



First Unitarian Church of Rochester
Board of Trustees Meeting
Monday, March 11, 2024
6:30pm
Location: Susan B. Anthony Lounge

Attendance: Keith Abel, Ken Buckle, Emily Clasper, Erin Collier, Barbara Gawinski, Lynn Kinsman, Craig Lending, Robert Lyubomirsky, Carl Olsen, David Pinto, Cathy Reda-Cheplowitz, Elise Wall, Rev. Shari Halliday-Quan

Guests: Florence Jessup, Annie McQuilken, Nancy Wesson

Absent:

1. Establish a Quorum and Call Meeting to Order at 6:34 pm— Lynn Kinsman
Timekeeper for the Meeting: Barbara Gawinski
2. Chalice lighting – Cathy Reda-Cheplowitz Reading “Go Boldly”
3. Consent Agenda [*Note: The consent agenda includes items that are distributed before the Board meeting and are voted on without discussion. Any Board member can request that an item be removed so that it can be discussed.*] accepted as stated below:
 - a. [Feb 12, 2024 Board Meeting Minutes](#)
4. Leadership Nominating Committee report (Nancy Wesson)
 - a. There was a slight change to the process this year, going through the entire membership list (653 people!) as potential nominees for positions, rather than a smaller list of suggested people.
 - b. A wide range of criteria considered when reviewing potential nominees
 - c. Nominating Committee: Christopher Cooper, Ira Srole have agreed to serve.
 - d. Board of Trustees: Lynette Blake has agreed to serve. Other candidates for the slate have been approached but have not yet confirmed. A number of people were approached but declined due to the time commitment.
 - e. Meet the Candidates: Sunday, May 19th after the 10:30 service.
5. [Investment committee report](#) (Annie McQuilken)
 - a. Endowment as of 12/31/2023: \$8,464,388.30
 - b. Common Fund as of 12/31/2023: \$767,029.49
 - c. About 50% of the current portfolio is in fossil-fuel free investments. Fossil-fuel free fixed income funds are particularly difficult to find, but there is an effort to move in this direction as is prudent given the performance of funds.
 - d. Efforts are being made to invest in accordance with our UU principles, with a goal of doing as well as the market as a whole with our socially responsible investments.
 - e. The Endowment Spending Policy: Average of last 20 quarters - 5% of that is the maximum draw. This draw has increased by 8.8% due to growth of the endowment. The dollar amount should not exceed 30% of the operating budget.
 - f. NY Prudent Management of Institutional Funds Act - we are in compliance

- i. Compliance ensured by:
 - Quarterly meetings with our investment advisors, Alesco Advisors, to provide oversight
 - Investing in accordance with our Investment Policy
 - Fees last year were \$27,763.45 for the Endowment Fund and \$2617.58 for the Common Fund, which is under 0.4% annually, below average for an account of this size.
 - Alesco's quarterly reporting includes the factors relevant to managing and investing an institutional fund as stated in the NY Prudent Management of Institutional Funds Act. These factors are discussed by the committee quarterly.
 - The Endowment Spending Policy addresses several of these factors as well
- g. Committee Membership
Robert Lyubomirsky - ex officio as outgoing Treasurer
Craig Lending - ex officio as incoming Treasurer
Annie McQuilken - Chair
Doug Constable
Ron Steinman

Motion: Move to add Jan Gardner to the Investment and Endowment Committee.

Moved: Robert Lyubomirsky **Seconded:** Craig Lending

Approved

- h. Full report Investment Committee report will be added to the Board of Trustees shared folder for later reference.

6. Treasurer's Report (Robert Lyubomirsky and Florence Jessup)

- a. Documents:
 - i. [TRS #1](#)
 - ii. [TRS #2](#)
 - iii. [TRS #3](#)
 - iv. [TRS #4](#)
- b. Investigation of a fraudulent check underway
- c. Financial performance- January (Time progression: 58.33% of the Year):
 - i. Pledge Income YTD 77.96% of Full Year Budget (FYB), resulting in \$2.2k decrease YOY, while Other Ops Income show \$21.9k increase YOY.
 - ii. YTD Expense was 55.57%, which is \$39.2K increase YOY, but still better than period progression.
 - iii. The month's YTD Balance Sheet Financial Asset values have increased \$268.8k predominantly due to market activities.
 - iv. Update February: Net Income is continuing to improve via both Higher Income and Lower Expenses.
- d. [2Q Bottoms Up Forecast](#)
 - i. Current trends indicate that spending for the year does not exceed projected income. While the income currently exceeds the expenses, this is expected to even out by the end of the fiscal year.
 - ii. Transfers from Operating Reserve have been used in recent years to fill the budget gap.

