

**Star Island Corporation (SIC)
Chief Executive Officer's Report
September 30, 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

- We continue to receive praise and gratitude for our array of 2020 virtual offerings, including those produced by SIC and those produced by individual conferences. These programs provided meaningful connections, learning, and fun while we were unable to gather safely on island this summer.
- Staff has prepared a draft timeline for the months ahead, leading up to the 2021 conference season. We are in the process of soliciting feedback from our Crisis Response Team (which resumed meetings on September 18), the Council of Conferences (see below), 2021 conference chairs and registrars (see below), and others with the goal of having a well thought out timeline in place by the end of this month. The timeline includes a range of topics, processes, and events, including identifying criteria for how we can open safely next summer, including health & safety protocols; our Pelican hiring process; our conference registration process; our Blue Book, web site, and other publications; and more. The timeline is one way we can plan to address the uncertainty we are facing – while it is likely the timeline, as well as some of our processes, will morph in the months ahead, it is helpful to have a plan from which we can work and communicate.
- Rather than having one in-person 2021 conference leadership meeting in early January this year, we are planning on having a series of Zoom meetings addressing specific projects, starting this month. Our first meeting will take place on October 20 and will focus on team-building and collaboration, the 2021 conference registration process, and the Blue Book.
- We are in the process of lining up meetings with our larger conferences (>220 conferees) to discuss the possible impact of reduced capacity during our 2021 conference season. While we don't know this will happen, we want to be prepared, as reduced capacity impacts larger conferences more than smaller conferences. We met with International Affairs' leadership team on September 24, and we anticipate meeting with the leadership of All Star 1, All Star 2, and Life On A Star 1 & 2 in the coming weeks.
- Our Beloved Community Task Force (BCTF) has identified several possible professional consultants we could engage to assist our important work with our Beloved Community Project. Additionally, the education track of our BCTF has recommended that we engage Service to Justice (www.service2justice.com) to lead our board, our senior staff, and our BCTF members through a "Rooting Out Racism Training" program. After good conversation with Service to Justice, as well as follow up with the BCTF, I am pleased to recommend that we accept the attached "Rooting Out Racism Training" program proposal at the October 6 board meeting, and that we begin the training as soon as possible thereafter. We believe that going through this training will put our organization in a better place to hire one or more consultants, over time, to help advance our Beloved Community Project's objectives.
- Meanwhile, the BCTF welcoming track is working with staff and others to create a welcoming and inclusivity guidebook, which we plan on disseminating to 2021 conference leaders in January. We are intending to reach out to several individuals from different walks of Star Island life to write particular

sections of the guidebook, while providing editorial focus through the BCTF welcoming track members and staff. We anticipate this will become an annually updated resource moving forward.

- The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) will be meeting via Zoom on October 15 to touch base on how things are going for each member organization.

ECONOMIC

- Economic considerations continue to be at the forefront of minds, as we work to ensure we have a pathway to long-term economic sustainability for our organization in the face of the COVID-19 pandemic and its aftermath. Despite receiving significant emergency relief funding this year so far, and now having surpassed our revised 2020 Annual Fund goal (see below), we are still in a financially challenging position, especially when we consider the uncertainty surrounding our 2021 season.
- Our August Financials project a year-end net operating gain of (\$153,687) (vs. 2020 Revised Budget of (\$762,878)) – please see the attached August Financials (and July Financials) for more information.
- The attached LIFT includes a 2021 Side-by-Side Comparison (of four scenarios), four 5-Year Statements, four 5-Year Cash Flows, our 2019 and 2020 Capital Budgets, our Capital Improvement Plan (2020-2024), and a simplified Development Overlay. Given the impact of the COVID-19 pandemic on our finances this year, and the uncertainty surrounding next year, this iteration of the LIFT focuses heavily on 2021. As a reminder, the LIFT is a tool to help us plan for the future, not a proposed budget – our 2021 Budget process will take place over the months of November, December, and January (if needed).
- The Finance Committee met on August 26 to discuss the YTD financial statements, our 5-Year Financial Plan, and the 2021 Budget process. The committee meets again tonight, to focus on the LIFT, the 2021 Budget process, and our annual debt review.
- This year, we borrowed \$200K from our revolving line of credit with Cambridge Trust, and we paid this off in full on September 9. As previously reported, do to the \$547,101 NH Nonprofit Emergency Relief Fund (NERF) grant we received in August, we were able to change our credit line borrowing strategy this year, which provides us with more funds to borrow, as needed up to \$650K, in the months ahead.
- The Trustees of the Star Island Permanent Trust Fund will be meeting on October 13. As of September 29, the value of the Trust was \$4,773,234, which continues to be far better than we anticipated in early spring.
- We have received twenty-one Clean Water State Revolving Fund (SRF) loan disbursements to date, totaling \$1,115,544 (\$380,746 in 2018, \$680,793 in 2019, and \$54,005 in 2020). By then end of this year, we intend to borrow the full \$1.3 million of available SRF funds, at a fixed interest rate of 2.704% over a 30-year term. We have confirmed with both the NH Department of Environmental Services and our auditors that our SRF loan funding does not count against the annual amount that would trigger a federal audit requirement (\$750,000 or more of federal funds) – this is good news, as it enables us to borrow the full amount of available SRF funds without incurring the expense and complexity of a federal audit.

