

## **Unitarian Universalist Church of Arlington**

### **Board of Trustees Meeting Minutes**

**November 21, 2017**

**Attendees:** Board of Trustees (Warren Wright, Chair; Chad Ohlandt, Paula Bendl Smith (via phone), Janice Morris, Andrea Ryon, Al Himes, Emily Goodin, Art Stevens, Hieu Nguyen); Hannah Connolly (Secretary), Peter Vitaliano (Treasurer), Aaron McEmrys (Senior Minister), Christin Green (Intern Minister), Bruce Rieder (guest).

#### **Open, Call to Order, Chalice Lighting, and Check-in**

Board Chair Warren Wright called the meeting to order at 7:31PM. Board Members checked in.

Janice Morris read an excerpt from [“Disturb Me, Please!”](#) by Margaret J. Wheatley for the Chalice Lighting.

#### **Communication Team**

The Communications Team (Emily Goodin, Janice Morris, and Heiu Nguyen) reviewed the editorial calendar for the Board and Rev. Aaron. The Board also discussed other communications efforts, including tabling after services in Fellowship Hall and speaking at services before the November 29 Congregational Meeting.

#### **Stewardship (ATTACHMENT 1)**

Bruce Rieder briefed the Board on the Stewardship team’s progress and the upcoming pledge season. The Board also discussed coordination between the budget process and pledge season. The Stewardship team is also planning on holding the “Be the Change” campaign with RE. Bruce asked the Board to participate in supporting the Stewardship team’s efforts during pledge season.

#### **Consent Agenda**

[Minutes of 17 October 2017 Board Meeting](#)

Al Himes moved to accept the consent agenda. Janice Morris seconded. PASSED

SECOND: Janice Morris

#### **Treasurer’s Report - Quarterly Financial Review (ATTACHMENT 2)**

Treasurer Peter Vitaliano reviewed the quarterly financial review, which will highlight key items for the Board’s information and decisionmaking on a quarterly basis.

First, Peter briefed out the monthly pledge income over the last five years, approximately. The average pledge income amount is \$100k/month, back to 2012. The report showed some growth, but the pledge income is relatively slow growing. Peter highlighted that the pledge

income is not sufficient to support growth in operating programs. There are other sources of income, including rental income, but those have limits and tradeoffs. A Capital Campaign focused on paying down the mortgage could generate capital and help increase program growth and funding by freeing up operating income to grow programs.

Second, Peter reviewed the Consolidated Statement of Revenues and Expenses for the Board, comparing the operating statements and the consolidated statements, which incorporate other revenue sources and expenses. Fundraising and investment income are sources of revenue outside of the operating budget. The discussion highlighted depreciation and its effect on the consolidated statement.

The Board then reviewed the monthly statement as is standard for the Board Meeting. The church is still in compliance regarding the endowment, but if an endowment draw is needed this year, the church will be out of compliance.

### **Second Minister Initiative**

The Board discussed the actions needed by the Board, Nominating Committee, and Selection Committee to find UUCA's second minister. Al and Warren met with the Nominating Committee to provide a list of qualities that the Board recommended for Selection Committee members. Ideally, the Selection Committee will be in place by the end of January and the congregational meeting on January 27.

The Board brainstormed other potential qualities that would be good for Selection Committee members, including participants who are active in anti-racism work, generationally diverse, diverse in activities at the church, and who have facilitator training or can take facilitator training before the inquiry process. The Board also discussed the ideal number of Selection Committee members and whether a Board Member could be on the Selection Committee.

Lastly, the Board discussed the November 29 meeting and the preparations that need to happen before the meeting, including reaching out to the UUA for a Fact Sheet for congregants.

### **Emerging Opportunities (ATTACHMENT 3)**

Rev. Aaron highlighted a few items in his most recent Emerging Opportunities report: the Service Never Sleeps initiative, the initial stages for the Social Justice Coordinator hiring search, the progress of the Strategic Communications Team, and expanding the Nominating Committee's role and vision. Rev. Aaron also discussed the large Tibetan participation and inter-denominational connection during the services and events last weekend.

