

# **First Unitarian Society of Milwaukee**

## **Annual Meeting Minutes: May 21, 2023 - Final**

Board of Trustees (BOT) members present: Ben LeFort (President), George Bledsoe (Secretary & Recording Secretary), Amy Wilbourne, Tony Panciera, Sarah Richards, Joe Riepenhoff and Rollie Hanson.

Not present: Pat Geenen (Vice President). Rev. Jennifer Nordstrum (Sr. Minister) (Sabbatical).

### **Call to Order**

Congregational President Ben LeFort called the meeting to order at 12:48pm. The meeting was conducted in person and via videoconferencing (Zoom). Quorum, a minimum of 59 active members, was achieved with (72) members in person and (22) persons online to start the meeting. Closed captions were requested online, and the electronic version of the packet was shared in the chat. Ben advised of the two voice votes that will be taken in the meeting.

### **Approval of the 2022 Annual Meeting Minutes**

Elizabeth Lentini moved to approve the 2022 Annual Meeting Minutes. Mark Chambers seconded the motion. Motion passed unanimously.

### **Remarks from the BOT President (Ben LeFort)**

Ben reflected on the various phases of restrictions the congregation has endured due to the COVID pandemic. He emphasized the excitement of coming back to church in person and the eventual relaxing of the mask mandate. Attendance, which had been low and sporadic during the pandemic, is steadily coming back for in person and online. The BOT limited some reporting during phases of the pandemic and due to Rev. Jennifer's sabbatical. The annual pledge drive was relatively flat in comparison to last year's. However, the Forge Our Future campaign rolled out and acted as an opportunity for the congregation to have conversations and to reconnect in addition to the purpose of the fund. The BOT passed the budget for the next church year. Additionally, the trustees are deepening our effort with Anti-Racism training. Ben closed with a heartfelt thank you to the congregation, staff, BOT, and all the committees that support and sustain our community.

## **Nominating Committee Report (Kristine Hansen)**

Kristine was not present due to illness, so Ben LeFort presented on the committee's behalf.

The Nominating Committee thoughtfully looks at a variety of factors such as life experiences and backgrounds of members to identify leaders to serve our community.

The Nominating Committee is nominating three members for a three-year term to expire in 2026 for the BOT. They are Victor Dana Brooks, Stacy Koenen and Stacey Thieme. For the Nominating Committee, two members are being nominated for three-year terms to expire in 2026. They are Jane Cliff and Michael Pointer Mace.

Motion to approve the slate of nominees for BOT was made by Kathy Riviera. Seconded by Connie Craig. Motion passed with all members present voting in favor except for one voting against.

Motion to approve the slate of nominees for the Nominating Committee was made by Rollie Hanson. Seconded by Amanda Panciera. Motion passed unanimously.

## **Financial Condition Report with Q&A (Noreen Gilbertsen)**

Noreen opened the report with thanks to the finance team, staff and all others that have contributed to the monitoring and maintenance of our church finances. Noreen asked that we pay specific attention to Total Income (TI), Total Expenses (TE), and Income Net of Operation (INO) in her report. Highlights of FY 2021-22 found final pledges came to \$728k with TI coming in at \$799k, TE were at \$940k and INO's final was -\$141k. It was somewhat of a bad year for our investments as investment gains were -\$219k. Bequests totaled \$77k in FY 2021-22. Human Resources continues to be the biggest expense with the final for 2021-22 coming to \$766k.

Noreen provided that our Total Assets were at \$1,801k as of June 30, 2022. The General Fund was \$1,038k, the Memorial Trust Fund \$317k, Cash Deposits (CDs) \$188k and Cash on Hand was \$235k. Noreen provided some information about the investment of \$21k in Wisconsin Women's Business Initiative Corporation (WWBIC). WWBIC is a statewide business initiative that focuses on individuals who face barriers in accessing traditional financing or resources. Noreen confirmed that the Memorial Trust Fund cannot be touched except for in the most urgent instances in which the funds may be needed. Noreen expressed that CD rates are up, and we have secured rates up to 5%.

