

Star Island Corporation
Chief Executive Officer's Report
December 15, 2015

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.*

COMMUNITY

- In addition to the Isles of Shoals Association UU, we are partnering with The Boat Shop at Strawberry Banke and the Trade Construction Program at Portsmouth High School to refurbish our fleet of rowboats. We anticipate all six boats being fully restored in advance of the 2016 season. We are mindful of the benefits of collaborating with these partners (all rowboats rise), including receiving some positive recognition in yesterday's Portsmouth Herald:
<http://www.seacoastonline.com/article/20151214/NEWS/151219671>.
- We are making good progress on our mobile-friendly website upgrade. Our website developers are currently working with our feedback on the draft templates they provided us last week. Next steps include adding color and images to the template, and converting our website content onto the new pages, once approved.
- Our third annual Veteran's Raffle drawing brought in over 70 entries from across the country. We have drawn the winner and are currently in the process of confirming veteran status before announcing the results with a press release, which we hope to send out later this week. The raffle winner and his or her family will receive a free week on Star Island in 2016, as a token of our deep appreciation for all that our veterans do for us.
- The Personnel Committee met on Thursday, 11/19, to discuss our sick time carryover policy, nine month senior staff positions, and our anticipated 2016 staffing plan.
- We sent two Thanksgiving emails out to everyone in our database – one to all Shoalers and another to our 2015 Pelicans – thanking everybody for all that they do for Star Island.
- Our online Pelican application went live on December 1, with an application deadline of January 22. We have received 27 applications to date, a little less than previous years at this time. In addition to soliciting applications via our website, email lists and social media, we have also done some outreach to UU and UCC churches asking them to share our hiring flyer with their congregations. We are also posting our Pelican positions with some other seasonal employers (ski areas) and some colleges that have culinary and hospitality programs.
- Upon approval of the 2016 budget, we will be in a position to begin offering senior staff agreements for the 2016 season. We expect to have the majority of our excellent 2015 senior staff team return this year, helping to provide good leadership continuity as we head into next season.
- We are working with the Unitarian Universalist Association to confirm that Star Island Corporation is categorized, formally, as a "related organization." We anticipate receiving official paperwork documenting this categorization in the near future.

- We are working with the (national) United Church of Christ (UCC) Volunteer Ministries, with the goal of setting up a Partners in Service internship for the 2106 season (and possibly beyond). We anticipate augmenting our existing internship program by adding an environmental justice intern, which would be fully grant funded by the UCC for 2016.
- We are deeply grateful to Kyle Belmont, our Purchasing and Outreach Coordinator, who will be leaving our employ at the end of this year. Kyle has done great work for Star over the years, and we are happy that he will remain engaged in various ways, including continuing as a volunteer with our centennial task force.

ECONOMIC

- The staff is pleased to present the 2016 Budget for Board consideration and approval. The staff budget substantially meets our budget guidelines (see August 31 Board meeting materials). 2016 Budget highlights include a healthy net operating gain of \$201K, a debt service coverage ratio of 5.92 (our ratio calculation has been confirmed by Optima Bank & Trust), bed nights totaling 19,650, a 3-6% increase to adult room and board rates and no increase to youth rates, a modest increase to all staff salaries, and a capital budget of \$468K. Please see attached 2016 Budget and narrative memo for more information.
- We have been officially notified that we will receive a \$100K grant from the Land and Community Heritage Investment Program (LCHIP) to support the Atlantic restoration projects included in the staff proposed 2016 budget. See below (under Stewardship) for more details.
- The November Financials are in the process of being prepared, and will be disseminated in advance of the Board's December 22 meeting. We anticipate our projected net operating gain and debt service coverage ratio will be in the same range as what we projected in our October Financials (\$121K and 1.64, respectively). At this time, we anticipate meeting or exceeding our approved 2015 budget net operating gain of \$106K.
- The Finance Committee met on November 18, discussing several topics, including the 2016 budget. The committee meets again tomorrow night.
- After a fourteen month process, we were pleased to close with Optima Bank & Trust on December 10, at which point we paid off our existing term loan with Eastern Bank and took out a \$1.1 million term loan with Optima. Our interest rate is now 4.00%, significantly improved from our previous rate of 6.18%.
- As we have done over the previous three holiday seasons, we have promoted Star Island room and board gift certificates via social media. Since the program's inception, we have sold \$12,765 worth of gift certificates, with 19 sold for \$1,175 this holiday season. Gift certificates make an excellent holiday gift, so please spread the word – they may be purchased at: <https://starisland.thankyou4caring.org/star-island-corporation-gift-certificates>.
- We expect online registration for the 2016 conference season to begin in early January.

ENVIRONMENT

- Work continues with the Isles of Shoals Steamship Company (ISSCo.) on various efficiencies and improved services for 2016 and beyond. We anticipate that ISSCo. will reorganize its weekly schedule to offer at least one daily trip in 2016.