**Adjourn Regular Meeting adjourned at 8:53PM.**

**Executive Session began at 9:15PM and adjourned at 10:02PM**

11/17/17

2018-19 Annual Giving Campaign

**THEMES:**

- **Campaign Theme: Gather at the Well.**
  - The well, oasis, spring, being the source of fresh water, is the foundation of communal life. People first came to the well for sustenance. While the water in the well is a gift of grace, people found the need to take care of the well, protecting it from being fouled. Humans cannot manufacture water-it comes to us by grace. Cooperation and community was required to do this, and people took the opportunity to bring their ideas and their gifts to form institutions for mutual support like churches. We come to the well to get what we need, spiritual sustenance in the case of a church. We bring our gifts and protection to strengthen our connection to one another and to maintain the source of our mutual support that exists by grace.
- **February Worship Theme: Perseverance; (January is Intention)**
  - UUCA celebrates its 70<sup>th</sup> year of being an Arlington institution in 2018. We've been gathering at this well since the 1940's. We've persevered through good times and not so good times to be a constant provider of spiritual awareness, social activism, and comfort for this community.
- **Focus message: Is this "your" year? This is my church and I am responsible to it and for it without condition. We are the Church.**
  - Is this the year that you can reimagine and re-energize your commitment to UUCA? Have you been giving for several years at the same level, regardless of inflation? Do you feel a connection to this congregation and do you feel comfortable that your gift of a pledge adequately reflects your commitment to that connection?
  - Personal responsibility for the church without the expectation that everything will go "my way". Opportunities for members to connect to the church are the responsibility of the Board, clergy and other lay leaders to provide. The individual has the responsibility to make the decision to avail themselves of those opportunities to "connect".
- **Pacing: aim for earlier awareness and a big start. We run the risk of the campaign seeming too long but hope for early commitments to better encourage the lagging commitments. In the ideal, by the time the member receives the pledge card in the mail, they will be expecting it, and many will be ready to make an immediate commitment. The kickoff event on the first Sunday, February 4 could be envisioned as the major pledge declaration event with lists of members pledged in the week 2 service program (no amounts for individual pledges, just the names of pledgers as in the past).**

**ANNUAL CAMPAIGN GOAL:**

- **GOAL:** Pledges of \$1.5 million;
- 2017-18 pledge campaign result (gross): \$1,284,060
- Goal reflects a 17% increase in pledges from last year
- Major new spending initiatives are not expected this year as we grow our income to fit our infrastructure and service level. We continue in a multi-year cycle of right sizing our income and budget.

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**SCHEDULE:**

November:

- Brief Board of Trustees
- Outreach to leadership regarding schedule and call for participation ideas (outreach to RE; music program; covenant groups (?))
- Refine the plan as needed
- Recruit additional volunteers
- Develop and finalize Logo for reproduction on letterhead, pledge cards, and 2 banners (one banner for outside ramp, one banner for Fellowship Hall) 3 Posters; order banners and posters,

December:

- Early December meeting of the committee
- complete update of annual giving page on the website to include summary of the current budget, revised Q & A, and revised table of pledge distribution. Edit testimonials as appropriate to retain some until we have new ones to come in from this year's campaign.
- Draft letters, thank you notes text, pledge cards (blue color); add "estate plan" checkbox
- Order envelopes and printing as needed for letters (Sarah)

January:

- January-"teaser"/save the date to "kick-off" event each week in January Connections. Connections piece for January 4-"what is your pledge intention?"
- January 1//11 Letter targeted to newer congregants and to the non-pledging group letting them know what pledging is about and to be expecting the campaign
- January 21, 2018-provide 3 speakers to RE on Stewardship/giving if requested (Janice Morris coordinating)
- January 27, 2018-Leadership Conference(?-confirm)
- January 29, 2018-provide 3 speakers for RE on Stewardship/giving if requested(janice Morris coordinating)
- January 29, 30, 31 -Envelope Stuffing for Appeal Letters-Simple letters; target those who did not increase pledges last year- "is this your year?"-with a separate text. All other letters the same, enclosing pledge card
- Goal is to have the cards in people's hands BEFORE February 4 kickoff

February 1- Hang Banners at church

February 1-Connections piece-add logo linked to giving page

**February 4-OPENING SUNDAY-We are the Church**

- Determine who will introduce the campaign
- Table in Fellowship Hall/Signage

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**WE ARE THE CHURCH KICKOFF EVENT.**

- Envisioned as a series of low/no cost events to attendees during the day to encourage congregants to spend some time with other congregants, to have fun, to gather early pledges. A blank pledge card is your family admission with an encouragement to fill it out before you leave.
- IDEAS: (the Super Bowl occurs on this date with kickoff currently publicized as 6:30pm)
  - A "family" event early in the day/after second service, maybe a lunch; maybe and ice cream social or combo of the two. Doorprize
  - An afternoon potluck supper that could be "pre-Super Bowl" for some and could extend into an "alternate" Super Bowl event for others. This could also be structured as the Chili cookoff. Maybe a DJ. Doorprize
  - Super Bowl viewing event in the Activity Room simultaneous to the upstairs "alternate" 50/50 raffle
- Goal to get the bulk of pledges early and to publicize participation early-see second Sunday publication of the pledge list

February 8-email blast to those members and friends from who we have no recorded pledge for the current year, or a pledge of less than \$500.

