

First Unitarian Society of Milwaukee
Minutes of the Board of Trustees Meeting

August 25, 2021

Present: Jane Cliff (President); Benedict LeFort (Vice President); Tony Panciera (Secretary); George Bledsoe, Patricia Geenen, Mike Hogan, Mark Miller, and Rollie Hanson. **Also present:** Rev. Jennifer Nordstrom, Senior Minister; Jean Johnson, Noreen Gilbertsen, Julie Bock.

The meeting was conducted via videoconferencing (Zoom) due to Covid-19 concerns, and was called to order by Board President, Jane Cliff at 6:03 pm.

Year-end 2020-2021 Church Year Financial Report (Noreen Gilbertsen and Jean Johnson)

Income highlights: 1) Church year pledges were \$24,000 over the estimate; 2) Bequest income was 29% over expectations; 3) Next CY bequest income will be moved to the extraordinary income category; 4) Overall, contributions came in 7% more than budgeted; 5) Activity income was 85% less than planned primarily due to Covid-19 (Feast for Funds did not happen and RE fees were lower); 6) Investment income was lower than expected, due to declining interest rates; 7) Apartment income is usually above budget; this year we had apartment turnovers, vacancies, and maintenance, but we are now back at full occupancy; 8) Total income of \$874,556 came in 5% lower than \$920,900 budgeted.

Expense highlights: 1) The largest expense is Human Resources, which is typical of non-profit organizations. FUSM had one fewer part-time Facility Assistant and a part-year Communications Coordinator, so these expenses were lower than planned; 2) Building expenses, basic operations, religious educations and committee expenses were significantly below budget due to impacts of Covid; 3) Capital maintenance was 56% below budget; 4) Total expenses were 14% below projections.

Income net of expenses: We projected a shortfall of \$102,000, but ended up with only a shortfall of \$46,000, 70% lower than projected.

Extraordinary income: 1) Stock market provided a gain of \$288,122 on FUSM assets invested; 2) Our Cares Act PPP loan of \$118,000 was forgiven because FUSM met all requirements (this amount is removed as a liability and comes in as positive under extraordinary income).

Total income versus total expenses: 1) Total investments (assets) were just over \$2 million; 2) There is a new investment \$10,000 fund (WWBIC) to support local community lending (FUSM got a matching grant from UUA.) 3) Our balance of \$319,000 in CDs satisfies the safety net required by FUSM's investment policy; 4) There is a new restricted "Close the Gap Fund" of \$25,000 to help with our new endowment fundraising; 6) At the end of the 2020-21 CY, FUSM's total liability/fund balance was approximately \$2.19 million with no mortgage or loans.

Other: 1) The Memorial Trust Fund cannot be touched unless 75% of the congregation approves it; 2) Noreen and Jean report quarterly to the Board on FUSM finances; 3) in the FUSM budget, general funds mean holdings in the common endowment funds.

Monitoring Limitations 4.4 Financial Planning and Budgeting & 4.5 Financial Condition (Jane Cliff)

Motion: Following discussion on the year-end financial report above, Mike Hogan moves that the Board find the Senior Minister in compliance with limitations for BOT policies 4.4 and 4.5. Ben LeFort seconds/approved unanimously.

Strategic Planning Team Update & Next Steps (Julie Bock)

Julie Bock updated the BOT on current status of the SPT and asked: 1) for clarification on desired communication channels between BOT and SPT; 2) how much input BOT wants from SPT on communication to the congregation and FUSM's strategic plan and activities; 3) BOT to review SPT's March 2021 report; 4) BOT approval for SPT budget \$20,000 to hire a fundraising consultant to help guide endowment fund efforts, as approved by the congregation at our May 2021 Annual Meeting; 4) to establish a special fundraising team; 5) BOT affirmation to develop detailed goals, a plan, and timeline for fundraising campaign, as well as continued focus on the big picture, in addition to focusing on working toward financial sustainability for FUSM.

