

Unitarian Universalist Church of Arlington

Board of Trustees Meeting Notes

January 16, 2018

Attendees: Board of Trustees (Warren Wright, Chair; Chad Ohlandt, Paula Bendl Smith, Janice Morris, Andrea Ryon, Al Himes, Emily Goodin, Art Stevens, Hieu Nguyen); Hannah Connolly (Secretary), Tamara Srader (CAO), Christin Green (Intern Minister), Mimi Bornstein (Director of Music Ministry), Betsy Rosenblatt Rosso (Guest), and Diane Ullius (Guest).

Open, Call to Order, Chalice Lighting, and Check In

Board Chair Warren Wright called the meeting to order at 7:30PM. Board Members and guests checked in. Warren read [“An Abundant Spirit”](#) by Edward Frost (Page 8 in the link).

Consent Agenda

[Minutes of 19 December 2017 Meeting](#)

Treasurer’s Report (ATTACHMENT 1)

Authorize withdrawal of \$50,000 effective immediately for temporary minister from endowment

Acknowledgment of two votes in the Board Executive session January 9th, 2018:

Place Rev. Aaron on administrative leave. Vote was unanimous. Motion carried.

Make Tamara Srader the acting Executive Director. Vote was unanimous. Motion carried.

Andrea Ryon moved to accept the consent agenda. Paula Bendl Smith seconded. PASSED.

Temporary Minister Task Force Update

Betsy Rosenblatt Rosso described the main focus of the Task Force, which is to make sure that worship and pastoral care aspects of the church keep going while Rev. Aaron is on administrative leave. The Task Force includes Betsy, Diane Ullius, Bill Fogarty, Christin Green, and Tamara Srader. They have met with a candidate for Temporary Minister and have a plan for her to meet with many stakeholders in the church. They will also be responsible for coordinating worship when the Temporary Minister is unavailable on Sundays. The Board also clarified that this process is different from an Interim Minister process. The Board also asked to be informed as the process continued and to review any contract drafts.

Status Of Social Justice Coordinator and Youth Coordinator

Tamara Srader briefed the Board on the status of both the Social Justice Coordinator and the Youth and Young Adult Coordinator. Candidates for both positions have been identified and Tamara was hopeful to have offers out to candidates for both positions soon.

Stewardship Team and Annual Pledge Drive Plan for Annual Giving

Diane Ullius briefed the Board on updates regarding the annual pledge drive for this year, "Gather at The Well," from Sunday, February 4 through Sunday, February 25. The kickoff is Sunday, February 4, when UUCA will host an all-day celebration, including many different kinds of programming. The Stewardship Team is looking for volunteers to assist that day and leading up to the celebration. The Stewardship Team also discussed the decision to move forward with the Pledge Drive given that Rev. Aaron is on administrative leave. The RE "Be the Change!" fundraising event will be on Sunday, February 11. The theme of the well is an excellent touchstone for UUCA at this time: "We drink from the well that others have dug."

Regular Meeting adjourned at 8:11PM.

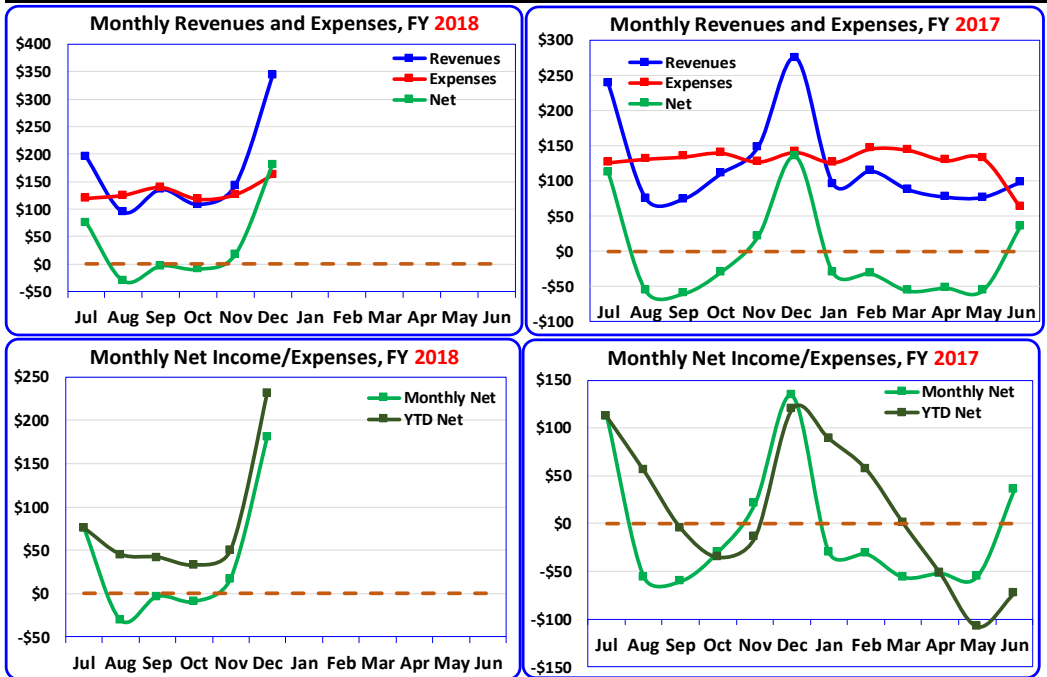
Executive Session began at 8:20PM.

