

**Star Island Corporation (SIC)
Chief Executive Officer's Report
January 17, 2023**

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

- Our Beloved Community Project Task Force has been busy focusing on five “tracks” for this year – Pel recruitment, [The Journey Toward the Beloved Community](#), monuments and physical spaces, financial aid and accessibility, and on-island programming. Please see attached summary of these tracks for more information. More broadly, we are homing in on the theme of “kindness” for our 2023 season.
- On January 4, we met with our 2023 conference leaders via Zoom in a two-part meeting – the first part covered our overall philosophy on the 2023 season; our four areas of focus (Beloved Community/how we treat one another; staffing levels/staffing structure, services, and sustainable COVID-19 policies – see September 27 CEO Report for more information); our 2023 room & board rates and financial grants program; ISAUU grant programs; and conference letters of understanding and youth programming agreements. The second part of this meeting was dedicated to registrars and the registration process. We will next meet with 2023 conference leaders on February 8, to go over conference planning, Beloved Community Project goals and programming, boats/logistics, conference marketing, and more.
- Our 2023 COVID-19 policies (along with other medical considerations), which are informed by the Health Committee, are summarized on our web site here (the link to which is also on the home page of our web site): [Important Info For Guests | Star Island](#)
- Throughout the fall and early winter, we have been working on how to move to the “new normal” (post-pandemic) for Star Island. We anticipate that our myriad efforts on the staffing front, coupled with a new way of looking at our COVID-19 policies (shift of responsibility from SIC to individuals and the community as a whole), coupled with dedicating additional resources to important service areas such as food service, will result in an improved experience for our guests (and employees) this season. Our efforts on this front include communicating with some of our large family conferences – for example, I presented at the All Star 1 and LOAS Annual Meetings this fall on what we are planning for the upcoming season.
- At the LOAS Annual Meeting (which includes LOAS 1 and LOAS 2), LOAS leadership approved the formation of a workgroup to study the impacts of the Sunday-to-Sunday schedule on their 2022 conferences, as well as potential future impacts. Recently, this workgroup was formed, and Conference Center Director Justina Maji will be joining the workgroup, which also consists of LOAS conferees Becca Armstrong, Jill Brody, Irene Bush, Susan Haase, Anna Henschel, and Tanya Van Order. Please see attached “Charge to LOAS Sunday-to-Sunday Workgroup” for more information.
- To help address Star’s staffing shortages, we have increased promotions of Pelican job opportunities this year. This has been a multi-layered approach, which includes advertising in more places, having a more prominent social media presence on this topic, encouraging more grassroots outreach, publishing more

testimonials from recent Pels, hosting a Zoom Q&A session for those interested in learning more (on January 12), rewording our application and related materials to make them more accessible to new applicants, and more. **Please help us to spread the word about this amazing employment opportunity** – the application is live at www.starisland.org/working and you can use this clip from NH Chronicle in your outreach efforts: www.wmur.com/article/Wednesday-september-4th-the-star-island-pelicans/28871211. **The priority application deadline is January 23.**

- Though it's premature to declare success, our efforts seem to be paying off to a certain degree. As of today, we have received 98 Pelican applications, which compares to the following number of applications as of this date as follows: 74 in 2022, 77 in 2021, 100 in 2020, 91 in 2019. Historically, we used to have more applications than we do now – for example, we had 152 applications 10 years ago on this date.
- We were pleased to welcome Bill Knox as our new Island Registrar on December 5, and we were blessed to have Mike Bray working full-time through January 6 to help make this transition as smooth as possible (Mike is also working part-time through October). Additionally, we are pleased to welcome Laurie Contrino as our new Development Manager – Laurie began work last week, filling a role that has been vacant since August 19. Bill and Laurie are both off to a great start!
- We have launched a search for a full-time, year-round Communications & Program Coordinator, and the hiring team (Kyle Belmont, Justina Maji, Karynn Needel (HR), Christana Wille McKnight, Joe Watts) is looking forward to interviewing candidates soon, with the goal of having a qualified person start in this role by early March.
- We are in the process of assembling our 2023 seasonal professional staff team (managers and specialists) – we are sending out offers for returning workers this month, and we anticipate advertising for vacancies and new positions early next month (including Executive Chef, Assistant Conference Center Director, and a new management level facilities position).
- The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) met via Zoom on November 16 and January 11 to share best practices and brainstorm solutions to challenges the camps continue to face, with a focus on staffing shortages, hospitality industry challenges (e.g., service quality, challenging guests), and the continued impacts COVID-19 and COVID-19 policies are having on operations. The UUACCC next meets on March 8 and is planning on resuming annual in-person gatherings later this year.
- Also on the professional development front, Christana Wille McKnight attended the Northern New England UUMA Retreat in October and is currently a member of the Leadership Seacoast Class of 2023. Kate Brady attended the Staffing Summit of the American Camp Association in October. Despite significant workloads, we feel professional development is an important priority.
- One of the outcomes of our staffing structure review is a focus on work-life balance of the permanent staff. To that end, we will be piloting a “winter hours” program starting this month and running through March, whereby our public facing office hours will be 10 a.m.-4 p.m., Monday-Thursday. We will be updating our voicemail and, as needed, email bounce back messages. While there are some obvious exceptions (e.g., Island Registrar availability, given that 2023 conference registration is live), we are hopeful that these winter hours will provide our hard-working staff with more focused/uninterrupted time for work, and even time to take the occasional three-day weekend. We are also exploring other, similar efforts, such as holiday office closures for the fall and/or early winter.
- The Personnel Committee met on January 4 to discuss staffing related topics and to review the attached Safe Community Policy (which includes their recommended edits for 2023, as well as a few edits received from staff). This policy will be reviewed and voted upon by the SIC Board at its January 24 meeting.
- Please find attached several draft 2022 committee reports, which will be included in the 2023 Annual Meeting packet prepared and sent out to our membership in early April.