The current financial state indicates that we may be able to reduce this use of Operating Reserve funds in the future.

- e. Audit Update
 - i. Audit Report was finalized and submitted to the Board (TRS #4). Overall, very positive report with a set of good Control and Efficiency improvement recommendations. Thank you to the Church Director of Operations and the staff for maintaining excellence in their Internal Controls.
 - ii. "General Observations: Compared to other churches your size we perform this service for, your internal controls, record keeping and documentation are above average. We do have some recommendations to improve internal controls."

7. Linkage Committee report

- a. Linkage Committee reviewed all available documents which reflected on successes, challenges and suggestions to each of Four Ends. Thanks to committee and especially David who gathered our individual learnings into [this document](#).
- b. Condense 5-year summary into congregational message
 - i. What written/audio communication method to inform the congregation?
 - Summary of findings for each End - overarching trends, progress, challenges lessons learned
 - Include a summary of the Policy Governance model and a definition of each of the Ends
 - Connections sessions during the Stewardship timeframe
 - a. Presenting the information
 - b. Gathering Feedback
 - c. Discussion Groups
 - Create a printed document/brochure to disseminate
 - Put on Website, send out in Newsletter
 - Multiple modes of communication are necessary
 - *Who is the primary audience for this communication?*
 - ii. How/When will discussion groups or online surveys (phones) occur etc?
 - What is the goal of this?
 - a. Are these Ends still serving us?
 - b. Do we want to keep following this path?
 - c. Looking for feedback on the Ends themselves, not the strategies we have used to pursue those Ends.
 - d. Looking for community consensus on how the Ends resonate
 - e. Do we incorporate a feedback mechanism into the presentation phase?
Maybe a single question for each End as it is reviewed
 - iii. How can we link this summary with stewardship activities?
 - This may be something more long-term. Current stewardship activities underway
 - Lots of education is necessary to make this effective
 - iv. Who is available to help in this BOT activity?
 - The entire Board of Trustees will need to be involved, not just the Linkages Team
 - v. When to engage in these other items called "reboot" by David?
- c. Next steps
 - i. Condense conclusions further - Led by David with Board input

8. Annual Ministerial Evaluation Review (led by Personnel Committee)

- a. Executive Session entered at 8:29pm
- b. Executive Session ended at 9:00pm

Motion: Motion to table the Ministerial Evaluation discussion until the April Meeting.

Moved: Carl Olsen **Seconded:** Craig Lending

Approved

9. Minister's Report

- a. Written report submitted for later review by Board Members
- b. Rev. Verdis will be taking some time off
- c. Rev. AJ will be half-time at first when he returns
- d. Rev. Shari will be taking some time off

10. Other Business

- a. Policy Governance forum was conducted March 3. Q&A summary will be shared with the Board
- b. 501(c)3 update - working group waiting on some information. They should have an update next meeting.

11. Reminders

- a. April board meeting has been moved to Thursday April 11 due to the solar eclipse on April 8 (second Monday). Will be in person with food at 6pm, meeting at 6:30.
- b. Board Members confirmed that the meeting with Renee Ruchotzke, UUA key contact, for March 24 2-3:30 on zoom.

12. Reviewed Action register

- a. Shared reading: *Transforming Conflict*. Read the first 2 chapters. David will use this to do the chalice lighting at the next meeting.

13. Check out: (meeting process or sharing something you heard around church)

- a. Consensus about having a too-full agenda. Still a productive meeting. Need to reestablish hand-raising to speak.

14. Chalice Extinguishing

15. Adjourn. With no objection, meeting adjourned at 9:09pm