February 8-Thank You Notes/E-mail

February 11-SECOND SUNDAY

- List of Pledges (names only, not amount as previously coordinate directly with Sarah Masters) received to be inserted into the bulletin
- Testimonial Speaker
- Table in Fellowship Hall/Signage
- Be the Change RE Fundraiser TBD

February 15-Facebook/email blast to all with a status report and renewed appeal

February 15-Thank You Notes/E-mail

February 18-THIRD SUNDAY

- Testimonial Speaker
- Cost of a seat/day/hour demonstration? confirm with Tamara. Some other "concrete, nuts and bolts message"?
- Table in Fellowship Hall/Signage
- Table at RE entry

February 21-email blast to all we have not yet heard from-focus on non-pledgers; follow-up calls?

February 21-Thank You Notes

February 23-another email blast to all we have not yet heard from-focus on non-pledgers; follow-up calls?

February 25-FINAL SUNDAY-CELEBRATION SUNDAY

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- Testimonial Speaker
- Table in Fellowship Hall/Signage
- List of Pledges received in the program

February 25-after service CELEBRATION event; continue collecting pledges and toting up during the event. Coordinate with a youth or other fundraiser lunch/brunch? Could this be a musical event?

February 26-email to all those we have not heard from

March 1-Facebook/email/text to all of those we have not heard from

March 1-Thank You Notes

March 3-email/text to all of those we have not heard from

March 8-Thank You Notes

March 9-Annual Giving Team Meeting 7pm

March 7, 8, and March 14, 15, 21, 22-Phone Calls-focus on those who pledged in the current year but from whom we have not received a current pledge.

March 14-Thank You Notes/Emails

**ASK FROM BOARD OF TRUSTEES AND LEADERSHIP:**

- Ask that Board members and church leaders commit to early pledges as an encouragement to the congregation
- Ask that Board members participate in visible tasks-fellowship hall table staffing after February services; testimonial participation on at least one of the Sundays during February.
- Ask for participation in follow-up phone calls in early March

**JOB DESCRIPTIONS:**

- Social:
  - Organize and implement a We are the Church kickoff daylong events on February 4
  - Organize and implement a celebration event after February 25 service
- Religious Education Coordinator (Janice Morris, others?):
  - Offer and organize information on giving to RE classes, could be a short presentation to RE groups or updating RE teachers for them to work into their programming
  - Organize and Schedule RE fundraiser such as the "Be the Change" campaign of last year.
- Communications coordinator (Kathleen Light, others?):
  - Update webpage information-budget summary/Q & A/pledge chart (quartiles?)
  - Coordinate design and fabrication of banners/posters
  - Compose and organize social media contacts
  - Compose and draft Connections pieces before, during, and after the campaign
  - Pledge list for the second and fourth Sundays

