

Unitarian Universalist Church of Arlington

Board of Trustees Meeting Minutes

June 19, 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), Peter Vitaliano (Treasurer), Tamara Srader (Acting Executive Director), Bruce Rieder (guest), Linda Battaglini (guest), Ministerial Search Committee representatives (Allen Keiswetter, Betsy Rosso, Sally Determan, Frank Corsoro, Kelly Kohl) (guests).

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

Board Chair Warren Wright called the meeting to order at 7:34PM. Tamara Srader read “Compost Story” by Robert Walsh while the chalice was lit. Board members then checked in.

Consent Agenda

Minutes of May 15th meeting <http://www.uucava.org/wp-content/uploads/2018/09/2018-05-15-BOT-minutesFINAL.pdf>

Chad Ohlandt moved to accept the consent agenda. Janice Morris seconded. PASSED.

Treasurer’s Report (ATTACHMENT 1)

Treasurer Peter Vitaliano provided the Treasurer’s Report. In May, revenues dipped under expenses for the first time in the fiscal year (FY), which is later than in previous years. This is mostly due to the December prepayments received earlier in the FY. June’s budget will likely be impacted by a number of draws, including an endowment draw. These draws will likely put the endowment out of compliance with relevant executive limitations. Peter also updated the Board that the Finance Committee would like to simplify the reporting for the Operating Reserves, but it needs to be reviewed by the Executive and Bookkeeper. Peter will update the Board in detail later in the summer.

The Board asked how the second minister summer challenge pledges for the second minister are being counted for the 2017-2018 or 2018-2019 fiscal years. Tamara Srader stated that there are separate holding accounts for pledges toward FY 2017-2018 that are paid in FY 2018-2019 and those paid in FY 2018-2019 that go toward FY 2017-2018. With the summer challenge, Tamara explained that it has taken some work to determine what revenue is going toward what objective, but that it is being carefully monitored by staff for correct designation.

Summer Challenge for Second Minister

Bruce Reider provided an update on the summer challenge for a second minister, stating that congregants can make a specific donation, make a new pledge, or increase their pledge in support of the second minister. As of the Board Meeting, the campaign had already generated \$25,000.00, about a quarter of the goal. The campaign will begin in earnest on July 8 and will conclude on Beth's final day in the pulpit on Sunday, July 29.

The group then discussed what would happen if the goal is not met and what the plan for the extra funds is if the amount is not enough to pay for a second minister. The Board identified that the funds could be allocated toward guest ministers and ministerial support to supplement the incoming Interim Senior Minister. The amount of money raised will determine whether the funds can go towards a full-time second minister or other options, including part-time support. The Board also discussed various options to reach out to congregants and publicize the summer challenge.

Senior Minister Search Process (ATTACHMENT 2)

Members of the Ministerial Search Committee (MSC) for the Senior Minister spoke to the board about their consensus that the search process be two years rather than the current one-year search. This came in part as a result of speaking with Rev. Kate Walker from the UUA. They provided the following reasons for why they are recommending a two-year search:

1. UUCA has had much disruption with two ministers leaving in a short period of time and that the congregation needs time to settle and show to potential candidates that the congregation is healed and settled.
2. There is a pending governance review and that is a significant consideration for a prospective candidate.
3. The UUA is releasing a new framework for the search process this summer. While this is not a drastic change, it is a change and the framework is not public yet.
4. The MSC would like to spend time listening to the congregation -- survey, one-on-one, small groups -- to tell the story of our church and attract the right candidates and needs time to do that outreach.
5. The MSC needs time to build trust and be able to build consensus around a candidate.

The Board and the MSC discussed the pros and cons of a two-year search versus a one-year search, including the depth and timing of outreach, financial considerations, timing of candidates searching for churches, the initial decision to make the search a one-year search, and the impact on the MSC. The Board came to the consensus to have town halls in the summer to receive congregational input before making a decision at the August board meeting. It is also not clear at this time how in-depth the governance changes will be and that will also be further determined after the governance retreat in July. The MSC will also have the updated framework from the UUA about the search framework at the August board meeting and will be able to understand how significant those changes will be.

Acting Exec Dir & Temporary Senior Minister (ATTACHMENT 3)

Acting Executive Director Tamara Srader provided an update on Share the Plate (STP), noting that she would like either the Board or Nominating Committee to assist in creating a STP committee for STP after next fiscal year. The current plan is to keep the same 11 partners for FY 2018-2019 that UUCA had for 2017-2018 and to discuss this further with Rev. Terasa Cooley, the incoming Interim Senior Minister, when she comes on board and at the Board Meeting in July.

