

**Special Congregational Meeting
December 9, 2007**

Members Present (32):

Betty Asplund
Bob Asplund
Neal Austin
Kay Azar
Cindy Benedict
Glenda Bixby
Barb Carmichael
Jim Curlee
Kathleen Curtis
Mary Hagen
Fern Hamlin
Mary Alice Hardy
Florence Klecka
Chuck Leone
Don Marti
Gary Metzler
Eric Morgan
Virginia Morrow
Zae Munn
Kathy Platt
Tom Platt
Elizabeth Scarborough
Glen Saha
Marilyn Shaul
Melanie Smith-Guillaume
Bill Stradley
Marge Stradley
Patricia Taplick
Walt Tomasch
Richard Wallace
Don Wheeler
Maureen Wijnen

Others Present:

Roger Birdsell
Dan Groteke
Jason Lambert
Tanya Lambert
Lynn McDonald
Marijke Wijnen
Beth Williams

Bob Asplund started the meeting by stating that this has been a good year for the church. The Search Committee has been working hard to find a new minister and the Board of Trustees has put thought in to this proposal.

The purpose of the meeting is to discuss how to spend the gift from Bev Tudor. The Board proposal is outlined in the memo that has been distributed. Members of the congregation can

either: accept the memo, amend it or send it back to the Board of trustees for rewriting.

Kay Azar made a motion to accept the Board proposal. Zae Munn made a second to the motion.

Eric Morgan stated that we need \$150,000 in the endowment fund to be able to make disbursements from the Endowment Fund. This proposal will result in about \$160,000 in the Endowment Fund so we will be able to make disbursements from the Endowment if this proposal is accepted.

Bill Stevens said that he initially was in favor of putting the entire amount in to the Endowment Fund. Spending money for operations is a poor use of a gift, inheritance or bequest. The Board proposal avoids the use of the funds for operations by putting the major portion of the funds in the endowment fund and using the balance for church growth and improvements to the physical plant of the church. The church members should support the operating expenses of the church. The Board proposal avoids the bias of using funds for operations, therefore he is in favor of the proposal.

Walt Tomasch asked where the money is being held and in what form? Elizabeth Scarborough answered that the funds are currently in a holding account drawing interest. The Endowment funds are held in the Unitarian Universalist General Investment Fund. Unitarian churches around the country invest their funds through this entity and the Fund currently manages investments of about \$138 million dollars. Currently our church has \$6,700 in this fund. The Fund operates like a mutual fund and the money is invested in a diversified manner. Elizabeth said that she recently participated in a conference call that the fund has on a quarterly basis to provide information for those who have investments. The objective of the fund is preservation of the principal of the investments, while allowing for a 5% withdrawal every year plus enough earnings to cover inflation. The fund investments also go through a screening process – they screen out investments in weapons and tobacco. Occasionally the fund uses their investments to become stockholder advocates for various policies such as stopping discrimination or ending global warming.

Walt Tomasch asked about the performance of the fund. Elizabeth Scarborough said the fund investments are diversified and have earned 13.5% return over the last year.

Don Wheeler said that he wanted to amplify the comments of the Chairman that the purpose of this meeting is not to revisit the investment vehicle for our funds but to address the specific uses for the Bev Tudor funds.

Jim Curlee asked who makes the investment decisions. Bob Asplund answered that there is an elected Endowment Committee consisting of Elizabeth Scarborough, Chuck Leone and Melanie Smith-Guillaume. Their job is to oversee the Endowment Fund.

Barb Carmichael said that it is time for our church to grow and if the funds are invested in the Endowment Fund, they won't be accessible if we need to purchase a new building. The answer given was that we can use the endowment funds anytime with a two-third vote of the congregation.

Melanie Smith Guillaume asked why we are spending the endowment funds on cleaning. Bob Asplund said that in the past Carlton had been paid for three hours a week to clean the church.

This was not enough time to do an adequate job. Carlton resigned from his cleaning duties and there are not enough funds in the budget to hire a cleaning person for the hours needed to do the job. The endowment funds will cover additional cleaning costs for this year and then the cleaning costs can be worked into the regular budget next year.

Bob stated that a special committee will be formed to set priorities for the building improvements. The committee will make a list of proposed building improvements to be approved by the Board of Trustees. Don Wheeler suggested that we pay an electrician to evaluate the wiring in the building.

There being no further discussion, Bob Asplund called for a vote on the proposal. All present voted in favor. There were no votes against the proposal and no abstentions.

There being no further business, the meeting adjourned at 12:30.

Submitted By:

Anne Mannix
Board Secretary

Date: December 2007
To: Members of First Unitarian Church of South Bend
From: Board of Trustees
Re: Disposition of assets from the Tudor Estate

Bev and Ben Tudor were long time, dedicated members of our church. When Bev (the surviving partner) died, significant generous assets were left to our church. The board has put those assets in a holding account until a final decision could be made on their disposition. At the regular congregational meeting last spring, the congregation directed the Board to prepare a recommendation on this disposition and bring that recommendation to a special congregational meeting later this year. Those funds, including the accumulated interest from this holding account, now are slightly in excess of \$210,000.

To reach a decision about this recommendation, the Board has held many discussions and solicited information from others. We believe the following reflect the best of current possibilities to meet our needs.

Recommendation

1. Long term: The Board recommends that 75% of these funds be transferred to our Endowment Fund. This fund and the procedures for its operation were recently established by our membership. The current balance in this fund is about \$6700. A key provision in the approved procedures is that no dispersal can be made from this fund until a minimum balance of \$150,000 is accumulated. Our investment of these recommended assets into this fund would activate that provision and provide a long term resource to our church.

2. Short Term: The Board recommends the remaining assets be allocated into two areas.

A) Building Stewardship 15%. Our congregation's approach to this building seems paradoxical. On one hand we are very generous as demonstrated in the last few years with special contributions meeting the needs of a new roof and new energy efficient windows. On the other hand, in the past years we have only allocated three hours per week of custodial time to operate and care for this facility. Many parts are showing, not only this neglect, but also the building's age, unattractiveness and energy inefficiency. It is time to allocate a significant infusion of resources to reflect our stewardship values. This infusion would benefit us and would make our facility more attractive to potential new members and also to new leadership. A special committee will be formed to make a thorough evaluation and then, after Board approval, implement their findings.

It is also recommended that, in this process, some tangible provision be made to remember the generosity of Bev and Ben Tudor.

B) The "invisible church" 10%. Our congregation is too small for the size of the community we serve. The board firmly believes that there are many people in our larger community who, given the choice between joining a community of believers or a community of seekers, would choose our church if they knew more about us. These people could be an asset to us in many ways. Even though we have a great location, our signage is dated and inadequate for attracting passers by. The religious section of our newspaper does not contain information about us. Special collections need to be solicited to pay for radio spots. And we, as members, have not been good recruiters.

We are in the beginning stages of significant growth and resources need to be put into this area to help make us more visible. We have committees who will turn these needs into action with these resources.

Note: The Board is very aware that, as growth occurs, we will face the future need to re locate into larger facilities. Some of the above improvements will make our current building more attractive to potential buyers and some (like new signage) may be transferable to a different location. We believe that these recommended investments have both short and long term benefits to us.

Board of Trustees

Bob Asplund, President
Kay Azar, Vice President
Gary Metzler, Treasurer
Anne Mannix, Secretary
Mary Hagan, Trustee
Cindy Benedict, Trustee
Rich Wallace, Trustee
Don Marti, Trustee
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