

**Unity Church - Unitarian
Board of Trustees Meeting
January 10, 2015 9:00 a.m. - 4:00 p.m.
Unity Church - Unitarian Library**

Attendees

Board of Trustees (BOT) Members: Stuart Alger, Ginny Allen, Deborah Carter McCoy, Mark Foster, Hal Freshley, Rich Hamer, Steve Harper, Peggy Lin, Angela Newhouse

Executive Team (ET) Members; Lisa Friedman, Barbara Hubbard, Rob Eller-Isaacs, Janne Eller-Isaacs

Others: Lindasusan Ulrich

Opening

Steve Harper offered an opening reading and a focus question.

Review of the Past

Approval of December minutes:

Steve Harper moved to approve the December Board of Trustees meeting minutes. Hal Freshley seconded the motion. There was a brief discussion of the minutes and no corrections were noted. The motion was approved unanimously.

Executive Team Report:

Due to the short amount of time between the December 17, 2014 BOT meeting and this meeting, and the demands of the holiday season on the ET, there was no ET report this month.

Barbara Hubbard reviewed the April 2014 dashboard report. The discussion proceeded section by section, and included the following highlights:

- Unity Church-Unitarian is #11 in terms of pledging member population but 3rd or 4th in the denomination in terms of engagement (measured by the number of people in the building)
- The demographics in the Twin Cities and surrounding areas are excellent for future growth prospects
- Median and average pledges held steady
- Strong adult RE offerings reflect Lisa's leadership and ministry for adult religious education
- The new groups that have emerged are lay-led and generally do not represent additional demands on staff time
- Communicating anti-racism work is an emerging opportunity. There is a need to balance creating pathways to involvement that people can see and take advantage of, vs. the need to seize opportunities as they arise
- Heritage Society membership is consistent. BOT members are encouraged to join the Heritage Society if they are not already members.

ET Response to ET Evaluation:

At the November 2014 BOT meeting, the ET evaluation was presented and summarized. The BOT asked the ET to respond to the evaluation. Janne Eller-Isaacs presented the following points:

- The ET is committed to better communication and coordination with the BOT and the congregation regarding its anti-racism efforts.

- There needs to be a policy conversation on the definition of stakeholders as they relate to moral owners.
- There is room for improvement around timing of financial reports, cash flow projections and key indicators of financial health that would be useful to the BOT.
 - The board packet is ideally delivered one week before the BOT meeting. The ET indicated that it is very difficult and sometimes impossible to complete financial statements in time for inclusion in the board packet, which makes the board packet late. The ET will now deliver financial statements separately and usually by the last day of the month following the month of the financial statement (for example, January 2015 financial statements will be completed and distributed by February 28, 2015).
- The ET would like to talk to the BOT about the BOT's role in stewardship.
- The ET recognizes that the monitoring report on Policy J has not been provided, but it is now scheduled to be provided annually in August.
- The ET is aware that it needs to systemize opportunities for anti-racism training for the staff and for the congregation. They have made steps but are not done with this work.

Housing Allowance Recommendation:

The ET informed the BOT of housing allowances requested by ordained ministers on staff. There was a brief discussion that federal tax rules require an ordained minister to determine the percentage of income he or she spends on housing expenses. Hal Freshley made a motion to approve the requested housing allowance amounts. Deborah Carter McCoy seconded the motion. The motion was unanimously approved.

Sabbatical Reserve Request:

The ET brought a request to the BOT for use of sabbatical reserve funds for Rob and Janne Eller-Isaac's 2015 sabbatical. The sabbatical reserve is built over 6 years to cover the cost of replacement ministers while the senior ministers are away. \$62,000 has been accrued during the period 2008 - 2013. \$16,000 was used in 2014 when Rob and Janne were on a 2-month sabbatical. \$20,000 will be used in 2015. The ET requested that the BOT approve the use of an additional \$5,000 from the reserve for Rob and Janne's travel expenses in 2015.

Mark Foster made a motion to approve use of \$5,000 from the sabbatical replacement reserve fund for Rob and Janne Eller-Isaac's travel expenses in 2015 during their sabbatical under the BOT's authority to set ET compensation. Hal Freshley seconded the motion.

Rob and Janne Eller-Isaac's excused themselves from the meeting during the discussion.

The BOT discussed the fact that this use of sabbatical replacement reserve funds is outside the stated parameters for use of the sabbatical reserve, which is a BOT established reserve. The sabbatical reserve replacement fund is built to pay replacement costs while the senior ministers are gone. However, Janne and Rob have not been paid at market range during their tenure at Unity. They have declined raises during this time, and have given up part of their sabbatical so that Barbara Hubbard might take a sabbatical. The reserve is more than adequate to cover their 2015 two-month sabbatical; since Lisa Friedman will take over their senior minister duties, there will not be a need for travel expenses for other ministers. Following this discussion, the motion was unanimously approved.

Rob and Janne Eller-Isaac's rejoined the meeting.

Creation of the Future:

Review of November 2014 Financials:

Schechter Dokken Kanter partner Wendy Harden presented the November 2014 financial statements. Discussion included:

- Key indicators on the financial statements, including number of days of cash on hand, permanently restricted endowment vs. investments, total current assets vs. total current liabilities
- Does the BOT receive the right information to assess whether the ET is managing the church well? The BOT requested that the ET work with Schechter Dokken Kanter to put together a list of key financial indicators and a “dashboard” to indicate the church’s status under each indicator (such as red, yellow or green).

Following this discussion, Steve Harper made a motion to accept the November 2014 financial statements as compliant with ET limitations. Mark Foster seconded the motion. The motion was unanimously approved.

State of the Church:

BOT and ET members had a comprehensive, deep and meaningful discussion about the state of the church.

The ET members excused themselves for the balance of the meeting.

Sub-team Formation:

The BOT reviewed brainstorming ideas from the December 2014 meeting to inform the formation of sub-teams for the 2015 board year. Together with sub-teams required by the BOT chair, the following sub-teams will be formed for 2015:

Sub-teams With Work Throughout the Year:

- BOT Self-Education
- Evaluation
- Transition Planning
- Communication With Congregation
- Policy Review
- Linkage With Moral Owners

“One and Done” Sub-teams:

- Board Recruitment
- ARLT Recruitment
- ET Monitoring Reports
- Review of Minister Letters of Agreement

Ginny Allen will circulate a sign-up genius for BOT members to volunteer for sub-team service.

Hal Freshley offered a closing reading. The meeting was adjourned at 4:00 p.m.

Follow-Up Items

- Ginny Allen will add “Reviewing the definition of moral owners” and review of Policy IV (Board-Executive Team Relationship) to the policy sub-team’s agenda with the eventual goal of adding these to the perpetual calendar.

- The ET will update the dashboard report and provide it for BOT review in March or April 2015, with additional information (including criteria, definitions, and capital giving) added to the report.
- The ET will more formally address BOT stewardship (the financial commitment of BOT members to the church) at a future meeting.
- The ET will provide “key indicators” and a dashboard measuring the church’s performance against these indicators with financial statements starting with the March 2015 financials, to be provided by April 30, 2015
- Ginny Allen will add “state of the church” discussions to the agendas for the May and September BOT meetings

Respectfully submitted,

Peggy D. Lin