

## **FIRST UNITARIAN SOCIETY FOUNDATION OF MADISON, INC.**

*Minutes of Directors' Meeting held October 10, 2022 (In-person and by Zoom)*

*Adopted: Feb. 13, 2023 with Corrections*

Present: Connie Beam (President), Kendall Harrison (Secretary), Kathy Luker (Vice President), Carol Stang, Annette Hellmer, Dean Hessler (Treasurer), Kurt Stege (by Zoom).

Also present: Monica Nolan.

Connie called the meeting to order at 7:03 p.m.

### **Minutes from July 12, 2022 Meeting**

Annette notes that her last name is spelled Hellmer (with two l's) and asks that we correct it in the minutes.

**MOTION:** Dean moves to approve the minutes as presented, with the correction to Annette's last name. Kathy seconds. **Motion passes.**

### **Treasurer's Report (Dean)**

Dean reported total assets are down for the quarter, just like the market at large.

This quarter, the Friends of the Meeting House moved \$25,000 into its custodial account with us.

Also this quarter, we received the second (and final) installment of the gift from the Haerberli Estate.

This fiscal year, we will be making a \$46,389 program distribution each quarter to FUS, including \$2,000 for administrative expenses. So, the total payment each quarter will be \$46,389. In the first quarter, the \$2,000 for FUS administrative expenses was inadvertently left out of the distribution and is shown as a liability for the quarter. The \$2,000 will be included in the second quarter distribution.

Work on the audit is underway. The first deadline for submitting documents to Wegner CPAs is the end of October. The entire audit will be conducted online, with the "field work" portion Nov. 7-9.

Connie reported that we received financials from the accountant just days after the end of the quarter. Now that everything is automated, the turn-around time on quarterly financials will be much faster.

Dean further reported:

### **Assets**

Total assets are \$3,104,015.82, a decrease of -\$198,194.06 since June 30, 2022.

Vanguard investments totaled \$3,117,614.39.

### **Liabilities**

Custodial funds totaled \$103,764.05.

Friends of the Meeting House \$80,158.21

UU Alliance \$23,605.84

Administrative Support \$2,000

### **Income**

Vanguard Investment income totaled - \$176,805.06.

WCCN microfinance note interest paid \$0.

Donations \$0.

Total income for the year to date -\$176,805.06.

### **Expenses**

Program distributions from Donor funds to FUS totaled \$44,389.00, to date \$44,389.00.

Foundation administrative expense \$3,000 to date.

Custodial fund earnings expensed totaled -\$4,578.21.

**MOTION:** Annette moves to approve the treasurer's report. Carol seconds. **Motion passes.**

### **Portfolio Review (Carol)**

Carol shared the portfolio spreadsheet and explained:

- We were down 5 percent last quarter.
- YTD we are down almost 22 percent.
- Target portfolio is 65 % equities / 35 % fixed income. We are currently at 67 % equities / 33 % fixed income.
- We have enough cash for next two disbursements, so there is no need to sell anything.

**MOTION:** Dean moves to accept the investment report. Kathy seconds. **Motion passes.**

### **Further Discussion on Socially Responsible Investing**

Connie asks that we continue our discussion on socially responsible investing, particularly in light of the UU Common Endowment Fund presentation we had last meeting.

Dean mentions that, through work, he has access to ESG management tools that we might be able to use without having to pay for it. He suggests the expectation would be about an 8.5 percent return.

With respect to the UU Common Endowment Fund, Kathy mentions a concern that the head person is retiring soon and it is not sure what the future will look like there.

Monica suggests we have a discussion with the FUS Board of Trustees to talk about our long-term plans with respect to ESG. She also notes that FUS might be needing more funds for the next few years, so now may not be the best time to accept lower returns, but for the long term we should be looking at this.

Annette raises the option of potentially investing in activist funds like Engine No 1.

Connie notes that we provided a report to the Board of Trustees early this year. Kathy suggests maybe we could do an updated report to the board. Connie proposes that we have a sub-committee look at this again, and then talk to the board.

The Board then had a robust discussion about what to do next on ESG. The Board did not reach a consensus on whether it is wise to move forward right now. So, the decision was made to table the discussion for the moment.

Annette suggests we might be able to set up our own separate fund that will be invested in what we think is an appropriate definition of ESG. She explains that the Madison Community Foundation has a fund like that.

### **Staff Update (Monica)**

The board has been working on mission and vision issues and recently had an in-person retreat.

The fall parish meeting is coming up on October 30<sup>th</sup>.

Social justice work is increasing.

### **President's Report (Connie)**

Financial support from the \$24,000 UU Alliance custodial fund held by the Foundation is available to a "comparable organization" approved by the FUS Trustees. Connie says a new FUS group forming to focus on reproductive rights might use the funds. Kurt asks whether the Quest program might use the funds.

Meeting ends at 8.18 p.m. Next meeting is on February 13, 2023.