

**Star Island Corporation (SIC)**  
**Chief Executive Officer's Report**  
**August 18, 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**

- Please see Community Relations Manager Ally Miner's Communications Report, attached, for a look at the many great things stemming from our comprehensive marketing and outreach plans. And congratulations to Ally on her impending wedding to Rich!
- Our collaborative marketing and outreach efforts with various conferences is the main reason that we are doing so well with enrollments this year (see below for details). We have learned that this work makes a difference, takes a lot of time, and is complicated. As we approach the final weeks of the conference season, we are assessing this program with an eye towards 2020 and beyond. In the meantime, we can feel good about the fact that our main efforts resulted in the following new/additional bed nights compared to 2018:
  - Star Union: +392 bed nights
  - Building Bridges: +324 bed nights
  - SG 2 Family: + 448 bed nights
  - Family Festival: +241 bed nights

These four efforts resulted in an increase of 1,405 bed nights compared to 2018, or the equivalent of 201 full week conferees.

- The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) will have its annual retreat October 21-24 at The Mountain Retreat and Learning Center in Highlands, NC. The UUACCC is committed to fostering and promoting the success, growth and well-being of Unitarian Universalist camps, retreat and conference centers, and the annual retreat is a time to share best practices and focus deeply on specific topics.
- We are pleased to report that the majority of respondents to island evaluations are happy with the outdoor fitness route. There are also those who do not support this change, and we respect these opinions as well. We continue to strive to balance change and tradition, consistent with our mission, vision, and values.
- At the August board retreat, the board will be joined by many members of the year-round and seasonal management team for an informal Q&A session. Also during the retreat, the board will meet with the Pelicans for a separate Q&A session. We are looking forward to these opportunities to engage with the board.
- Speaking of Pelicans, this is the time of year when several of our regular season Pelicans are departing and end-of-season (EOS) Pelicans are arriving. Though we are doing better overall this year with filling EOS positions, we are still understaffed, even as we are bringing in more guests than in past years. One interesting observation is that since we have promoted EOS opportunities more

broadly this year than in the past, there appears to be a corresponding perception that we are understaffed – even at times when we are not (e.g. International Affairs Week). I am looking forward to meeting with Pel Council tomorrow to discuss this and other related issues.

## ECONOMIC

- As of August 15, we received 4,144 registrations representing 20,943 bed nights (101% 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 20,160 bed nights (99% of our 2018 goal), and in 2017 at this time, we had 19,856 bed nights (98% of our 20,350 goal).
- We are currently projecting a year-end net operating gain of \$332K (vs. budget of \$311K) – please see the June Financials and Dashboard for more information.
- Part of this gain stems from a projected final bed night count of 21,100 for the year, which comfortably exceeds our budgeted amount of 20,650. We are now confident that we will even exceed 21,100 bed nights, barring any significant changes (e.g. cancelations due to bad weather). We also anticipate a more significant discount expense for the season than budgeted, as well as a decrease in the number of personal retreaters bed nights due to there not being as many available open nights. The net result is currently a modest net increase of \$13K to our Room & Board Income projection for the year. It is possible that this projection may rise in the July or August Financials.
- Since 2011, bed nights – one of the primary measures by which we track occupancy – are projected to increase from 17,801 to (at least) 21,100. This is an increase of 18.5%, or 3,299 bed nights (the equivalent of 471 full week conferees). The following chart illustrates how we have fared with bed nights since 2011:

Year	# Bed Nights (BN)	Change from Prior Year	Change from 2011
2019	21,100 (projected)	4.6% & 922 BN	18.5% & 3,299 BN
2018	20,178	(0.4%) & (72 BN)	13.4% & 2,377 BN
2017	20,250	1.3% & 264 BN	13.8% & 2,449 BN
2016	19,986	2.7% & 527 BN	12.3% & 2,185 BN
2015	19,459	0.5% & 98 BN	9.3% & 1,658 BN
2014	19,361	6.6% & 1,201 BN	8.8% & 1,560 BN
2013	18,160	(0.1%) & (17 BN)	2.0% & 359 BN
2012	18,177	2.1% & 376 BN	2.1% & 376 BN
2011	17,801		

One way of looking at these data is that nearly one out of every six people here today was not here in 2011, or that for every six full tables in the dining hall, one table was not full in 2011. There are numerous benefits and challenges associated with this sort of growth, and we are carefully considering the ramifications as we look ahead to 2020 and beyond.

