

**Star Island Corporation (SIC)
Chief Executive Officer's Report
June 1, 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

- We hosted three pre-season birding conferences last month, and we are excited to welcome Star Arts, ISHRA June, Natural History, and Young Adults starting June 19.
- Please see Community Relations Manager Ally Miner's Communications Report, attached, for a look at the many great things happening on the marketing and outreach front.
- We met with 2022 conference leaders on May 10, with a focus on important policies, services, Beloved Community Project offerings, boats & logistics, and other topics related to planning for a successful conference season. This was the last scheduled meeting with conference leaders for the year, but we may choose to meet with conference leaders again as the season unfolds, if needed.
- On May 16, we released the new Star Island song via email and social media platforms. An amazing video of the song, as well as other information, can be found at www.starisland.org/a-new-song. Our new song is the result of lots of love and hard work, and I am especially grateful to the following people for their efforts to make this happen: Ray Castoldi, Carla Diaz, Isaac Eddy, Kemp Harris, Wren Kitz, Gary Lue, Justina Maji, and April Rosario. I am also grateful to everyone who contributed to the video, as well as to those in our Shoaler community who contributed to the song's creation by answering the question "Why is Star Island your Spirit's Home?"
- The Health Committee met on May 11 to continue discussions on our pandemic related policies for the 2022 season, and the committee is scheduled to meet again next Wednesday. The Crisis Response Team met on May 6 and May 27, and there have been several other meetings and discussions about our pandemic policies over the last couple of months. These policies are particularly important in light of the current surge, as well as having two separate instances where multiple employees have tested positive this open-up. It appears clear that, at least for now, the current variant(s) of COVID-19 are more contagious than those in play last year, and for this and other reasons, we are not only implementing all of the policies we had in place last year (when we did not have a known case of COVID-19 during the conference season), but also layering in additional policies to mitigate risk (e.g., requiring pre-arrival testing of every overnight guest and employee). We intend to send out a communication about this to all registered conferees later this week, as well as sending out an email to each conference's attendees about a week before their conference. We anticipate that we will have cases of COVID-19 during the conference season this year – what we are doing now is both layering in additional safety policies and communicating about our policies in advance, so that each person can make an informed decision about coming to Star Island this season.
- The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) met on May 11 to discuss pandemic policies and staffing issues. The next meeting is scheduled for July 25.

- Pelican Orientation Week, an intensive program covering many aspects of Pelican work and community living, takes place June 14-19. We are pleased to be collaborating yet again with the Rye Fire Department and the Rye Police Department on aspects of our orientation program. We are also pleased to be offering our employees orientation on a range of topics including pandemic policies and precautions, sexual harassment, mental health, community living, and customer service. Over the last couple of months, we have sent out a series of orientation emails on specific topics – these emails have been sent to Pelicans in advance of their arrival on the island with the hope of supplementing and spreading out the core on-island orientation program. This year, we are pleased that we will not be hosting any conferences during orientation week, which we anticipate will help make orientation more effective than in prior seasons.
- Anne Beattie and I offered a presentation entitled “Isles of Shoals: Then and Now” at the STAR Theatre in Kittery on May 18. This presentation, originally scheduled to take place before the pandemic, was well attended and represents a return to local, in-person outreach.

