Parish Meeting Agenda

Virtual & In-person

May 21, 2023 12:30 pm to 2:00 pm

Located in the FUS Atrium Auditorium and on Zoom

Join Zoom Meeting at:
https://us02web.zoom.us/j/89581261140?pwd=Ny9jN2sxaE4yOTBndXYzWnY4RVVzQT09
Meeting ID: 895 8126 1140
Passcode: 462261
One tap mobile
+13052241968,,89581261140#,,,,*462261# US

I. Opening, Rev. Kelly Crocker

II. Welcome & Agenda Review, Alyssa Ryanjoy

III. Approve Minutes from last Parish Meeting – 10/30/22

IV. Approve Candidates – FUS and Foundation
   i. FUS Board of Trustee nominees Chuck Evenson, Emily Smith & Ed Zapala
   ii. FUS Board of Trustee secretary Emily Cusic Putnam
   iii. FUS Board of Trustee Youth Advisors – Mira Roffers & Mason Shadle
   iv. FUS Foundation nominees for three year terms – Kendall Harrison, Carol Stang & Kurt Stege

V. Foundation Update – Connie Beam

VI. Approve 23-24 Budget

VII. Vision & Mission Presentation and Vote

VIII. Closing, Rev. Kelly Asprooth-Jackson

Handouts

- Relational Covenant
- Minutes from last Parish Meeting
- List of Nominees
- Foundation materials
- Proposed 23-24 Budget and FAQ

Relational Covenant of the First Unitarian Society of Madison

Within our commitment to journeying toward spiritual wholeness by working to build a diverse, multicultural space, we form this covenant. We seek to create a brave space, a space to celebrate each person's unique abilities, a space to grow and build a bond between ourselves and each other; a joyful and compassionate space. When issues arise and this covenant is called upon, it is important to trust foremost that everyone is doing their best.

The Spirit With Which We Approach One Another

- Make a choice to remain in relationship, in good faith, over and over again even as we disappoint.
- Assume and remember that all have the best interest of the congregation at heart.
- Maintain open and generous minds and hearts.
- Practice radical hospitality, welcome, and inclusion.
- Support equity, diversity, and involvement of all.
- Relinquish the need to be right; lots of roads lead to the same end.

Communication

- Practice direct communication. Focus on the problem/behavior, not the person.
- Listen deeply. Make "I" statements. Seek to understand before responding.
- Accept that conflicts are inevitable.
- Participate appropriately; act or yield as needed.

Personal Responsibility

- Take responsibility to acquaint ourselves with FUS; support FUS financially and volunteer when possible toward the good of the community.
- Accept skilled help when we cannot reach an agreement or reconciliation.
- Strive to balance individual needs with the well-being of the community as a whole.
- Consider our personal role in an issue before seeking solutions elsewhere.

Appreciation for Staff and Volunteers

- Provide clear expectations, transparent lines of communication, and steadfast love and support for the leadership within our congregation.
- Cultivate an attitude of gratitude for the contributions of all.

Final Draft approved by Relational Covenant Task Force on June 1, 2021. This document is subject to change when deemed necessary.

Fall Parish Meeting Minutes

Virtual & In-person
October 30, 2022 from 12:30 – 2:00 pm

I. Opening - Rev. Kelly Crocker

Kelly opened the meeting with a reading.

II. Welcome & Agenda Review, Alyssa Ryanjoy

Alyssa gave the members an overview of the agenda for the parish meeting.

III. Approve Minutes from last Parish Meetings – 6/5/2022

Moved by Joy Knox and seconded by Rob Savage. The motion was called and approved unanimously by the congregation.

IV. Approve Youth Advisor, Annelise Alvin

Moved by Gail Bliss and seconded by Rob Savage. The motion was called and approved unanimously by the congregation.

V. Approve Rev. Andrew Karlson as Affiliated Community Minister

Discussion on the role of an affiliated minister in congregational life was led by Kelly and Kelly. A motion to approve was moved by Ann Smiley and seconded by Judy Troia. The motion was called and approved unanimously by the congregation.

