

**FIRST UNITARIAN UNIVERSALIST CHURCH**  
**Board of Trustees**  
**August 24th, 2016 Minutes**

<b>Board</b>		Present	Absent
Chair	Ginnie Vogts	X	
Vice Chair	Carolee Noonan	X	
Treasurer	Debra Boyd	X	
Secretary	Jim Conlan	X	
	Karen Dawson	X	
	Marge Lynd	X	
	Joe Pierce		X
Youth Rep	Lee Cook		X
Youth Rep	Alex Barr	X	
<b>Staff</b>			
Sr Interim Minister	Rev. Jennifer Brooks	X	
Assoc. Minister	Rev. Eric Meter	X	
Minister of Religious Education	Lane Campbell	X	
Administrator	Brian Hagemann	X	
<b>Guests</b>			

1	Opening and Welcome	7:00
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	<ul style="list-style-type: none"> <li>● Chalice lighting</li> <li>● Centering (Opening words- (Debra)</li> <li>● Check-in with staff and Board Members</li> </ul>	
2	<p>Consent agenda:</p> <ul style="list-style-type: none"> <li>● Approval of July Minutes (<a href="#">link</a>)</li> <li>● Staff reports (<a href="#">Admin</a>, <a href="#">IM</a>, <a href="#">AM</a>, <a href="#">RE</a>)</li> <li>● Board response summary of Interim Minister Appraisal (<a href="#">link</a>)</li> <li>● Housing and Salary Allowance forms (<a href="#">LC</a>, <a href="#">EHM</a>)</li> <li>● The housing allowance allocations from Rev. Eric meter and Rev. Lane Campbell submitted to the Board in advance of this meeting, are hereby approved.</li> </ul> <p><i>Consent Agenda was approved</i></p>	7:15
3	<p>New Board positions (Ginnie)</p> <ul style="list-style-type: none"> <li>● Chair- Ginnie Vogts</li> <li>● Vice Chair- Carolee Noonan</li> <li>● Secretary- Jim Conlan</li> <li>● Treasurer- Debra Boyd</li> <li>● Liaison to Nominating Committee – Debra Boyd</li> </ul> <p>Purpose: vote</p> <p><i>Motion was approved</i></p>	7:16
4	<p>What Financial Updates does the Board and Staff need to know? (Debra) (<a href="#">financials link</a>, <a href="#">draft</a>)</p> <p>Purpose: update and discuss</p> <p><i>These are DRAFTS and not the final numbers until the financial review is completed.</i></p> <p><i>This is to review an Operating Statement to educate the board members.</i></p> <p><i>The <b>Operating Statement</b> shows income and expenses for a given period of time. In a given year it is all the money coming in the door and going out the door for operating the congregation.</i></p> <p><i>The <b>Balance Sheet</b> tells you the assets and liabilities of the church. An example is your house. The value of your house is your asset and your mortgage would be your liability. The balance sheet is divided into 5 sections.</i></p> <p><i>1. <b>Operating Funds</b> (For the congregation)</i></p> <p><i>2. <b>SYC Funds</b> (SYC is not a separate legal entity)</i></p>	7:20

3. **Restricted Funds-** Funds given to the Congregation for a specific use and cannot be used for any other purpose.

4. **Endowment Funds** - Primarily held with the Common Endowment Fund by the UUA. The UUA manages the endowment and our policy stipulates how much we can draw which is the lesser of the return or 5%. That fund's current balance is \$261,752. We would not be able to touch the principal or the earnings in excess of 5% in a given year. An example of the use of the Endowment funds was the purchase of the handicap accessible entrance buttons. The board has the discretion to spend those funds and last month was used them to finance the fiscal review. A calendar year is used not a fiscal year when tracking the distribution of the funds. Our endowment fund began in the 1990s.

There are a number of items to be completed before the budget is finalized. These are some examples:

We had \$20,000 in pledges given in advance of this fiscal year. It was added to our balance sheet as a liability because those funds are for the next year. Now those funds are rolled forward into this year.

JAM is given 2% of the pledges. If they do not spend all of their funds the money is moved to a restricted account for JAM. That shows an increase in expenses and an adjustment is done. If JAM spends more money than they were allocated then money from the restricted funds can be moved back as income in the operating statement so that it does not negatively impact the income and expense statement.

SYC has a year-end split process. We fund their scholarships and what is left they keep half for their enrichment fund and half goes to the congregations operating income and expense statement.

There are a number of pieces like this that need to be reviewed. If things were caught correctly and nothing was overlooked we are looking to have a \$1200 surplus. This is not a final number and this could change with some of the internal transfers etc.

The book store took a book by book inventory that has not been done before. It used to be just an average price of all of the books. It is not what was estimated and the bookstore inventory value needed adjusted.

