

# ANNUAL MEETING MINUTES: May 17, 2020

## Call to Order

Congregational President Mark Bishop called the meeting to order at 12:45 p.m. and noted that this is our first virtual congregational meeting (via ZOOM technology), due to the COVID-19 pandemic. He urged patience with the technology, outlined options in case of difficulties (continue with a time delay or re-schedule later in May), and said questions would be submitted and addressed using ZOOM's Q&A function. At the meeting's start, 117 members were in attendance, and a quorum was achieved (note: attendance grew to a peak of 135).

## Approval of Minutes, 2019 Annual Meeting

Motion of approval by Kathy Porter; second by Terry Wiggins; motion passed.

## Remarks from the President

Mark Bishop reported progress with First Church's policy governance model, noting that the Board of Trustees (BOT) focused on policy and monitoring, including limitations and compliance by the senior minister and staff, as well as measures and metrics to assess progress in meeting our Ends. He noted the BOT is very pleased with the nimbleness that policy governance provides First Church leadership—a prime example is the rapidity with which the staff was able to obtain a CARES Act (PPP) loan to help with First Church expenses during the pandemic.

Mark stated that the BOT worked with the Finance Team to develop a sound, prudent and cautious investment policy and also noted that First Church's required financial safety net has been met.

The BOT approved a re-structuring of the Lu Krug Gift Acceptance Team into two new teams: 1) project management team, with Melinda Vernon as chair; 2) strategic planning team, co-chaired by Dave Becker and Julie Bock, which will, among other tasks, develop a plan to achieve financial sustainability.

Mark reminded the congregation that we include children and youth as sources of authority for First Church leadership decisions, as a result, the BOT approved the addition of two youth positions on the Board, to serve in a non-voting capacity. This fall BOT will work with the Youth Steering Committee on implementation.

Mark concluded his remarks by thanking Reverends Jennifer and Dena for their superb leadership in a very unusual and stressful church year.

## Congregational Vote on Ordination of Kimberlee Tomczak Carlson

Rev. Jennifer talked about the meaning of ordination, saying it is one of the most sacred acts that a congregation can perform and only a congregation has the authority to ordain. She stated that the question is, "is this person (to be ordained) a minister?"

Kimberlee said that she is very appreciative of First Church and its religious education staff, and humbly requested that the congregation ordain her as minister of religious education, as a final step in her ministry. "I am so grateful for your trust and sharing of your children," she added.

Mark Bishop noted that the BOT reviewed First Church policy for ordination, as well as materials submitted by Kimberlee in support of her ordination, and the BOT wholeheartedly supports Kimberlee's request. He also said that no motion was needed by the congregation, but we will vote electronically on whether to ordain Kimberlee as a minister of religious education.

126 members (with no abstentions) voted to ordain Kimberlee Tomcak Carlson as a minister of religious education.

### Nominating Committee Report

Beth Bender reported on the incoming and outgoing BOT members. Chris Aitken, Mark Bishop and Jeremy Koenen will be retiring from the Board. Joining the BOT for a 3-year term are Rollie Hanson, Mike Hogan and Ben LeFort. Mark Bender, Jane Cliff, Dianna Dentino, Mark Miller, Jane Peterson and Melinda Vernon will continue on the Board.

Motion to accept nomination of new BOT members by Tom Briscoe; seconded by Michelle Naples; passed.

Beth also shared nominees for the Nominating Committee for a 3-year term, expiring in 2023: Tracy Kreuser and Tom LeBel. Continuing members are Michelle Boehm, Heather Hanson, Scot Henry and Vashti Lozier. Beth Bender will be leaving the committee.

Motion to accept nomination of new Nominating Committee members by Bob Porter; seconded by Andy Agacki; passed.

### Financial Condition Report

Noreen Gilbertsen, Finance Committee chair, presented highlights from the 2018-2019 church year (CY) annual financial report that is printed on pages 9-12 of the First Church Annual Report for 2019-2020: 1) income net of operational expenses was almost \$-62,000, which was about \$45,000 less than anticipated. Net income, after a very generous bequest and gain on investments, was almost \$261,000; 2) total income was very close to budget, but pledges decreased 6% from the prior CY; 3) total expenses decreased almost 5% from the prior CY; 4) pledges in future years must increase to reach a financially sustainable budget; 5) Assets as of June 30, 2019 were over \$1.96 million, compared to almost \$1.76 million as of June 30, 2018.