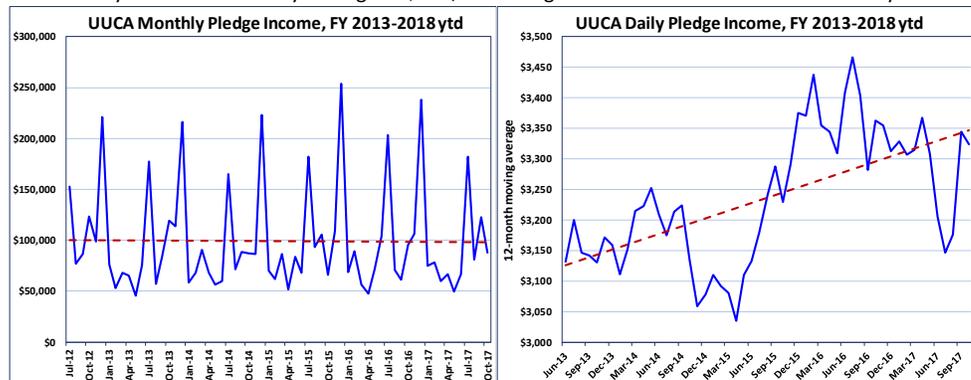
**11/17/17**

- Worship coordinator(s)
  - Recruit testimonial speakers
  - Coordinate each Sunday's presentation with the worship team, in particular starting WAY in advance with Aaron and other clergy
  - Organize and recruit for staffing tables in fellowship Hall for the Sundays during the campaign
- Stuffing Envelopes for letter mailing
- Data Entry volunteer to work directly with staff to assist in timely posting of pledges-if the Celebration event pans out for February 25, this person would be particularly needed on that day to tote up in "real time".
- Thank you, notes/Emails,
- Phone Calls
- Staff table in fellowship hall on Sundays during the campaign

**Report of the Treasurer  
 UUCA Board of Trustees  
 November 21, 2017**

**Long-Run Trends in UUCA Pledge Income**

The UUCA finance staff regularly reports data to the Finance Committee on monthly pledge income received during the current and prior five fiscal years. During the previous fiscal year, ended June 30, 2017, pledge income represented 80 percent of the church's total operating budget income. Pledge income therefore represents the primary financial fuel that powers the church's programs and services to members, friends and the wider community. Macro trends in pledge income received over the past six years, which is presented here, provides important information about the future support for maintaining and growing those programs. The chart on the left below shows monthly pledge income for the past six fiscal years. It shows a clear, repeated annual cycle, but little indication of systemic growth, with a seemingly steady average of just under \$100,000 per month. Seasonally, the month of maximum pledge payments is December, the end of the tax year for most filers. July is the second highest month, when prepaid pledges for the new fiscal year are recognized as income and when some pledges for the prior fiscal year are paid late. As can be seen clearly, pledge income is almost always substantially below the monthly average of \$100,000 during the entire second half of each fiscal year.



The chart on the right above shows the same data adjusted by simple statistical smoothing, in the form of a 12-month moving average of daily pledge income, adjusted for leap year calendar year composition. This chart reveals a modest degree of growth in pledge income. Interpreted (generously) as a linear trend, this growth amounts to \$18,600 per year, or 1.6%. Growth at this rate provides little except maintaining potential parity with increases in the cost of living. Other sources of operating budget income, including rental income, are important, but provide little scope for continued expansion capable of supporting program growth on a long term basis. Capital campaigns represent the only other source of significant income utilized by UUCA in recent years, raised from essentially the same donor base as pledge income used to fund operations. Past capital campaigns have funded additions to capital, which have tended to increase operating expenses, chiefly in the form of higher debt service payments. The next capital campaign would, from the current planning perspective, be targeted toward reducing or paying off the current mortgage, which would reduce operating expenses. Mortgage payments total \$195,000 in the current fiscal year's budget, and these payments will increase in about a year and a half, when the loan principal amortization schedule resets from the current 30 years to 25 years. Eliminating the current mortgage payments would save more than 10 times the (generously) estimated annual incremental income that can be expected from growth in pledge income from the congregation, as constituted in recent years.

**UUCA Consolidated Statement of Revenues and Expenses - Fiscal Year 2017**

The UUCA finance staff prepares the church's operating statements and balance sheets on a monthly basis. It also prepares consolidated versions of these statements less frequently. They are required, for example, in connection with the biennial external audits. The consolidated financial statements treat the church as a single, holistic financial entity. As such, they include all financial transactions between the church and external persons and financial entities, but exclude all internal financial transactions, such as financial flows into and out of the various UUCA designated funds. The differences between the monthly and the consolidated financial statements are greater for the operating statements than for the balance sheets.

The table below compares the monthly operating and consolidated versions of the UUCA statements of revenues and expenses, with the focus on the revenue side. Future discussion will focus on comparisons on the expense side and other differences between the operating and consolidated financial statements.

The consolidated statements give a more complete picture of the church's overall financial operations and condition while the monthly statements provide the information necessary to monitor and evaluate the ongoing financial operations of the church on a more timely basis.

