

## GSWA Board of Trustees Meeting Minutes

December 7, 2023

Sally Rubin convened the in-person board meeting at 6:05 PM. Board members present include Reed Auerbach, Jordan Glatt, Co-Chair, Carolyn Dempsey, Sue Kessel, Charlie Apt, Lisa Stevens, Lydia Chambers, Eric Inglis, Kate Barry, Clark Wagner, David Naidu, Co-Chair, David Robinson, Stacey Valentine. Advisory council present include Thelma Achenbach and John Neale. Members in attendance included Elaine Hoffman and Neale Ullman. Staff included Sally Rubin, Sue Levine, Wade Kirby, Lynne Applebaum, Val Thorpe, Nancy Rago, Sandra LaVigne, and Melanie Hertgen.

*Sally called for a motion to approve the Board Meeting Minutes dated Monday, September 18th, 2023. The motion was approved by David and seconded by Charlie. All in favor. None opposed. The motion carried.*

Sue Levine delivered the Finance Report.

The Finance Committee met on 11/20/2023 and reviewed Gala results, actuals through October, the balance sheet, the Investment accounts, and updated one policy.

Gross Revenue for October YTD came in at \$458,237 and is on budget for the year and ahead of prior year.

1. The Gala came in ahead of budget.
  - a. Lower gala revenue was due to lower attendance and slightly lower underwriting revenue.
  - b. Gala expenses were lower due to lower Audio Visual and night of expenses.
  - c. This resulted in a net of \$132,277 versus a budget of \$121,261 resulting in a favorable overall net to budget of \$11,016.
  - d. Revenue was \$32,930 higher than the prior year.
  - e. The group discussed that they are hearing other groups are facing gala fatigue.
  - f. The GSWA staff has been discussing alternatives for the future such as a casino night, cocktail party, barn dance, medieval, etc.
  - g. To keep some education mission focus in the mix, David recommended a panel event before the gala party.
  - h. It was suggested that we consider having one specific corporate sponsor to pay for the majority of the costs of the event.
  - i. We discussed online fundraising and if we have online giving metrics. We currently do not pay for online advertising.
2. Corporate remains on track with budget.
3. Foundations are ahead of budget and prior year due to timing and two unbudgeted grants Ben Snow and Blue Foundry, Meerwarth also came in higher than budgeted.
4. Membership revenue is down versus budget and prior year by approximately \$6K. This is primarily due to timing. Our next financial trigger is if: Individual Contributions are lower than budget by 10% as of December 31st.

5. Major Donor Revenue is also down versus the prior year, which could be impacted by the earlier gala date.

Expenses came in lower than budget at \$332,766

- Lower expenses are primarily due to timing of water quality bills, no defined advocacy for the period and lower payroll expenses.
- Expenses are slightly over prior year due to timing, payroll, annual event expenses.

Net Operating Income came in at \$125,471 which is above budget by \$61,732 and above prior year by \$17,905.

The Finance Committee reviewed the Vanguard holdings as of 10/31/23 - a rebalance was recommended and agreed upon.

1. The Finance Committee reviewed the invested funds at Vanguard and agreed the Operational Reserve funds needed a rebalance. Clark provided the rebalance details for Finance to implement. The equity position was at 60% and will be adjusted back to 50%.
2. reviewed Balance sheet - more of the liquid funds have been invested into CD's. Approximately \$175K (*corrected amount*)
3. We discussed Life Strategy Funds - broad exposure with very low fees. It was noted that they would not benefit us as they asset shift over time.
4. We discussed at what point we should consider moving from self-managed to an advisor. The committee agreed there is no need to make the switch and pay the additional fees. Should the investment portfolio grow into the range of \$10 million or the Finance Committee participant mix change significantly, we would reconsider.
5. We discussed that 4% is still the correct amount to be used for the annual draw.

Policy -Modified policy to ensure the finance committee selects auditor.

**Financial Oversight Policy** – Board Approved 05/16/23, (prev. Updated 11/22/21; 3/31/16; 3/27/15, 10/24/12)

**Auditor:**

Change auditor approximately every 5 years to ensure there is another perspective in the review process. Secure approval from the Finance Committee for a change in auditors. Prepare all financial records for the audit. Assist auditor as needed for the fiscal year-end audit.