- We expect to receive the final design for our new, energy-efficient wastewater treatment facility in the near future, which enables us to enter the formal permitting phase of this project. On a related note, we enjoyed a nice, informal lunch with Clark Freise, the Assistant Commissioner of the NH Department of Environmental Services, today.
- We also anticipate receiving the Trust for Public Land's appraisal results soon, which will help inform the options available to us (ranging from doing nothing at all to a conservation easement with fee acquisition model, whereby an independent trust would be established to own and manage the island). One of our top priorities throughout this process is to protect Appledore Island in perpetuity.
- We have received official notice that our National Pollutant Discharge Elimination System (NPDES) wastewater permit renewal application has been reviewed (our application was submitted on December 1, 2014). The United States Environmental Protection Agency will now prepare a draft permit, and open a public comment period, after which we anticipate receiving our permit. In the meantime, our existing permit will remain in full force and effect.
- We have submitted a letter to potential 2016 First Aid Station volunteers explaining the changes we are implementing next year in our medical volunteer housing and guest policies. We have also launched our 2016 medical volunteer application process, and have received a favorable response to date.
- We have prepared our final pier project report for the Federal Emergency Management Agency, which documents our qualifying expenses in connection with the \$198K in grant funds we received in the fall of 2013 (the portion of the \$260K we received that was allocated to our pier mitigation project). In addition to closing out this project, there is a chance that we will receive reimbursement for some or all of our qualifying additional expenses (beyond the original project budget).

STEWARDSHIP

- Please see Pam Smith's Development Report, attached, for information on how we are progressing towards our 2015 development goals.
- On November 30, our Annual Fund (AF) had realized \$324,750 in gifts, with a pledge balance of \$38,347, for a total of \$364,097 (78.3% of our 2015 goal of \$465,000). Please see the attached November AF Comparison Report for more information. The following chart compares this year to the previous two years:

Year	Realized Gifts	Pledge Balance	Total	Total Donors
2015	\$324,750	\$38,347	\$364,097	1,077
2014	\$293,687	\$37,962	\$331,649	1,024
2013	\$254,746	\$48,095	\$302,841	940

We have been grateful for a good response to our fall Annual Fund appeal, which went out the week of November 16. We continue to project that we are on track to reach our 2015 AF goal.

- We enjoyed a successful Starry Night event on November 21, when Dudley Dudley offered an inspiring presentation on how the threat of an oil refinery that would have greatly impacted the Isles of Shoals was thwarted in the 1970s. Attendance was very high, people had a good time, and we raised just under \$13K as a direct result of this event.

- We celebrated #GivingTuesday with a series of social media posts that highlighted why a variety of people give to Star Island. In total, we were grateful to receive \$5,655 on Giving Tuesday, from 14 donors, plus an additional \$170 for the Green Gosport Initiative from 3 donors. In 2014, we raised \$3,070 on Giving Tuesday.
- We had a successful Phonathon/Thankathon event on December 8, reaching out to about 100 Shoalers. Board and Fund Development Committee members have been contacting additional people over the last week. We look forward to learning from this effort, and possibly expanding it next year.
- The Fund Development Committee had a productive meeting on December 9.
- This morning, we received official notification of our LCHIP award for \$100K for our 2016 Atlantic projects. Star Island was well represented, and we enjoyed a wonderful award ceremony and lunch in the State's capital. Governor Maggie Hassen presented us with the award – this photo (courtesy of Perry Smith) shows our Star Island ambassadors with the Governor (L to R: Suellen Peluso (Board); Joe Watts (CEO); David Borden (NH Rep. District 24 and Star Island supporter); Dick Case (Strategic Facilities Planning Committee Chair); Governor Maggie Hassen; Roger Kellman (Property Standards Chair); Pam Smith (Director of Development); Jack Farrell (Island Manager & Director of Facilities)). Our Star Island Facebook post on our LCHIP award quickly surpassed snowy owl post status, one of our most important social media metrics.
- LCHIP is one important example of our continued success with grants. We also just received a \$6K grant from the National Endowment for the Humanities' (NEH) Preservation Assistance Grant program, to cover expenses related to our ongoing project to upgrade Vaughn Cottage. We are working with NEH to ensure that these funds are able to be used for different purposes than those received through our \$25K Institute of Museum and Library Services grant. Also, we recently submitted an application for \$25K to the Casey and Family Foundation of the Philanthropic Initiative, for the purposes of supporting the Green Gosport Initiative in 2016. Please see the attached grant report for more information.



We are rapidly approaching the end of what has been another good year for Star Island. We are planning for continued success in the New Year, appreciative of the many people who provide able stewardship of our Spirit's Home.

Sincerely,

Joe Watts
Chief Executive Officer