

Regular Session Board Minutes for November 11, 2023

STAR ISLAND CORPORATION

Regular Session Meeting of the Board of Directors

Meeting Minutes

November 11, 2023 at 10:40 a.m. EST

Members Present

Joni Abbadessa, Treasurer

Kyle Belmont

Cary Cuiccio (President, SIUCC)

Leon Dunkley (via Zoom, left after 12:00 p.m.)

Debbie Duval, President

Elizabeth Erickson

Lucia Green-Weiskel

Tom Kennedy, Vice President

Caroline Quijada

April Rosario

Topher Soltys

Ali Walton (President, ISA UU)

Arlyn Weeks, Clerk

Other

JJ Drummond, Pel Liaison (joined for the regular session)

Joe Watts, CEO (via Zoom)

Call to Order

The meeting was called to order by Debbie Duval at 10:40 a.m.

Opening Words were offered by Leon Dunkley.

Upon a motion duly made and seconded, the Board

VOTED unanimously to enter into executive session.

The Board returned from executive session and after lunch at 1:23 p.m.

Minutes of October 10, 2023 Meeting

Upon a motion duly made and seconded, the Board

VOTED unanimously to approve the minutes of the October 10, 2023 meeting.

CEO's Report

Joe Watts reported that we had a great summer season, “the season we needed.” This sets us up well for the future. We had set some important goals for the 2023 season and we made good progress toward them, including: (1) Our COVID-19 policies and expectations went well. There were half as many cases on-Island as there were in 2022 and less management time was needed. (2) For staffing, we had a great applicant pool for on-Island positions and end of season staffing was much improved. We were nearly fully staffed for LOAS 2, which hasn't been the case for several years. (3) Services were another focus; for example, food service saw marked improvement in terms of food quality and service model, and a really good group of Pelicans provided a high level of customer service overall. (4) We made great progress toward our Beloved Community Project-inspired goal of how we treat one another, and our theme of kindness resonated with people. These goals remain in place for next year. On the Island evaluations, 90% said they received good value, 77% said that their overall experience was excellent, and 21% said that their overall experience was good. Eighty-one percent said that they would come back next year, which was lower than normal. The staff is considering sending out a survey to try to understand this further.

The current budget forecasts a net loss of \$108,000 for this year. Over \$100,000 of that is due to Hurricane Lee. We are okay on the cash side and on our covenants with the bank. The theme for 2024 is currently under discussion but may be based on growth or growing. Staff is working with some conferences on marketing. We are going back to discounts on room and board. The Annual Fund numbers through the end of October are \$9,000 ahead of last year at this time. Staff will focus on All Star 1 and International Affairs in this regard through the remainder of the year, as their current numbers are substantially lower than they have been in recent years.

Beloved Community Project Update

April Rosario reported that the Task Force is focusing on putting together a pilot for a specific diversity scholarship fund. They are now in the research phase.

Treasurer's Report

Joni Abbadessa referred members to the financials in the meeting packet. Page 1 is the balance sheet, showing that cash is in good shape. Liabilities include cash to be transferred to the Permanent Trust. This year there will be more money going into the Trust than we take out. Page 2 is a statement of activities. Room and board income is under budget and overall revenue is expected to be around \$200,000 under budget at year end. Expenses are also projected to be under budget at year end. Page 3 shows capital budget expenses, which are expected to remain under budget.

Joe and Joni met with the partner in charge of our audit at Berry Dunn. It is the partner's third year assigned to our audit, and there will be a new senior auditor this year. They are comfortable keeping Berry Dunn.

The Finance Committee has discussed the budget and room and board fees for 2024. It also discussed possible options for passing through credit card fees in the future. Such fees are budgeted to be approximately \$90,000 next year.

Pelican Liaison's Report

JJ Drummond reported that people are starting to plan for next summer and that several Pelican supervisors may not return. This turnover has the potential to be good for the Island.

Upon a motion duly made and seconded, the Board

VOTED unanimously to accept the foregoing reports.

Committee on Appointments Report

Lucia Green-Weiskel reported the Committee's recommendations that the Board make the following appointments: for the Strategic Facilities Planning Committee, reappoint Mark Adams and Karilyn Heisen for second three-year terms and appoint Karilyn Heisen chair, and reappoint Dick Case, Bruce Parsons and Tom Mansfield for one-year terms as advisors; for the Finance Committee, appoint Robin Slothower for a first three-year term; and for the Committee on Appointments, appoint Lucia Green-Weiskel and Scott Stewart for second three-year terms.