ENVIRONMENT

- In this unusual year, the line is blurred between finishing projects and the “close-up” period. We are finishing up various projects, and we are beginning to shift gears to closing up those systems which were operational this year (there is less to close-up this year than in a normal season). We expect to wrap things up soon, and we anticipate that all but two employees will move off island by the middle of next month. Our winter caretakers arrive on November 6.
- Last month, we were able to transport our four 5,000 gallon aboveground storage tanks (ASTs) off island (see photo, left), and we submitted the final paperwork for decommissioning to the NHDES on September 17. One of our silver linings this year is that we were able to generate all power needed in 2020 via renewable sources. In a typical season, we have dropped our diesel fuel consumption to under 5,000 gallons/year, a significant reduction from the ~22,000 gallons/year we used prior to the installation of our solar power system.



- Our largest capital investment this year was related to wastewater treatment, including finishing up the new wastewater treatment/water reclamation facility (which was substantially completed last year), and installing a new winter wastewater solution. As noted in the August Financials, we anticipate going over budget on our wastewater projects overall by \$49K this year – this is largely the combination of doing some extra operational and safety work down at the main facility, overruns for our new winter septic system related to our engineering plans not anticipating the amount of fill we would need to complete the project (including the need for additional barge runs to transport the fill to the island), and weather delays. Nonetheless, we are pleased to be completing these major infrastructure improvements this year, which are expected to work reliably for decades to come. The total project expense (over three years) is projected to be \$1,349,000 (3.8% over the \$1,300,000 of SRF funds we intend to borrow by year's end).
- We are in the process of reviewing our annual professional services marine transportation agreement, with an eye towards 2021. The current agreement, which was modified due to the pandemic, runs through January 31, 2021.
- We have commenced Phase II (of three phases) of moving our networked drive to the cloud, and we anticipate completing this phase by the end of the year.
- The Strategic Facilities Planning Committee met on September 9 when, among other topics, our Capital Improvement Plan (CIP, 2020-2024) was discussed in detail. The committee supports the CIP as presented in the attached LIFT.
- Please see the CIP for a preview of projects we are hoping to accomplish in 2021, regardless of the state of our conference season. As previously reported, our intention is to reduce the number of capital projects next year in order to preserve cash in these uncertain times, as well as to ensure we have the time we need to work through various refinements to our operations (assuming we are able to open in any capacity).

STEWARDSHIP

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

- We remain humbled and deeply grateful for how our community has stepped up to help us face this historic moment, and as noted in the attached August Financials, we are now projecting we will exceed our revised 2020 AF goal of \$800,000 by \$50K. We will continue to actively solicit unrestricted gifts this year to hedge against the uncertainty of 2021 and beyond (see below).

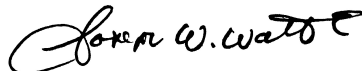
- As of September 30, the 2020 Annual Fund (AF) had realized \$780,444 in gifts, with a pledge balance of \$21,835, for a total of \$802,279 (100.3% of our 2020 revised goal of \$800,000!), with 192 Sustaining Star (recurring) donors. Please see the attached August and September AF Comparison Reports for more information. The following chart compares our progress this year to the previous two years (with the caveat 2020 is a unique year):

<i>Year</i>	<i>Realized Gifts</i>	<i>Pledge Balance</i>	<i>Total</i>	<i>% to Goal</i>	<i>Total Donors</i>
2020	\$780,444	\$21,834	\$802,279	100%	1,324
2019	\$350,550	\$45,825	\$396,375	76%	977
2018	\$339,378	\$54,190	\$393,568	78%	1,045

- The Fund Development Committee met on September 17 to receive updates on our fundraising efforts YTD and a general sense of our financial position for FY20 in light of the COVID-19 pandemic. The committee provided insights into how we should modify our fundraising messages, in light of both our recent successes (e.g. the NERF grant, new 2020 AF projection) and the uncertainty surrounding our 2021 season. In this context, the committee provided some helpful input related to the update I sent out to our membership on September 23. At its next meeting (date TBD), the committee will focus on the fall fundraising appeal we anticipate sending out in early December.
- After strategic plan discussions at the July 22 and August 31 board meetings, a work group (Tricia Coleman, Erik Cordes, Tom Kennedy, Arlyn Weeks, and me) was formed to draft the attached draft Strategic Resolution. The draft resolution includes input received from the staff marketing team, the Beloved Community Task Force, all board members, and our professional communications consultant. We look forward to discussing the resolution at the October 6 board meeting, with the goal of formally adopting it, after which time we would disseminate it to SIC membership, post it on the Corporation membership page of our web site and, in the coming weeks, send out a communication announcing it to everyone in our database.
- The fall Council of Conferences (CoC) meeting will take place via Zoom on October 17. The CoC will be focusing on sharing conference experiences from the 2020 season, offering questions and suggestions about our 2021 conference planning and processes (e.g. registration), and the election of new CoC Board members.
- We recently applied for two grants: (1) a \$15,000 grant from the Live Oak UU Church Endowment Fund for a new accessibility vehicle; and (2) a \$2,500 grant from the Rosamond Thaxter Foundation in support of the Green Gosport Initiative.
- This year's fall fundraiser, Starry Night, will be a virtual event with an online auction (if you have any auction items you would like to donate, please contact Ally Miner at aminer@starisland.org). We anticipate opening the auction on the morning of November 14 and keeping it live through the evening of November 21. Our winter caretaker, Alexandra de Steiguer, will be offering a presentation via Zoom at 6:00 p.m. on November 21 (registration information coming soon).

While we are forging ahead with our planning for next year, we will always remain deeply grateful for how our Star Island community has truly stepped up, in many ways, during this extraordinary and historic year.

With Star Spirit,



Joe Watts
Chief Executive Officer