VI. Vision & Mission Presentation

A review of what is involved in talking about the open questions was led by Emily Smith. A review of the history of open questions was also given and the need for a new vision of our mission. The members broke into small groups to discuss and give their thoughts on the open questions.

VII. Open Question Conversations

- What is the moment that showed you FUS is the place for you and why do you keep returning?
- What future do we dream of creating within FUS as a result of our ministries, programs & outreach?
- What future do we dream of creating within our broader community as a result of our ministries, programs & outreach?

Closing - Rev. Kelly Asprooth-Jackson

Kelly closed the meeting with a reading.

Nominees for the FUS Board of Trustees
Three-year term 2023 – 2026

Chuck Evenson has been a FUS member since 2013. He has been the fearless leader of the Guardians of the Grounds for approximately the past seven years. Chuck also served as a member of the search committee that selected Rev. Kelly A.J. He previously volunteered on the FUS finance committee, the last capital campaign committee, and as an usher at numerous FUS services. "I have greatly enjoyed my FUS involvement and membership in the FUS community as I've gotten to meet and become friends with several members. I would welcome the opportunity to continue my FUS participation as a Board of Trustees member, especially as the Board works to strengthen FUS in the future."

Emily Smith has been part of the FUS community for eight years and a member since 2017. Over those eight years, she's taught a handful of RE classes, participated in and facilitated the young adult group, sung in the Meeting House chorus, served on the recent ministerial search committee, and this past year was part of the mission and vision task force. Professionally, she is a project manager at CUNA Mutual Group. Emily lives with her partner and her two cats. She enjoys reading, kayaking, and board games.

Ed Zapala has been active at FUS for over a decade: through ushering, as part of the interim minister search committee, and as a teacher in the CRE program (where his 8 year-old daughter has been coming for most of her life). He has appreciated the FUS community in many many ways & would be honored to serve on the Board. His day job is helping Veterans in the criminal justice system and he enjoys being physically active outdoors.

Nominee for the FUS Board of Trustees Secretary

One-year term 2023 – 2024

Emily Cusic Putnam has been a member of FUS for 18 years. Most recently, she served on the Ministerial Search Committee and Rev. Doug Wadkin's Transition Team. She has served on various boards, including the FUS Board (2008-12), on FUS's Annual Campaign team, and is a founding member of the Food Haulers. FUS enriches her spirit with programs such as Quest (Quest 2 alumna), Journey Circles and Chalice Groups, and by building a vibrant community through which we join together to breathe our principles into action. Emily holds an MSSW and previously worked at the United Way of Wisconsin as Associate Director for 16 years. In all of her work, Emily values deep listening, transparency, integrity, and honesty. Emily notes, "I am very interested in the work of this next chapter for FUS: the process of forming our new ministry model; revisiting our mission statement to ensure that it is pointing a clear path to our vision; and growing into a radically welcoming community where all people can bring their full selves and are open to being changed by living in relationship."

Nominees for the FUS Board of Trustees Youth Advisor

One-year term 2023 – 2024

Mira Roffers & Mason Shadle

Nominees for the FUS Foundation Board of Directors
Three-year term, 2023 - 2026

Kendall Harrison has been a member of FUS since 1999. He chaired the Economic Justice Committee for a number of years and was instrumental in the very successful campaign to raise funds from FUS members to dedicate to investment in microfinance lending institutions. Over $13,000 was raised and transferred to the FUS Foundation, which provided a$10,000 match, resulting in a vibrant microfinance investment program which currently totals $28,420. Kendall is an attorney with Godfrey & Kahn, SC.

Carol Stang has worked with investment management and trust clients at both large and small financial institutions since 1984. Her positions included managing both public and private foundations. She spent several years on the Investment Management Committee of the Community Foundation of Southern Wisconsin. This committee oversees the foundation's investment managers and recommends spending policy to the Board of Directors. Carol is currently the Trust Officer for John F. Suby Wealth Management, LLC in Madison. Carol is a Certified Wealth Strategist through Cannon Financial Institute. She has successfully passed the NASAA Series 65, Uniform Investment Adviser State Law Exam and is a past board member of the Madison Estate Council. Carol has participated in the FUS choir, library committee and Food Haulers.

