

**Star Island Corporation (SIC)  
Chief Executive Officer's Report  
September 27, 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 have largely concluded our 2022 conference season on Star Island (with the exception of some birding conferences). Once again, thousands came to our shores to relax, be rejuvenated, have fun and meaningful experiences, form/reform community, and be inspired to bring Star Spirit back to their mainland communities.
- This was a successful yet challenging season, and it opens up windows of opportunity for the future. We are excited to consider what we have learned this summer and adjust for next year, specifically in four main areas: COVID-19 policies; staffing/staffing structures; services – methods, quality & expectations; and Beloved Community (including how we interact with one another).
  - On the pandemic front, we have already started to think about our COVID-19 policies for the 2023 season. Obviously, a lot can change between now and then, though it's not too soon to consider our policies around vaccination, testing, masking, day visitors, etc. One of the things we've gleaned from this year, and is part of the impetus behind the [CDC's August 11 guidance update](#), is that we need to shift the focus from businesses and schools (what Star Island recommends, mandates, and enforces) to individuals (personal responsibility, ownership, and accountability).
  - We are in the midst of a comprehensive staffing structure review, which includes taking a fresh look at all positions in our organization, including roles & responsibilities, reporting relationships, gaps in coverage, time off, staffing models and assumptions, compensation (including wages, room, board, island living expectations, and other benefits and challenges), etc. Our goal is to ensure that we are staffed properly for a successful 2023 and beyond.
  - On the services front, we were able to implement several changes this year (from both 2019 and 2021). Some were improvements, some were barely noticed, and others were not as successful. Additionally, in reviewing island evaluation results, we realize that improvements are needed in a few service areas, such as housekeeping and food service.
  - Of course these areas intersect – our COVID-19 policies, staffing/staffing structure, and service models/quality all impact each other. This is also true of how we interact one another. Unlike last season, this season saw an above average number of individuals (guests and employees) bringing their (external to Star) anxieties, fears, anger, etc. with them to the island, which in turn caused more challenges and disruption than in previous years. While this is understandable to an extent, given the state of the world these days, it is also an urgent issue that we need to address in meaningful and effective ways prior to and during next season.
- This phenomenon is not unique to Star Island. During recent Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) meetings (including our September 22 meeting), for example, it

was apparent that our camps/conference centers are experiencing a perfect storm related to the disruptive intersection of the pandemic/pandemic policies, staffing issues, service levels & quality, and some campers/conferees and some employees being responsible for an inordinate amount of stress and disruption.

- In last week's issue of *Ferry Beach Discovery*, there is a section entitled "Kindness" which reads: "Thank you to those who have visited and continue to support us. Donors, members, coordinators, workshop leaders and so many others have come to Ferry Beach this summer. Your presence alone is critical to our ability to function. Without you there is no us – so thank you so much for including us in your plans! This summer has been challenging for staff and volunteers. With many new year-round staff starting this spring, we have had a lot of learn-as-you-go moments. We have asked conferees to help out where they can, and they were happy to do so. We are grateful to those who showed us kindness and support, and understand the frustrations that arose through the summer. We are hopeful that next summer will be easier for all of us. In the meantime, please continue to be gentle and kind while we do our best to serve you!"
- We received some great press this season. One example is this wonderful feature from the NH Union Leader (NH's largest newspaper): [Star Island Offers a Sense of Community in a Pristine Setting](#).
- We are grateful to Peter Squires and Ally Miner for their years of service on our year-round staff, and we wish them the best in their new pursuits.
- We advanced our Beloved Community Project (BCP) this season in meaningful ways, and we were pleased to welcome Christana Wille McKnight to her first conference season as our Island Minister/BCP Manager. Now that our season is ending, Christana will work with the BCP Task Force and others on prioritizing areas of focus for next year, as well as working on several distinct projects (e.g., monuments plan, Property Standards review).
- We are excited to be collaborating with the Indigenous NH Collaborative Collective, the University of New Hampshire, Odiorne State Park, and Strawberry Banke to bring an augmented reality project to Star Island, hopefully in time for our 2023 season. We anticipate there being four augmented reality sites on the island, accessible via QR code, depicting indigenous people on Star Island during different eras.

