

**Star Island Corporation (SIC)  
Chief Executive Officer's Report  
January 14, 2020**

**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**

- Our 2020 marketing and outreach efforts are well underway. Earlier today, we reviewed our priorities for the year with Crosscurrent Communications (our professional marketing/media consultant), and we are in the midst of reviewing and updating our Strategic Marketing and Communications Plan (2014, updated 2017). As with the last couple of years, we are focused heavily on collaborating with specific conferences that have room for increased enrollment. We recently completed work on a Star Gathering promotional video, which was co-funded by Star Island United Church of Christ and SIC, and we look forward to the launch of this video in the near future (check out a preview here: [www.drive.google.com/file/d/1Qv2fl\\_MQ4d6mdH\\_j0YmvNEGWZBTvkqh8/view?usp=sharing](http://www.drive.google.com/file/d/1Qv2fl_MQ4d6mdH_j0YmvNEGWZBTvkqh8/view?usp=sharing)).
- We had another great year of media coverage, as noted in the attached 2019 summary provided by CrossCurrent Communications.
- Our seventh annual Veteran's Raffle brought in 150 entries from across the country. Travis Moss, who served for eight years in the Marines and the Army and who currently lives in Alaska, is this year's raffle winner. We are deeply grateful for Travis' service, and the service of all our military veterans, and we look forward to hosting him and his young family this summer. This story was picked up by multiple media outlets last month, including Seacoast Online ([www.seacoastonline.com/news/20191223/veteran-wins-family-vacation-at-star-island](http://www.seacoastonline.com/news/20191223/veteran-wins-family-vacation-at-star-island)) and the New Hampshire Union Leader ([www.unionleader.com/news/veterans/a-veteran-from-alaska-will-enjoy-a-free-weeklong-vacation/article\\_ab0d71a5-9905-5efe-8ab4-e5ca68c6d058.html](http://www.unionleader.com/news/veterans/a-veteran-from-alaska-will-enjoy-a-free-weeklong-vacation/article_ab0d71a5-9905-5efe-8ab4-e5ca68c6d058.html)).
- As of today, we have received 88 Pelican applications, which is slightly above last year (82) and the year before (78), and slightly below the five-year average for this date (92). Each year, we continue to expand our hiring outreach, which has helped to counteract a downward trend in applications received. Our Pelican application is live at [www.starisland.org/working](http://www.starisland.org/working), and the application deadline for 2020 regular season positions is Monday, January 27. Please spread the word about this amazing opportunity – you can use this clip from NH Chronicle in your outreach efforts: [www.wmur.com/article/wednesday-september-4th-the-star-island-pelicans/28871211](http://www.wmur.com/article/wednesday-september-4th-the-star-island-pelicans/28871211).
- We are continuing our work with the Unitarian Universalist Association of Camps and Conference Centers (UUACCC) on how we might broaden the scope of the UUACCC's mission, which is currently to foster and promote the success, growth and well-being of Unitarian Universalist camps, retreat, and conference centers. We are also working on our group's presence at the next General Assembly of the Unitarian Universalist Association (UUA), which takes place June 24-28 in Providence, RI.
- We are in the process of forming a Beloved Community Project Task Force, the purpose of which is to act as an advising, inquiring body that would discern how Star Island might live into deeper Beloved Community, as well as to actively implement chosen, on the ground initiatives. We envision that this Task Force will be an independent body that co-creates its goals and structure, supported by the senior staff and Board.

- A number of year-round staff members met with the 2020 conference chairs and registrars on January 4. This productive meeting was attended by conference leaders from many of the over 60 conferences and groups scheduled for our upcoming conference season. We expressed our appreciation for all the conference leaders do for Star, including on behalf of the Board (the majority of whom have been, are, or are about to be conference chairs and/or conference registrars). We covered a wide range of topics at this annual gathering, including conference planning, registration, boats and logistics, island rules, marketing and outreach, ministry, and more. Representatives from the Council of Conferences (CoC) Board provided an update on the work of the CoC, as well as an invitation for every conference to participate in the CoC. The Isles of Shoals Association, UU, explained Shops on Star procedures and their conference grants program. All told, this was an inspiring start to the year.
- We are in the process of communicating with everyone on the seasonal professional staff team about 2020 agreements, which we hope to finalize later this month (after the approval of the 2020 Budget). We anticipate retaining most members of our seasonal leadership team again this year.
- Please find attached several draft 2019 committee reports, which will be included in the 2020 Annual Meeting packet prepared and sent out to our membership in early April.
- The Personnel Committee met on January 9 to discuss several topics, including reviewing the attached Safe Community Policy. This policy is reviewed and voted upon by the Board on an annual basis.

