

Birmingham Unitarian Church
Board of Trustees
Meeting Minutes
January 28, 2020

Present: Rev. Mandy Beal, Debbie Fordree, Mary Gawel-Ensroth, Marilyn Kelly, Claudia Kocher, Jay Labban, Diane Slon, Craig Stroup, Bruce Webber

Absent: Emma Fordree, Donna Larkin Mohr

Visitors: LDC – Kathy DuHame; Safer Congregation Task Force – Neb Duric, Cheryl Shettel, Trevor Zamborsky; Stewardship – Jim Shettel, Soren Andersen; Budget and Finance – Eric Sargent

The meeting was called to order by Bruce at 7:00 PM. It began with a reflection on the BUC Covenant, chalice lighting by Rev. Mandy, and a check-in by everyone.

Consent Agenda

1. The minutes of the December 10 Board meeting were considered and approved by consensus of the Board.
2. The minutes of the December 10 Executive Session were considered and approved by consensus of the Board.
3. EL 6: Asset Protection
 - a. This was moved to the Executive's Report.

Monthly Reports

1. Treasurer's Report – Claudia
 - a. Claudia referred to the two Treasurer's Reports, dated January 28, 2020 (documents attached). The first report deals with the month of November, and the second report deals with the month of December.
 - b. In the section, "Month of November – FY 2020", seventh bullet, Rev. Mandy stated that the severance payment to the Associate Executive is a standard practice.
 - c. In the section, "Month of December – FY 2020", the eighth bullet should state that "facility and office expenses were \$10K vs

budget of \$11K for a \$1K positive variance instead of “\$12K vs budget of \$9K for a \$3K negative variance”.

- d. Regarding the positive variance in pledge receipts, Rev. Mandy explained that this results from new members who join after the stewardship campaign has been completed for the year.
- e. Rev. Mandy will ask Valerie whether information showing additional pledges from new members and loss of pledges from members due to death or leaving the church can be incorporated as a line item in the budget.
- f. Debbie noted that she would like to see financial information presented using graphs/charts to show the metrics in month to month comparisons. Claudia stated that she will check whether Jim Myers can add graphs/charts to our financial report or can send us the Excel spreadsheets rather than pdf files.
- g. Jay moved that the Treasurer’s Report (Month of November – FY 2020) be accepted. The motion was carried unanimously.
- h. Jay moved that the Treasurer’s Report (Month of December – FY 2020) with the corrections be accepted. The motion was carried unanimously.

2. Executive’s Report – Rev. Mandy

- a. Rev. Mandy referred to the Minister/Executive’s Report to the Board of Trustees, dated January 28, 2020 (document attached).
 - i. Rev. Mandy said that the Red Door Classroom roof had a leak that is not related to the existing roof needs. It was probably caused by one of two contractors bidding on the roofing jobs. Jim Dean has put in a temporary patch. The leak also caused the carpet to be stained. Debbie asked that letters be written to the two roofing companies in an effort to get reimbursed for the damage sustained.
 - ii. Referring to 6c, Rev. Mandy said that the covenant will be published in the newsletter once it is complete.
- b. Rev. Mandy also referred to “Executive’s Response to EL 6 Review” (document attached).
 - i. Referring to item 4, Rev. Mandy elaborated on the need to “increase the amount annually set aside for facilities contingency (currently \$500/month versus the recommended 10% of the operating budget).” The current amount in our budget is only \$6K. She admitted that we

cannot afford to jump to the 10% amount immediately, but that we should be taking incremental steps to achieve this goal.

Board Business

1. Safer Congregation Task Force
 - a. Neb Duric noted that Drieka DeGraff left the Task Force shortly after the group formed.
 - b. Neb reported that the task force used checklists from the UUA website to identify concerns in the following areas:
 - i. Safety as an Embodiment of Covenant: Disruptive Behavior has been done.
 - ii. Building Security in Congregations
 1. Group met with Jim Shettel, Marcia Mahood, and Jason MacDonald regarding existing policies.
 2. Areas of concern
 - a. Unlocked doors
 - b. Need for an Active Shooter Policy
 - c. Lack of emergency exit signage and updated evacuation plans
 - iii. Active Shooter and Lockdown Situations
 1. Group will be working on this.
 - iv. Financial Security
 1. Group met with Kym Worth and Joanne Copeland regarding existing policies.
 2. Existing policies are good, but we need a comprehensive written policy.
 3. Areas of concern
 - a. Handling of cash by volunteer groups (e.g., Rummage)
 - b. How are designated accounts administered and funds spent?
 - v. Religious Education and Children were not included in the mandate given to the task force as this area is the responsibility of Rev. Mandy.
 - vi. Safety in Youth Ministry
 - vii. Sexually Safer Congregations
 - viii. Social Media and Safer Communications

- c. Neb noted that an “Online Set of Resources” has been established to support ongoing work and that future work will involve a committee developing written policies based on the task force’s findings and the priorities set by the Board.