Kurt Stege has served FUS in a variety of capacities since joining the congregation in 1981, including time on the Canvass Committee, the Planned Giving Committee and the Building Committee during the construction of the Atrium addition. Elected to the FUS Foundation Board in 2003, he ended a long tenure as the Foundation's secretary in 2019. Kurt is a retired attorney who spent his career with the State of Wisconsin focusing primarily on personnel matters. He worked as the FUS interim business manager for several months at the end of 2015 and taught young students in the CRE program in recent years.

First Unitarian Society Foundation of Madison, Inc.
Report to the Congregation
May 21, 2023

The FUS Foundation is a non-profit corporation founded by the FUS Congregation in 1973 to support First Unitarian Society of Madison. Foundation board members are elected by the Congregation to manage and disburse endowment-type funds.

Audited Statement of Activities at June 30, 2021 and 2022

Income	**FY2022**	**FY2021**
Investment Income	$(535,318)	$921,952
Donations	$ 86,256	$ 27,626
Total	**$(449,062)**	**$949,578**

Assets	**FY2022**	**FY2021**
Cash & Securities	$3,271,419	$3,923,730
Microfinance Loans	$ 30,791	$ 30,040
Total	**$3,302,210**	**$3,953,770**

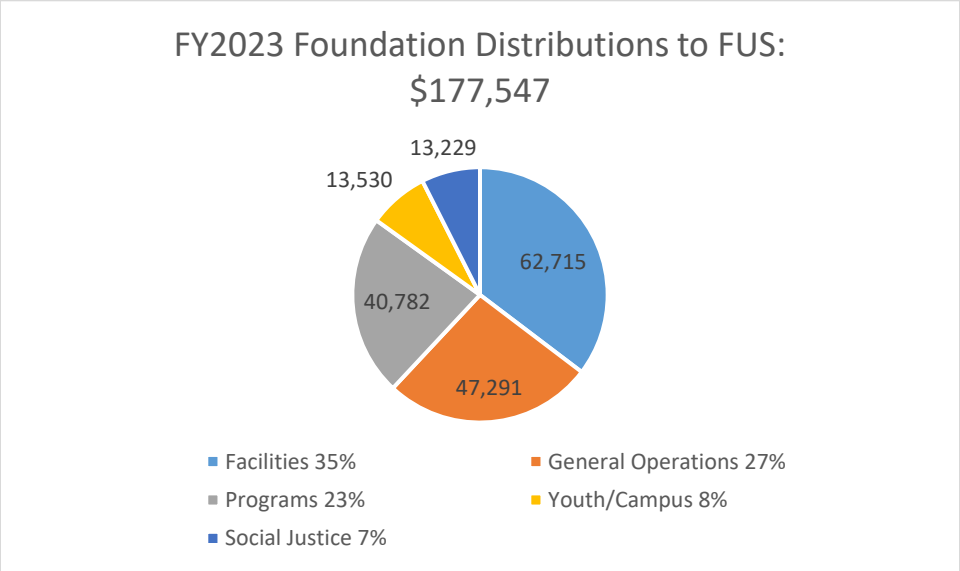
Expense		
FUS Programs	$ 174,069	$135,465
FUS Administration	$ 8,000	$ 6,000
Foundation Expenses	$ 5,288	$ 12,775
Total	**$ 187,357**	**$154,240**
Change in Net Assets	**$(636,419)**	**$795,338**

Liabilities & Net Assets		
Assn. Funds & Liabilities	$ 84,342	$ 99,483
Net Assets	$3,217,868	$3,854,287
Total	**$ 3,302,210**	**$3,953,770**

Disbursements to the Society

The Foundation's and Society's Board of Trustees' policy is to make annual payouts of 5% of the three-year market value average of each fund. This policy ensures a sustainable and predictable annual payout to the Society while growing the Foundation's invested principal.