ECONOMIC

- The attached 2023 Budget Proposal furthers our strategic goals and objectives while being mindful of the continued uncertainty caused by the pandemic. We expect to receive a recommendation (from the Finance Committee) on Thursday night to bring before the SIC Board at its January 24 meeting. Some highlights of the 2023 Budget Proposal include Net Income of \$64K; a debt service coverage ratio of 3.61 (1.05 is required); a 9.0% increase to room and board rates; \$76K in financial grants, 19,406 bed nights (vs. actuals of 17,095 in 2022, 11,057 in 2021, 0 in 2020, 21,268 in 2019, 19,459 in 2015, and 17,801 in 2011), a 6.0% increase to most YR, professional seasonal, and Pel supervisor pay rates and an 8.7% increase to regular Pel pay rates (plus an extra \$1.00/hour to all kitchen crew wages); a capital budget of \$768K (see below for more details); an increase of annual contributions to the reserve fund to \$30K (as per our newly (re)adopted Reserve Policy); and ending cash of \$971K (which assumes receipt of \$329K of ERC funding due to SIC from the IRS).
- We recognize that a 9% increase to room and board rates, though needed, is a larger than normal increase, and we are committed to clearly communicating about this increase, as well as financial accessibility. Please see our messaging on this here: [Registration \(starisland.org\)](https://www.starisland.org/Registration).
- Please find attached the November Financials, which project a year-end Net Income of \$212K (vs. budget of \$340K) and capital expenditures of \$341K (vs. budget of \$512K).
- We are working with Berry Dunn (our auditors) in preparation for our 2022 audit, including an initial planning phase, which commenced on January 5. The first meeting of the Audit Subcommittee of the Finance Committee is scheduled for February 16, and the audit fieldwork is scheduled for the week of March 6. Our goal is to have the audited financial statements and 990s (SIC and Trust) before the SIC Board at its April 4 meeting (with its May 2 meeting as a back-up date).
- We launched our online conference registration portal on Sunday, and we have received 802 registrations representing 4,944 bed nights as of today. Notably, All Star 2 attained well over 200 registrations on the first day, which points to registration practices/conference marketing & outreach that we might want to encourage other large family conferences to pursue in the future (e.g., All Star 1 (39 registrations on first day); IA (65); SG 2 (23); LOAS 1 (32); LOAS 2 (19)).
- The Finance Committee met on November 17 to discuss the YTD Financials, the initial draft of the FY23 budget, and the 2023 room & board rates. The committee subsequently met on December 13 for further discussion on the 2023 room & board rates, as well as to review a second draft of the FY23 budget. The committee meets again on Thursday night.
- On December 31, the value of the Star Island Permanent Trust was \$4,924,762, with a 2022 total account performance of -9.5% (-10.2% after fee). This represents a 12% decrease to the overall value (investment returns plus donations less distribution less fees) of the portfolio since December 31, 2021, when the value was \$5,580,966. The value of the portfolio on December 31, 2020, was \$4,867,423. Permanent Trust Chair David Yermack reports that most of the benchmarks were ~-15% for the year, and notes that “this seems to have been a remarkably strong year for us, even by the standards of our long history with Wilkins.” Please see attached 2022 appraisal report from Wilkins Investment Council for more information.
- We received our first disbursement, for \$1,748, from our second Clean Water State Revolving Fund (SRF) loan last month, and we have applied for two additional disbursements in the amounts of \$3,970 and \$3,320. Once received, we will have borrowed \$9,038 against a possible \$500K. As previously noted, this loan – distinct from our first SRF loan of \$1.3 million – is a “draw down” loan with a fixed interest rate of 2.00% and a 20-year term, to be used for our Water Reuse Pilot Program (in collaboration with the NH Department of Environmental Services).

