

**Star Island Corporation (SIC)
Chief Executive Officer's Report
September 28, 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: *Our [Strategic Resolution](#) has three main goals – Community, Public Health, and Environment. These goals are incorporated into this report, which follows the format of our most recent [Strategic Plan](#).*

COMMUNITY

- I write this report as we approach the close of a magical, fun, enriching, and safe season on Star Island. Over the course of this season, many people returned to their Spirit's Home after a two-year absence. I am deeply grateful to the many amazing volunteers and staff members who helped make this possible – it really does take a village, and our Star Island village is strong!
- Working together, we were able to implement several health and safety protocols to reduce the risks associated with COVID-19, and as of today, I am pleased to report that we have not had a single verified conferee case of COVID-19 on island this season (the conference season ends on October 3). Our conferees and employees did their part, with over 99% of eligible guests and 97% of our employees being fully vaccinated.
- We are in the early stages of considering our vaccination policies for both employees and guests for 2022, including consideration of vaccine mandates for both populations. The Personnel Committee will meet on November 3 to review the Personnel Handbook and consider various HR policies (including our 2022 vaccination policy).
- We implemented several changes to our island operations to mitigate risk, including but not limited to decreasing the on-island overnight guest limit to 170, reducing the number of employees by about 25%, reducing the amount of people/guest room (conferees and employees), implementing a buffet service all season, offering outdoor dining options, modifying housekeeping procedures (including augmented cleaning and disinfecting of bathrooms and public spaces), modifying luggage service, having a “gap night” in between regular season conferences, keeping day visitors separated from our overnight guests and employees, and requiring masks indoors throughout the majority of the season. We are in the early stages of considering which of these (and other) changes to operations should remain in effect for our 2022 operating season.
- One key example of this is our buffet service, which requires less employees to run, is more cost effective, and is better for the environment. As the season went on, we worked through many of the kinks in this system, and we are actively considering a modified and improved version of this food service model for our 2022 season. Over the course of the season, we received a lot of feedback ranging from people who loved the new model to those who wish to return to the old model (two Waitrae/table) next year. This example alone makes it clear that we have a lot of work to do to figure out the best ways forward with our operations, including planning, communications, and implementation.
- I would like to thank all of the 2021 conference leaders for their hard work and understanding leading up to and throughout this conference season. Our work together started in earnest a year ago, and their efforts really helped make this season a smashing success. We are considering how to adapt our

2021 conference planning efforts to our 2022 planning process, with an eye on how to balance efficiency and thoroughness – we hope to have an initial planning meeting with our 2022 conference leaders sometime this fall (prior to the traditional first meeting in January).

- Our Pelicans worked hard this season and had great spirit (as evidenced by large turnouts at Pel Shows, softball games, and the like, even though we had fewer Pels than normal). We were able to keep average Pelican hours to a lower-than-normal number – we felt this was important to offset additional stresses related to the pandemic. Our year-round and seasonal professional staff excelled under challenging circumstances, and I am deeply grateful for their efforts, which were a big part of our success this season. As with everything, we are looking carefully at how we might adapt our staffing model for next year.
- We made good progress with our Beloved Community Project (BCP) this summer, including two SIC offerings which resulted in a dozen sessions, as well as three sessions with the Pelicans (who established the Pelican Council Racial Equity Subcommittee – see their “Goals & Purpose Statement” attached). Our [resource guide for conference leaders](#) provided inspiration for many conferences, and many conferences initiated BCP-related programming on their own. A number of major family conferences implemented new Grand March traditions (for more on our shift to a new song, see [Rev. Carlton Smith’s chapel service](#) from LOAS 1). Our BCP Task Force, ably chaired by April Rosario, is in the process of establishing some priorities for the year ahead (such as creation of a new BCP position, resource guide implementation, creation of a new song, and financial accessibility and registration), as well as figuring out additional ways to involve more people in this important work.
- At its Summer Board Retreat, Mary Ellen Jackson offered a “Governance as Leadership” presentation, and we are looking forward to launching a governance review in the months ahead. This comprehensive review is expected to look at several aspects of our governance structure, identifying what is working well and making recommendations for things we might do better over the short-, intermediate, and long-term.
- The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) has been meeting over the course of the last year and a half to share ideas, largely focusing on how to mitigate the impacts of the pandemic upon our member organizations. The UUACCC’s annual retreat will take place via Zoom on October 19.