FY2021: $135,465 **FY2022: $174,069**



The Foundation's Board of Directors

Connie Beam, President	Dean Hessler, Treasurer	Peter Marion
Kendall Harrison, Secretary	David Kuenzi	Carol Stang
Annette Hellmer	Kathy Luker, Vice-President	Kurt Stege

Making a Gift to the Foundation

Foundation disbursements supplement – but do not replace – other FUS revenue sources. Gifts of any size to the Foundation help the Society maintain our facilities, operate existing programs and ministries, and develop innovative new programs. Gifts are tax deductible to the full extent of the law. For information, visit fusmadison.org/foundation or contact Connie Beam at 608-658-4656 or any other member of the Foundation Board.

Funds Managed by the First Unitarian Society of Madison Foundation

As of May 21, 2023

Facilities

- **The Stonehaulers' Fund.** Supports capital expenditures related to the maintenance, repair, restoration, modification and renovation of the FUS facilities.
- **The Charlotte A. Helstad Fund.** Used for maintenance of the Meeting House buildings and grounds.
- **Charles H. Vilas Fund.** Supports the care and maintenance of the FUS buildings.

General Operations

- **The Society Fund.** An unrestricted fund used to support the Society's operations and microfinance investments.
- **The Elizabeth Stucki Nicholson Fund.** Provides support to the Society's operating budget.

Programs

- **The Program Enhancement Fund.** Provides annual support for special FUS programs.
- **The Bill and Joyce Wartmann Music Fund**. Supports the Society's music program.
- **The Bill and Joyce Wartmann Human Sexuality Lecture Series Endowment.** For honoraria and related expenses of public lectures on human sexuality, human rights, and/or social or environmental justice.
- **The Gerald A. and Joyce J. Bartell Memorial Endowment.** Restricted to liberal religious education divided equally between the church school and adult education.
- **The Janet Stonecipher Ministry Fund.** Supports the engagement of ministerial interns or other ministerial function.

Youth and Campus Ministry

- **The Arnie and Sam Clay Teen Program Fund.** Supports special youth programs.
- **The Betsy Frantz Fund.** Used for the benefit of students at the UW-Madison.
- **The Channing Murray Fund.** Supports activities of the Channing-Murray UU Campus Ministry.

Outreach and Social Justice

- **The Altmeyer Social Concerns Fund.** Supports the FUS Social Justice programs.
- **The Bicknell-Burgoon Fund for Social and Economic Justice.** Supports social justice programs.
- **The Kenny, Gorski, Fisher Memorial Fund.** Supports social justice programs in Wisconsin.
- **The William and Joyce Wartmann Political and Social Justice Fund.** Used to sustain local poverty-related projects initiated and monitored by the FUS Social Justice Committee.

Custodial Fund Liabilities (not donor funds)

- **Adjunct Organizations.** The Foundation invests funds for the benefit of two FUS adjunct organizations: The Friends of the Meeting House and the UU Alliance (which suspended operations in 2017).
- These funds are not subject to the Society's annual disbursement policy but may be withdrawn as needed by the adjunct organizations.