ENVIRONMENT

- The attached 2023 Capital Budget proposal includes \$768,284, which is substantially more than the last few years (and more than in most years prior to the pandemic). We are able to accomplish some important work with this capital budget, including:
 - \$100K for redoing the cottages boardwalk and railings (\$25K of which is grant funded)
 - \$95K for Cottage E weatherization (including siding, trim, windows, front door, painting, etc.)
 - \$85K for work on the wastewater treatment/water reclamation facility (process, fall protection, and SRF pilot program)
 - \$75K for perimeter road and drainage improvements (this is a “work to” number)
 - \$73K for fire & safety improvements (including upgrades to our fire detection, sprinkler, and electrical systems)
 - \$63K for Manager’s Cottage weatherization (including siding, trim, windows, front door, painting, etc.)
 - \$60K for work on the Underworld (concept/design work, addressing water infiltration issues, etc.)
 - \$45K for a new generator
 - \$42K for two new trucks (one for in-town and one for the island)
 - \$20K to replace the Atlantic House north roof
 - \$20K to replace the windows and exterior trim of Marshman
 - \$10K for new flooring in the EMB
 - \$10K for monuments/signage work
 - A 10% general contingency, amounting to \$70K

We recognize that this significant investment in our facilities is more difficult to muster in a challenging budget year, and we also believe it’s important to not fall behind in this critical area. We are planning on a phased approach to capital projects, with some work being planned for the fall, which will enable us to scale back on capital expenditures, if needed, due to lower than anticipated conference enrollments in the summer.

- As previously reported, the US Army Corps of Engineers (USACE) is planning on repairing all of the breakwaters at the Isles of Shoals, which will have significant long-term benefits for Star Island and the Isles of Shoals in general. USACE recently went out to bid for contractors on the project, who in turn are reaching out to us requesting site visits, quotes for housing and meals throughout the project’s duration, and more. The project has received federal funding and the part that directly impacts Star Island (including having heavy machinery 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). We have reached out to our contacts at USACE to request a planning meeting, so we can further refine scheduling, impacts on the island, etc. It is important for us to be prepared that this project will have some impacts on our 2023 conference season (noise pollution, barges and heavy machines included in sunrise views and photos) and could have some unanticipated impacts (project delays causing work to need to happen on Star Island during the conference season (restricted to the easement area)). As we prepare for and communicate about this project, we will emphasize that this project is fully funded (not a direct expense for SIC), it may generate some income opportunities (e.g., contractor room and board income) and/or expense efficiencies (e.g., our road project will cost less if lined up in conjunction with the breakwater project), and it will help protect Star Island and the Shoals from the impacts of sea level rise for decades to come (and is thus a major part of the adaptation plan called for by our Strategic Resolution).
- Top capital project priorities include working with Placework (our contracted architecture and planning firm) and SFC (our contracted fire safety consultant) on preparing a concept drawing that we can bring before the Rye Fire Department (RFD) for review, ideally next month. Once the concept drawing has been

preliminarily approved by RFD, we will engage the Strategic Facilities Planning Committee and others in further review of the concept, and from there move to the formal design and permitting phases. We also hope to redo the kitchen back loading dock area to include an improved loading dock, as well as an impervious wall/barrier to prevent water from infiltrating into the “Compressor Alley” area of the Underworld. We would then make updates to other areas of the Underworld over the next few seasons. As a reminder, this is a major, expensive project and one of RFD’s top priorities.