## ECONOMIC

- As of September 15, we had 3,391 registrations representing 17,095 bed nights (89% of our 2022 budgeted goal of 19,140) – please see attached bed night report for more information. Though the final bed night report of the season isn't ready yet, it is clear that we will fall significantly short of our budgeted goal for this season. Over the course of the season, we tracked this carefully, downgrading projections throughout, and managing our budget in other ways to help mitigate this financial impact. We believe the primary reason for this drop in enrollments was COVID-19 – people not registering because of, people cancelling due to the state of, and people cancelling because they tested positive immediately prior to coming to the island (as a result of our testing policies). Here are some actual figures to help put this year's enrollments into perspective: 2021: 11,057 bed nights; 2020: 0 bed nights; 2019: 21,268 bed nights (record); 2015: 19,459 bed nights; 2011: 17,801 bed nights. While our 2022 enrollments were below what we had planned for, they are not much lower than what they were during normal operations a decade ago. We are currently working on anticipated enrollment figures for the 2023 season, which continues to be no small task given the ongoing impact of the pandemic.
- For the last two seasons, 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. For next year, we are actively considering returning to our standard policy (four weeks prior to receive a full refund and two weeks prior to forfeit the deposit but not be responsible for full room & board).

- Our August Financials indicate a projected net income of \$170,535 (vs. 2022 Budget of \$340,021). Please see the attached financials for more information.
- The Finance Committee met on August 25 to discuss YTD financials, the format of our financials, our reserve policy, and our vendor scorecard/business relationships survey. The Finance Committee meets again on Thursday night to discuss, among other topics, 2023 budget considerations, our reserve policy, and our 2023 committee calendar.
- For the first time in years, we have made it this far into a fiscal year without having to borrow against our credit line with Cambridge Trust (we normally need to borrow from this cash flow device in April or May each year).
- We anticipate requesting our first (modest) disbursement from our second Clean Water State Revolving Fund (SRF) loan sometime next month. As previously noted, this loan – distinct from our first SRF loan of \$1.3 million – is a \$500K “draw down” loan with a fixed interest rate of 2.00% and a 20-year term.
- We anticipate receiving our 2021 Employee Retention Credit (ERC) from the IRS in the amount of \$329,343 prior to year’s end, though given the backlog at the IRS it is possible that this could take longer. We filed for this credit in late January 2022.
- The Trustees of the Star Island Permanent Trust Fund are scheduled to meet on October 21. As of August 31, the total value of the portfolio was \$5,058,116, down from \$5,580,966 on December 31, 2021. This represents a drop in our portfolio value of 9.4% for the year (investment losses plus donations less fees). We expect to receive our standard distribution (4.25% of a 3-year moving average as of September 30 each year) from the Trust next month.
- We anticipate that the first draft of the 2023 Budget will be available in advance of the November Finance Committee and board meetings. We expect to present the final 2023 Budget recommendation to the board at its January meeting, though we hope that next year’s room and board rates can be approved prior to final budget approval.
- We issued \$55,188 in SIC financial grants this year (vs. budget of \$42,000) – please see attached Financial Grants Report from Kyle Belmont for more information. Also, we issued discounts in the amount of \$1,001 (vs. budget of \$50,000).

## **ENVIRONMENT**

- Close-up is well underway. This year, we hired more close-up workers than in past years, in an attempt to get even more done to protect the island for the winter and also to get a jump on next season. We anticipate completing close-up by late October, when our winter caretakers are expected to arrive.
- Our work on the EMB capital project continues – due to the out of the way/not in conference areas nature of this project, we had the luxury of working on this throughout the conference season. We anticipate going over budget on this project by \$23K, mostly due to our plans to install new flooring (not part of the original budget) and some unanticipated repairs (such as to the chimney).
- Despite this projected additional expense, we anticipate working within the overall budget footprint of the 2022 Capital Budget, and possibly coming in as much as 10% under budget (please note in the attached financials we are still including a \$46K contingency). There are a number of reasons for this, such as deferring some work till next spring (e.g., cottages boardwalk project) and coming in under budget on some projects (e.g., mobile food trailer). We always strive to invest in our facilities, and coming in under budget is not an attempt to improve our cash position – in fact, we completed some unbudgeted capital projects this year. We anticipate more capital projects will be completed this year (e.g., sprinkler system improvements) or started this year (e.g., fire detection system improvements), and will have a better sense of anticipated pricing within the next few weeks. Depending on how things go, we may or may not choose to purchase a van for off island use (our current van needs to be

replaced) – this would be another unbudgeted project for 2022, and thus provides us with some leeway to invest more on sprinklers and/or our fire detection system, as needed.

