

**Star Island Corporation (SIC)
Chief Executive Officer's Report
February 22, 2021**

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.*

Our Strategic Resolution: [*Strategic-Resolution-2020.pdf \(starisland.org\)*](#)

COMMUNITY

- We have been working for many months to envision what our 2021 season might look like, against the backdrop of the constantly evolving COVID-19 pandemic. We have been buoyed by the Star Spirit exhibited by our Star Island family, including many who are involved in our planning efforts (our 2021 conference leaders, various committee and subgroup volunteers, and many others). While we don't know exactly what our 2021 season will look like, at this time we are comfortable planning for our "yellow light" scenario and anticipate communicating about this with everybody in our database early next month. Please review this communication – <https://spark.adobe.com/page/TVI0LVXMR4IAy/> – which we will be discussing at the February Board Retreat.
- Our work with Service To Justice continues through the Rooting Out Racism program, with sessions scheduled for March 2 and March 16 with a group of 14 people representing the board, the staff, and the Beloved Community Task Force (BCTF). These sessions will be a deeper dive, and one possible outcome would be the establishment of a smaller group to continue our anti-racism efforts beyond the Rooting Out Racism program.
- We are in the final stages of preparing our new welcoming and inclusivity resource guide, *The Journey Toward the Beloved Community – A Guide for Conference Leaders*. Approximately 30 individuals contributed to this resource guide, and we are deeply grateful for their efforts. We are especially grateful to Lucia Green-Weiskel, Steve Lee, and April Rosario who, together with Conference Center Director Justina Maji, made this project possible. The resource guide is expected to be shared and discussed with our 2021 conference leadership at their March 16 meeting.
- Also related to our Beloved Community Project, we are collaborating with Breakthrough Manchester (www.breakthroughmanchester.org) on the possibility of hosting a number of field trips to Star Island.
- Work continues with our 2021 conference leaders on planning for the upcoming season on Star Island. On January 19, we brainstormed how to adapt programming, reviewed our winter survey results, confirmed registration dates (see below), and discussed various logistical issues. On January 26, we met with youth leaders from our family conferences to talk about our housing protocols for this summer and to brainstorm youth programs and activities. On February 16, we met with conference leaders to receive their questions and feedback related to the communication we intend to send out to everyone in our database early next month (see link, above), as well as to go over various topics related to our modified 2021 registration process. As a reminder, in order to remain flexible and allow extra time to focus on various topics, rather than meeting once in January (as we have in past years), we have been hosting a series of meetings (starting in October) with our 2021 conference leaders. We intend to continue this approach, which has been appreciated and is working nicely, throughout the spring.

- Our augmented Heath Committee has been meeting regularly for several months, including recent meetings on January 25, February 8, and February 15, to help us plan for our 2021 operating season. The committee has been an invaluable resource, and while we do not have all of the answers at this time, we do have some informed recommendations and provisional answers to various frequently asked questions.
- I attended the Isles of Shoals Historical Research Association's (ISHRA) winter meeting on January 31, where I talked about our 2020 and 2021 seasons, and engaged with participants in a Q&A period. Some conferences have started to line up informational meetings/sessions like this, inviting their potential registrants to engage with SIC directly on the 2021 season. For example, I am meeting with folks from All Star 2 on March 2.
- The Pelican hiring team, ably managed by Kate Brady, has made excellent progress putting together a great team of 2021 Pelicans – which is no small task under the circumstances. While the number of applications this year was reduced compared to the last few years, we did wind up closing the gap compared to the size of last year's pre-pandemic applicant pool and have ~150 applications for ~85 positions. We expect to send out all regular season employment offers by mid-March – this year, offers will be contingent our ability to open at the expected overnight guest capacity (as modeled in the FY21 Provisional Budget).
- We are pleased to announce two recent hires – Hope Coolidge began working as our part-time Chief Financial Officer on February 1, and Anne Henry will begin as our part-time First Aid Station Clinical Staff Member on March 1. We anticipate announcing a number of professional seasonal staff hires in our Facilities Department (see below) in the near future.
- The Unitarian Universalist Alliance of Camps and Conference Centers continues to meet via Zoom to discuss finances, programming, and other topics, with two meetings this month (February 4 and February 25).
- Upon recommendation of the Personnel Committee and staff, the SIC Board approved the Safe Community Policy on January 19. This policy is reviewed and voted upon by the board on an annual basis. I have appointed John Bynum and Justina Maji the 2021 Grievance Officers.
- The 2021 Annual Meeting of the SIC will take place on Saturday, May 1, most likely via Zoom (like last year's meeting).