Governance Task Force

Paula Bendl Smith gave an update on the upcoming Governance Retreat on July 6 and 7, asking that all Board Members attend. As of this meeting, two church members have accepted the invitation to serve on the governance review committee and the Governance Committee is recruiting other members.

Transition Team for Rev. Terasa

Al Himes provided an update on the Transition Team for Rev. Terasa Cooley. Wendy Jessup and Lila Vizzard from the interim minister search committee are already on the Transition Team, and more people are needed to join them. The Transition Team will serve as Rev. Terasa's sounding board and confidantes. It was suggested the Rev. Beth be consulted for input.

Summer Board Updates

The Communications Team discussed topics for Board Updates to the congregation for the summer. Potential topics included a Connections piece from Al as incoming chair, a message in support of the second minister campaign, and a piece about the town halls in July and August.

Passing of the Gavel

Outgoing Board Chair Warren Wright passed the gavel to incoming Board Chair Al Himes.

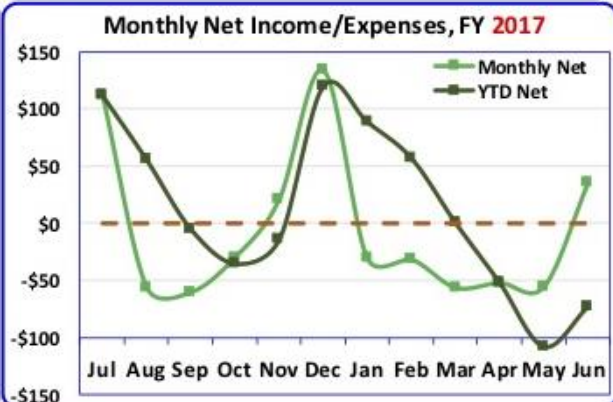
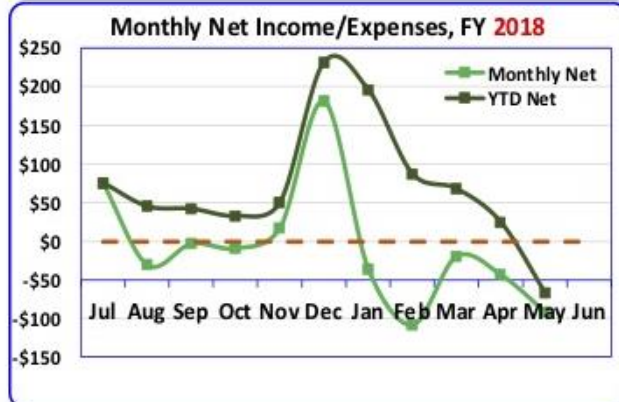
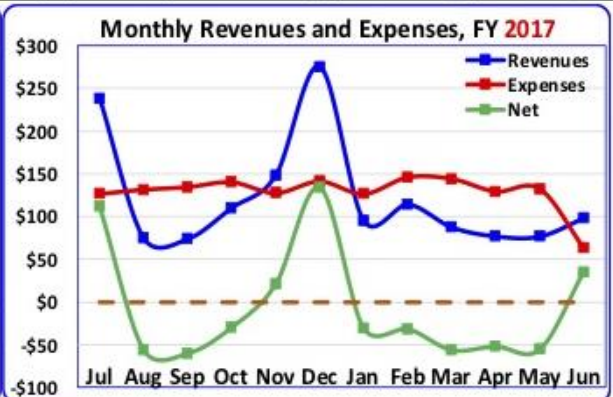
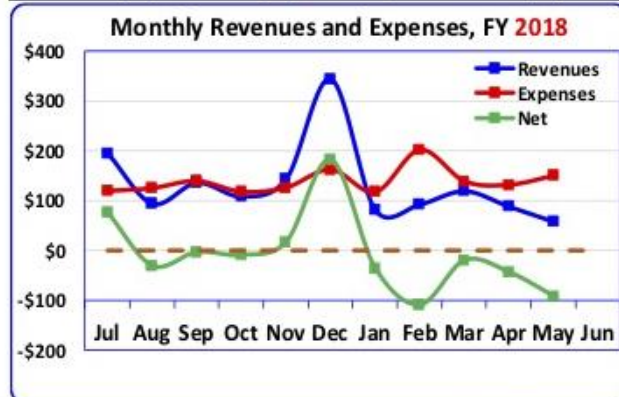
Meeting adjourned at 9:45PM.