2. Congregation Voting on the Budget

- a. The Board, along with Rev. Mandy, considered the possibility that the congregation vote on the church budget. The process would involve the development of the budget by the staff along with oversight by the Budget and Finance Committee. The Board would endorse the proposed budget for presentation to the congregation. The congregation would vote to accept the budget.
- b. Currently, the budget is approved by the Board. If that were to change, constitutional changes would need to be made.
- c. Various issues were raised.
 - i. The importance of having the congregation be informed and invested in the budget process.
 - ii. The level of detail to be shared before a vote is taken.
 - iii. The necessity of have a policy in place in case of disruptive behavior.
- d. It was decided that a special meeting be held to continue discussing this matter. In the meantime, Eric Sargent will see what processes are followed at the Ann Arbor and Lansing churches. Rev. Mandy will contact Lisa Presley.

3. Budget and Finance Committee – Capital Needs

- a. Eric Sargent outlined two critical short-term financial needs that need to be addressed without delay. First, the short-term building loan payment of \$80,723 is due on January 20, 2021. Second, building maintenance needs include repair or replacement of roofs on the Blue, Red, and Green Classrooms; replacement of the Pavilion door; and replacement of several furnaces.
 - i. The costs range from \$94,910 to \$122,753 depending on what steps the Board decides to take.
 - ii. The Budget and Finance Committee considered four options.
 - 1. An appeal to the congregation for money. The committee did not think this could be done alone but might work if combined with one of the other options.

2. Church bonds, where BUC would issue Bonds at some interest secured by church property, behind Level One Bank. The committee thought this option would be divisive and overly complex.
 3. Loan from the Endowment. The committee favored this option.
 4. Commercial Loan from Level One Bank. The committee was concerned with the cost of all related fees to secure a loan as well as the effect of the monthly payment on the church budget.
 - b. It was decided that a special meeting be held to further discuss this matter.
4. Stewardship Committee
 - a. Jim Shettel and Soren Andersen presented information on the upcoming campaign. Harper West and Walter Dean were unable to attend.
 - b. The theme of this year's campaign is "On Stable Ground".
 - c. Objectives will include transparency and accountability. BUC funds are spent wisely and costs have been cut. The campaign will be blunt and direct: "If you want this operational budget, you need to step up!" in response to past years' underperformance in not meeting targets.
5. Open Questions Work
 - a. Diane referred to the email she had sent to everyone.
 - b. The committee decided to forego planning another potluck due to little interest in the first potluck and the number of events already taking place in February and March at BUC.
 - c. The committee decided instead to offer an "Open Questions" table on three Sundays in February and March.
 - d. Volunteers will be needed to help on these Sundays: February 23, March 1, and March 8.
6. Revenue Committee
 - a. Marilyn handed out a Revenue Committee report.

Visitor Comments and Questions

- Kathy DuHame commented on the way the Board had looked at the financial reports, noting how she would rather use spreadsheets.

Issues Arising for the Good of the Church

- Debbie noted that federal funding is available for implementing congregational safety in churches. It was decided to consider finding a volunteer who could write a grant for this funding.

The meeting was adjourned at 9:15 PM.

Respectfully submitted,

Mary Gawel-Ensroth, Secretary

BIRMINGHAM UNITARIAN CHURCH

TREASURER'S REPORT

January 28th, 2020

Month of November – FY 2020

- Pledge receipts for the month were \$38K vs a budget of \$42K, for a \$4K negative variance.
- Rental income was \$8K vs budget of \$10K, for a \$2K negative variance.
- Art Committee revenue was \$2.6K vs budget of \$0.
- “Other fundraising” was \$0K vs budget of \$10K.
- Pledges from prior year were \$3K vs budget of zero.
- Net revenues were \$54K vs budget of \$63K for a \$9K negative variance.
- Total office/facilities staff was \$44K vs budget of \$28K, for a \$16K negative variance (mainly due to severance payment to associate executive).
- Total facility and office expenses were \$12K vs budget of \$9K for a \$3K negative variance.
- Operating expenses were \$79K vs budget of \$61K for an \$18K negative variance.
- Adjusted Operating income was -\$24K vs budget of \$3K for a -\$27K negative variance.

FY 2020 Year to Date Results

- Pledge receipts for FY 2020 year-to-date are \$208K vs budget of \$182K for a \$26K positive variance.
- Prior year pledges are \$9K vs a budget of \$2K for a \$7K positive variance.
- Rentals for FY 2019 year-to-date are \$52K vs budget of \$48K for a 4K positive variance.
- Net revenues are \$298K vs budget of \$272K for a \$26K positive variance.
- Operating expenses are \$325K vs budget of \$303K for a \$22K negative variance.
- Adjusted Operating income is -\$23 vs budget operating income of -\$31K for a \$8K positive variance.