<b>Fiscal Year 2016-17</b>	<b>Operating Statement</b>	<b>Consolidated Statement</b>	<b>Non- Operations Amounts</b>
	<i>(Thousand \$)</i>		
<b>Revenues</b>			
Contributions	\$103	\$498	\$395
Pledge Income	\$1,117	\$1,117	\$0
Other Collections	\$21	\$32	\$11
Fundraising Events Revenue	\$51	\$102	\$51
Rental Revenue	\$166	\$166	\$0
Music/Theatre (Program) Revenue	\$8	\$8	\$0
Investment Income	\$1	\$123	\$123
Recovery of Bad Debts	\$0	\$18	\$18
<b>Total Revenue and Support</b>	<b>\$1,467</b>	<b>\$2,064</b>	<b>\$597</b>
	<b>71%</b>	<b>100%</b>	<b>29%</b>
<b>Expenses</b>			
Depreciation	\$0	\$378	\$378
Other Expenses	\$1,540	\$1,846	\$307
	<b>83%</b>	<b>100%</b>	<b>17%</b>
<b>Total Expenses</b>	<b>\$1,540</b>	<b>\$2,224</b>	<b>\$684</b>
<b>Net Revenue/Expense</b>	<b>-\$73</b>	<b>-\$160</b>	<b>-\$87</b>

**Fiscal Year 2018 to-Date Operating Results – Highlights for July-October**

- YTD revenues were \$31 K below budget, \$38 K ahead of last year
- YTD expenditures were \$64 K below budget, \$30 K below last year
- YTD net revenues over expenses were \$33 K ahead of budget, \$68 K ahead of last year

UUCA Operating Revenues, Expenses and Net Revenues Fiscal Year 2018, with Comparisons Thousand Dollars									
	Fiscal Year 2018, Actual			Fiscal Year 2018, Budget			Fiscal Year 2017, Actual		
	Revenues	Expenses	Net	Revenues	Expenses	Net	Revenues	Expenses	Net
Jul	\$195	\$119	\$76	\$142	\$142	\$0	\$238	\$126	\$112
Aug	\$95	\$125	-\$30	\$142	\$142	\$0	\$75	\$131	-\$56
Sep	\$136	\$139	-\$3	\$138	\$138	\$0	\$74	\$134	-\$61
Oct	\$109	\$118	-\$9	\$142	\$142	\$0	\$110	\$140	-\$30
YTD	\$534	\$501	\$33	\$565	\$565	\$0	\$496	\$532	-\$35



**Operating Reserves**

The operating reserves of the Church consist of:

- A reserve of funds to cover the current assets of all designated accounts,
- A general operations reserve, and
- A replacement reserve, which is restricted.

These funds are all invested in several Fidelity mutual funds, which are managed by the Executive in consultation with the Investment Committee.

At the end of October, balances of these funds were as follows:

UUCA Operating Reserves - October 31						
Thousand Dollars						
Designated Accounts	General Operations	Restricted Replacement Reserves	Total Operating Reserves	FY 2018 Expenditure Budget		Months of Reserves
				Annual	Bimonthly	
\$136	\$16	\$48	\$200	\$1,677	\$280	1.4

Executive Limitation 4.6.2 under Board policy requires the Executive to operate with at least two months (1/6 of the annual budget) of liquid operating reserves, unless otherwise approved by the Board. Executive Limitation 4.6.3.a) further specifies that, if the operating reserve at the end of the current fiscal year is projected to be less than 2 months of operating expenses, the following year's budget must be balanced. At the end of October, the operating reserves totaled 1.4 months of the annual budget. The budget for the current fiscal year, approved by the Congregation on June 4, is balanced.

**Endowment Fund**

The assets of the **Endowment Fund** at the end of October totaled \$882 thousand in liquid assets invested in ten different Vanguard mutual funds, which are managed by the Executive in consultation with the Investment Committee. The assets of the Endowment Fund at the end of October represented 53 percent of the Fiscal Year 2017-18 expense budget of \$1,677 thousand. Executive Limitation 4.8.4 under Board policy specifies that the Executive shall not "allow the endowment balance to be less than 100% of the annual operating budget. As an exception, the Executive may plan a balance of not less than 50% to refinance the mortgage in the year 2017." Accordingly, the Fund was in compliance with Executive Limitation 4.8.4, under the exception clause, as of the end of October.

**Long-term Liabilities**

The balance of the refinanced, single mortgage was \$3.181 million at the end of October. At the end of October, the Church's ratio of total liabilities to total assets was 0.42.