A balance sheet shows a reduction of the operating debt of the Congregation to \$7800. Again, this is not an official

	<p>number.</p> <p><i>For 2017 we will have a \$40,000 shortfall from the income that we say we need and the expenses that we are anticipating. Typically, the long operating debt is not as big an issue. The short term view of this year is a concern. The shortfall comes from the estimate of what the pledges were going to be and what actually has been pledged. Last year we also had a \$30,000 short to budget. The rummage sale, GA Housing, little snow removal, and shorting our UUA Fair Share funds, enabled us to overcome the problem.</i></p> <p><i>On a good note, in July, the pledge numbers are higher than last year. The collection rate is 118% and 121%. Last year was 90% and 94%. These numbers are not official.</i></p>	
5	<p>Financial: (Brian &amp; Jennifer)</p> <ul style="list-style-type: none"> <li>• Report on use of salary pool, cautionary note</li> <li>• Plans for Fall Ask</li> <li>• Funding of search</li> <li>• Fully funding budget</li> </ul> <p>Purpose: update/discussion</p> <p><i>Brian - Introduced Jennifer's covering the Fall Ask of the \$40,000 shortfall in the current fiscal year. Reiterated things that are unique to our budget from year to year. One example is snow removal that can have savings or go over the budget depending on weather conditions. This year we also have a onetime year rental of the classrooms which will bring in \$12,000. Even with the rental it still makes us short. This is something to think about when doing the fall ask and for the future. We cannot count on rentals of classrooms in the future because they are hard to rent. The school just happened to be perfect fit for one year. Normally the best you can hope for during the week for rental is a home school co-op type of group. Most home school groups do not have the money to pay for rentals on an ongoing basis.</i></p> <p><i>The other budget piece is the salary pool. Last year the board and congregation approved a \$10,000 salary pool. It is not enough money to completely meet all of the salary needs but it is a start. The CT Team came up with a three-year plan to get us back on track with salary and benefits. This year's \$10,000 pool is for cost of living adjustments. The staff has not had any adjustments since 2013 and realized the amount could not cover everything at once and began to look at the 2014, 2015 calendar year. We brought people up to date from 2014 onward. The second priority was the \$15 minimum wage which impacts four staff members. Also, with only \$10,000 this will need to be</i></p>	7:40

*phased in stages. This year starting July 1st our lowest hourly rate will be \$14.50 with the plan to raise it to \$15.00 with the next cycle of a salary and benefits pool.*

*The next item to view was the staff compensations compared to the UUA Fair Compensations guidelines for our region. The goal was to at least get to the mid-point of the compensation guideline. This also will be part of a multi-year phase-in that will be needed.*

*The plan is to stay on track with cost of living adjustments going forward. It will be easier to keep up with this every year. The focus will then be on fair compensation. Also merit increases will be utilized and this is not something that has been done on a regular basis in the past.*

*The pledge income projection was overly optimistic. We did a lot of roll over pledges but there is no policy to automatically increase that pledge. Now it stays flat and that might be something to look at doing at a future date.*

*Ginnie commented that at GA the stewardship workshops suggested having an attitude of abundance and if we have hopes and dreams we have to decide we will find a way to get the funding. For our future we need to have a budget that puts people (staff) first. We need to pay the staff a living wage. It would be a value change. If this is the route we will go then the Board will need to present this to the congregation. This is something to think about for the future.*

*Brian- Having a fair wage is something that members of this Congregation have been working on at a national level. We need to become a model for fair wages.*

*Carolee- Does the three year assume we will have another \$10,000 pool? Brian answered, "That is the assumption." .*

*Rev. Jennifer - From an outsider's perspective on how things look at the moment there was a surprise at the size of the hole in the budget last year that was around \$30,000. We would have had a deficit as the budget was planned. We are much in the same position this year except the difference is that there is more talking about this issue. There is frustration with the slow response in renewing pledges. The people that did respond gave about a 5% increase. This congregation has been functioning for a while with this gap in the budget that was not visible. We need to make sure we are aware of the financial health of this congregation. Two years ago when serving in Fairfax, which is a 700 member healthy congregation, they had a \$48,000*

*budget gap that was approved, knowing that there would be a fall campaign to close the gap. This was successful. This is the same kind of situation we are in now. Now that the numbers are showing up this is being discussed in Finance, CT, and Exec Committee and has more visibility. Part of the budget plan was for a special ask to fund the search that was around \$10,000. Now there needs to be a plan for a fall funding campaign to fully fund the budget. The big picture is that this congregation is going into a search and the documents need to be filed by November 30th. We need to have our plan figured out and close the gap in the fall funding campaign and then we would be in good shape. We have a nice budget and have a multiyear plan about moving to fully honor the fair compensation guidelines. Next year we need to look at multiyear financials and spending plans so that work can be done on the financial health of the congregation. Another thing needed is developing a task force that will develop a strategic plan for financial health. Then a much clearer picture of our spending goals and income goals will help. If the congregation is onboard with a 5 year strategic plan then we have a buy-in to our mission. Strategic task force needs to kick off the research for the plan this year and the new settled minister would be working on the finalization.*