ECONOMIC

- Our July Financials project a year-end net operating gain of \$287,759 (vs. budget of \$44,643) – please see the attached July Financials for more information.
- While we cannot finalize our 2021 season bed night report yet, it appears we will fall just short of our budgeted bed night goal for the year. Though the attached September 1 report forecasts 11,223 bed nights, we have lost some bed nights due to the pandemic and weather, and we now anticipate ending the season closer to 11,064 bed nights (vs. budget of 11,332). In 2019, we had 21,268 bed nights, and in 2020, we had 0 bed nights.
- The attached Long-range Integrated Financial Tool (LIFT) includes our modified 5-Year Financial Plan, 2021 Capital Budget and YE projections, Capital Improvement Plan (2021-2025), and a simplified Development Overlay. Given the continuing uncertainty caused by the pandemic, the LIFT assumes continued impacts on operations through 2022 (e.g. 90% occupancy vs. 2019, or 19,141 bed nights vs. 21,268), but negligible impact on our 2023-25 operating seasons. As a reminder, the LIFT is a tool to help us plan for the future, not a proposed budget.
- We anticipate that the first draft of the 2020 Budget will be available in advance of the November Finance Committee and board meetings. We expect to present the final 2020 Budget recommendation to the board at its January meeting, though as has been the case for the last few years, we hope that next year’s room and board rates can be approved prior to final budget approval.

- The Finance Committee met on August 25 to discuss the YTD financial statements, our 5-Year Financial Plan, and the 2022 financial planning process. The committee meets again tomorrow to focus on the LIFT and the 2022 Budget process.
- This year, due to uncertainty surrounding the pandemic, we implemented a forgiving, low stress cancellation policy, which permitted registrants to cancel up to the day before the conference start date to receive a full refund (vs. our normal policy of four weeks prior to receive a full refund and two weeks prior to lose the deposit but not be responsible for full room & board). We are in the early stages of thinking about our cancellation policy for 2022, and we look forward to working on this with the Finance Committee in the months ahead.
- The Trustees of the Star Island Permanent Trust Fund will be meeting on October 7. The value of the Trust at the start of the year was \$4,867,423, which by late August had grown to \$5,596,064 due to a combination of investment gains and contributions of \$210,564 through the end of Q2. We expect to receive our standard distribution (4.25% of a 3-year moving average) from the Trust next month.
- This year, we borrowed \$200K from our credit line with Cambridge Trust (vs. \$400K in 2019).
- Our 2021 discount program was significantly scaled back from our 2019 program, by design, and we wound up issuing less discounts than we budgeted for this year. Please see Mike Bray's discount report for more information.
- We are working on our 2nd Paycheck Protection Program loan forgiveness application, which is a significant project due to documentation requirements. We anticipate submitting our application next month and receiving full forgiveness of our \$869K loan (which was received in February). Additionally, we have also been told by the IRS that we will receive our \$103K Employment Retention Credit (for 2020) prior to the end of this year. Our budget and financials indicate that we will receive both of these this year which, based on what we know as of today, is what we are expecting.

ENVIRONMENT

- Despite having birding retreats on the island, close-up is well underway. We anticipate completing close-up by late October, when our winter caretakers are expected to arrive.
- Our multi-year water reuse pilot project, a collaboration with the NH Department of Environmental Services (NHDES), was able to resume this season, and we made a lot of progress. As a reminder, the NHDES is investing \$120K in this important project, and it has engaged [Carollo Engineers](#) to participate. We ran several pilot tests of our influent and effluent this season, and NHDES and David Mercier, of Underwood Engineers, came to the island for a two-day visit in late August to gather information, present to the SIC Board of Directors, and brainstorm next steps (along with Carollo, who participated remotely). We anticipate signing loan documents for our \$500 2nd State Revolving Fund (SRF) loan in the coming months (we have already been approved for this loan). Also, we received our new National Pollutant Discharge Elimination System (NPDES) permit this summer, and it will go fully into effect for our 2022 operating season.
- On August 3, we were pleased to host Sean Toomey, the new NH State Fire Marshal, on island for a tour and to observe a fire drill. He was joined by Chief Mark Cotreau and Lieutenant Jeff DiBartolomeo of the Rye Fire Department, as well as Jeff Murphy of SFC (our fire protection engineer). Sean indicated that he was very pleased with how things were going on the island.
- Also on August 3, our food service operation was inspected by the NH Department of Health and Human Services Food Protection division. The inspectors were new to Star Island and expressed their satisfaction with how things looked and how they were being managed – we received a “green” inspection result (which is always important, but even more so not having been inspected for a while).
- The Town of Rye's Historic District Commission has drafted the attached “Guidelines for the Isles of Shoals,” intended as a framework through which major island improvement projects should be

considered. This document is, in effect, the external version of our (internal) Property Standards, and we may need to update our Property Standards accordingly.