Upon a motion duly made and seconded, the Board

VOTED unanimously to approve these appointments.

Lucia also noted the following appointments made by the CEO upon the Committee's recommendations: Beth Ruekberg for a first three-year term on the Island Heritage and Artifacts Committee; and Arthur Eves, Gillian Curran and Heidi Weiskel for second three-year terms on the Rutledge Marine Lab Committee.

Special Nominating Committee At-Large Selection

Upon a motion duly made and seconded, the Board

VOTED unanimously to appoint Caroline Quijada to a one-year term on the Special Nominating Committee.

2024 Budget Presentation

Joni noted that the initial draft of the 2024 budget is in the meeting packet. A revised budget will be brought to the Board in January for its approval. A \$30,000 net income is not the goal. The Board needs to approve an increase in room and board rates today if possible. The Finance Committee recommends a 5% increase. Vendor costs have increased between 4 and 13%. The draft budget increases financial aid to \$86,000. The discount program is revived at an estimated \$55,000. It is a tough balancing act to keep the Island as affordable as possible while facing increasing expenses and needed capital expenditures.

Joe noted that the January meeting is when the Board votes to approve the budget. The final budget will have a higher bottom line and fewer capital projects. The staff is now building the bednights estimate. The coming year will be a bridge year with a goal of 19,000+ bednights, with a goal of 20,000 for 2025. Joe reminded the Board that we built bednights from under 18,000 in 2012 to 21,000 in 2019.

A goal of \$725,000 for the Annual Fund is very reasonable. This figure is a placeholder until we know the final figure for 2023.

The new positions added in 2023 are in the 2024 budget. The Board Reserve contribution is budgeted at \$30,000 with a goal of a total of \$500,000 by the early 2030s. We are trying to get to a net income of \$100,000 or more for 2024. The staffing budget includes 4% raises with the lowest Pel wage over \$10 per hour. The budget includes a 10% increase in property insurance.

After extensive discussion, and upon a motion duly made and seconded, the Board VOTED, with 8 in favor and 4 opposed, to increase room and board rates for 2024 by 4.5%.

Strategic Plan (2024-2028) Approval

Caroline Quijada presented the final proposed version of the Strategic Plan to the members. The staff is in the early stages of preparing tactics to achieve the objectives of the Strategic Plan. Our mission statement remains the same. We added an action statement to the vision statement, which is now part of the Strategic Plan. Explanatory links for some of the terms will be provided on the website when this is launched early next year.

Upon a motion duly made and seconded, the Board VOTED unanimously to approve the Strategic Plan with an amendment changing the word “aim” to “aspire.”

Board Self-Evaluation

Topher Soltys reported that the updated summary of the results that is included in the meeting packet has been provided to the Nominating Committee.

2024 Financial Grants Program Update

Kyle Belmont reported that the working group has met to debrief and begin to plan for next season. More information is needed than is supplied by the current application form and the group is looking at examples from other programs. The group wants to have 3 to 5 questions on our form, perhaps including adjusted gross income, to help better define need.

Board Liaison Reports

Fund Development Committee: Tom Kennedy reported that the Committee has not met recently.

Nominating Committee: Liz Erickson reported that there are no open seats on the Board in this cycle. The Committee has looked at its charge and Board members eligible for another term. It will meet on November 16 to discuss the possible renominations.

Permanent Trust: Liz reported that the trustees met last Tuesday and there will be a \$216,155 payout this fall. The trustees are monitoring one company in which the Trust is invested to be sure that the investment is consistent with SIC values.

Governance Task Force Update & Discussion

Christana Wille McKnight and Kate Brady joined the meeting at this point. Tom Kennedy presented a written summary of the recommendations of the Best Practices, Committees and Constituent Groups, and Bylaws Subgroups that will be presented to the Task Force at its meeting on November 16. The Task Force will decide at that meeting whether further Board input in December is necessary. There was some discussion of the Best Practices recommendations.

Bringer of Light Award Discussion

Kyle asked Board members to consider nominating individuals for this award. He will follow up with an e-mail.

Upon a motion duly made and seconded, the Board

VOTED unanimously to adjourn at 3:50p.m.

Submitted by

Arlyn Weeks, Clerk