**Questions and answers followed:** 1) Question: Are the losses on paper or realized? Answer: All losses are on paper; we haven't sold any assets. 2) Q: What does losses on investment mean? Is it dividends or principal? A: Losses are on principal due to management fees and/or stock market fluctuations. 3) Q: please expand on comment, "pledges are on track," given virtual services, extraordinary income (bequests), and PPP loan. A: Pledges continue to come in via autopay and we hope that continues. The PPP loan was obtained in March-April 2020; if this money isn't used, it becomes a 1% loan. The PPP loan will not affect our bottom line this CY. The PPP loan will appear in CY 2020-2021 figures, once the loan is forgiven. 4) Q: Without the PPP loan, would we be in financial trouble in the 4th quarter? Where do we stand with income and expenses? A: We don't expect expenses to increase much in the next two

months; we are losing some income from not having religious education and child care fees. For the coming CY, we're holding the line on human resources expenses (our most costly budget item) and will thoroughly review budget status in December 2020 - January 2021. The PPP loan does cushion the situation somewhat. 5) Q: What are we investing in? How well do our investments reflect UU values? A: Our investments are in the UUA Common Endowment Fund, which reflects UU values. 6) Q: What is our year-to-date net expense number relative to revenue? A: As of April 30, 2020, net expense to revenue is \$-14,734. 7) Q: Why are we now 8 years out from being financially sustainable, when last year we were 7 years out? A: We haven't gotten our desired increase in pledges (6%/year), and therefore, it will take us longer to become financially sustainable. Without increasing our income, First Church will continue to operate with deficit budgets. 8) Q: What is the status of funding for social justice issues? A) Social justice issues are addressed in our budgeting process and guided by our Ends statements. If we want to put more money into social justice causes, we need more income, because have fixed expenses we need to cover. In the BOT's opinion, our financial position is definitely a revenue issue, as opposed to an expense question. The new Strategic Planning Team will address the question of how do we grow our income and become financially sustainable.

## Stewardship Report

Membership Development Coordinator Lynne Jacoby presented highlights and referred members to pages 33-36 of the First Church Annual Report for CY 2019-2020 for specifics. The Pledge Team goal was \$735,000, 5% above the prior year. Of members who pledged last CY and this CY, 154 increased their pledge; 161 left their pledge the same, and 40 decreased their pledge. There was a 3.43% overall increase in pledges between the two years. Lynne predicts a pledge total of \$703,000 this church year. She also noted there are plans to contact First Church members who haven't been as active.

Feast for Funds raised over \$21,000 through bids on over 130 items. The number of bidders declined by a third, compared to last year. Funds raised decreased by more than \$4,000.

Lynne thanked everyone involved with stewardship and membership, especially the Pledge Team and outgoing chair, Fred Gutierrez.

## Remarks from the Associate Minister

Reverend Dena McPhetres said she loves and misses the congregation in this time of COVID. She noted that First Church is a community of kind, inspiring, caring, wise, resilient, compassionate (and more adjectives) people who have done many hard things before and can come through this pandemic. She reminded us of all the historic challenges First Church has faced: abolition; the Civil War; building 3 churches; World War 1; Spanish flu; women's suffrage; World War 2; Vietnam War; 9/11.

Dena gave thanks for "this being in transformative moment, together," and urged us to use the glue of kindness to get through these extraordinary times.

Rev. Dena also thanked Pastoral Care Associates (including some former PCAs) who contacted 166 members who are at high risk for COVID-19, as well as Pastoral Care Providers (and 8 younger adults) who helped members with COVID-related errands.

## Remarks from the Senior Minister

Reverend Jennifer Nordstrom stated that it's been a wild, intense year that opened with a sense of abundance due to a generous bequest from Bettie Zillman, and is closing with a sense of tragedy and loss due to the pandemic, but also a sense of beauty and love as we grow connections, show up for each other, and participated in the historic ordination of Kimberlee Tomzack Carlson.

Rev. Jennifer addressed the question of, "What will church be like in the time of COVID?" Noting that we need each other more now than ever, she said First Church will continue on-line services and business at least through summer 2020. First Church will follow UUA guidelines, the best science and advice of public health experts, as well as the Wisconsin Badger Bounce Back Plan, with its aggressive contact tracing and testing. Jennifer said that First Church may not be able to meet again until there is a vaccine, which might not be before May 2021. Her priority for First Church is member and community health and well-being, and encouraged us to reach out to each other, stating that she's sure we will weather this situation together.

Rev. Jennifer ended by thanking Jean Johnson and Shari Wright for their work in getting a PPP loan; the IT Team, Financial Team, and Social Media Team for doing everything to help move us to a virtual community; and the BOT, especially outgoing president Mark Bishop, for incredible leadership.

## New Business (Comments from the Congregation)

Question: Can we do closed captions for ZOOM meetings? And what is the status of the First Church accessibility audit? Answer: We will work on getting closed captioning for ZOOM meetings, and we plan to name a team this spring to do the ac-

cessibility audit.

Question: How many pledging units does First Church have? Answer: Around 360 this year. 13 members indicated they wouldn't be pledging this CY, due to changing life circumstances, and there were 17 total new pledges this CY.

Comment: Encourages the BOT to consider the interrelationship between all our Ends statements—for example, social justice (End 1) and spirituality (End 4) and the profound inequities in our society.

Comment: recognizing the Forum Committee for providing 50 years of continuous presentations.

## **Adjournment**

Motion to adjourn at 2:45 p.m. by Rod DePue, seconded by Kathy Porter; passed.