For the current fiscal year, Forecasted Income is at \$810k and budgeted for \$841k. Income from activities such as Feast for Funds, which was not held again this year, was down as expected. Income from the apartments is up, as they are at full occupancy. Forecasted Expenses are \$997k, just under the budget of \$1.05M. HR is lower due to unfilled or partially filled positions. Building and basic operations are on track. Net Income from Operations, or income minus expenses = -\$187k vs budget of -\$205k. For Extraordinary Income, unrealized gains on investments are forecasted at \$56k. Bequests are forecasted at \$108k.

Additionally, Noreen reported that current donations for the Forge our Future (FOF) endowment fund exceed \$700k. Funds for FOF are temporarily in a dedicated Money Market account and 2 CDs. The Endowment Fund Task Force (EFTF) is charged with establishing the FOF Endowment Fund.

The principal from the fund will not be accessed; however, gains may be applied to the deficit. Guidelines for the endowment are being determined by the EFTF and the BOT.

Finally, Noreen shared forecasts for the upcoming church year, in which a 3% increase in income is expected with pledges at \$728.5k, Feast for Funds at \$15k and income from the FOF Endowment Fund at \$30k. An increase of 2% in expenses with a 3% increase for HR is projected. Budgeted Income Net of Operations is expected to be almost the same as this year. Income minus expenses = -\$205k.

There was a question of when funds for the FOF campaign were due? Until the end of 2025 was the response.

Another questioner wanted to know if we are putting more funds into WWBIC? Noreen replied that we are not putting money into the Calvert Fund anymore and that we are putting more funds into WWBIC as a means of providing more support for local issues.

A final questioner wanted to know what is the difference between the Forge our Future Endowment Fund and the Endowment Fund (Memorial Trust Fund)? Dave Becker responded: The FOF endowment fund will be a newly established fund outside of the Memorial Trust Fund. The FOF endowment fund is being established to fill budget shortfalls with a principal protection feature and other aspects that the Memorial Trust Fund does not have. There was some discussion on the FOF Endowment Funds Task Force about combining the two funds, but the decision was to not do so.

## **Forge Our Future Campaign Report with Q&A (Mark Chambers, Hollie Patzer)**

Mark started the report saying that two years ago on May 16, 2021, a resolution was passed to start the groundwork for an endowment fund now known as Forge Our Future. Staff and over 50 congregants volunteered. The task force held 14 in person and virtual Focus Groups. 34 volunteers visited 248 households—with 204 households pledging. Hollie stated that the campaign helped to rebuild a bond with our community. Hollie spoke of the excitement of the campaign kickoff street party on October 23, 2022. The campaign has raised \$2,724,303 as of May 10, 2023. Approximately 50% of pledging households have pledged for FOF. To conclude, Hollie advised that fundraising for budgetary reasons is harder than fundraising for something such as a new building or something tangible such as a broken boiler etc. No questions were presented.

## **Forge Our Future Endowment Task Force Update with Q&A (Elizabeth Lentini, Dave Becker)**

Elizabeth opened with a note of Unitarian Universalist's deliberation in planning and accomplishing things, adding that this is how we roll. She advised that our building was a legacy and that current generations did not have anything to do with building it. The Memorial Trust Fund was established around 1920 and codified in 1963. Dave presented the mission statement of the Endowment Fund Task Force (EFTF) and that it is a short-term board committee charged to research, draft an Endowment Fund Policy, ensure principal protection, identify investment vehicles and fund manager, establish a Trust recommending appropriate oversight and a plan for regular communication to the congregation. The EFTF has conducted initial research, recommended to use a Trust as legal framework, interviewed, and selected legal counsel, and discovered multiple options for fund managers. Next goals include finalizing key points of a Trust document, selecting Trustee(s) and recommending a formula for principal protection and distributions to support ongoing operations.

