

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

- We continue to be excited about the upcoming season, including experiencing the “new normal,” infused by our 2023 theme of Kindness.
- Our [Strategic Resolution](#) calls upon us to re-examine the history of the Isles of Shoals, including the events and people that we celebrate. Two examples of how we are doing this include the attached (draft) sign, honoring Candace and Dinah, two enslaved people, and (in partnership with a number of other organizations) the Homelands project, which is described in the attached Homelands Resource Guide (which includes a link to how to download the app for use on Star Island).
- Having successfully staffed for the regular season by mid-April, our efforts shifted to staffing for the end-of-season period, and we can use your help! Please help us to promote this wonderful opportunity as broadly as possible. As an added incentive, we are offering a \$100 “Work on a Star Too” bonus for employees who work during LOAS 2 (August 20-27, 2023). More information, including how to apply, can be found on the [Work and Volunteer](#) page of our website.
- The Unitarian Universalist Alliance of Camps and Conference Centers (UUACCC) met on May 8, when we discussed various topics, including staffing, registrations, and COVID-19 policies. We will meet again in September to debrief our respective seasons, and we hope to convene for an in-person retreat in December.
- The Health Committee met on May 18 to discuss various topics, including reviewing a “scope of practice” for the First Aid Station. Our [2023 medical \(including COVID-19\) policies](#), first published in January, continue to reflect our intentions for the conference season.
- We met with 2023 conference leaders on May 10, to offer some important updates (e.g., day visitor policies, breakwater project, staffing and services for the season) and to focus on logistics (e.g., boats, luggage, conference freight/supplies).
- Employee Orientation Week, an intensive program covering many aspects of employee work and community living, takes place June 13-18. Our program offers our employees orientation on a range of topics including sexual harassment, mental health, community living, customer service, and crew-specific training. We are grateful to the Rye Fire Department and the Rye Police Department for the training they will provide us again this year. Over the last couple of months, we have sent out a series of orientation emails on specific topics – these emails have been sent to employees in advance of their arrival on the island with the hope of supplementing and spreading out the core on-island orientation program.

ECONOMIC

- As of today, we received 2,906 registrations representing 16,447 bed nights (85% of our 2023 budgeted goal of 19,406) – please see attached bed night report for more information. As of June 1, 2022, we had received 2,903 registrations representing 16,870 bed nights (88% of our 2022 budgeted goal of 19,140). Here are the previous decade’s bed night totals as of June 1, as well as where we ended up each season:
 - 2013: 14,188 (final 18,160)
 - 2014: 15,923 (final 19,361)
 - 2015: 16,066 (final 19,459)
 - 2016: 17,363 (final 19,986)
 - 2017: 17,503 (final 20,250)
 - 2018: 17,531 (final 20,178)
 - 2019: 19,044 (final 21,268)
 - 2020: 0 (not comparable – final 0)
 - 2021: 10,338 (not comparable – final 11,057)
 - 2022: 16,870

At this time, there remains a realistic pathway to achieving our budgeted bed night goal of 19,460. One comparison of note is that we are slightly ahead (+381) of 2015’s pace of registration, a year when we ended up with roughly the same number of bed nights as we are budgeting this year (19,406). It is also possible we will fall short of our 2023 budget goal, and we are continuously monitoring the situation and will update our projections, accordingly, as the season unfolds. We are also continuing to work with a few conferences on marketing and outreach, with a particular focus on All Star 1, SG 1 & 2, and LOAS 2 (the major conferences that are trailing behind prior registration totals as of June 1).

- Our April Financials indicate a projected net income of \$45,294 (vs. 2022 Budget of \$64,111). Please see the attached financials for more information.
- Our most recent financials include a projection of \$120K for SIC’s Financial Grants Program, which is \$44K more than budget (\$76K). This projected overage is the result of several factors, perhaps the most significant of which is that conference financial aid/scholarship programs offered more aid than usual in 2021 and 2022, leaving them with less to offer this year. Kyle Belmont, Board Liaison to SIC’s Financial Grants Group, will be offering an update on our Financial Grants Program at the June 6 board meeting.
- The Finance Committee met on April 27 to discuss the YTD financials and to review our Capitalization Policy, our Board Reserve Policy, and our current debt situation (which is considered favorable). The committee meets again tonight when, among other topics, David Yermack, Chair of the Permanent Trust, will be present to discuss our endowment.
- We are keeping a close eye on the 2021 Employee Retention Credit (ERC) payment of \$329,343 due to us from the IRS. We previously received \$51,917 in ERC funding for 2020, and we filed for our 2021 ERC in January 2022. While we remain confident that this payment is due to us, we are trying to get a sense of when we might receive it, which is challenging as the IRS is backlogged and contending with many fraudulent ERC claims.
- Our retirement plan investment committee met with our plan advisors on May 10 to review fiduciary duties, fund balances, and the various funds included in our plan. We also discussed some of the possible longer-term implications of the Secure 2.0 Act of 2022, including future changes to eligibility requirements. The investment committee will reconvene after the conference season to continue this discussion, and staff will work with the Personnel Committee to develop recommended changes to our retirement program, if any.
- The Trustees of the Star Island Permanent Trust Fund met on May 17, on which date the total value of the endowment was \$5,042,637. The Trust discussed changing the annual payout (to SIC) from 4.25% to 4.50%, but ultimately came to a consensus that it should remain unchanged for this year. This policy will be revisited again for 2024.