- We are also working with SFC and Progressive Alarm Services (our contracted fire alarm company) on the next generation of fire panel/detection systems on the island. The plan for this year is to use our current system for the 2023 season (ensuring everything is properly inspected and working properly), while we simultaneously develop an island-wide master plan. Then, in the fall, we plan to install a brand-new fire panel, which would be compatible with existing infrastructure/equipment (e.g., existing smoke detectors). The new fire panel would be online for the 2024 season, and we would begin a multi-year, planned approach to replace the entire fire detection system infrastructure with fiber, next gen detectors, etc.
- We are mindful of four priorities of the Strategic Facilities Planning Committee (SFPC). The first is to consider expanding our solar power system – we have identified membership of a task force to look at this issue, which we will convene after we receive some plans we are awaiting from an electrician. The second is to seek SIC Board approval of the revised Property Standards, to include suggestions stemming from staff’s review of the standards through the lens of our Beloved Community Project (staff is hoping to meet with the SFPC soon, so we can discuss those suggestions that have not been adopted by the SFPC). The third is a “FEMA Mapping and Flood Potential” report prepared by the SFPC this fall (link: [SIC SFPC FEMA Flood Map Final - Dropbox](#)). The fourth is SFPC’s landscape management proposal (see November 19 board meeting materials). We are hoping to go over these items with the SIC Board at its Winter Board Retreat in early March.
- We have finalized 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. We are about to start working on the “2023 All Boats Schedule,” with a target completion date of March 1 – this schedule includes all planned runs for the M/V Thomas Loughton, the M/V Challenger, the M/V Shining Star, and the M/V Uncle Oscar.

STEWARDSHIP

- Yet again, the overwhelming generosity of many dedicated Shoalers resulted in our Annual Fund (AF) achieving results beyond our expectations for the year. The figures below represent totals based on the known gifts for 2022. As of today, the 2022 Annual Fund (AF) had realized \$719,688, with a pledge balance of \$250, for a total of \$719,938 (104% of our 2022 goal of \$690,000), with 199 Sustaining Star donors. Please see that attached December AF Comparison Report for more information. The following chart compares our progress this year to the previous three years (with the caveat 2020 was a unique year):

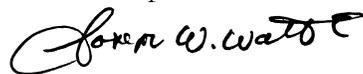
<i>Year</i>	<i>Realized Gifts</i>	<i>Pledge Balance</i>	<i>Total</i>	<i>% to Goal</i>	<i>Total Donors</i>
2022	\$719,688	\$250	\$719,938	104%	1,106
2021	\$795,800	\$404	\$796,204	135%	1,228
2020	\$1,052,199	\$2,500	\$1,054,699	132%	1,511
2019	\$574,208	\$580	\$574,788	109%	1,277

We are pleased to see that AF giving for 2022 is significantly ahead of where it was before the pandemic (\$720K in 2022 vs. \$575K in 2019).

- We anticipate producing our 2022 donor recognition newsletter soon.
- The Fund Development Committee (FDC) met on January 5 to receive updates, have a preliminary conversation about fundraising goals for 2023, and to review the committee's charge (a recommendation about which will be forthcoming at the Winter Board Retreat).
- On the grant front, we recently received another \$2,500 grant from the Rosamond Thaxter Foundation in support of our Green Gosport Initiative, and last week we applied for another \$6,000 grant from the Fuller Foundation to support arts-related programming and financial aid for 2023. We also recently submitted reports to the Land and Community Heritage Investment Program (LCHIP), the 1772 Foundation of the NH Preservation Alliance, and the Fuller Foundation. Additionally, the McIninch Foundation has confirmed that they will release \$25K of grant funds in support of our cottage boardwalk project as soon as we are ready to begin work in the spring.
- 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, and it recently hosted a community meeting with members of the Corporation to go over the GTF's Membership Subgroup's draft recommendations. The GTF's Best Practices subgroup is developing some questions to bring to various organizations, including other camps & conference centers, scouting organizations, local (to Seacoast Region) nonprofit organizations, and the like. The GTF's Committees & Constituent Subgroup is creating a survey to bring to committee chairs, committee members, and committee liaisons.
- Our Strategic Plan Workgroup has drafted preliminary goals and objectives for our next Strategic Plan (expected to cover 2023-2027). The workgroup will be presenting a draft plan to the full SIC Board at its Winter Board Retreat. The current thinking is to have a further revised draft strategic plan ready and available for the 2023 Annual Meeting and on island during the conference season, and then for the SIC to approve the plan at its Summer Board Retreat or October 10 meeting.
- As a community engagement event, Starry Night, which took place on November 19, was a tremendous success. This was our first in-person Starry Night since 2019. [Isaac Fitzgerald](#), New York times bestselling author and former Pelican, offered an inspirational talk, and we received some good press related to this event ([Isaac Fitzgerald headlines 'Starry Night' Fundraiser: Community news update \(seacoastonline.com\)](#)). We enjoyed one another's company, live music, drinks and hors d'oeuvres, a silent auction, and a raffle.
- We anticipate forwarding 9-11 new Corporation member applications to the Membership Committee this year.

Happy New Year to all of us! May 2023 bring kindness, renewed joy and meaning, a successful conference season, and effective planning for our intermediate and long-term future.

With Star Spirit,



Joe Watts

Chief Executive Officer