

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

Tuesday, October 24th, 2023

Present: Pat Geenen (President), Sarah Richards (Vice President), Stacy Koenen (recording secretary), George Bledsoe, Amy Wilbourne, Joe Riepenhoff (Secretary), Tony Panciera, Stacey Thieme, Dana Brooks

Youth Representatives: Vera Lefort

Also Present: Jennifer Nordstrom, Dave Becker, Jean Johnson, Noreen Gilbertson

The meeting was called to order at 6:06PM.

1. Opening Sequence

Opening reading and discussion prompt provided by Stacey Thieme

2. Review/Consent Agenda (Pat)

Minutes of September 26, 2023 Meeting

Monthly Staff Change Report

Sr. Minister Report (Rev. Jennifer)

Allocation of Frank Evans Bequest

Monitoring limitation 4.1, Relationship with Congregants (Sr. Minister Report

Moved to approve the consent agenda: Joe Riepenhoff. Seconded by Dana Brooks

Passed: 9 aye.

3. Endowment Fund Task Force Report & Proposal (Elizabeth and Dave)

Dave Becker gave the Board an overview of the documents provided by the EFTF and the recommendations. The plan is to have 3 trustees appointed by a 2/3 vote of the Board to manage the trust. They will be the main connection to the financial advisor, monitor the advisor and investments, and handle distributions to the church. This will give them the ability to change the investment portfolio, if necessary, and have a fiduciary responsibility to the trust. These individuals will have staggered 6 years terms, one needing to be appointed every 2 years.

Distributions should be set up to protect the principle with a maximum 5% distribution, starting at 4%. This can be adjusted by the trustees. Loans to the church will need to be approved by congregational vote and repaid in 3 years, during which time distributions would not be provided from the trust. The trust will be terminated if the balance is \$0 or FUSM no longer exists or is no longer a charitable organization.

Could put a hold on the distributions for the initial couple years to grow the trust? There is a concern of putting that in legal language. The formula for distributions is averaged over 5 years. The initial years would have prior years of \$0. The trustees will need to determine the initial distributions based on the conditions of the church finances, investment gains, market, etc.

Why the principle is undefined? Principle protection is a formula and there is no good way to define the principle without causing limitations. We are looking to keep out buying power impact with consideration to inflation.

Initial trustees will serve for 2, 4 and 6 years to initiate the rotation. 6 year terms allows people to gain familiarity and expertise. Individuals can be reappointed after a 4 year break. The day to day work of the trustees should be less than a treasurer. They should be active church members. At this time the EFTF does not have specific individuals to recommend, but could provide a profile of the type of person to look for. There will need to be consideration that the trustee terms will outlive the Board terms.

There will need to be education for the Board and congregation. Readily available summary documentation to help with explaining and understanding the trustees and trust set up.

The EFTF has narrowed down the Investment Manager to three options. The EFTF thought the trustees might help make the final decision. Baird has a defined structure with endowment options. They would require more input from the Trustees for investments. The funds would not be pooled, which limits opportunities for diversification but provides increased flexibility. Baird also has the lowest fees. The UUCEF is the most aligned with FUSM's principles. They practice socially responsible investing, as much as possible. The funds allocation is the same for all of their investors. The Greater Milwaukee Foundation overlaps with FUSM's community principles. They have fees to cover staff and other business aspects. When the trust ends, the funds are transferred to the Greater Milwaukee Foundation.

Given the turn over of the trustees they make not be necessary to decide the Investment Manager. We need to decide how soon we want to invest the funds. Currently they are in a CD and gaining interest while the full endowment is collected.

The charge to the Board is how to identify the initial trustees; EFTF, Board, Nominating Committee. Next month we need to vote to approve the documents and discuss the Investment Manager and Trustees.

4. Monitoring Limitations 4.4 and 4.5 – First Quarter Financial Report: (Jean and Noreen)

Moved, based on the evidence presented, to determine compliance with 4.4 and 4.5: Joe Riepenhoff. Seconded by Dana Brooks Passed: 9 aye.

5. Finance Team Recommendations for Financial Audit and Review of Financial Procedures (Jean)

Finances are on track for the first quarter.

Review of financial audits and procedures is picking up. Jean and the team are working on developing flow charts with responsibilities and checks and balances. Ideally hoping to achieve fewer audits in order to provide greater transparency of our financial processes.

6. Task Force Follow Up (Pat) Anti-Racism

Discussed having a member of the board serve as a liaison. Ideally having someone in their 2nd year on the Board serve for 2 years. Sarah is currently filling this role, since she is on the team. But could ask Amy to join in an official liaison role and develop the position.

The team was integral in the land acknowledgement on 10/8. This has become prominent in the UUA.

Treasurer

Pat & George met and reviewed the current policy and duties on 9/30. We are currently out of compliance with the policy. Tom Briscoe has served for over 10 years. Should this role be a member or an outside consultant? Should the role be restructured? The day to day tasks could be separated from the auditing and advising tasks, potentially utilizing the Trustees of the endowment to help.

FUSM Policy 2.7 states;

The Treasurer is appointed by the BOT from among the membership and shall serve a 3-year term that may be renewed for an additional 3 years. If the Treasurer is not a Trustee, he/she shall be a member ex-officio and be a regular attendee (at a minimum, quarterly) and Board meetings (without vote).

Current duties include;

- Manage day to day cash flow requirements
- With the approval of the Finance Team, manage all the FUSM bank accounts, credit union accounts and various investment accounts
- Recommend various savings and/or investment opportunities
- Work with the church accountant and the church Director of Administration in addressing issues with bank fraud control and the banks Positive Pay with ACH filter programs
- Ensure that the church payroll is prepared and scheduled every 2 weeks via the bank payroll system
- Sign all checks

There are still questions to be discussed.

Annual Survey

The group met and discussed recommendations for breaking the survey into smaller bits with short directed questions to increase response. And reducing the response time window. Ideally the board should/could supplement survey results with conversations or having the survey available in coffee hour. These smaller surveys could be done quarterly, in coordination with BOT agenda items.

Jennifer pointed out that we have not seen a drop in participation and we probably won't increase participation by much. The survey data is the congregation feedback on how we are achieving our ends, and is a representation of a point in time.

Review of Ends

Group is in the exploration stage.

Feast for Funds

BOT event has been submitted. Bidding starts this weekend. We can sign up for event responsibilities in couple months.

7. Nominating Committee Open Position (Stacy K)

Susie Seidelman and Jane Cliff have agreed to co-chair the committee. Kristine Hansen has stepped down from the committee.

8. Other business

Vera Lefort will not be able to continue as the youth representative due to a conflict. Should we consider recruiting another youth representative?

We need to review pronoun usage is documentation and policies to be inclusive, he/she/they or just they.

Adjournment

The meeting was adjourned at 8:05 PM.

Next Meeting: November 28, 2023