured commitments from 2019 AF volunteers at 16 conferences so far, and our goal is to surpass last year's total of 16 conferences. The 2019 AF volunteer orientation took place on May 30.
- Please find attached our Donor Bill of Rights and Development Confidentiality Agreement.
- At the June 11 Board meeting, we are looking forward to continuing the discussion about the recommendations made in the Campaign Readiness Assessment (CRA). On May 21, we met with Maryann Lindberg to discuss what we are calling a "foundational work" period, during which we would act on many of the recommendations of the CRA, with the goal of furthering our strategic development efforts. Please see the attached draft Outline for Foundational Work Plan – the items included in this draft plan are things we should consider doing in order to further develop our strategic fundraising program, regardless of if/when we decide to conduct a major fundraising campaign.
- The Fund Development Committee met on May 15 to review the CRA, with new Board Liaison Gary Kunz in attendance.

- We recently submitted a grant request for \$5,000 from the Georgia-Pacific Foundation in support of our wastewater treatment/water reclamation project.
- We are pleased to have received a \$5,500 grant from The Fuller Foundation in support of our 2019 arts conferences. This is the third consecutive year that The Fuller Foundation has supported arts programs on Star, and they have increased their support each year.
- We are also pleased to have received a \$25,000 grant from the Samuel P. Hunt Foundation for the Brookfield/Rutledge Marine Lab project.
- We hosted our final Land and Community Heritage Investment Program (LCHIP) site visit on May 30, when we demonstrated the completion of the historic preservation/rehabilitation work on the Oceanic Tower and west façade. This is one of the last steps to fulfill our grant requirements to receive the final \$25,000 payment of LCHIP's \$125,000 grant for this work. We are grateful for their generous support totaling just under \$400,000 dating back to 2010.
- We have been investing some time developing relationships with a few local philanthropists, consistent with the recommendations of the CRA. We believe there is great potential within our "Friends of Star" category.
- Board President Nick Dembsey, Board Vice President Tom Coleman, and I enjoyed a strategic planning meeting yesterday to go over a number of topics.
- The Annual Meeting of the Star Island Corporation took place on May 4 at the First Congregational Church in Holliston, MA. 160 Shoalers were in attendance (slightly more than our ten year average attendance of 157). Special thanks to Kate Brady, Office Manager, for her excellent work behind the scenes helping to make our Annual Meeting enjoyable and successful. We were also pleased to broadcast the Annual Meeting via Facebook Live, about which we have received positive feedback. Please find attached the notes from the four breakout sessions that took place on May 4.
- The spring Council of Conferences (CoC) meeting also took place on May 4. Delegates focused on how the CoC can be even more effective and relevant moving forward. The CoC Board has met to discuss next steps to increase engagement prior to and during the October CoC meeting.
- We are in the process of benefiting from several spring volunteer weekends this year. Volunteers are cleaning rooms, weed-whacking and mowing, repairing dozens of chairs, maintaining our gardens, painting several rooms, completing carpentry projects, and much more. We would not be able to accomplish all that needs doing on Star Island without our amazing volunteers.

I would like to close this report by thanking our amazing and dedicated team of year-round and professional seasonal staff, who do so much on behalf of Star Island. These folks have worked hard, well, and amicably during a more challenging than usual period of time, and we are fortunate to have such a dedicated and professional staff to serve as stewards of our Spirit's Home.

With Star Spirit,



Joe Watts  
Chief Executive Officer