

# The 136th Annual Meeting

## FIRST UNITARIAN SOCIETY OF MINNEAPOLIS

Sunday, May 21, 2017, 12:00 P.M.

[Note: "FUS" is the First Unitarian Society of Minneapolis." "Board" in this document means the FUS Board of Trustees. "David" is Rev. Dr. David Breeden, senior minister of FUS.]

### **Welcome – Year in Review**

**Jim Foti**

Assistant Minister, Jim Foti welcomed attendees to this year's annual. He commented that without volunteers participating in the annual meeting's democratic process we would not be able to do our work. We've had a team this year working to make our building and our annual meeting more accessible.

A slideshow was presented by Allan Callander and Bob Aderhold of the year's activities including births, deaths and other events.

### **Organizational Details**

- a. Call to Order at 12:19 pm

### **Trustees and Officers 2016-2017**

Present: Phil Duran, Chair; Shelley Shreffler, Vice Chair; Sue Tincher; Allan Callander, Treasurer; Holly Anderson; Katrina Lassegard; Barb Lutz; and Mike Illles. Absent: Joyce Riedesel, Secretary.

- b. Quorum Count – 98 members had signed in, representing more than the required 10% of FUS members. Reported by Anita Martinez.  
[Note: Last year's attendance was 87. Quorum = 46 members]

- c. Appointment of Parliamentarian: Christie Eller

- d. Appointment of Recording Secretary: Molly Illles

One vote was taken to accept parliamentarian and recording secretary.

Polly Peterson seconded by Becca Brackett. The vote was unanimous.

### **Leadership Reports**

#### **Minister's Report**

**David Breeden**

David mentioned the conference hosted in November to celebrate Dietrich's 100's anniversary, with a recording available for those unable to attend. An additional conference will be held later this month. Construction has affected our building. The greatest achievement was beginning the construction on the building. The capital campaign was a huge success and thank you to everyone who worked on making it happen.

Challenges with the national election that didn't go as we expected.

Despite challenges, FUS has grown this year in membership. We also have new programming that we've offered this year.

David commented that large congregations are run by staff and small congregations are run by volunteers; our congregation is a hybrid in a sweet spot in between.

Mini meal has become a staple. Thanks to the volunteers who get here early and stay late to make and clean up the meal. People are able to stay to eat, kids running around, but people are able to stay and attend meetings and educational opportunities after the assembly.  
Grant from Foundation to pay Dave Leussler to coordinate mini meals and do some catering.

We've also expanded our pre-Assembly opportunities. Forums format was changed.

Numbers; our member numbers have been fluctuating and difficult to know. 3 years ago 318 members; as of today we think we have 462 members [applause] these are real numbers. Membership numbers haven't gone up because we have been keeping a close eye on who hasn't been coming, following up on why people haven't been coming. We have a new database to better track members.

We are approaching the magical number of 500 members. The mid-range of membership is the meat-and-potatoes in the UUA. We're in the top tier, top 25% of congregations. If we cross into the 550 member category, we just about 47 other congregations.  
If we go into the 500 member category, we go up about 15% in staff compensation. We could have to phase that in.

### **Music**

We had three strong music Sundays. Chalice choir has grown. We took off the year of having a music committee. We need to rethink what a music team would look like. The new budget adds some to music this year. We hope to have one outstanding musician per month each year.

One of David's major goals is to rationalize staffing and stabilize the staff. [congregation applauded the staff]. When David arrived, Tim and Kate's positions didn't exist. Kate has changed the office's culture, resulting in higher accountability and lowered office expenses. Tim changed how the building operates, increasing accountability and events are running more smoothly. The complex renovation continues because Tim has kept an eye on how things have been going. Shelli maintains the complex budget, able to manage gifts and expenses, and is dedicated to being here on Sunday mornings. Building stewards work long hours, the building is clean and coffee is made, we continue with the dedication of paying \$15/hour, and this year we built in raises for everybody this year because we want a stable staff and it makes everything work better.

### **Religious Education**

The crying need is a director of religious education. When David arrived we have a 17-year veteran DRE. It has been an ongoing problem to have a 30 hour/week DRE. We need more families to have a larger religious education budget. All of our people on the DRE search committee have or have had children in the program. We have a generous benefit package. We hope to hire a DRE soon. The RE curriculum needs a total revision. It's a matter of getting down to the hard work of envisioning the work, incorporating humanism.