Discussion included: 1) Role of fundraising consultant—we expect the consultant to “walk with us” as SPT designs and implements a plan to raise millions of dollars for an endowment (the interest from which will pay for FUSM operations); 2) Will \$20,000 budget be enough to cover a three-year campaign? 3) There is a known pool of consultants, including national and local network to pull from, as well as respondents to last year's RFP; 4) Rev. Jennifer noted that often the fundraising consultant takes a percentage of the amount raised as their fee.; 5) Other UU churches can share recommendations; 6) Rev. Jennifer will include a SPT report in her monthly Senior Minister Report and Jane will talk regularly with Julie Bock, Dave Becker, and Ben LeFort on SPT activities; 7) SPT will present the BOT options on the special fundraising team and the consultant; 8) SPT will establish a provisional budget and come back to the BOT with consultant responses to the current RFP.

Motion: Mike Hogan moves that the Board approve the SPT special fundraising focus for this CY and their budget request to hire a fundraising consultant. Mark Miller seconds/approved unanimously.

Monitoring Limitation 4.3 Compensation and Benefits (Rev. Jennifer/Jane Cliff)

Rev. Jennifer presented a report on CY 2021-2022 staff compensation, given a number of staff changes since the April 2021 BOT meeting where the BOT approved the Senior Minister's proposal to increase staff compensation by about \$13,500 (and agreed that the proposed compensation recommendations were in compliance with BOT policies). However, due to the continuation of the Covid pandemic and the extension of multi-platform church into this year, some adjustments are needed. Specifically, the UUA increased FUSM health insurance premium by 10% this year. We are planning that FUSM staff will need to support both virtual and in-person services. Retaining a Digital Communications Coordinator will help

us continue our online outreach, and perhaps expand our membership with new viewers. We want to move closer to meeting UUA compensation guidelines for staff. Rev. Jennifer submitted a revised staff compensation proposal to address the above items, but the proposal is a “material increase,” meaning that it totals more than \$5,000. It was noted that FUSM has strong financial position coming into this CY (pledge increase of 3%; pledge fulfillment on track; congregation voted at May 2021 annual meeting to pursue option 3 of FUSM’s Strategic Plan (increase revenue to ensure long-term financial sustainability of FUSM)).

There were two motions: First, Mike Hogan moved to approve the material deviation in staff compensation proposed by Rev. Jennifer and the BOT finds that the proposal is in compliance with BOT policy limitation 4.3 Mark Miller seconded/unanimous approval. Second, Rollie Hanson moved to approve all the budget changes for CY 2021-2022 employee compensation as presented by Rev. Jennifer are in compliance with BOT Policy Limitation 4.3. Patricia Geenen seconded/approved unanimously.

Consent Agenda (Cliff)

BOT approved minutes of May 11, 2011 BOT meeting, as well as minutes of May 16, 2021 post-annual meeting; several spelling corrections were noted. There were no staff changes this month.

Motion: Mike Hogan moves to approve the consent agenda and defer General Assembly Report to the next BOT meeting. Tony Panciera seconds/passed with unanimous vote.

Monitoring Limitation 4.7 Continuous Operations (Rev. Jennifer)

Rev. Jennifer stated that this year she has added a continuous operations plan for Membership Development Coordinator to the document; otherwise, there are only a few minor updates to the previously approved plan.

Motion: Mike Hogan moves that the Board has seen sufficient evidence that the current plans for continuous operations are in compliance with the limitations for BOT Policy 4.7. Mark Miller seconds/approved by unanimous vote.

Senior Minister’s Report (Rev. Jennifer)

There was no discussion, due to time constraints; Rev. Jennifer made the point that multi-platform church means the staff has twice as much work, and there will be decreases in programs and service.

New Business:

Motion: Ben LeFort moves to approve May 22, 2022 as the next FUSM annual meeting date. Tony Panciera seconds/passed unanimously.

Adjournment:

Since there was no further business, the meeting was adjourned at 8:15 pm, CT.