A question was asked about the use of the word recommendations from EFTF in the report and wanted to know if there will be an approval by the board or by a congregation vote? Elizabeth responded that the congregation vote was 2 years ago. Recommendations are being made by EFTF. The BOT will give the final approvals. The funds are going to be used to cover shortfalls. The BOT will determine how the funds will be used.

An additional question asked was how does long-term capital maintenance fit into plans? Elizabeth explained that there is already a maintenance fund for this purpose, and it is included in the budget.

## **Stewardship Report with Q&A (Lynne Jacoby)**

Lynne started by giving a big thanks to the 93% of our community who has participated in the Pledge Drive as of May 10, 2023, and to the 125 households, or 33% of our households that increased their pledge this year. Lynne provided pledge data as of May 10, 2023, in which we had 350 household pledges in hand for an amount of \$721,782. There are 38 current members without pledges, which corresponds to a 30% projected loss, or \$21,226. There are currently 10 waivers on file. 19 households stopped/withdrew their memberships. Considering pledges in hand, projected members without pledges, waivers on file and the 18 projected households from 2 new member classes, the total projected households come to 408 with a projection of \$727,718 in pledge income. Lynne concluded by thanking the Forge Our Future team and volunteers who engaged in stewardship conversations, over and over, with so many of us this year. No questions were presented.

## **Remarks from the Minister of Religious Education (Rev. Kimberlee Tomczak Carlson)**

Rev. Kimberly noted that this is the first full year back for Religious Education (RE) since the COVID pandemic and it is a significant milestone for the RE program. She also noted that RE returned and renewed with the support of many helping souls, and that the RE program depends on volunteers to facilitate the care for our children, youth, and families and that she is grateful to all of those who contribute. Rev. Kimberlee said that Our Whole Lives comprehensive sexual education (OWL) classes were a reason for many families to return, and that new families found First Church to be a spiritual home and were welcomed into this faith community.

Rev. Kimberlee reported some changes in the RE program coming this fall. Preparations have begun to shift RE from an age segregated, teacher led, lesson-based format to a more intentional child friendly time in the sanctuary, followed by an open space choice program with adult facilitation during the 9am services. Faith formation programs such as OWL will sometimes be scheduled separately and on Sunday mornings. Nursery and pre-school will continue to be offered during both services.

Rev. Kimberlee acknowledged a challenging and deeply rewarding year in religious education. And that she is grateful to be in collaboration with so many wise and caring people who prioritize our young people and families.

## **Remarks from the Associate Minister (Rev. Dena McPhetres)**

Rev. Dena opened remarks with our state of community and emergence from the COVID pandemic. She offered recognition and thanks to all the teams, committees, etc... that have persevered in service to our community. Additionally, she reported on the how things are going in relation to the sabbatical that the senior minister is on currently, stating that the sabbatical is going well and that there was only one instance in which she needed to practice concern. Rev. Dena extended a special thank you to the sabbatical team consisting of Jean Johnson, Rev. Kimberlee, and Rev. Jim Foti. Also, appreciation was given to the stellar series of pulpit guests during the sabbatical. Rev. Dena asked that we ponder and ask ourselves the question, "What do we want to do now that we are back?" Rev. Dena concluded by declaring the state of our church is healthy, strong, and vibrant!

## **New Business / Comments from the Congregation with Q&A:**

Comment: Someone asked that congregants attend Peace related events that will be take place throughout the summer and on Labor Day with special attention to Vietnam veterans.

Comment: Mark Chambers provided greetings from his wife, Janine Chambers, who is recovering from surgery and could not be here. Janine wanted to ask that the church consider recognizing and honoring indigenous people and expressing land acknowledgements. Janine would like the church to consider creating a statement acknowledging indigenous people and the land that was taken from them and putting it on a marker outside of the church.

## **Adjournment:**

Tom Briscoe moved to adjourn FUSM's 2022-23 annual meeting. Mike Hogan seconded.

The meeting was adjourned at 2:22pm.