Intergenerational congregation connections were established by Charlie during the year.

David recognized Kerry Boese who has served as chair of the committee. She will continue to serve on the committee. Kari Harris will be the new RE chair.

## **Humanism**

FUS has become more prominent in humanism across the country. Chris Stedman is working with us to pull groups together, organizing events. \$15,000 were received from the FUS Foundation

David thanked the congregation for the opportunity to serve at the First Unitarian Society, particularly as it is the birthplace of religious humanism.

## **Social Justice**

Kelli Clement spoke about social justice at FUS. SJ is divided into four buckets: education, advocacy, service, and witness. We are doing things in all four buckets. She mentioned 16 FUS members went to Pinion AZ to do service work at a Navajo reservation. We not only work together, but how do we inspire each other to go and do the work that you already do. Sometimes we organize and go out geotherm too. The work we will continue to do is around anti-racism and white supremacy. We want to really live our values.

## **Membership**

Information was included in the written report.

### ***Board of Trustees Report***

***Phil Duran***

Phil highlighted the capital campaign. In the past year many people have had conversations about money and as a result, the necessary funds were raised to cover the capital expenses for the building improvements. Everyone has pulled together, working together to deal with changes as they occurred. Thank you to everyone (FUS members) for your willingness to work through the building changes.

Phil directed people to refer to additional written materials for the board report.

### ***Foundation Report***

***Tim Palmquist***

Tim Palmquist mentioned that the Foundation supported the lunch/mini-meal program and Chris Stedman coming to work on the Humanist programming. The Foundation also gave \$500,000 to the building capital campaign (. "We thank everyone for the donations and look forward to continuing the work here"

### ***Treasurer's Report***

***Allan Callander***

This year looks like we're going to be doing quite well. At the moment we're behind on pledge income. If everyone pays their pledge on schedule, we'll end up with a surplus.

There was a 6.5% increase in membership income/pledges. We're seeing pledge growth due to new members who really support the Society. We see new members come in and become committed.

The Foundation grant has historically been used for operating expenses. The annual Foundation grant will go toward repaying a capital grant loaned by the FUS Foundation for the capital campaign.

For the first time this year, all expenses are accounted for in the budget versus outside the budget sheet in special accounts. That didn't show transparency, so now we do not have special funds. Funds are part of the process now.

Total personnel is up 2.6% this year, an average increase of 2%. This is not fabulous, but at least is cost of living increases for staff. The new budget has flatline expenses and revenue. But, the boiler maintenance is reduced substantially because it was replaced this year.

### **Paying for the Capital Campaign**

3.8 million dollars, raised in less than a year – a huge commitment to the future of Humanism. The \$500,000 loan from the foundation and loan from a member who remains anonymous.

Allan Callander reviewed the written information in the meeting packet, breaking down the budget by program area. The building maintenance drops from \$28,000 annually to a little over \$5,000 due to the heating impact of the new windows, boiler, etc. Other expenses are relatively flat.

Q: Childcare costs are away (budget line item was eliminated).

A: That cost was moved to RE childcare versus having it separate. We budgeted a lower amount because we are not spending that much on

Q: how is the new playground equipment funded.

A: the service auction raised about \$12k for the playground. Other monies are not budgeted for that at this time. It is not listed here because it was allocated after the budget was prepared for this report.

Q: how is it that electronic communications is still at \$1,200, don't we need more?

A: we're going away from Constant Contact, found something less expensive.

Q: revenue sources, special collections, is that a new budget item?

A: right, it was never accounted for in the budget before. In the expenses side, it goes to Social Justice external grants. The number should be equal.

Q: Seasonal Celebrations, we take in funds through charging for a meal, then we cover expenses that way. We used to have a special pot, then have access to that later. Because things are tighter around here, there's no extra support. Our expenses have grown. I understand money is tight, I do want the congregation to know that we spend more money than we bring in. We want to offer comp tickets to the volunteers. Audrey wants people to be aware of that. I hope in the future our budget can be padded by other budgets if needed.

A: we're budgeting things to be self-supporting, but we know it hasn't been in recent years. We know if you want to spend an extra \$1,500 for the event, we will look at the budget and figure out how to cover it. The board and staff should acknowledge we will help support that extra cost. We want to budget closer to the actual costs than we have in the past.

Q: Service Auction where is the auction outlay?