- The Strategic Facilities Planning Committee (SFPC) met on September 8, at which time the committee discussed landscape planning as well as FEMA mapping/possible sea level rise impacts on the island. This is an important topic which directly ties into our Strategic Resolution’s goal of adaptation planning.
- On August 16, Kristen Simard and I were the “Speakers of the Week” (for a day) for the LOAS 1 Conference. Our presentation covered aspects of the Green Gosport Initiative, with a focus on aspects that pertain to climate change and sea level rise.
- One of the items we held up was the US Army Corps of Engineer’s (USACE) plans to repair/refurbish the three breakwaters at Gosport Harbor. We submitted the final “Offer to Sell Easement” paperwork to USACE on September 8, and our understanding is that they will soon be preparing requests for proposals for contractors to do the work (in addition to other steps they need to take, such as securing all required permits). The project has received federal funding and the part that directly impacts Star Island (including them having equipment on the island itself) is scheduled to be completed this spring, prior to the start of our 2023 regular conference season (though work on the breakwaters connecting Cedar to Smuttynose and Smuttynose to Malaga is expected to continue throughout the summer).
- Since the USACE will be hiring contractors with barges, heavy machinery, etc., and since they will be coming onto Star Island in the spring and using a portion of our perimeter road (from just east of the EMB to just past our wastewater treatment facility), we are hoping to dovetail our 2023 capital project planning and budgeting accordingly. To this end, we have hired Ambit Engineering to produce a master perimeter road plan (a lot of the preliminary work on this was performed on a volunteer basis) and work with the relevant parties to come up with a design, budget, etc. for the entirety of our perimeter road. This project will be expensive, and we might not be able to do all of it next spring – however, it makes sense for us to pursue this possibility, since there are likely ample opportunities to work with USACE’s contractors to maximize efficiency and reduce expense.
- As previously noted, one of our top capital project priorities is a complete redo of the Underworld, which we expect to schedule over a multi-year period resuming this year (with planning & design work, delayed due to the pandemic). This project is a complicated and expensive one, and is a high priority for several reasons, including fire safety. Tomorrow, a group of staff members will accompany representatives from our contracted architecture and planning firm, Placework, to the island. We anticipate drafting up plans and reviewing them with the SFPC and SFC Engineering (our fire safety consultant), prior to the end of this year.
- We are in the process of reviewing our annual independent contractor agreement with Seacoast Maritime Charters (Jack Farrell), which includes M/V Shining Star charters and related services, capital project planning, facilities contractor management, long-range facilities planning, facilities regulatory compliance/oversight, and various special projects. The current agreement runs through January 31, 2023, and our intention is to enter into another annual agreement.
- On September 22, we met with representatives from the Maine Coast Heritage Trust, Cornell University, and Shoals Marine Lab to receive an oral Appledore Island appraisal report from Jane Furbeck-Owen. This collaborative effort is part of investigating our long-range options for Appledore, which is directly related to our mission statement. We look forward to discussing various possibilities with the SIC Board at its upcoming meetings.
- Our multi-year water reuse pilot project, a collaboration with the NH Department of Environmental Services (NHDES), continued this season. As previously noted, 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, the results of which will inform our future efforts.

## STEWARDSHIP

- As of August 31, the 2022 Annual Fund (AF) had realized \$374,938 in gifts, with a pledge balance of \$48,975, for a total of \$423,913 (61% of our 2022 goal of \$690,000), with 199 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 three years:

<i>Year</i>	<i>Realized Gifts</i>	<i>Pledge Balance</i>	<i>Total</i>	<i>% to Goal</i>	<i>Total Donors</i>
<b>2022</b>	\$374,938	\$48,975	\$423,913	61%	848
<b>2021</b>	\$405,291	\$42,118	\$447,408	76%	874
<b>2020</b>	\$702,672	\$22,127	\$724,799	91%	1,264
<b>2019</b>	\$305,385	\$54,805	\$360,190	69%	972

We believe we are on track to achieve our budgeted AF goal for 2022. While we are a bit off pace from 2021 (\$23K less at this point of the year), it is important to note that last year, while our budgeted goal was \$590K, we actually ended the year with a result of \$796K. This year, our budgeted goal is \$690K.