- The Finance Committee met on June 5 to discuss several topics, including reviewing our YTD financial statements, receiving an update from the Debt Work Group, discussing the Reserve Fund, and offering macro-level questions and suggestions about the Five-Year Financial Plan. The committee meets again on Wednesday, when it will be reviewing certain assumptions about four models/scenarios we intend to include in the Long-range Integrated Financial Tool (LIFT). We anticipate the LIFT being completed on schedule in October, ahead of the 2020 Budget process.

- Our Debt Working Group, a subgroup of the Finance Committee, is in the process of pulling together a report, which is anticipated to be ready for the October 2 Finance Committee meeting.
- We are contemplating making a \$50K payment to the reserve fund this year vs. the budgeted \$25K payment.
- Over the last couple of months, we have been working with our bank on its transition from being Optima Bank & Trust to Cambridge Trust. We are pleased with our continuing and evolving banking relationship.
- We have received thirteen Clean Water State Revolving Fund (SRF) loan disbursements to date, totaling \$978,550 (\$380,746 in 2018 and \$597,804 in 2019). Additionally, we recently submitted SRF Loan Disbursement Request #14 in the amount of \$59,425, which when received will bring our total SRF loan amount to \$1,037,975.

## ENVIRONMENT

- We have made excellent progress with the Brookfield/Rutledge Marine Lab project. Please see CEO reports dated June 14, June 21, June 28, July 5, July 12, July 19, and July 28 for more information.
- Our new wastewater treatment/water reclamation facility has been experiencing some operational issues, as was to be expected in the first season, and we have been working through the kinks in the system to positive effect. On August 5, a team representing the NH Department of Environmental Services, our engineer, contractors, and staff met on island to brainstorm solutions to some of the process issues we have been experiencing, and it appears that some of the actions we have taken stemming from this site visit are working nicely. We still have more work to do on the facility itself, as well as some process changes, but we are expecting to finish tweaking the main system during the 2019 operating season such that we can proceed to the next phases of our project in the fall and in 2020. As a reminder, we will soon return our attention to other important aspects of this comprehensive project, the next of which is the design and permitting of a winter solution for the Elliott Memorial Building.
- We have developed a draft Capital Improvement Plan (CIP), 2019-2023, which we look forward to discussing with the Strategic Facilities Planning Committee at its meeting over Labor Day Weekend. We are excited that at the upcoming board retreat, Director of Facilities Jack Farrell will offer a tour of our facilities, which will focus on some of the major projects we have completed so far this year, as well as some of the things we hope to accomplish later this year or in future years.
- One of our major priorities will be a complete redo of the Underworld, which we are hoping will be scheduled over a 2-3 year period starting in 2020. On September 25, we will meet on island with representatives from the Rye Fire Department (RFD) and SFC Engineering (our fire safety consultant) to review our current plans and discuss the project timeline.
- Another major priority is the phased replacement of the Units (Baker, YPRU, Sprague, and Founders). These “temporary” units – constructed in the 1950s – are in desperate need of replacement. Our goal is to develop comprehensive plans over the remainder of this year and early 2020, followed by construction of the first replacement building (to commence in fall 2020, or in 2021). There are many ideas about what the new buildings could look like, and we look forward to refining these ideas into a comprehensive plan. Meanwhile, we anticipate continuing to fundraise for this project, in addition to the Underworld (which is under the “Pel projects” umbrella).

- Representatives from the US Coast Guard visited us on July 29 to inspect Star in the context of us being a Public Access Facility. This was a positive and collaborative experience, and no deficiencies were identified.
- We were pleased to host representatives from the RFD, including Chief Mark Cotreau, on August 1, when they conducted a follow-up inspection of our facility and observed a planned fire drill. There continues to exist a true feeling of teamwork between RFD and Star.