Peter Vitaliano, Treasurer, UUCA

## Emerging Opportunities Report November, 2017

### Pastoral Care

- **Care Team:** almost all applications have been received. We have an excellent pool of candidates, and are working not only to evaluate applications for inclusion in the Care team, but for other create and meaningful ways to involve all applicants in our broader ministries of care.
- **Counseling:** this time of year typically brings a spike in counseling requests, and this year is no exception. The challenge of course is to Tetris them all into my schedule and then refer them to other internal and external resources to support them.

### Faith Development

- **Behavioral Issues:** this continues to be a growing challenge for our program, especially apogee the younger grades. We are now considering a combination of stronger, more explicit behavior guidelines combined with specialized staffing to ensure a safe and healthy learning environment for all our children. This could be expensive.
- **Youth/Young Adult Coordinator:** We are getting a steady stream of applications and feel confident we will be able to make a good hire in the next month or two.

### Faith in Action

- **Partnerships**
  - **Gospel Choir:** We are WAY ahead of schedule here. Not only are we singing well together, but more importantly the kind of relationships we are dreaming of are already beginning to develop before our eyes, and not only between our singers and Zion's, but between our congregation and theirs.
  - **Share the Plate:** the STP tea, led by Tamara, is very close to announcing the partners for the coming year as well as the process by which partners will be evaluated and chosen.
  - **Service Never Sleeps:** Almost 150 people have been through our 5 hour Allyship training now! This is astonishing!!! Because the level of engagement and urgency is so high, the partnership/consultancy has rapidly outgrown our initial vision. Because this program is not budgeted, I will be paying for any additional costs for this fiscal year out of my compensation/professional expense line. I will not go to GA or other conferences, etc so we can make sure this critical ministry is appropriately funded.
- **Social Justice Coordinator:** Now that enough time has passed for us to effectively assess where this year's "transitional" funding needs to go, we are ready to hire our new Social Justice Coordinator. This will be a 20 hr/week position to start and will focus on the following: supporting and developing our Partnerships, Incubating new programs/ministries, mobilizing the congregation as needed, integrating people of all ages in our FAI work and helping our institution continue to become more diverse, intercultural competent and anti-racist. We are in preliminary discussions with a number of candidates and will be posting the job notice this week. We expect to have someone in place by the second week of December (if not earlier).
- **International Human Rights Weekend:** Our first collaboration with our Tibetan neighbors was a great success. In addition to people from the UUCA and Tibetan communities, we had many participants and guests from other communities (especially refugee communities) as well. We plan a second, larger collaboration for July, 2018.

- **Hopi Pilgrimage:** due to loud and popular demand, we are in the early stages of planning a college age and older pilgrimage to Hopi in the spring. We will be doing this in collaboration with our sister congregations in Rockville, M D and Flagstaff, AZ.

### **Worship**

- **The Star Suite:** Maya Rogers has recently completed a major work, which is perfect for worship. On the first Sunday of December she will premiere the suite, which will be interwoven with my words/poetry.
- **"Holy" Week:** full of opportunity as always, the week will begin with our annual Winter Solstice ceremony "The Dying of the Light," followed by Standing Outside the Season, the Solstice installment of Transmissions and our four Christmas Eve services. The big change is that not only are we doing the two "pageant" services aimed at children and families at 9:15 and 11:15, but we are also unveiling a new Christmas Pageant altogether, created by our own Chalice Theatre!

### **Institution/Membership**

- **Inquiring Friends:** at the request of the Growth Team I have been personally calling Inquiring Friends on the phone to check in personally, see how their UUCA experience is going and gently nudge them toward formal membership. These calls are WONDERFUL in terms of connection and engagement - AND each completed call takes 20 minutes or more to complete. These calls can only be made on weekends or weekday evenings, when I am typically booked with other church meetings or events, so finding the extra hours to make the calls is challenging. I understand why the GT feels personal letters/notes from me would not be helpful, but having completed 60-some calls so far over a ton of hours I worry that this is not a sustainable practice for me. Not with so many competing demands on my time and energy anyway. Again, the calls are amazing! But every hour (and I have spent many) I spend on this, is time not spent on other congregational priorities. I understand that numerical growth is a top objective of our strategic plan, but I'm not sure this approach will ultimately prove workable.
- **Strategic Communications Team:** we are expanding both the number of team members and the scope of the team to be both more dialogue-driven and to play a more advisory role. I expect to add 2-3 new members in the next month or so.
- **Nominating Team:** is expanding their scope and charter to include not only their traditional nominating role, but year-round leadership development as a whole! This is an enormous step forward that we have been dreaming about for years. I am very excited about what will become possible as the team begins its expansion.