Unrestricted Cash on Hand

- \$32K (\$81K, including prepaid pledges) at 11/30/19. This is down from \$56K (\$111K including prepaid pledges) as of 10/31/19.
- Target for “uncommitted cash” is \$69K. Current unrestricted cash on hand (includes 19/20 pledges paid in advance) is \$12K above this amount.

FY 2020 Capital Campaign Pledge Update

- \$4K in capital campaign pledges collected in November, 2019.
- \$1,387K collected in capital campaign pledges (94.9 % of total pledged) as of November 30th, 2019.

Capital Project Financing

- Balance on the short term loan was \$101,689 as of November, 2019.
- The short term loan is due on February 14, 2021. At least \$87K must be paid before January 20th, 2020. (\$71.5K of that amount paid as of November 30, 2019.)
- Payments forecasted thru December 2019 are \$12.6K.
- Subcommittee of Board met to consider financing of capital campaign shortfall, along with roof repairs. Budget and Finance Committee is discussing this issue.
- Capital campaign inflows since January 2018 – see table below:

<i>January 2018 and beyond</i>	<i>Amount Received (in \$000)</i>
January 2018	7
February	14
March	15
April	19
May	8
June	6
July	17
August	5
September	4
October	6
November	5
December	13
January 2019	10
February	6
March	8.5
April	8

May	25
June	11
July	3
August	3
September	7
October	6.5
November	4

Respectfully submitted, Claudia Kocher

BIRMINGHAM UNITARIAN CHURCH

TREASURER'S REPORT

January 28th, 2020

Month of December – FY 2020

- Pledge receipts for the month were \$66K, same as budget.
- Plate collection was \$4.5K, same as budget.
- Community Foundation annual draw received. Amount is \$9K, same as budget.
- Rental income was \$13K vs budget of \$9K, for a \$4K positive variance.
- Net revenues were \$94K vs budget of \$91K for a \$3K positive variance.
- RE staff expense was \$8K vs budget of \$6K due to hiring of RE assistant earlier than expected.
- Total office/facilities staff was \$25K vs budget of \$28K, for a \$3K positive variance.
- Total facility and office expenses were \$10K vs budget of \$11K for a \$1K positive variance.
- Operating expenses were \$59K vs budget of \$62K for an \$3K positive variance
- Adjusted Operating income was \$35K vs budget of \$28K for a \$7K positive variance.

FY 2020 Year to Date Results

- Pledge receipts for FY 2020 year-to-date are \$273K vs budget of \$247K for a \$26K positive variance.
- Prior year pledges are \$10K vs a budget of \$2K for an \$8K positive variance. Rentals for FY 2019 year-to-date are \$64K vs budget of \$57K for a 4K positive variance.
- Net revenues are \$392K vs budget of \$362K for a \$30K positive variance.
- Operating expenses are \$384K vs budget of \$365K for a \$19 negative variance.
- Adjusted Operating income is \$12K vs budget operating income of -\$3K for a \$15K positive variance.

Unrestricted Cash on Hand

- \$67K (\$110K, including prepaid pledges) at 12/31/19. This is up from \$32K (\$81K including prepaid pledges) as of 11/30/19.
- Target for “uncommitted cash” is \$71K. Current unrestricted cash on hand (includes 19/20 pledges paid in advance) is \$39K above this amount.

FY 2020 Capital Campaign Pledge Update

- \$3.6K in capital campaign pledges collected in December, 2019.
- \$1,390K collected in capital campaign pledges (95% of total pledged) as of December 31st, 2019.

Capital Project Financing

- Balance on the short term loan was \$101,689 as of December 31,2019.
- The short term loan is due on February 14, 2021.
- Payment to Level One Bank around January 20th was \$8.5K
- Awaiting final numbers on capital campaign.
- Eric Sargent, Budget and Finance Committee Chair, to address Board regarding options for addressing short term loan balance and current facilities needs.
- Capital campaign inflows since January 2018 – see table below:

<i>January 2018 and beyond</i>	<i>Amount Received (in \$000)</i>
January 2018	7
February	14
March	15
April	19
May	8
June	6
July	17
August	5
September	4
October	6
November	5
December	13
January 2019	10
February	6
March	8.5
April	8
May	25
June	11