Proposed Operating Budget for 2023 - 2024

	23-34 Budget	22-23 Budget	Variance	2-Year Average of Actuals	Variance
Income					
Pledge Payments	1,004,618	1,060,400	-55,782	954,618	50,000
Rentals	266,887	257,159	9,728	204,413	62,473
Foundation Income	185,179	185,547	-368	152,975	32,204
Collection & Gifts	98,600	99,800	-1,200	93,941	4,659
Fundraising	45,500	23,500	22,000	29,160	16,340
Program Income	35,625	32,300	3,325	22,037	13,588
Funds Transfers	193,196	75,000	118,196	86,461	106,735
Other Operating Income	11,600	10,250	1,350	10,841	759
Government Assistance	0	96,723	-96,723	73,728	-73,728
TOTAL INCOME	**1,841,205**	**1,840,679**	**525**	**1,628,174**	**213,030**
Expenses					
Personnel*	1,234,347	1,242,267	-7,920	0	1,234,347
Direct Program Expenses					
Local Community Partnerships	24,000	29,000	-5,000	22,400	1,600
Denominational Partnerships	24,500	23,900	600	22,700	1,800
Leadership Development	23,750	23,700	50	22,000	1,750
Children & Youth Programming	22,300	21,300	1,000	9,800	12,500
Adult Programming & Support	14,000	13,700	300	4,900	9,100
Music	11,700	11,700	0	11,953	-253
Social Justice	11,000	11,000	0	7,600	3,400
Worship	9,200	10,000	-800	5,500	3,700
Indirect Program Expenses (Operations)					
Mortgage	182,114	182,114	0	182,114	0
Building	169,400	162,889	6,511	163,408	5,992
Administrative	81,200	82,909	-1,709	90,074	-8,874
Fundraising & Fellowship	10,000	6,500	3,500	7,600	2,400
Communications	7,600	5,900	1,700	6,101	1,499
Transfers to Designated/Restricted	15,994	0	15,994		
TOTAL EXPENSES	**1,841,105**	**1,840,579**	526	**556,150**	**1,284,954**
NET INCOME	**100**	**100**	**0**		

* Approx 70% of our personnel expenses benefit direct programming and 30% benefit operations/indirect program expenses

Frequently Asked FUS Financial Questions

Proposed 2023-2024 Budget

Q: What are our budget estimates based on? How do we arrive at our operational and program expenses, for example?
A: The proposed income and expenses generally lean heavily on historical data, especially the two-year average of actual income and expenses. Though you see 23 lines in our operating budget, behind the scenes we work with over 50 income lines and 110 expense lines, managed by our various departments. The program expense lines are composed of 46 unique programmatic accounts that are updated annually by staff and lay leaders.

Q: Is it just me or have the budget categories changed?
A: Why yes! They have changed! Thanks for noticing. Historically we've publicly displayed eight expense lines but moved to 14 in last year's budget, breaking the "Program" area into more detail. We hope in doing so that we provide an additional layer of transparency that allows us to collectively discern how we are leaning into our Vision of Ministry.

Q: What's unique about the proposed 2023-2024 budget?
A: A number of things! We've broken them into subheadings for you:

• No Anticipated One-Time Sources of Income Next Year
We've received half a million dollars in government assistance over the last three years, which, paired with the nearly million dollars that we receive in pledges annually, has allowed us to avoid program and personnel cuts. However, FUS has already acquired all pandemic related government financial assistance (including two rounds of PPP funds and an ERC), and therefore won't have the $100 – $200k that we've been able to rely on the past three years.

• Pledge Payments Continued to Decline the Last Two Years
As mentioned above, we strive to use the two-year average of actual income to help us anticipate income levels for the next year. However, for next year's budget, our two-year average is from two pandemic years, which were also years of ministerial transition. Income from these years reflects a very particular set of circumstances that we believe contributed to lower-than-average pledge income. Other congregations of all faiths have reported similar pledge payment declines during the pandemic, so this piece of the puzzle is not unique to us. The Board of Trustees (BOT) has decided to budget the two-year average of pledge income plus an additional 5% (or $55,000) to reflect anticipated pledge income increases next year. As of May 11, we had 347 pledge units, totaling nearly $742,000. This is in comparison to last year in May when we had closed to 325 pledge units, totaling nearly $733,000. We're hopeful this positive uptick continues.

• A Greater Use of Cash Reserves
Like all years in recent memory we continue to lean on cash reserves to fully fund our Vision of Ministry and strategic priorities. At the beginning of next fiscal year, we estimate we'll have $275,000 in unrestricted cash remaining. We've proposed using $175,000 of these cash reserves to help balance the operating budget next year. This means that we anticipate having $110k remaining in cash reserves at the end June of 2024. By board policy, $100k is the minimum cash reserves that we must maintain, so we will no longer be able to tap cash reserves.