## ECONOMIC

- Please find attached the 2020 Budget Proposal, some highlights of which include Net Income of \$203K; a debt service coverage ratio of 3.54; bed nights totaling 21,000; a 3.5% increase to room and board rates; a 3.0% cost of living adjustment for all positions; and a capital budget of \$576K (\$225K of which is for SRF loan eligible wastewater treatment/water reclamation facility projects). Our 2020 Budget Proposal furthers the goals and objectives of our strategic plan, and we are expecting to receive a recommendation (from the Finance Committee) and approval (by the Board) within the next week.
- Our online registration portal went live on January 1. To date, we have received 700 registrations representing 4,440 bed nights (vs. 489 registrations representing 2,711 bed nights at this time last year), so we are off to a great start (with the caveat that it's premature to draw meaningful conclusions from registration totals at this point in the year).
- Please find attached the November Financials and Dashboard, which project a year-end Net Income of \$361K (vs. budget of \$311K) and capital expenditures of \$1.583 million (vs. budget of \$1.602 million). We anticipate that the December/year-end financials (due out next month) will include an even higher Net Income due to a stronger than anticipated 2019 Annual Fund performance (see below). The first set of FY20 financials – the consolidated January/February Financials – will be ready in March.
- We are working with Berry Dunn (our auditors) in preparation for our 2019 audit, including an initial planning phase, which took place on Thursday in the Portsmouth office. The first meeting of the Audit Subcommittee of the Finance Committee is scheduled for January 30, and the audit fieldwork is scheduled for the week of February 24 (a week earlier than last year).
- The Finance Committee met on November 20 and December 11 to discuss, among other topics, the YTD Financials/Dashboards (October and November, respectively) and the 2020 Budget. We have received some excellent feedback about the budget from the committee, including metrics on how to gauge the bottom line and capital expenditures – please see the attached 2020 Budget Proposal for more information. The committee meets again tomorrow night.
- We have received sixteen Clean Water State Revolving Fund (SRF) loan disbursements to date, totaling \$1,071,459 (\$380,746 in 2018 and \$690,713 in 2019).
- Our Financial Grants Committee and Island Registrar Mike Bray are launching a common application pilot program this year, whereby an individual applying for financial aid can do so by filling out one application form in order to apply for financial aid from both a participating conference and SIC (vs.

submitting a separate application for each). While an individual may still only receive an award from either a conference fund or SIC, we are excited to make the process easier for all those who apply.

- On December 31, the value of the Star Island Permanent Trust was \$4,621,077, with a 2019 total account return of 9.6% (8.8% after fee). This represents a 14.1% increase to the overall value (investment returns plus donations less distribution less fees) of the Trust since December 31, 2018, when the value was \$4,049,868.

## ENVIRONMENT

- The attached 2020 Budget Proposal includes a proposed 2020 Capital Budget of \$575,540. Some highlights of this budget include a larger general contingency percentage than last year (10% vs. 5%), \$260K for our wastewater treatment/water reclamation project, funding for designs/site plans for three future projects (2021 or later), \$70K to complete all aspects of the Brookfield/Rutledge Marine Lab project, and funding to paint the chapel steeple and install the refurbished weathervane. As noted in the attached proposal, we have intentionally reduced the scope of this year's capital project plan for three main reasons: (1) we are planning to invest more time to catch up on small repair and beautification projects; (2) we are planning to have a "normal" open-up that doesn't overly strain our employees, volunteers, and contractors; and (3) we are planning to reduce our expenditures so as not to bring our ending cash balance to an undesirable level.
- The 2020 Budget Proposal also reflects a planned restructuring of our facilities department, designed to reduce overall expenses and correspond to a less demanding project schedule. This planned restructuring is part of our long-range facilities strategy, and involves the merging of one year-round position and one seasonal position into one seasonal Facilities Director position supplemented by additional professional services support in specific areas, such as capital project advising, planning, and management. Please see the attached 2020 Budget Proposal for more details.
- Please find attached a summary of our November 8 After Action Review (AAR) of the Brookfield/Rutledge Marine Lab project. The AAR provided a useful process for exploring all aspects of this project, and it provided some useful recommendations (some of which we have already implemented).
- A subgroup of Strategic Facilities Planning Committee members, Board President Nick Dembsey, and Facilities Director Jack Farrell are working diligently on updating our Property Standards. We are hoping to have the updated standards, as well as a "quick start guide," available for broader review and comment in the months ahead and, ultimately, for the standards to be more widely disseminated and understood.
- In response to our formal request for a permit to install signage for our outdoor exercise route, the Rye Historic District Commission (RHDC) scheduled a public hearing for early January (as expected). However, they needed to reschedule this hearing for a future date, likely in February.
- We recently signed an amendment to our existing contract with Underwood Engineers for the next phase of our work on our wastewater treatment/water reclamation facility project. As previously reported, this phase includes work on our winter wastewater solution, operational assistance, supplementing our (previously submitted) permit renewal application, assistance with specific SRF requirements, and engineering related to additional improvements to our main system.
- We are in the early stages of migrating SIC's Windows Server to the cloud, a process we are hoping to complete by this spring.
- At the January 4 meeting with conference chairs and registrars, a conference leader asked about our plans to address rodents on the island. We responded that we are intending to implement an aggressive rodent control plan this spring, and that our Health Committee fully supports taking this step. We are also mindful that the manner in which we proceed needs to be safe and consistent with our values – we don't want our efforts to result in unintended negative consequences. We have identified a professional

contractor who seems well suited to the task, and we have included funding for this effort in the 2020 Budget Proposal.

