

**Star Island Corporation (SIC)
Chief Executive Officer's Report
February 23, 2022**

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

- On February 7, we met with our 2022 conference leaders via Zoom to go over conference planning, a few policies, and a few other topics – we continue to feel that having a few meetings, spread out over time, is more effective than our pre-pandemic method of having one daylong session in early January. The next planning meeting with conference leaders will take place in late April/early May.
- On February 21, April Rosario, Beloved Community Project (BCP) Task Force Chair, as well as fellow BCP members Lucia Green-Weiskel, Kyle Belmont, and Justina Maji hosted a meeting open to a wide audience, including conference leaders, members of the Star Island Corporation, and other key Star Island stakeholders. This informative session provided updates on the task forces current “tracks” of work, and focused on intentional welcoming and some of the on island programming that will be offered by SIC this season.
- The Pelican hiring team, ably led by Kate Brady, has made good progress putting together a 2022 Pelican team. This process has been more challenging than usual this year, as we have less applicants than usual (138 vs. 5-year average of 169), and also many applicants are available to work for shorter time periods than in prior seasons (which can have repercussions as we near the end of our season). On the plus side, we are hiring for ~10 less positions than our pre-pandemic levels (though we are hiring for more positions than last year). We will be reaching out to some supervisor applicants soon, and we do anticipate sending out all agreements by mid-March, as in past years – a lot will come down to how many people accept our offers. If we need to do another push for applicants, we will.
- We are pleased to announce that we have hired Christana Wille McKnight as our Island Minister/Beloved Community Project Manager (FT year-round position), as well as the following employees in seasonal professional roles (starting in April or early May): Anne Henry as our Primary Island Nurse (she is currently working on a part-time basis), Don Kirlis as our Island Engineer, Dan Linskey as our Head Carpenter & Island Technician, and Nick Bresinsky as our Head Painter. We anticipate finalizing the remainder of our professional staff roster in the coming weeks.
- The Health Committee met on February 16, with a primary focus on mental health – most of the committee’s focus over the last two years has been on our COVID-19 policies (understandably); this meeting intentionally carved out time to focus on another important topic.

- I attended the Isles of Shoals Historical Research Association's (ISHRA) winter meeting on January 30, where I offered a presentation on our 2021 and 2022 seasons, followed by a Q&A.
- The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) met on January 19 to discuss a variety of topics, with a continued primary focus on pandemic impact and policies. The next meeting is scheduled for March 9.
- The 2022 Annual Meeting of the SIC is scheduled to take place on Saturday, April 30.
- I have appointed John Bynum and Justina Maji as the 2022 Grievance Officers (as per our Safe Community Policies).

ECONOMIC

- As of February 15, we received 1,699 registrations representing 10,719 bed nights (57% of our 2022 budgeted goal of 18,940). Last year at this time we had received 0 registrations representing 0 bed nights (0% of our 2021 budgeted goal of 11,232 bed nights) – though registration hadn't opened yet. In 2020 at this time (pre-pandemic) we had received 1,540 registrations representing 9,608 bed nights (46% of our 2020 budgeted goal of 21,000 bed nights). In 2019 at this time we had received 1,514 registrations representing 9,097 bed nights (44% of our 2019 budgeted goal of 20,650 bed nights) – and 2019 turned out to have the highest number of bed nights on record (at least in the last several decades). While it is still premature to draw firm conclusions, and uncertainty surrounding the pandemic and its potential impacts on our 2022 season remain, we are cautiously optimistic about how enrollments seem to be shaping up.
- With the exception of a registration raffle we launched recently, we have not launched our discount program for 2022 – we are holding off to see how registrations are coming in. Discounts are a marketing and outreach effort (vs. financial aid, which we've been promoting more aggressively than in the past), and we are monitoring registrations closely to determine which discounts, if any, we feel we should offer. We will revisit this again in mid-March.
- Our preliminary December 2021 Financials indicate a net income of \$634,070 (vs. 2021 Budget of \$44,643. We invested \$301,293 in capital projects (vs. 2021 Capital Budget of \$311,855). We are pleased with these results in what was a challenging year, from a financial perspective, in many respects. We remain deeply grateful for the continued extraordinary financial support from our community and from the federal government – the latter of which did exactly what it was intended to do, helping us to weather the pandemic up to this point (and we are mindful that there continues to be uncertainty). 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) tomorrow, and the audit fieldwork is scheduled for the week of March 7. Our goal is to have a completed audit and Form 990s (for SIC and the Star Island Permanent Trust Fund) to present at the April 5 Board meeting (with the May 3 meeting as a back-up plan).
- The Finance Committee met on January 19 to discuss the November Financials, the FY22 Budget Proposal, the 2022 Finance Committee calendar, the 2021 Audit, the Finance Committee Charge, and to brainstorm some possible goals for the year ahead. The committee recommended approval of the staff's FY22 Budget Proposal as presented, and the SIC Board approved this budget at its January 25 meeting. The Finance Committee meets again on March 2.
- We have received draft loan documents for our second Clean Water State Revolving Fund (SRF) loan (for \$500K), funding to be used for our water reuse pilot program, a collaboration with the