ECONOMIC

- As of today, we received 2,903 registrations representing 16,870 bed nights (88% of our 2022 budgeted goal of 19,140) – please see attached bed night report for more information. As of June 1, 2021, we had received 2,088 registrations representing 10,338 bed nights (92% of our 2021 goal of 11,232 bed nights). As of June 1, 2019 (our last “normal” season), we had received 3,299 registrations representing 19,044 bed nights (also 92% of our 2019 budgeted goal of 20,650 bed nights). At this time in 2017 and 2018, we were at 86% of our budgeted goals for each year. While we had been off to a good start with registrations this year, we believe that the current surge is causing some folks to hold off on registering and others to cancel their registration (though we hope that our forgiving cancellation policy will enable people in this category to wait till closer to their conference before deciding to cancel). As of today, we are not lowering our bed night projections for the year, but we will be keeping a very close eye on this in the weeks ahead.
- Our April Financials indicate a projected net income of \$336,874 (vs. 2022 Budget of \$340,021). Please see the attached financials for more information.
- The Finance Committee met on March 30 to discuss the YE Financials, the committee calendar, the 2021 audit, and to receive a report from the Business Relationships Subgroup. The Finance Committee meets again tomorrow night to discuss, among other topics, the 2023 (and beyond) financial planning cycle. We are taking a fresh look at this cycle (which includes the annual budget process, the 5-year Financial Plan, and the Long-range Integrated Financial Tool (LIFT)) with the goal of more effectively aligning the timing and relevance of the 5-year plan and LIFT with the annual budget process.
- On the loan front, we are pleased to have closed on our second Clean Water State Revolving Fund (SRF) loan on May 26 (\$500K “draw down” loan with a fixed interest rate of 2.00% and a 20-year term). Unfortunately, our Economic Impact Disaster Loan (EIDL) application (for a \$281K loan) was denied, and we have appealed this decision (we anticipate being successful with our appeal, though we also understand that this program has run out of funding). We have not yet had to borrow from our credit line with Cambridge Trust (we normally need to borrow from this cash flow device in April or May each year), which is a sign of a stronger than usual cash position (this is particularly important due to the uncertainty we are still facing from the pandemic).
- On May 20, we received the second half of our 2020 Employee Retention Credit (ERC) from the IRS of \$51,917 (we filed for this in December). We are hoping this means that we will receive our full 2021 ERC of \$329,343 in the near future.
- At its April 5 meeting, the Board accepted the 2021 audit. We have filed SIC’s and the Star Island Permanent Trust Fund’s 2021 Forms 990 with the IRS and the State of NH, as well as filing our A-9 Form (real estate exemption) and A-12 Form (charitable organization financial statement) with the

Town of Rye. As we have throughout the last several years, we received exceptional audit results, with a clean/unmodified opinion, no significant adjustments, and no material weaknesses identified.

- Our retirement plan investment committee met with our plan advisors on April 27 to review fiduciary duties, fund balances, and the various funds included in our plan.
- The Trustees of the Star Island Permanent Trust Fund met on April 19. As of March 31, the total value of the portfolio was \$5,447,048.

ENVIRONMENT

- Open-up is well underway, and overall things are going well. COVID-19 has impacted operations, setting us back in a few ways, but as of now it seems that things are still generally on track. Some work will need to continue after the start of the conference season, but we are managing this in a way to minimize disruptions to conference activities.
- On May 25, the Rye Fire Department (RFD) conducted our pre-season fire safety inspection. The following individuals were present for the inspection: RFD Chief Mark Cotreau, RFD Lt. Jeff DiBartolomeo; Rye Assistant Building Inspector Vincent Bauer; Newcastle Fire Department Chief Ted Hartmann; Jeff Murphy of SFC (our professional fire safety consultant); Jack Farrell (regulatory contractor) and, representing staff, me, John Bynum, and Ebba Stover. The inspection team visited most of the island buildings, conducting a room-by-room inspection of key fire prevention, suppression, detection, and alarm systems. As is typical, a punch list of a few minor issues was generated; no major deficiencies were discovered or cited. In addition to the inspection proper, the Underworld project (RFD's top priority) and protocols for our new radio box were discussed. Additionally, Jack and Vincent looked over the projects we are doing this year that require building permits. Overall, the inspection was a great success, and the relationship between SIC and RFD continues to be positive and collaborative. All occupancy permits were issued the same day.
- The 2022 "all boats" schedule is live and in use at www.starisland.org/boatschedule.
- We have finalized our (SRF loan funded) Water Reclamation Pilot Program testing plan for the season, in collaboration with the NH Department of Environmental Services, Carollo Engineers, and Underwood Engineers. As a reminder, our goals this season include refinement of our wastewater treatment operations and gathering enough data to inform both SIC's future water reuse plans and the creation of water reuse regulations for the State of New Hampshire. We are also in the final stages of installing a new PLC panel (computer controls), which has been customized to maximize wastewater treatment operations.
- On the project front, work is proceeding nicely with the Chapel and Newton Centre siding and trim, and we anticipate having both projects done before conferees arrive on June 19. We are also making progress on the EMB project, and though we do not anticipate completion prior to the conference season, this project can be worked on during the regular season with minimal disruption to conferee activities. We have purchased a food truck and anticipate purchasing an accessibility cart and a van for mainland operations. We are deferring work on the cottages' boardwalk project till the fall, as well as a few other projects. We are installing a new roof on the Art Barn, redoing the bathroom of Cottage C, and several other smaller projects are happening on the island this open-up.
- The Strategic Facilities Planning Committee met on April 28, at which the committee heard a presentation on FEMA mapping, Rye zoning, and possible sea rise impacts on the island.
- We have commissioned a preliminary design for an expansion for our solar power system from 120 kWh to 800 kWh of battery storage, and an array expansion from 130 KW to 280-300 KW. Once we receive this design, we plan on convening a solar power task force, which will investigate expansion of the existing system (among other things).