ECONOMIC

- We have received a Paycheck Protection Program (PPP) Second Draw Loan of \$868,526, the funds of which were received on February 2. This is our second PPP loan – the first loan of \$299,898 was received and forgiven last year. We anticipate that a portion, if not all, of the current \$868,526 PPP loan will be forgiven – how much is dependent upon the nature of our 2021 operating season (the current estimated forgiveness range is \$575K-\$869K). Any portion of this loan not forgiven, will convert to a loan with a fixed interest rate of 1.00% over a five-year term, with no early payoff penalties.
- Needless to say, we are grateful and pleased to have received a significant amount of emergency funding during the pandemic. On January 15, we submitted our final report to the State of New Hampshire for the \$547,101 Nonprofit Emergency Relief Fund (NERF) grant we received last summer. Together with the PPP loans, this emergency funding has truly made an enormous difference for us. We are using these funds for their intended purpose – to help organizations such as ours address the dire financial ramifications caused by the COVID-19 pandemic.
- While we normally launch our online registration portal on January 1, this year we are planning on opening registrations on March 10 (for conferences running through August 28) and May 1 (for

conferences after August 28). While we anticipate starting to track bed nights after March 10, comparisons to prior years will not be meaningful – partly because we have delayed and staggered registrations, partly because we don't know what the impact of the pandemic will have upon registration, and partly because we are limiting overnight capacity to 170 guests. We are asking all conferences to hold off on accepting registrations till after May 1 – this should give us more time to see how our 2021 season is shaping up prior to making commitments to registrants. Due to the PPP Second Draw Loan and other factors, we are able to manage cash flow even though we will not be receiving room and board deposits on the typical schedule.

- Our draft December 2020 Financials indicate a net income of \$345,250 (vs. 2020 Revised Budget of (\$762,878) – and FY20 Original Budget of \$202,701). We invested \$416,467 in capital projects (vs. FY20 Revised Capital Budget of \$411,039 and FY20 Original Capital Budget of \$575,540), including completing \$35K of unbudgeted renovations to the Chapel steeple. Please see the attached financials for more information. Our January/February Financials will be prepared next month (as usual).
- The Audit Subcommittee of the Finance Committee and staff will meet with Berry Dunn (our auditors) on February 25, and the audit fieldwork is scheduled for the week of March 29. Our goal is to have a completed audit and Form 990s (for SIC and the Star Island Permanent Trust Fund) to present at the May 4 Board meeting.
- The Finance Committee met on January 18 to discuss the November Financials, the FY21 Provisional Budget, the 2021 Finance Committee calendar, the 2020 Audit, and the Finance Committee Charge. The committee recommended approval of the staff's FY21 Provisional Budget Proposal as presented, and the SIC Board approved this budget at its January 19 meeting. The Finance Committee meets again on Wednesday.
- We anticipate preparing a FY21 Final Budget proposal for the April 29 Finance Committee and the May 4 SIC Board meetings.
- The Trustees of the Star Island Permanent Trust will meet on April 9. As of February 19, the value of the Trust was \$4.925 million (vs. \$4.867 million on December 31).
- On January 21, we received the 23rd (and final) Clean Water State Revolving Fund (SRF) loan disbursement, which brought our total SRF loan amount to \$1.3 million. We borrowed \$24,570 this year, \$213,892 in 2020, \$680,792 in 2019, and \$380,746 in 2018. As a reminder, the SRF loan has a fixed interest rate of 2.704% over a 30-year term.

ENVIRONMENT

- Part of our work on the FY21 Final Budget proposal involves getting more concrete estimates for 2021 planned capital projects. We are working with the Rye Fire Department, as well as SFC Engineering (our professional fire safety consultant for several years), on a plan for improvements of our propane system. Additionally, we have received more refined estimates for our Cottage D renovation project, and some of these estimates are coming in higher than originally anticipated – it's possible the budget for this project might increase to ~\$150K by the time the final budget proposal is prepared.
- Another capital project we are considering is an expansion of the Gosport Grill Upgrades/Information Booth project – currently in the FY21 Provisional Budget at \$15K – to create a one story pavilion in the grassy area by the grill (where we have set up picnic tables for the last several years). Normally, a project like this would take some time to develop, including running the concept by various committees (and other internal groups), as well as external regulatory agencies such as the Rye Historic District Commission. Given the pandemic, and the need for outdoor meeting spaces, we are contemplating fast-tracking this concept (but not cutting corners), including soliciting opinions from the staff, the board, and the Strategic Facilities Planning Committee (including Property Standards) in

the near future. Once we determine if this is something we are inclined to pursue, we would reach out to relevant external groups. While there is no guarantee we will be able to conduct this review, settle upon a design/engineering and precise location, and budget adequate funds for this year, we feel it is worth an attempt. We have received some event tent rental quotes in the \$20K-\$35K range for the summer – a pavilion would essentially accomplish the same goal as a tent (say in the 25' x 40' range) and would have the benefit of being a permanent structure (such as the Summer House).