### STEWARDSHIP

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

- As of July 31, the 2019 Annual Fund (AF) had realized \$243,532 in gifts, with a pledge balance of \$22,430, for a total of \$265,965 (51% of our 2019 goal of \$525,000). Please see the attached July 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	\$243,535	\$22,430	\$265,965	51%	737
2018	\$235,874	\$26,173	\$262,047	52%	743
2017	\$199,674	\$25,887	\$225,561	46%	684

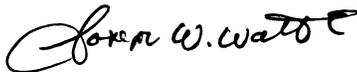
We are pleased with AF progress to date, and we anticipate reaching our goal for the year. As of the end of July, we had 191 recurring/monthly donors (169 via credit card and 22 via check), which marks a 25% increase over last year at this time, when we had 153 Sustaining Star donors.

- This year, 17 conferences have identified one or more AF representatives. We have been encouraging the sharing of best practices between AF leaders from different conferences, and we are pleased to note that three different conferences have recruited AF volunteer teams of eight or more people, and five different conferences have conducted a raffle drawing to encourage early giving. Activities such as these yield great results and help augment the culture of giving within these conferences.
- Our focus on the Star Island Legacy Society has been yielding some wonderful results. In June, we sent out the attached invitation to about 350 prospects, and we have been hosting toasts throughout the season to recognize current membership. Since June, we have identified over 20 new members, and we anticipate this figure growing in the months ahead. New Legacy Society members in 2019 have reported bequest intentions totaling over \$480,000.
- We recently submitted a concept paper to the NH Charitable Foundation requesting a three-year operating grant of up to \$20K/year (2020-2022). We are hopeful that the foundation will invite us to apply for this grant.
- We have completed the final steps to fulfill our most recent Land and Community Heritage Investment Program (LCHIP) grant of \$125K, and we expect to receive the final grant payment of \$25K in the coming weeks. We are grateful to LCHIP for their generous and steadfast support, totaling nearly \$400K since 2010. As previously noted, future LCHIP grants can only be received if we protect the Oceanic complex with a perpetual easement, and we look forward to resuming this discussion with the board in advance of the 2020 application cycle.

- So far this year, we have sold one new memorial bench and 23 new memorial stones, resulting in over \$15K in income to the Permanent Trust.
- We are looking forward to an August 25 board retreat session led by Maryann Lindberg and Peter Squires about possible next steps related to the recommendations made in the (attached) Campaign Readiness Assessment (CRA). Please also find attached the current iteration of our Work Plan. One of our goals for the retreat is to provide the board with the information it needs to determine if it endorses the investment of additional resources to effect “next step” CRA recommendations.
- On August 26, Mary Ellen Jackson will be offering a board development/training session. It has been a pleasure working with Mary Ellen over the last several weeks, and I am looking forward to her presentation. Mary Ellen served as the Executive Director of the NH Center for Nonprofits for 10 years, and she is an expert with specialties in governance, board development, and executive development.
- The fall Council of Conferences (CoC) meeting will take place on October 19. The CoC Board has been working to increase engagement, and we are looking forward to a useful and well-attended meeting.
- Please find attached a draft 2019-2020 board meeting calendar – the goal is to finalize the meeting calendar this month.
- The Fund Development Committee (FDC) met on June 13 to discuss the role of volunteers (including the FDC itself) in future campaign activities. The committee will reconvene in the fall.
- We are looking forward to the tenth annual Star Island Gosport Regatta, which will take place on September 15. We are making a few changes this year, including adding a silent art auction, and we are also hoping to secure a \$10,000 lead sponsor. More information, including how to register, can be found at [www.starisland.org/regatta](http://www.starisland.org/regatta).

We are enjoying a fantastic season, having achieved several milestones, and teeing ourselves up well for the future. It is important to celebrate our success even as we strive to reach new heights. This recognition is part of ensuring our future, and thus I am deeply grateful to the many people who have been instrumental to our shared success.

With Star Spirit,



Joe Watts  
Chief Executive Officer