

FIRST UNITARIAN SOCIETY FOUNDATION OF MADISON, INC.

Minutes of Directors Meeting held January 29, 2024 (In-person)

Adopted: April 15, 2024

Directors Present: Connie Beam (President), Kendall Harrison (Secretary), Annette Hellmer, Kathy Luker, Kurt Stege, Carol Stang.

Guests: Joy Stieglitz Gottschalk, Monica Nolan, Paul Stang

Connie called the meeting to order at 7:02 p.m.

Minutes from January 29, 2024 Meeting (Connie)

MOTION: Kathy notes there is a minor typo in the minutes – “EST” should be “ESG” funds. Carol moves to approve the minutes with that fix. Kathy seconds.

Motion passes.

Treasurer’s Report (Connie)

U.S. Bank has reported that the Betty Bamforth trust (which FUSF is a 20% beneficiary) is preparing to distribute its assets. Because we have been notified of the approximate amount of the gift, we are required to book it, even though we don’t have the assets yet. U.S. Bank reports that some distributions will be coming in the somewhat near future.

We estimate the gift at \$850,000. This is the largest gift we have ever received.

The Friends of the Meeting House have committed to a project to repair the front outside entrance of the Meeting House. To pay for this \$100,000 project, the Friends will draw from the custodial fund (currently \$100,000) which we invest on their behalf. That will reduce the Foundation’s overall assets.

The UU Alliance fund (currently \$30,000) reverts to the FUS trustees in 2027 if a new use is not found for it. Monica notes that discussions are underway at the board level about potential options for the use of this money.

The full Treasurer’s Report is as follows:

Assets

Total Liabilities and Equity were \$4,486,170.57, an increase of \$1,013,649.72 from \$3,472,520.85 on June 30, 2023

Vanguard investments totaled \$3,604,610.38

WCCN microfinance note \$ 31,560.19

Liabilities

Custodial funds totaled \$128,423.56

Friends of the Meeting House \$99,207.80

UU Alliance \$29,215.76

Net Assets (Equity) \$4,486,171

Income Statement (Profit & Loss) for June 30, 2023 through December 31, 2023

Income

Vanguard Investment income/loss totaled \$224,108.39

WCCN microfinance note interest paid \$0

Donations \$884,333.33 (Without Donor Restriction, but later determined to be restricted to “building maintenance and endowment”)

Total income for the quarter \$1,168,073.29; For year \$1,108,441.72

Expenses

Program distributions from Donor funds to FUS totaled for quarter \$44,296.00; for year \$88,592.00

Foundation administrative expense for quarter \$3,100; for year \$6,200

Custodial fund earnings expensed totaled for quarter \$11,07.21; for year \$7,672.20

Net income – for year \$1,005,977.52

MOTION: Annette moves to approve the treasurer’s report. Kendall seconds. **Motion passes.**

Portfolio Review (Carol)

Carol shared the portfolio spreadsheet and explained:

For CY-Q4 2023 – there was a 9.5% gain for the portfolio.

For all of CY2023 – there was an 18.6% gain for the portfolio.

Our investment policy calls for 60-75 percent stocks / 25-40 percent bonds. We are slightly overweighted in stock right now.

SUSA (our ESG fund) is 20 percent of our portfolio.

Engine Number One, an entity we had been investigating for a potential ESG investment, was recently sold to the TCW group. Now it is focused exclusively on climate change.

We have about \$70,000 of cash now. There is no need to sell anything to raise cash this quarter.

MOTION: Kurt moves to accept the investment report. Kendall seconds. **Motion passes.**

Bamforth Trust Gift (Connie)

While we have estimated the gift at \$850,000, it will probably be closer to \$900,000. It is currently in the Society Fund (which is unrestricted). It will stay there until we decide if we want to move it anywhere else. Our current understanding is that the trust document does not provide guidance on where the money should be placed. Kurt suggests that where we put it might be guided by information we gather over the next few months from those who knew Betty.

We discussed the various funds that might be options other than the Society Fund and decided not to make any decisions about moving the money at this meeting. Connie will send out the fund summary for board members to review before the next meeting. We will vote at the next meeting on where to put this money and how to invest it.

Reinvest Microfinance Fund (Connie)

Our WCCN note matures in March. The committee discussed whether we want to reinvest in WCCN or move it somewhere else.

UUA invests \$10,000/year with WCCN to match our original investment.

MOTION: Annette moves to reinvest for one year, and Kendall will present at October 2024 meeting other options for this microfinance-specific investment. Kathy seconds. **Motion passes.**

Approve FY25 Distributions to FUS (Connie)

Connie presents the FY25 distribution spreadsheet. The spreadsheet applies our formulas, using a 3-year trailing average of market value. We will make just under a \$200,000 payout for FY 25.

MOTION: Carol moves to approve. Kurt seconds. **Motion passes.**

Approve 2024 Contract with Kollath CPAs

The Kollath CPAs 2024 contract has increased from \$1,100 to \$1,200 per quarter. Connie speaks very highly of them.

MOTION: Annette moves to approve the new contract. Carol seconds. **Motion passes.**

Staff Update (Monica)

We had a general discussion about the financial issues facing FUS. It is a challenging environment.

President's Report (Connie)

Kathy and Connie attended a meeting of Faith Connects for Climate Action, a group in Milwaukee. The Climate Justice group had asked Kathy and Connie to attend.

We have not heard anything further from the Climate Justice group after members of that group attended our annual meeting in July.

We are in a good position to report to the congregation at the Financial Forum in February.

We had a brief discussion about whether FUS might want to reinvigorate the planned giving program.

Meeting ends at 8:50 p.m. Next meeting is on April 15, 2024.

Minutes by Kendall Harrison

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