BUC Board of Trustees

Board of Trustees Minutes for July 20, 2015

Present: Lisa Demian, Penny Hackett-Evans, Jim Shettel, Marilyn Mast, Dick Cantley, Barbara Woolf, Bruce Webber, Eric Sargent, Marilyn Kelly, Dave Graham, John Hammer
Absent: Jack Lorey
Guests: Rich Schreck, Don Johnson

Call to Order

Centering – "Invocation" poem by Jean Loman

30 second check-in

Recitation of Board Covenant:

Listen to each other with respect
Support each other's leadership
Speak honestly for mutual understanding
Respect confidentiality of the Board and minister

Consent Agenda

Minutes from April 20, 2015 meeting approved – Barbara/Dave

Endowment update – Rich Shreck provided handouts showing the performance of our endowment over time, the original document setting up the endowment, and detail for the Memorial Glen endowment. The investment goal is to realize 6% return on investment, with the general endowment paying out a percentage based on the size of the fund, currently 3%. Once the general endowment reaches $500,000, draw will rise to 4%. Current balance is $423,073.

The Music Endowment is controlled by the Music Committee. The Memorial Glen Endowment is currently controlled by the Planned Giving Committee. Its funds were not spent for many years, but have recently paid for significant enlargement and refurbishment of the Memorial Glen.

Marilyn Kelly would like to look at the charter for the Planned Giving Committee.

Management of all three funds is entrusted to Center for Financial Planning, who do the work pro bono. Our monies are invested in comparatively low-risk investments, averaging 6 and 1/2% returns over the past ten years.

Monthly Reports

1. **Treasurer's Report** – Detailed reports for June were sent via e-mail. Year to date budget is $24K short. $55K of committed pledges for 2014-15 remains uncollected. Money is still coming in, however and a balanced budget for 2014-15 is expected.

   For the 2015-16 pledge drive, current activities and predictions indicate a reduction in pledge income for next year of $6K to$27K. There are still a number of pledgers from last year who have not committed for next year, in spite of valiant efforts to reach everyone.

   Eric feels the task is to gently encourage folks to meet their obligation to support the church.

   Penny suggests that members of the financial team attend 2016 General Assembly, which is in Columbus, Ohio next June. They will have workshops that should offer new wisdom for successful canvassing.

   Eric and Annette are ready to pass this job along to new volunteers.

   Kim Ruiz is supplying data to Stewardship. She may need help keeping track of all the data: pledges, capital campaign, UU dues, and advertising on WDET.

   We are not supposed to retain people as members if there is no financial contribution of record, but this can be a tricky situation. Will Stewardship or Membership be following up with non-givers?

   A reduction in pledge income will require budget adjustments. Jim Shettel and Kim Ruiz will be putting together a budget over the summer, for Kathy's approval in September when she returns from sabbatical. [In the meantime, the Board authorized by unanimous e-mail vote to continue the 2014-15 budget for the moment, with affirmation at the Board's August meeting.]

2. **Executive's Report –** Jim e-mailed us his written report on developments in our Ends areas of Worship, Service and Stewardship.
   1. Sound system enhancements for the Sanctuary are under way, with mid-September installation likely.
   2. Our grounds are receiving a lot of care from volunteers over the summer through Jim's "Adopt a Spot" job jar of projects. Jim is recognizing volunteers in the Order of Service. These folks should also be considered as potential Volunteers of the Month.
   3. Purchase of new Social Hall chairs is being investigated and possibly other chairs and furnishings.

3. **Minister's Report –** Penny continues to preach once per month during Kathy's absence. She reported lots of pastoral care activity this past month. The LGBTQIA (Interweave) group has had one meeting, but just four people came, so this may not be a continuing group. She continues ongoing workshop leadership. Report on Worship will be part of the monitoring discussion on Ends Policy #3 Worship later in the agenda.

4. **Monitoring: Ends Policy #3: Worship** – Penny Hackett-Evans reported for this area. Teresa Honnold is the new Worship Committee Chair. The worship team is including visual images in services. Next year's theme will be focused on the seven principles of Unitarian Universalism.

Penny also reported that next year, as she assumes the responsibility for adult enrichment, we will start Chalice Circles in addition to the programming she is already doing**.** Chalice Circles are a type of small group fellowship program with a curriculum and yearly signup. Thye incorporate fellowship and working on one's spiritual journey. The Ann Arbor church has 60% of the congregation involved.

Monitoring: Executive Limitation Policy #6: Asset Protection – With the exception of #4, Maintenance, we are in compliance. The non-compliance with #4 is not attributable to the Executive, but rather to board decisions regarding budget in lean income years.

Generative/Reflective – How might we communicate the process of moving toward construction more effectively and transparently?

- A Social Hall poster which would include upcoming actions.
- Information on what's happening behind the scenes will be regular and more frequent. Barb Eschner is crafting a communication plan in coordination with three members of the CDPC (Sharon Kirchner, Karen Stankye and Pam Graham).
- No Board/CDPC table in the social hall.
- However a timeline should be constructed after August 3, supplied by McCarthy and Smith, our construction managers.
- Barbara suggested we approach newcomers about the capital campaign after they have been here for 6 months to a year, and when we have visible work going on.
- Bruce suggested a visual display be posted a month before each part of the work is done, showing people how to get where during that project.

Board Business:

1. **Stewardship Report** – discussed under the treasurer's report above. Pledges are currently at $463,000. Pledges from last year which have not yet been made for this year total $85,000. Eric proposes a further update in September, when we hope more pledges will have come in.
2. **Focus Groups on Financing Options** – Dick and Lisa met with two groups, informally, totaling about 16 people. No Board members or their spouses or staff or their partners were included. The idea of church bonds was rejected. The idea of loans from congregants was received with some interest, especially as to the short-term financing of $800K, but less so with respect to the $400K needed long term. A loan program could be marketed as an investment opportunity that happens to benefit the church, with a payback to occur over 42 months. This could save the church some money. Bank financing is still being explored as well, with Huntington Bank willing to do both loans.
3. **CDPC Report –**
   Dick reports that McCarthy and Smith's cash flow projection shows we will need a bridge loan in place by June 2016 for $800K, and a $400 mortgage to close in September 2016. Prep work will begin April 1, 2016, with demolition beginning the third week in April. Architect and construction manager are in close consultation to bring in our project on budget.

The CDPC is not happy to discover that the architect's drawings include a greater slope from the foyer down to the pavilion. There is not enough space to continue the more gentle slope of the foyer all the way down. Great disappointment from the committee and the Board on this. The architect is charged to improve communications to prevent further surprises. Don Johnson asked if the slope returns to a ramp grade of 1:12, does that save $400,000? The answer is that it could, but to get there would require a 1:12 ramp throughout and a complete redesign to a standard unlike what the congregation voted for. Don then asked that the Board consider reducing the scope of the entry part of the project to reduce costs. Board discussion then ensued regarding aesthetics, costs, ADA rules and regulations, and what the congregation has already approved. The Board unanimously agreed to make no changes to the project, and supports the CDPC position.

Communication from the committee was addressed in the Generative/reflective discussion above.

3. **Town Hall – scheduled for August 16, after service**

Volunteer of the Month – no one for August. The August meeting will name the new volunteer for September

Meeting adjourned at 9:15 pm

Respectfully submitted, Marilyn Mast, Secretary