- The Strategic Facilities Planning Committee met on September 9 to discuss these guidelines, as well as the draft Capital Improvement Plan (CIP). The committee recommended the CIP as presented. The CIP included in the attached LIFT has been slightly modified, with the largest change being the deferral of the start of the Caswell Weatherization project from 2022 to 2023. The SFPC will meet again soon to discuss possible next steps with our current solar power system (including the pros and cons of staying under our current Power Purchase Agreement or buying the system outright, as we are permitted to do starting after Year 7), as well as expansion possibilities.
- Our landlord, the Portsmouth Historical Society, has provided us with official notice of termination of our office lease, effective June 13, 2022. Thus, we are in the process of looking for a new mainland office location. We are working with PHS on a possible short-term extension, to get us through our 2022 operating season, as well as a possible long-term IT agreement, whereby we would keep in place the IT equipment that provides island internet coverage even after we move out of the building.
- Despite a leaner year than most, we were able to make capital improvements in a number of areas, including Cottage D (windows, siding/trim, painting), wastewater treatment/water reclamation (including sludge drying beds), Newton Centre (windows), and Rutledge Marine Lab (plumbing). We also invested \$20K to dramatically increase the amount of bandwidth to the island this year, and this was very well received. This upgrade better enabled remote conference activities (to and from the island) during the pandemic (and, we suspect, beyond), and it also provided reliable service for those who need to connect to the web for their off-island jobs, while at the same time not appearing to infringe upon the rustic nature of the island.
- We are in the process of reviewing our annual professional services marine transportation agreement, with an eye towards 2022. The current agreement runs through January 31, 2022.

STEWARDSHIP

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

- As of August 31, the 2021 Annual Fund (AF) had realized \$402,291 in gifts, with a pledge balance of \$42,118, for a total of \$444,408 (75% of our 2021 goal of \$590,000), with 196 Sustaining Star (recurring) donors. Please see the attached August AF Comparison Report for more information. The following chart compares our progress this year to the previous two years (with the caveat 2020 was 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>
2021	\$402,291	\$42,118	\$444,408	75%	872
2020	\$702,672	\$22,127	\$724,799	91%	1,264
2019	\$305,385	\$54,805	\$360,190	69%	972

We are pleased with AF progress to date, and we believe we will achieve our budgeted AF goal for 2021. We are especially grateful to the conference AF volunteers who put in substantial legwork this summer to help make it a successful conference season from a fundraising perspective despite the smaller number of conferees on the island. Our Fall AF appeal letter will be mailed by early November.

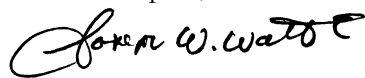
- We also welcome board member participation in soliciting special AF gifts of \$5,000-\$20,000+ between now and the end of the year to help meet our overall funding needs and ensure that we are set up for success in 2022 and beyond. Peter will be in touch with you individually to discuss the role(s)

you may play in fundraising for Star in the coming months. Feel free to reach out to him at psquires@starisland.org as well if you have any questions or ideas.

- The Fund Development Committee has been in recess during the conference season but will resume convening monthly in October. Forthcoming discussion topics will likely include a review of our fundraising activities and progress over the summer, fundraising tactics for the final quarter of the year, and longer-term fundraising strategy for capital and other organizational needs in the coming years.
- The fall Council of Conferences (CoC) meeting will take place via Zoom on October 16. April Rosario will be offering a BCP presentation, and I will be offering an SIC update. Delegates will discuss changes that were implemented this year on Star Island, as well as how to engage conferees throughout the year and encourage them to return in 2022.
- So far, Star Island has received \$35K in grants in 2021, from the following funders: Samuel P. Hunt Foundation (\$25K– Cottage D); Fuller Foundation (\$5K – General Support/Unrestricted); Bank of New Hampshire Charitable Foundation (\$2,500 – Cottage D); Rosamond Thaxter Foundation (\$2,500 – Green Gosport Initiative). In the coming months we will continue to fulfill our reporting requirements to these grant-makers on the work their support helped make possible and the impact it had on Star Island and on the communities we serve.
- Even though we chose not to host an on-island fundraising event concurrent with this year’s Gosport Regatta sailboat race, several past sponsors have chosen to continue their support for Star Island this year, totaling \$4K at the time of this report. We are grateful to these generous and steadfast sponsors: Paul & Jessica McKeon, Ambit Engineering, McLane Middleton, and Underwood Engineers.
- This year’s fall fundraiser, Starry Night, will once again 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 Friday morning, November 12, and keeping it live through Sunday evening, November 21. This year, our featured speaker will be actor, dialect coach, master teacher, YouTube celebrity, and Star Gathering 2 conferee [Erik Singer](#), who will be offering a presentation via Zoom at 6:00 p.m. on November 21 (registration information coming soon). We are thrilled that Erik will be offering a presentation perfectly suited to our virtual format – it is definitely worth checking out his popular [videos on YouTube](#) for a preview. We are happy to renew our streak of Starry Night speakers named Eric/Erik – three in the last four years (sorry Alex).

As we turn the page on a different and successful conference season, it is worth reflecting on how all the hard work put in by so many resulted in us being able to reopen Star Island in a safe and responsible way, bringing joy to thousands of people, inspiring them to new heights, and recharging them to face whatever challenges lie ahead. We are so excited about how this season went, despite some hiccups, and we can’t wait to welcome even more people on the island next season!

With Star Spirit,



Joe Watts
Chief Executive Officer