NH Department of Environmental Services. We are in the process of reviewing these documents and anticipate closing on this loan next month.

- We recently submitted final paperwork to renew our credit line with Cambridge Trust. The process was more involved this year, but thanks to our Treasurer, Jeff Loewer, we were able to renew this important cash flow device with favorable terms.

ENVIRONMENT

- The Strategic Facilities Planning Committee (SFPC) has requested time at the upcoming SIC Board retreat to discuss possible expansion of our solar power system, which is consistent with our Strategic Resolution. The SFPC has also requested board approval of the updated Property Standards package that was sent out to all board members earlier this month.
- We submitted our official response to the US Army Corps of Engineers Public Notice of the Isles of Shoals breakwater project. In addition to requesting the project not interfere with our operating season, we acknowledged that many aspects of the project have yet to be negotiated (after the Public Notice period and environmental assessments are concluded). With the support of the SFPC and the SIC Board, we also requested that the Corps leave the temporary stone ramp it will be installing in place after the breakwater project is completed, subject to certain caveats. We anticipate that the stages of the project directly impacting Star Island will commence this fall, after the conference season. Our winter caretakers have posted this video from the January 17 storm, which shows the raw power of the ocean sweeping over the existing breakwaters in dramatic fashion: <https://youtu.be/4cujdNAv3pk>.
- We continue to meet regularly with the Isles of Shoals Steamship Company, as well as with Granite State Whale Watch, about our mutual 2022 operating seasons. We are hoping to finalize the ferry schedule for all 2022 trips next month, with the caveat that things could change based on the state of the pandemic. One important variable is our vaccination policy for day visitors. Last year, we were able to welcome day visitors on island for limited, outdoor only stays. This year, we are considering a few options ranging from following the same policies as last year, to having an “opt in” component for fully vaccinated (only) day visitors having access to certain indoor locations (e.g. the Snack Bar), to requiring all day visitors to be fully vaccinated in order to come to Star Island. We are intentionally delaying making a decision on this policy (as with many of our other policies) till closer to the season, so we can make the most informed decision as we head into the summer. We also intend to remain nimble/adaptable, as this served us very well last season.
- On January 21, I met with representatives from Cornell University, the Shoals Marine Lab, and Maine Coast Heritage Trust to discuss conservation easements and other possibilities related to Appledore Island. One of the next steps in our ongoing process is to secure another appraisal of the island, the cost of which will be shared by all parties. I am looking for one or two members of the SIC Board to join me in these ongoing discussions – please email me if you are interested.
- Last month, we signed several agreements of note, including: a five-year agreement with the Rockingham House Condominium Association (IT connection between the Portsmouth office and the Isles of Shoals); our annual professional services marine transportation and capital project consulting agreement with Seacoast Marine Charters (Jack Farrell); and our annual fire safety consulting agreement with SFC Engineering.
- We have filed for a real estate tax exemption for our recently acquired lot on Appledore Island.