*Reed Auerbach motioned to change as noted above. Adam Psichos seconded, unanimously approved.*

1. Audit is progressing and we should have the audit to review and approve at the January board meeting
2. Clark Wagner has kindly volunteered again to do the Investment review at the January board meeting.

Sally provided an update on the Ferber property, indicating that the exchange agreement with PSEG is currently in progress. Appraisals have been received for both the Ferber property (\$550,000) and GSWA's two properties, valuing them at \$345,000 for the two properties. We will also receive a demolition credit from PSEG for them not having to remove the two buildings on the Ferber site. That credit will be somewhere in the vicinity of \$150,000. We will need to install a well on the property as the current well is not located on the property that is being subdivided for us. Additionally, we will need to insure the property as a contract purchaser. Sally will review needs and expenses with our insurance agent. The acquisition costs of \$100,000 may be covered by F.M. Kirby. This should cover the purchase price as well as a portion of the inspections, legal, and architecture needed for the required variance to convert from residential to institutional use. Additionally, Sally is meeting with architects to examine the site. Charlie inquired about carrying costs. Sally indicated that the approximate \$3000 we pay in rent can be set aside for maintenance and capital expenditures.

Sally noted the new subcommittees that were created, the Land Acquisition Criteria and Fitness Trail subcommittees. The subcommittee for land acquisition determined not to revise our acquisition criteria but noted that every potential acquisition can still be reviewed and evaluated and exceptions made on a case by case basis. The fitness trail subcommittee determined that an active fitness trail at the CMA is not appropriate at this time, but the idea of adding a meditation area was discussed. A more active fitness loop may be more appropriate if/when we acquire Ferber. We could also consider a sensory garden at Ferber.

Sally shared that Tony DellaPelle, Lisa Stevens, and Gerry-Jo Cranmer will be leaving the board. Sally and Sandra reviewed the development proposal at Spring Brook, with the developer expressing a positive stance toward a water quality study and showing a willingness to meet our requirements, such as removing fewer trees and incorporating native trees into the landscape. One neighbor opposing the development requested that GSWA act as a fiduciary for the opposition, prompting Sally to seek the Board's opinion on whether GSWA should undertake the role. After deliberation, the decision was reached not to act as a fiduciary at this stage. David Naidu recommended revisiting the proposition after the completion of the water quality study for a reassessment. Sally ended by mentioning that we will need to discuss adding new board members. The board was encouraged to consider joining the Board Trusteeship meeting or recommending potential candidates.

Val Thorpe provided a detailed overview of the Gala 2023. Despite the lower attendance, the Gala exceeded its net income target, bringing in \$11,000 net over budget. Val spoke about the silent auction which featured 200 items that generated over \$39,000—making it the largest and most profitable silent auction to date. Notably, 36 people who did not attend the event purchased 85 items. VIP tickets, offered as a perk for underwriters, netted \$4,500 with 33 participants, and advertising activities resulted in a revenue of \$7,850, with \$5,100 coming from wine packages. The ticket giveaway involved a sponsor purchasing a table and donating it back, and winners were picked at random. Their silent auction bids covered the cost of everyone's meals and generated an additional \$575. Val mentioned that we will need to start exploring new ideas for the next gala and invited board members to join the planning committee.

Additional facts from the Gala included a less successful call for cash, bringing in an additional \$2,700. Despite lower attendance than anticipated, with 265 attendees (85 more than 2022), the Cork pull was a

success, selling out. The keynote speaker for the Gala was Congresswoman Mikie Sherrill (NJ-11), and there was a tribute to Jay DeLaney.

Val noted GSWA is looking for new venues for the next Music Festival to accommodate any weather. We are currently researching new indoor/outdoor venues. The board was encouraged to provide suggestions.

All staff presentations concluded. Jordan Glatt asked if we have a text to give option to donate. Nancy stated that she will research this donating option, which is available on our new GiveSmart platform.

The next board meeting will take place Thursday, January 26 on Zoom at 9AM.

The meeting adjourned at 6:45PM.