- We continue to meet regularly with the Isles of Shoals Steamship Company about our mutual 2021 operating seasons, including a meeting scheduled for Wednesday. We are hoping to finalize a ferry schedule for trips through August 28 next month, and to focus on the September schedule when we know more about how the summer is shaping up. In general, we anticipate a modified schedule, with less runs to and from Star Island (though we are hoping to have at least one trip/day). We anticipate welcoming day visitors on the island and providing them with specific outdoor areas for their use (at this time, we do not anticipate permitting day visitors to enter buildings or go on porches). We have also had a preliminary conversation with Granite State Whale Watch (Uncle Oscar) about the summer.
- Our work to restructure our facilities department for this year is nearly complete. John Bynum, in his capacity as Island Manager, will take on more of an overarching leadership role in the department, and Kristen Simard, Environmental Services Manager, will take on more responsibilities related to regulatory compliance for the department, off-season management, participation in relevant committee work, and facilities budget planning and monitoring. Jack Farrell will continue to provide relevant facilities department consulting services, and we anticipate having several seasonal professional positions in place, including Maintenance & Buildings Coordinator, Head Carpenter/Island Technician, Head Painter, part-time Island Technician & Special Projects, and Logistics Coordinator.
- We have successfully completed Phase II of a three-phase process to migrate our Windows Server to the cloud. IT Manager Tim Dullea shepherded the staff through this process, which resulted in transferring from our network server to the cloud. The final phase of this process should be completed prior to the summer. Additionally, our change from Axis Computer Networks to Insource Services for IT professional services will be finalized at the end of this month.
- After a hiatus caused by the pandemic, Keith Fletcher of the Maine Coast Heritage Trust (MCHT) has reached out to us again to discuss conservation easements and other possibilities related to Appledore Island, and our intention is to resume this work in partnership with MCHT and Shoals Marine Lab.
- On Thursday, we are meeting with representatives of the US Army Corps of Engineers to discuss their plans to repair the breakwaters at the Isles of Shoals. This is an important opportunity for Star Island and the Shoals more broadly, and we are meeting to discuss project logistics and timing (we anticipate work commencing this year). It appears that the US Army Corps of Engineers will need to construct one or more temporary stone ramps (near the Star-Cedar breakwater) to get equipment and stone ashore and onto the breakwaters, and that the work will likely need to take place during at least part of the time we are open for guests. We look forward to learning more about this project and figuring out how we can minimize disruptions and maximize opportunities.

STEWARDSHIP

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

- Our draft 2020 Year End Financials indicate that our 2020 Annual Fund total came in at \$1,050,379 (131% of our revised goal of \$800,000 and 189% of our original goal of \$555,000). We are grateful for everyone who contributed last year, making the 2020 Annual Fund the most successful campaign in our history, and by a significant margin. This overwhelming generosity puts us in a much better position to face the uncertainty ahead of us.
- We are off to a great start to our 2021 Annual Fund campaign – as of January 31, we had realized \$49,697 in gifts, with a pledge balance of \$5,042, for a total of \$54,739 (9.9% of our 2021 goal of

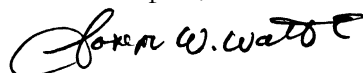
\$555,000), with 184 Sustaining Star (recurring) donors. Please see the attached January Annual Fund Comparison Report for more information. The following chart compares January 31, 2021 to the previous two years on the same date:

<i>Year</i>	<i>Realized Gifts</i>	<i>Pledge Balance</i>	<i>Total</i>	<i>% to Goal</i>	<i>Total Donors</i>
2021	\$49,697	\$5,042	\$54,739	10%	251
2020	\$22,255	\$8,708	\$30,963	6%	218
2019	\$30,310	\$8,350	\$38,560	7%	201

- We have made several thank you calls to major donors from 2020, and we believe this effort has been appreciated and successful.
- At the upcoming board retreat, Peter Squires will present on our 2020 fundraising results, including what we have learned from such an unusual year, as well as offer some thoughts about our 2021 fundraising plans.
- We have submitted a grant request for \$10,000 to the 1772 Foundation for historic preservation work on Cottage D. We also requested \$7,500 from the Fuller Foundation for general operating support. In the coming weeks, we intend to submit grant requests of the Samuel P. Hunt Foundation (\$25,000) and the Bank of New Hampshire Foundation (\$2,500).
- SIC transferred \$128,435 to the Star Island Permanent Trust for 2020, the majority of which was comprised of estate gifts (\$99K) along with gifts from living donors (\$24K). Additionally, we contributed \$5K from proceeds from memorial stones (funds that, prior to 2019, counted towards our Annual Fund total). The 2020 Trust transfer of \$128,435 represents a 24% increase over the 2019 Trust transfer amount of \$103,766.
- The Fund Development Committee met on February 2 to discuss our upcoming donor recognition newsletter, which we expect to distribute electronically in early March. The committee supports the staff's plan to credit all financial gifts (not just Annual Fund gifts) in our recognition lists, and also to add a new extraordinary giving category of \$20K and up (the highest category for 2019 giving was \$10K and up).
- In a normal year, we would have opened up applications for our spring volunteer weekends by now. However, this year we have decided to begin this process in March, in order to give us more time to consider the program carefully in light of the pandemic. Currently, we are planning on hosting some volunteer weekends this spring, but we anticipate having fewer of them, and with less people each weekend. Stay tuned for more information!

Despite the uncertainty ahead of us, we are optimistic (though guardedly so) that we will be able to open the island to a certain degree this summer. Meanwhile, we remained focused on other important short- and long-term strategic priorities.

With Star Spirit,



Joe Watts
Chief Executive Officer