- On January 3, we signed our 2020 agreement with SFC Engineering, our professional fire safety consultant for the last several years.
- We expect to finalize all of our 2020 marine transportation agreements this month, including our next multi-year agreement with the Isles of Shoals Steamship Company (Thomas Loughton and Challenger), our 2020 agreement with Granite State Whale Watch (Uncle Oscar), and our 2020 marine professional services agreement (for use of the Utopia and Hurricane).

### STEWARDSHIP

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

- Due to the generosity of many dedicated Shoalers, augmented by the commitment of our Annual Fund (AF) volunteers, our 2019 AF campaign was very successful. Our 2019 AF realized \$571,008 in gifts, with a (remarkably low) pledge balance of \$1,180 for a total of \$572,188, surpassing our goal of \$525,000 by 9.0%, with 199 Sustaining Star (recurring) donors. We finished the year with 1,277 donors, a slight decrease from last year’s total of 1,295. Thank you to each and every person who contributed to this effort – with the exception of 2007, this is our highest AF total ever! We are pleased that our strategic fundraising plans have resulted in a 2.8% increase in unrestricted giving compared to last year, despite national trends which are resulting in decreases to unrestricted giving, less favorable tax laws, and our decision to direct memorial stone and bench funds to the Permanent Trust (instead of the AF) starting in 2019. Please see the attached 2019 Year-End Comparison Report for more information. The following chart compares 2019 to the previous two years:

<i>Year</i>	<i>Realized Gifts</i>	<i>Pledge Balance</i>	<i>Total</i>	<i>% to Goal</i>	<i>Total Donors</i>
<b>2019</b>	\$571,008	\$1,180	\$572,188	109%	1,277
<b>2018</b>	\$556,003	\$750	\$556,753	110%	1,295
<b>2017</b>	\$552,239	\$70	\$552,310	113%	1,180

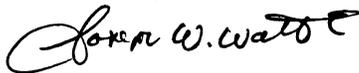
- Once again, we achieved 100% giving participation from our board and year-round staff in 2019. We are deeply grateful that our leadership team is fully committed, and this commitment sets a great example for others.
- Looking ahead, we are in the process of recruiting our 2020 AF volunteers. We are hoping that every conference will identify at least one AF volunteer this year – in 2019, about one-third of our conferences had one or more designated AF volunteers. We are also looking for additional Board members to help with fundraising in a hands-on way, including making solicitations, providing information for prospect research, and/or offering personal acknowledgments to donors.
- The Fund Development Committee met on December 18 to review substantial revisions to our Grant Approval Policy. We expect to send a formal recommendation about this policy to the Board for consideration and a vote within the next few months.
- As previously reported, review of our development policies was one of the recommendations of the Campaign Readiness Assessment. We continue to work with Maryann LaCroix Lindberg of Philanthropy Resource Group on selected recommendations from her Campaign Readiness Assessment.
- We enjoyed a successful Starry Night fundraising event on November 23, when Eric Masterson offered a fascinating presentation about his epic journey tracing the migration path of the red-tailed hawk. We are grateful to our sponsors, who helped to make this event possible, as well as everyone in attendance,

those who contributed items for our auction, and those who bid – together, we were able to raise over \$14K to benefit Star Island.

- We recently received a grant of \$2,000 from the Rosamond Thaxter Foundation in support of our 2020 sustainability interns and staff. We are submitting a grant application for \$6,500 to the Fuller Foundation later this week for renewed support of arts programming on the island.
- We anticipate forwarding 14 new Corporation member applications to the Membership Committee this year.
- We are in the process of planning several volunteer weekends this spring (mid-May through early June), and we expect our online application to go live next month, with a deadline of early March. Lindsey Greene will be working with Justina Maji to coordinate our spring island volunteers this year (except for our medical volunteers, who will be coordinated by Sarah Whalen).

Happy 2020! This is the fourth and final year of our current strategic plan, and we are grateful to everyone who has helped us achieve so much over the last three years. We are well positioned to have an excellent year this year, while at the same time keeping our eye on the future, as we begin to craft our next plan.

With Star Spirit,

A handwritten signature in cursive script that reads "Joe W. Watts".

Joe Watts

Chief Executive Officer