July	3
August	3
September	7
October	6.5
November	4
December	3.6

Respectfully submitted, Claudia Kocher

Minister/Executive's Report to the Board of Trustees

Submitted 1/28/2020 by Rev. Mandy Beal

1) Worship and Rites of Passage

- a. Continue to work with other worship leaders to create and lead services with a clearly defined emotional arc and a seamless flow
- b. Designed a successful MLK multigen service that promoted leadership by people from several age groups, including a homily by a teenager
- c. In addition to regular Sunday services, led Blue Christmas service on 12/12/19, made successful changes to the 5:00 Christmas Eve service and led a well attended and "tight" Christmas Eve service, led memorial service for Inta Davis

2) Pastoral Care and Presence

- a. Provided training in Family Systems Theory to Pastoral Care Associates 1/27
- b. Appropriately intervened and provided pastoral care during 1/5 TFAA that opened deep grief in our children

3) Spiritual Development for Self and Others

- a. Continue with my own spiritual direction and yoga practices, meet monthly with my MFC mentor and seek out guidance from other colleagues as necessary
- b. Met with 6-7 and 9-12 teachers and advisors on 1/5 to provide training in appropriate boundaries for working with youth
- c. Met with K-5 teachers on 1/12 to gather feedback about 19-20 church year and plan for 20-21 goals
- d. Met with youth and their advisors on 1/29 to do teambuilding, start planning youth Sunday, and demonstrate youth leadership skills to the advisors

4) Social Justice & the Public Square

- a. Participated in debriefing conversation about SOS on 12/8/19 and reaffirmed my support of this program
- b. Met with SEJ chairs on 1/6 to discuss successes and struggles as well as hear their plans upcoming citizenship conference to be hosted at BUC
- c. Met with Plate Collection chair on 1/21 and SEJ co-chair to discuss tightening the focus of BUC's SEJ activities

5) Administration

- a. Furnaces and Roofs have been a major problem, please see responses to EL 6, we also have a woodchuck problem
- b. Working with Joanne and Valerie to create a draft 2020-2021 budget, working with Stewardship Team on theme, timing, and tone of this year's campaign
- c. Staffing – continuing to onboard Valerie (going really well), helping Shari wind down
- d. Began monthly budget reviews with staff

- 6) Serves the Larger Unitarian Universalist Faith
 - a. UUMA Cluster meetings – working our way through the proposed new UUMA guidelines, I led cluster worship in November '19
 - b. Provided collegial support to a few colleagues re: ethical and admin concerns; participated in discussions regarding racial equity and “gadfly” controversy
 - c. Completed draft of Covenant with Rev. Dr. Kathy Hurt
 - d. Registered for Regional Assembly (4/18/2020 in Rockford, IL)
 - e. Guest Preached in Sarnia, ON 1/26
- 7) Leads the Faith into the Future
 - a. Used a film for MLK Sunday
 - b. Added worship theme slide to every Sunday service
 - c. Helped shape and implement new social media campaign
 - d. Had several meetings with new and potential members (four in December and January), also met with the Getting to Know UU class on 1/12

Executive's Response to EL 6 Review

Submitted 1/28/2020 by Rev. Mandy Beal

- 1) This requirement is met through BUC's policy with Church Mutual.
- 2) This is also met through BUC's policy with Church Mutual.
- 3) To my knowledge, BUC is in compliance with this limitation.
- 4) Although this is an Executive Limitation, I am unable to meet this requirement without the work of the Budget and Finance Committee, Buildings and Grounds Committee, and Board of Trustees. It is imperative that this congregation make repairs to the roofs of the Red Door Classroom and Blue Door Classrooms. This will require a major financial effort which I believe will be most appropriately resolved through an endowment draw, which requires a congregational vote. Additionally, there are several (at least three, perhaps four) furnaces that need to be replaced, which will most likely exceed the funds available for building maintenance. Finally, BUC needs to increase the amount annually set aside for facilities contingency (currently \$500/month versus the recommended 10% of the operating budget).
- 5) The Buildings and Grounds Committee serves as the "knowledgeable source" for most major decisions. Valerie, Jason, and I also utilize contractors when necessary, seeking at least two bids on larger projects.
- 6) To my knowledge, BUC is in compliance with this limitation.
- 7) Files are kept in locked cabinets which are located in my office, which is typically locked. Our server is backed up off-site to protect intellectual property and information in the event of fire or flood.
- 8) The Budget and Finance Committee provides an additional level of oversight and accountability of this requirement. There are times during the fiscal year when we do not have a cash flow that meets our internal guideline (average of the past three months). I am nervous about making payments on the short-term loan now that we are no longer collecting capital campaign pledges.
- 9) The Budget and Finance Committee also provides oversight in this area. To my knowledge, BUC is in compliance with this limitation.
- 10) I've worked with Joanne to establish procedures about cash reimbursements and spending on church credit cards. I've also disturbed guidance from the UUA about appropriate use of professional development money to all staff who have access to these funds (Senior Minister, Administrator, DRE, and Director of Music Ministry).