- We have been in continued, collaborative discussions with the Portsmouth Historical Society about our arrangement at 30 Middle Street. On February 7, we signed a conference room usage agreement to permit PHS to use some of our leased space, temporarily, in exchange for a rent reduction. More importantly, we are in the final stages of negotiating a new five-year lease agreement, which I hope to sign next month.
- We submitted our annual Tier II filing earlier this month with the appropriate regulatory agencies – this filing provides state and local officials, as well as the public, with specific information on potential hazards, as well as the contact information for key emergency management personnel.

STEWARDSHIP

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

- We are off to a decent start to our 2022 Annual Fund campaign – as of January 31, we had realized \$18,998 in gifts, with a pledge balance of \$21,000, for a total of \$39,998 (5.8% of our 2022 goal of \$690,000), with 194 Sustaining Star (recurring) donors. Please see the attached January Annual Fund Comparison Report for more information. The following chart compares our progress this year to the previous three years:

<i>Year</i>	<i>Realized Gifts</i>	<i>Pledge Balance</i>	<i>Total</i>	<i>% to Goal</i>	<i>Total Donors</i>
2022	\$18,998	\$21,000	\$39,998	6%	234
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

This year, the monthly AF comparison reports will include four years of data vs. the traditional three years. This is important as 2019 was the last full “normal” (pre-pandemic) AF year, and we feel it’s important to see how we fared in that year vs. the current year. In order to include four years of data in a presentable one page format, we have “grouped” the gift and pledge amounts for prior years – you can see this information by clicking on the “+” symbols at the top of the spreadsheet.

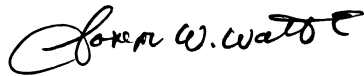
- Peter Squires will offer a fundraising presentation at the upcoming board retreat which will focus on 2021 results, what we have learned, and what we are exploring for this year and beyond. Prepare to be amazed!
- We have submitted a grant request for \$10,000 to the 1772 Foundation for historic preservation work on the Chapel.
- SIC transferred \$249,950 to the Star Island Permanent Trust for 2021, the majority of which was comprised off estate gifts (\$209K), and the balance of which was gifts from living donors (\$37K) and proceeds from memorial stones (\$4K). The 2021 Trust transfer of \$249,950 represents a 95% increase over 2020 (\$128,435) and a 141% increase over 2019 (\$103,766).
- We are working on our 2021 Donor Recognition Newsletter, which we expect to publish (electronically) in the first half of March.
- The Fund Development Committee met on February 1 and began a series of discussions about our 3-5 year development plans, including the possibility of a major fundraising campaign (a topic which was being actively considered for near-term consideration until the pandemic hit).

The committee was brought up to speed on our pre-pandemic campaign readiness work, and on March 16, the committee will discuss the findings of the Campaign Readiness Assessment completed by Philanthropy Resource Group in 2019. The committee hopes to identify the elements of that report that remain most relevant in 2022.

- Our outreach to a curated list of Legacy Society prospects is currently underway and will continue throughout the year. We hope there will be a notable increase in Legacy Society membership this year. If you are already a member: thank you! If you are not yet a member, please consider making Star Island part of your estate plans. To discuss this further please contact Peter Squires at psquires@starisland.org.
- We are registered as a foreign nonprofit corporation in the State of Maine.
- We have signed a three-year agreement (2022-2024) with the Isles of Shoals Association, UU.
- On March 4, Tom Rogers of Fred C. Church insurance will be proving the SIC Board with an overview of SIC's insurance program.

Earlier today I went to the beach, enjoying this uncharacteristically warm day with my family (its winter break for them). As I dipped my fingers in the Atlantic, I thought of this coming season, and the joy and meaning it will bring to thousands of people. It's great to reflect on the impact our special island and our community has on so many individuals and families, and also to think about the many new folks who will be coming to Star Island for the first time this summer.

With Star Spirit,

A handwritten signature in black ink that reads "Joe W. Watts". The signature is written in a cursive, flowing style.

Joe Watts
Chief Executive Officer