*Another aspect is to launch some serious changes to the way we do stewardship. The Stewardship Outreach team headed by Patricia Boughton is to work with Membership to make sure we have multiple contacts with members. A one on one or in small groups would be examples. Contacts to members would be done before the annual ask for money. The stewardship consultant, Barry Finkelstein, said that you will not increase your pledge base unless you have more outreach to members. Patricia will develop her plans and we will have a stewardship consultation with Barry in January. This would be a further opportunity to develop our plans and a review of the way we currently do stewardship. We may transition to a year-round plan of giving that would suit our members' needs better. We may be on the leading edge of the new style of the way people respond to a pledge which is not to respond. It is coming to all congregations. Some reasons maybe generational and the different ways things are done in the non-profit sector. More to come in the board retreat. A more thought out plan will be needed.*

*Fully funding our budget for this year during the pledging campaign; we talked about our values and linked it to our request for increased pledges and the responses were good except for the roll over issue which was a non-response issue. The key here is the fall campaign as a linchpin*

	<p><i>because we can't go on with this shortfall; we need to balance our financial picture. If we do not have a good response to the fall campaign, we will need to pull back on the budget, which could include things like a staff furlough, which would mean the church would be closed and we would not pay our staff for a week or two. The hope is to not need to go to that extreme. We do need to talk about these possibilities. The hope is for great leadership and a successful campaign just like it happened in Fairfax.</i></p> <p><i>The campaign will be fairly short with a Sunday at either end. Rev Mark Belletini will participate in a funding campaign event. That will be up to the fall funding campaign team to figure out. The donor list will be segmented and have the right ask for various people. Some may be asked for an increased pledge and others might be asked for a cash gift. The pledge is a long term impact and the capital campaign funding is ending which may then be used for the pledge. Ideally it would benefit from increased pledges for the long term gain. The team will ultimately decide the approach. The new stewardship team approach will have separate teams for each project. The fall funding campaign will be one of those projects and the search for a leader of that team is ongoing. Leaders will also be needed for the holiday appeal and the auction. The auction is currently led by JoAnne St. Clair and she is going to need to hand that off to a co-leader. There will also need to be a leader for the stewardship campaign.</i></p> <p><i>What is needed is a lot of transparency about our values and mission and how they relate to giving. There should be more transparency identifying the holes in our budget and doing advanced planning. Some hard clear thinking will be needed on better organizing our stewardship work to work on increasing our pledging base. The board will need to approve the use of some of the Jean Wertz bequest to help fund the Stewardship Consultant. The cost is \$2500 to a maximum of \$3000 to have Berry Finkelstein come January 20th through the 22nd. This should be on the board agenda next month for approval. This money is seed money to help serve the long term vitality of the congregation.</i></p>	
6		8:00
7	<p>Board appointments- chairs for: (Ginnie)</p> <ul style="list-style-type: none"> <li>● Finance Committee-members</li> <li>● Nominating-chair?</li> <li>● Volunteer comptroller</li> <li>● Personnel- members</li> </ul> <p>Purpose: discussion</p>	8:10

*The Nominating Committee has asked that the board approve Barb Fiorini as the new chair.*

*For Volunteer Comptroller, Martha Gifrieda has expressed an interest in serving in that role. Martha retired from Metler Toledo where she was the Comptroller for that company. She has also done financial work at a Methodist Church. There is currently work being done to define the various financial roles including Volunteer Comptroller.*

*Finance Committee still needs a chair and is a work in progress. (Job descriptions are being created) At least two members of the financial committee are needed. Currently it is Debra and Brian and the Comptroller. A tentative timeframe may be late fall before recommendations for candidates will be presented.*

*Personnel Committee - Betsy Duckworth will continue to chair that committee and there are no members. She will need to be re-appointed and may need up to two members with board approval. The role is an advisory to the board on policy. The Personnel Committee no longer is doing staff reviews and there needs to be more clarity around how this committee will function in the new governance policy model.*

*Debra put for a Motion for the following:*

- 1. Re-appoint Betsy Duckworth as Personnel Committee chair.*
- 2. Martha Gifrieda to be Volunteer Comptroller*
- 3. Barb Fiorini as Chair of the Nominating Committee*