STEWARDSHIP

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

- We are on track with our 2022 Annual Fund campaign – as of May 31, we had realized \$155,637 in gifts, with a pledge balance of \$10,725, for a total of \$171,062 (25% of our 2022 goal of \$690,000), with 192 Sustaining Star (recurring) donors. Please see the attached May 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	\$155,637	\$10,725	\$171,062	25%	419
2021	\$144,162	\$23,208	\$167,371	28%	367
2020	\$369,944	\$13,451	\$383,395	48%	714
2019	\$132,531	\$7,900	\$140,431	27%	395

- Our Spring Annual Fund appeal letter, the first major fundraising solicitation of the year, went out on April 27, and so far there has been a good response (which is reflected in the May AF Comparison Report).
- We have secured commitments from 2022 AF volunteers at 15 conferences so far. The 2022 AF volunteer orientation takes place on June 8. The Fund Development Committee met yesterday to discuss this orientation session.
- Please find attached our Donor Bill of Rights and Development Confidentiality Agreement.
- Over the last month, we have received four grants in response to five applications. Though we did not receive a grant from the AARP Community Challenge Grant program (which we knew was a stretch), we are pleased to announce that we have received the following grants:
 - \$10,000 from the 1772 Foundation, in cooperation with the NH Preservation Alliance, for Chapel preservation work
 - \$10,000 from the Cogswell Benevolent Trust, also for Chapel preservation work
 - \$3,450 from the Isles of Shoals Association, UU for work on the front lawn playground, purchase of a micro-scanner, work on flower gardens, and purchase of new garden carts
 - \$2,500 from the Bank of New Hampshire Charitable Foundation for cottages boardwalk restoration

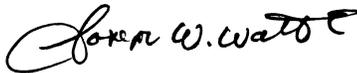
We are grateful to each of these organizations for their support of Star Island!

- The 2022 Annual Meeting of the Star Island Corporation took place on April 30, 2022. In mid-May, Debbie Duval and I sent out a follow-up email to membership with a link to the video of the meeting and the Corporation membership web page, passages from the floor, information on the breakout sessions, the Time & Talent Survey (for committee membership), and responses to questions and comments we were not able to respond to at the meeting.
- Our outreach to a curated list of Legacy Society prospects continues. 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 (please contact Peter Squires at psquires@starisland.org). We announced a goal of 50% participation amongst SIC membership at the Annual Meeting (currently, 33% of members are known to be in the Legacy Society).
- The Council of Conferences met on May 15.

- We continue to engage with representatives from the Piscataqua Sailing Association as we plan for the return of the Gosport Regatta, scheduled to take place on September 18. Solicitation of Regatta sponsors, as well as promotion of the event, will begin in June.
- We have been able to host some volunteers this spring, and we are grateful for their contributions. We have experienced disruptions to some volunteer periods due to COVID-19, but overall, we have been able to host volunteers.
- The Governance Task Force (GTF) continues its important work. On May 18, the GTF met to review the input received from the April 30 breakout sessions, to discuss GTF subgroups (e.g., committees & constituent organizations), and to finalize a GTF Charge recommendation (please see attached) for the SIC Board to vote on at its June 7 meeting. The GTF meets tomorrow with an agenda focused on finalizing GTF subgroups, discussing membership of these subgroups, and working towards creation of a Governance Review Calendar, intended to include all GTF meetings and other events (e.g., communications with membership and others).

The conference season is nigh! We look forward to having a wonderful season, and we are mindful that there will continue to be operational challenges stemming from the ongoing pandemic. Together, as a Community of Care, we can reduce risks and work towards having a fun and meaningful conference season.

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