Report of the Treasurer
UUCA Board of Trustees
January 16, 2018

Fiscal Year 2018 to-Date Operating Results – Highlights for H1, July-December

- YTD revenues were \$183 K above budget, \$101 K above last year
- YTD expenditures were \$49 K below budget, \$10 K below last year
- YTD net revenues over expenses were \$232 K above budget, \$112 K above last year

UUCA Operating Revenues, Expenses and Net Revenues									
Fiscal Year 2018, with Comparisons									
<i>Thousand Dollars</i>									
	<u>Fiscal Year 2018, Actual</u>			<u>Fiscal Year 2018, Budget</u>			<u>Fiscal Year 2017, Actual</u>		
	Revenues	Expenses	Net	Revenues	Expenses	Net	Revenues	Expenses	Net
Jul	\$195	\$119	\$76	\$140	\$140	\$0	\$238	\$126	\$112
Aug	\$95	\$125	-\$30	\$140	\$140	\$0	\$75	\$131	-\$56
Sep	\$136	\$139	-\$3	\$140	\$140	\$0	\$74	\$134	-\$61
Oct	\$109	\$118	-\$9	\$140	\$140	\$0	\$110	\$140	-\$30
Nov	\$143	\$126	\$17	\$140	\$140	\$0	\$148	\$127	\$21
Dec	\$343	\$162	\$181	\$140	\$140	\$0	\$275	\$141	\$134
YTD	\$1,021	\$789	\$232	\$838	\$839	-\$0.4	\$920	\$800	\$120



Note: Significant changes to federal tax law enacted at the end of 2017 have already had a substantial impact on the financial operating results of UUCA, in the form of substantial prepayment of pledges and contributions. Total pledges and contributions were \$343 K in December, almost \$70 K greater than the next highest month since at least July 2012, and almost \$80 K more than I estimate, based on past trends, would have been received during last month in the absence of the tax changes. YTD net revenues over expenses were \$232 K during the first half (H1) of FY 2018, as noted above. Cumulative net revenues over expenses were -\$201 K during H2 of FY 2016, -\$193 K during H2 of FY 2017, but will be significantly more negative during H2 of FY 2018, compared to these two prior years, due to the prepayments at the end of H1 of FY 2018. Therefore, it remains likely that FY 2018 will still end with a deficit in the operating budget.

Operating Reserves

The **operating reserves** of the Church consist of:

- Funds to cover the current assets of all designated accounts, except for Memorial Gifts and Bequests,
- A general operations reserve, and
- A replacement reserve, which is restricted.

These funds are all invested in six Fidelity mutual funds, which are managed by the Executive in consultation with the Investment Committee. At the end of December, balances of these funds were as follows:

UUCA Operating Reserves - December 31						
Thousand Dollars						
Designated Accounts	General Operations	Restricted Replacement Reserves	Total Operating Reserves	FY 2018 Expenditure Budget		Months of Reserves
				Annual	Bimonthly	
\$205	-\$52	\$59	\$213	\$1,677	\$280	1.5

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 December, the operating reserves totaled 1.5 months of the annual budget. The budget for the current fiscal year, approved by the Congregation on June 4, 2017, is balanced.

Endowment Fund

The assets of the **Endowment Fund** at the end of December totaled \$902 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 December represented 54 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 December.

Long-term Liabilities

The balance of the refinanced, single **mortgage** was \$3.170 million at the end of December. At the end of December, the Church’s ratio of total liabilities to total assets was 0.41.

Peter Vitaliano, Treasurer, UUCA