A: auction proceeds are used for two things: grants for social action and internal projects/expenses that the board chooses. We're missing a combination of a couple of things – Allan will address the issue.

## ***Financial Affairs***

***Phil Duran***

### a. Approval of Ministerial Compensation Package

Allan Callander

David's base salary has had a 1.5% increase in his salary. \$73,000 base salary, proposed housing is unchanged at 25k, retirement is 5% of salary, SSI, etc. are included. Café benefit

\$113,068 dollars total compensation package that includes a 1.5%

Motion Lynn Hardey, Jim Tincher seconded the motion.

Call for discussion – no discussion. Motion passes unanimously.

Phil Duran commented that the budget will be double checked to reflect the reality of how the money comes in and goes out.

Q: Was there a personnel worksheet distributed?

A: concern about breaking down individual salaries for each staff person. We can talk about them. Motion and second to approve the budget.

Comment: if intended that the service auction is applied in certain ways, perhaps a breakdown of the specific cases could be attached. Allan mentioned that last year a summary was included, but we were trying to have less printed material and brevity and efficiency. Shelley mentioned it would be hard to know how next year's auction will be broken down. Issue of service auction revenue being already allocated. The intention isn't the service auction funds don't go into a general fund, they will be tracked and allocated based on what the intentional funding project will be for that year. During the course of the year we'll find that seasonal celebrations, RE, others will be allocated more cautiously in those targeted areas. With the service auction, we can have an expense line.

Jim Tincher: this is a big strategic change to the budget, and it's not surprising that some things got missed.

Polly: would it make more sense to have the expenses from the auction reflected in the next FY budget versus this year's budget. Phil responded that the 2018 expenses would show up with 2019 budget.

### b. Approval of the Budget

Motion to approve the budget with adjustments needed to be made. Approved unanimously.

## ***Capital Campaign Report***

***Greg Giles***

Greg Giles recognized the hard work of a whole lot of folks who worked to make this happen, especially Tim Roehl and George Hutchinson who stepped forward in a big way. Several people are referring to the Capital Campaign in past tense. On breaking day, Greg was awed with the just over \$3.25 million dollars raised. We are still at that amount, but there is more work to be done. The little things we can still do, the time to do them is now. We have more than 50% of the congregation who

have pledged to the campaign. If you're sitting on the sidelines, you may have noticed it's happening. Greg encouraged everyone who hasn't given yet to be a part of it and give what they can.

## ***Elections***

## ***Mike Illes***

### a. Board of Trustees

Incumbent nominees: Allan Callander, Phil Duran, Holly Anderson, Katrina Lassegard  
New nominees: Kim Horton

Mike Illes is leaving the board, and four members have their terms up.

Kim is a newer member, an RE Family, instrumental in getting the case statement together for the capital campaign. She's helped with the DRE search. She was asked from the nominations committee to have another RE family represented on the board.

Phil asked if there were any other nominations.

Five names on the slate. Motion to approve  
Cate McKegney, moved, Polly Peterson, seconded. Unanimously passed.

### b. Nominations Committee

Incumbent nominees: Scott Eller, Sheila Callander  
New nominees: Madalyn Cioci, Audrey Kingstrom

Motion to approve: Jenna Hutchinson motioned, Bob Aderhold seconded. Unanimously passed.

## ***Dueltgen Award Presentation***

## ***Mike Illes***

Mike Illes introduced the 2017 Ron and Lois Dueltgen Award recipients. The award honors members who have over the years have served the congregation in many important ways.

Mike gave clues to reveal the winners. This year's winners have served on the board, volunteered in the kitchen, finances,

Scott and Christie Eller were announced as the 2017 recipients and given the plaque. The plaque is hung in the office.

## ***Appreciations***

## ***Phil Duran***

Mike Illes has been on the board for six years, three years as chair of the board. Phil mentioned that it has been very valuable to have his council on the board this year. He expressed his gratitude for the years of service.

Allan Callander is stepping down as treasurer. He puts in a tremendous amount of work, members of the steering committee for the capital campaign. He has smoothed out rougher seas, his depth of knowledge about the funds and working of the congregation.

Q: wondering about the A team (asthetics team) nominations

A: the board is working on that, want to have an open transparent process to fulfilling that team.

***Open Floor / Adjournment***

***Phil Duran***

Motion

Nancy Miller motioned and Kendrick seconded. Unanimously passed.