The use of cash reserves, unless we replenish this account, is not a sustainable long-term solution, though it is an effective bridge towards a future in which income increases. It has long been our hope that the reserves could last us until either our next capital campaign (anticipated to be launched in 2024-2025) when we intend to pay down the remainder of our building loan and therefore decrease operating expenses, or until income increases. With operating expenses increasing annually and income decreasing, these reserves are dwindling. If income does not increase, then we will need to pursue expense reductions. However, the BOT is optimistic about our congregation continuing to grow—we have

welcomed a number of new members recently—which may help us to replenish our cash reserves in the future.

• Program Expenses Are Maintained
Program budgets are proposed to remain largely stagnant next year. If you look at the bottom line you'll see our expenses are projected to be only $500 more than this year so there are no substantial changes to the expense side of the budget compared to last. There are four lines that are lower than this year's current budget – those are the Personnel line, which we're proposing decreasing by $8k, outreach offering projections by $5k, operating expenses, like software, by $2k and worship expenses by $800.

• No Compensation Increases
Some disappointing news about this budget is that there are no cost of living or staff compensation increases. While we're grateful that we've been able to maintain our current employment levels and intend to continue prioritizing staff retention throughout the next fiscal year, balancing a budget on the backs of staff is both disheartening and unsustainable.

We remain very proud of the actions the congregation underwent over the last half decade to ensure that all of staff's compensation levels were in line with FUS policies and the UUA Compensation Standards. However, we need to continue to increase income at a rate that allows us, as an employer, to keep up with standard expense increases, like annual cost of living adjustments. In order to do so we will soon need to increase income or cut expenses.

Q: Can you remind us of any larger contexts that are impacting our finances?
A: Challenges have been creeping up for multiple years at FUS as pledge units and total pledges dropped, and as expenses hit a critical juncture. We are fortunate to have this coming fiscal year to discern how to balance the budget without the use of significant cash reserves or anticipated one-time sources of income, but it will take detailed analysis, congregational discussion, and soul searching, and we will likely have to make challenging decisions.

The departure of a long-term minister, the interim ministry period, and the start of a new ministry team have all had fairly standard impacts on our income. It is natural to recalibrate pledges during liminal periods. COVID also struck and hurt nearly all religious institutions, with smaller congregations impacted most significantly.

And the last decade has seen a significant decline in membership in faith communities across the United States. One of our finance committee members, Paul Stang, shared an article from the Catholic Herald from November of 2022 that illuminates that between 2013 and 2021, Catholic mass attendance was down 40%. Sixty-one out of the 102 parishes that were polled for the article also regularly operate with a net deficit. FUS is not alone in its challenges.

Q: So… what now?
A: Though our circumstances may be typical, they are no less urgent, or in need of congregational attention. The BOT, Finance Committee and staff Leadership Team wants to be clear that this is the sounding of an alarm bell and a call to action.

We believe we need to mobilize as a congregation to raise income by:
- Re-engaging members who have stopped pledging recently,
- Requesting that those who are able to continue to increase their pledges annually, and
- Converting new members to donors.

Other priorities for increasing income long-term include acquiring large grant funds (such as FEMA) and assisting in growing the Foundation's funds via legacy giving, a portion of which are then distributed to FUS annually. Historically generous members remember FUS with their planned giving (these might include Donor Advised Funds, bequests in their Wills or Trust, property, Grantor Retained Annuity Trusts (GRAT), Charitable Remainder Annuity Trusts (CRAT) or other estate planning techniques).

In order to fulfill our mission and maintain our current level of programming, we will continue to prioritize staff retention for as long as possible. However, it is understood that if we do not improve income or receive a cash infusion over the next year, and we have less than $100k in cash reserves, we will very likely need to pursue this line of expense reduction. We have the remainder of the 2023 calendar year to work on methods to fully fund FUS moving forward. We're optimistic that together we can create a sustainable budget that allows us to do the important work that we're called to do.