ENVIRONMENT

- Open-up is well underway, and overall things are going well as we prepare to welcome the remainder of our employees and regular season conferees to the island in a couple of weeks.
- On May 22, 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; Bill Epperson, Vice-Chair of the Rye Select Board; Jeff Murphy of SFC (our professional fire safety consultant); Jack Farrell (regulatory contractor) and, representing staff, me, John Bynum, and Sabine Michaud. 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 (e.g., exit signs needing bulb replacement); no major deficiencies were discovered or cited. Overall, the inspection was a great success, and the relationship between SIC and RFD, which has been positive and collaborative for many years, is at an all-time high. All occupancy permits were issued the same day, subject to completion of sprinkler repairs and testing, which is expected to conclude soon.
- Our existing fire panel is in good working order, and we have installed ~100 new detectors. The system is working so well that we are currently planning on not running “pre-alarms” this season, meaning that when a detector goes off, the horns will sound immediately. We are monitoring this situation throughout open-up, to balance the pros and cons of operating in this fashion (which is the manner in which off-island systems typically run). We intend to install a new fire panel – the heart of our system – this fall.
- We are in the final stages of negotiating a contract with Lucianos Excavation, LLC, the contractor selected by the US Army Corps of Engineers for the breakwater project. We anticipate that Lucianos will be landing equipment, including three RVs, on island next week, and that their contractors will reside on island through the fall, and possibly again next season, in the RVs, which will be positioned near our wastewater treatment facility. While the scope of the project related to Star Island itself is less than originally envisioned, there are still some important benefits, including repair of the breakwaters, and some anticipated income for SIC.
- Work is proceeding nicely with several capital projects, including redoing the railings and boardwalk along Cottages A, B, and C, and refurbishing/weatherproofing Cottage E, both of which are expected to be completed prior to the regular conference season. This is true of most of our capital projects (please see the 2023 Capital Budget for more information). As planned, we are intentionally holding off on some projects till the fall, which will enable us to get a sense of how room and board income comes in for the season. There are few new/unbudgeted projects, such as Oceanic Mansard Roofing/Repairs (\$25K), though these are expected to be covered by our contingency. We might not be in a position to do the road and drainage improvements (\$75K) we were hoping to complete (due to breakwater project developments outside the control of SIC). The Manager’s Cottage refurbishing/weatherproofing cottage may take place over the course of the season, which should minimally disrupt our guests.
- The attached Landscape Management Task Force Charge & Membership memo outlines the charge of the task force (approved by the SIC Board at its April 4 meeting) and includes candidates for membership (to be discussed at the board’s June 6 meeting). We are hoping to get the task force underway by the start of the regular conference season.

STEWARDSHIP

- We are ahead of schedule with our 2023 Annual Fund campaign – as of May 31, we had realized \$195,066 in gifts, with a pledge balance of \$9,750, for a total of \$204,816 (29% of our 2023 goal of \$715,000), with 261 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>
2023	\$195,066	\$9,750	\$204,816	29%	360
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

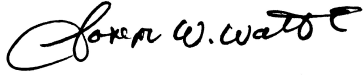
Five years of data are being included here to demonstrate how we are faring now vs. our last pre-pandemic season (2019).

- Our Spring Annual Fund appeal letter, the first major fundraising solicitation of the year, went out on May 19 (intentionally a few weeks later than usual, in order to dovetail the appeal with the release of the newsletter), which means the full impact of the appeal is not reflected in the above chart.
- The [2023 Star Island Newsletter](#) was emailed to everyone in our database on May 15. This year, for the first time since before the pandemic, we also printed some hard copies of the newsletter, for outreach and marketing purposes and to send out to higher level Annual Fund donors.
- The Fund Development Committee met on May 17 to review Annual Fund progress, the timing of the spring appeal and a messaging tie in with on-island fundraising plans, and the growth potential of the Legacy Society. The committee next meets in September.
- Please find attached our Donor Bill of Rights and Development Confidentiality Agreement.
- We have been hosting island volunteers this spring, and we are grateful for their many contributions.
- We received a \$5,000 grant from the Bank of NH in support of fire safety improvements, which is twice as much as we received from them last year. We are grateful for the Bank of NH’s ongoing support.
- We are also in receipt of a \$25,000 grant from the McIninch Foundation, in support of our Cottages’ boardwalk project.
- The 2023 Annual Meeting of the Star Island Corporation took place on April 29, 2023. In mid-May, Debbie Duval and I sent out a follow-up email to membership which included transitions we heard about at the meeting, a recap of the breakout sessions, the Time & Talent Survey (for committee membership), a link to the [Corporation members' webpage](#), a request for members to promote our 2023 conference offerings ([Programs](#)) and end-of-season work opportunities ([Work and Volunteer](#)).
- The Governance Task Force (GTF) met on May 24 to review the work of the GTF subgroups and to map out a timeline for the next stages of its work. The Committees & Constituent Organizations Subgroup met on May 22 to synthesize the data it has collected thus far from committee chairs and members and to plan next steps. The Best Practices Subgroup met yesterday to develop plans for reviewing NH Center for Nonprofits’ resources and synthesizing results from interviews of leaders of other organizations.
- The Strategic Plan Working Group met on May 26 to discuss feedback offered by membership, discuss a survey to be presented to guests on island this summer, and to consider shifting the term of the plan from 2023-2027 to 2024-2028, given the plan’s anticipated approval date of October 10.

We are off to a great start to our conference season, with four successful birding conferences under our belts. The island is looking good, and we are excited to welcome most of our Pelicans to the island on June

13 and our first regular season conferences on June 18. We are excited to have a wonderful season filled with community, meaning, fun, and kindness.

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