*Karen seconded the motion.*

*The Motion passed*

*Lane commented that for populating these committees the board needs to work with the CT team for suggestions of new members. Members to the finance committee would need to be able to read a financial statement or understands budgets and having church financial knowledge. Also a person who is a financial planner with non-profits that could help with future planning. If there is a name to recommend, please share with Jennifer and Ginnie. More focused skill sets would be needed for finance.*

*Karen asked about skill sets that would be required for Personnel. Brian suggested a person with a background in Human Resources or employment law. We need someone who understands the legal requirements.*



8	<p>Organizational Chart (Jennifer)  <a href="#">Link to org chart</a>          Purpose: discussion (will be done at retreat on Aug 27)</p> <p><i>This item will be discussed in depth at the board retreat.</i></p>	8:20
9	<p>Motions:</p> <ul style="list-style-type: none"> <li>• JAM has passed a motion supporting a change in the wording in the first Unitarian Universalist principle: “person” to “being”. Thus, reading “The Inherent worth and dignity of every living being. JAM is asking the Board to pass one as well. This change will be considered at the 2017 GA.</li> <li>• Safety Committee- an amendment that allows communication with youth but not necessarily their parent(s) when others are included in the communication.</li> </ul> <p><i>JAM passed the motion last February. This will be going before GA in 2017. It takes 25 congregations to approve to put a business motion on the floor.</i></p> <p><i>Rick Kritzer from JAM attended the board meeting and will be sending a link to Ginnie so that the board can review the details.</i></p> <p><i>There was some confusion on what exactly we would be approving and what the language would be to be sent to the UUA.</i></p> <p><i>This will be on the agenda next month.</i></p> <p><i>Second motion and amendment</i></p> <p><i>Amendment to the Safety Policy. Currently a youth that would serve on the board has to have a parent or guardian copied on any communication that is sent to a youth. In a situation of confidential information that should only be viewed by board members, this information can be sent to a youth as long as other board members are copied on the email. All other board communications would have the parents copied.</i></p> <p><i>The Motion is to approve in principal, the changing of the safety policy to allow parents or guardians not to be included on a communication in limited circumstances that will be clarified in a draft to come later.</i></p> <p><i>Carolee called the motion and Debra seconded this motion.</i></p>	8:30

	<i>The Motion Passed</i>	
10	<p>Youth Report- Lee and Natasha (Alex) Purpose: update</p> <p><i>Alex – Youth Group will begin in September and the Youth Choir begins next week.</i></p>	8:35
11	<p>What does Board need to communicate to congregation? Purpose: discussion- financial needs of the congregation</p> <p><i>Carolee – We need to not go to the Congregation with, “we need your money”. We need to say we are doing great things and made commitments to fair compensation and BREAD. We are not supporting ourselves financially and this is how it will impact us.</i></p> <p><i>Need to work on this at the board retreat.</i></p> <p><i>Jennifer mentioned that the Visioning workshop will be on Saturday, September 17<sup>th</sup> at 9:30am to 12:00pm. This will help write the sermon on The Heart of the Church to be given on the 18<sup>th</sup>. It will be a reflection on what the Congregations mission and vision appear to be and will spell out what is the core of the church. Please come to the visioning workshop.</i></p>	8:40
12	<p>Wrap-up</p> <ul style="list-style-type: none"> <li>• Thank you cards to:</li> <li>• Upcoming events- Board retreat- Aug 26, 6 to 9 PM, Aug 27, 9 AM to 2 PM. Visioning Circle- Aug 28 ?PM. Beyond Categorical Thinking Workshop- Oct 8/9.</li> </ul> <p><i>Ginnie – Be sure to check your mailbox occasionally for any items needing signed etc.</i></p> <p><i>A thank you note needs to be sent to Judy Kleen for all her hard work over the many years at Volunteer Comptroller.</i></p>	8:50
13	<p>Meeting Process Observation- (Debra)</p> <ul style="list-style-type: none"> <li>• What did we do well at this meeting?</li> <li>• Anything we should do differently for the next meeting?</li> </ul> <p><i>There was good engagement from all members. The way we handled the safety policy piece was well done. Taking time and care with the JAM request was handled well.</i></p>	8:55

### Open Action Items and Potential Future Agenda Topics

1. Staff to recommend program area to be evaluated and taskforce members for next church years' evaluation per Board Policy Book section 11.2.
2. Search Team would propose the contract for the Senior Minister for Board review at Sept 2016 Board meeting.
3. Board vote on proposed Senior Minister contract at Oct Board meeting.

#### Completed Actions

- 1 Schedule "Beyond Categorical Thinking" workshop with UUA, status-waiting to hear from them re: date. Allocate \$450.00 for workshop