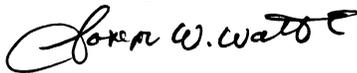
- This year, we are ahead of schedule with planning for our Fall AF appeal letter, which is scheduled to hit mailboxes by early November.
- This has been a decent year for grants – in addition to the \$29K of grants received prior to this conference season, we have received two additional grants: \$25K from the McIninch Foundation, in support of our cottage boardwalk project (to be completed prior to the 2023 conference season), and \$6K from the Fuller Foundation, in support of 2022 arts programming on Star. We are grateful for the ongoing support from these two foundations.
- Our focus on growing our Legacy Society 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 me directly).
- The Council of Conferences is expected to meet via Zoom sometime next month.
- Now that the season is over, a number of committees are becoming more active. I have taken on interim staff liaison duties for the Fund Development Committee (expected to meet next month). Effective October 1, I will be taking on staff liaison duties for the Rutledge Marine Lab Committee (which met on September 25), and Christana Wille McKnight will do the same for the Outreach & Engagement Committee and the Island Heritage & Artifacts Committee (which met last night).
- The Governance Task Force (GTF) continues to work on our Governance Review, which is a proactive best practice. The GTF, which has been meeting on a monthly basis, recently discussed input received from the SIC Board, and also identified membership for three of its four subgroups (Best Practices (which meets on Monday), Committees & Constituent Organizations (which meets on Thursday), and Membership (which meets tomorrow)). The Bylaws Subgroup will expand membership and begin its work in earnest after the other three subgroups make substantial progress in their areas. Additionally, the GTF has committed to quarterly communications with SIC membership, which includes an update email sent to SIC members on September 12, and a Zoom meeting to be scheduled for some time in the coming months (which will be discussed at the GTF’s October 6 meeting).
- Please find attached a color-coded reflective assessment of how we have fared, in my estimation, with our last Strategic Plan (2017-2020 – second page/tab) and our current Strategic Resolution (first page/tab). In addition to this assessment, the staff generated tactics for our last Strategic Plan are included, broken down by the four goals (Community, Economic, Environment, Stewardship). At its

August 29 meeting, the SIC Board voted to establish a strategic plan work group; the first meeting of this group is expected to take place next week.

- After a three-year hiatus, the Gosport Regatta returned to Star Island, on September 16. This year, we simplified the event to make it more efficient, while at the same time having it remain useful. We also received some favorable media attention in advance of the regatta, such as [a nice feature in the Portsmouth Herald](#). We are grateful for our partnership with the Piscataqua Sailing Association, Fink's BBQ, and the Isles of Shoals Steamship Company, as well as for our many sponsors, including Paul and Jessica McKeon, our Admiral Sponsors for this event.
- We are also gearing up for Starry Night, which is scheduled to take place at the Discover Portsmouth Center on November 19. This will be our first in-person Starry Night since 2019, and we are currently working through if/how to incorporate an online auction, which has been a successful endeavor for us in 2020 and 2021. We are pleased that [Isaac Fitzgerald](#), New York times bestselling author and former Pelican, will be the speaker at Starry Night this year. Given that the two year-round positions responsible for Starry Night will not be filled from October 1 through beyond November 19, we are weighing our options and expect to decide next steps in the coming weeks. Either way, we will likely have some sort of auction – if you have any auction items you would like to donate, or if you have friends who you are willing to invite to donate items that you think would be profitable, please let me know.

Despite some challenges, we are pleased that thousands of people were able to return to their Spirit's Home this summer, and also that many new people came to our shores. We are also excited to be focusing on some important, longer range planning efforts, including our Governance Review and our next Strategic Plan. As a values-based organization, we strive to bring forth the best in all of us as we work towards a bright future for our beloved island and the people who form our Community of Care.

With Star Spirit,



Joe Watts  
Chief Executive Officer