Report of the Treasurer
UUCA Board of Trustees
June 19, 2018

Fiscal Year 2018 to-Date Operating Results – Highlights for first 11 months, July-May

- YTD revenues were \$1,461 K: \$75 K below budget but \$92 K above last year.
- YTD expenditures were \$1,528 K: \$9 K below budget and \$51 K above last year.
- YTD net revenues over expenses were -\$67 K: \$66 K below budget but \$41 K above 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
Q1	\$425	\$383	\$42	\$419	\$419	\$0	\$387	\$392	-\$5
Q2	\$595	\$406	\$190	\$419	\$419	\$0	\$533	\$408	\$125
Q3	\$294	\$457	-\$164	\$419	\$419	\$0	\$296	\$416	-\$119
Apr	\$88	\$132	-\$43	\$140	\$140	\$0	\$77	\$129	-\$53
May	\$58	\$150	-\$92	\$140	\$140	\$0	\$76	\$132	-\$56
YTD	\$1,461	\$1,528	-\$67	\$1,537	\$1,537	-\$0.7	\$1,369	\$1,477	-\$108



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

UUCA Operating Reserves - May 31							
<i>Thousand Dollars</i>							
Designated Accounts	General Operations	Restricted Replacement Reserves	Total Operating Reserves	FY 2018 Expenditure Budget		Months of Reserves	
				Annual	Bimonthly		
\$225	-\$65	\$61	\$220	\$1,677	\$280	1.6	

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 May, the operating reserves totaled 1.6 months of the annual budget. The budget for the current fiscal year, approved by the Congregation on June 4, 2017, is balanced. The budget for the 2018-19 fiscal year, approved by the Congregation at the June 3, 2018 annual meeting, has an operating deficit of \$77.5 K.

Endowment Fund

The assets of the **Endowment Fund** at the end of May totaled \$934 K in liquid assets invested in 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 May represented 56 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 May.

Long-term Liabilities

The balance of the refinanced, single **mortgage** was \$3.117 million at the end of May. This reflects the normal amortization payment of principal of \$5 K. At the end of May, the Church’s ratio of total liabilities to total assets was 0.41. This substantially overstates the Church’s effective debt ratio because the asset values on the Church balance sheets are stated on a cost basis, which is considerably lower than the current market value of the Church’s land and buildings.

Peter Vitaliano, Treasurer, UUCA

June 14, 2018

To: UUCA Board of Trustees

From: UUCA Ministerial Search Committee (MSC)

Subject: Ministerial Search Timeline

We appreciate very much that the timeline for our ministerial search is on the Board's June agenda because an early decision is fundamental to the success of our work. We share with the Board and the congregation a single goal: to attract the best available senior minister candidate.

The Ministerial Search Committee met for the first time on June 6 with our transition coach Rev. Dr. Kate Walker. At that meeting, we unanimously agreed that a two-year search, resulting in a settled senior minister in place by August 2020, would be most beneficial to our church. All of us on the Ministerial Search Committee are willing to serve for two years.

Our committee supports a two-year search for these reasons.

1. Because two settled ministers have left UUCA within a short time period, our congregation needs more time to establish stability and enable healing from the disruption of abrupt changes in church leadership. Rev. Dr. Walker indicated that a church seeking a new senior minister so quickly after difficult departures would serve as a red flag to prospective candidates, who wouldn't want to assume leadership of a congregation that may still be in crisis or recovery. Our committee must understand, to the best of our ability, the circumstances surrounding our previous ministers' departure and craft a narrative to explain this. We may have more relevant information this fall when the UUA issues a ruling on Rev. Aaron's investigation. A two-year search provides scope to heal and establish our narrative.
2. The Board has launched a necessary initiative and recruited a committee to examine and reform UUCA's governance structure. This work is expected to take a year to complete. Candidates for senior minister will want to understand the governance structure of any church they might lead. A two-year search gives time to complete a systemic review of our governance.
3. This summer the UUA is expected to release a new transitions framework, which will change the way searches are conducted and what is required of our committee. A similar revamping took place when UUCA was in search in 2004 and the chair of that search committee cautioned us to expect difficulties as the Beta version of the new system is tested in practice.
4. To fulfill our commitment to find an excellent senior minister to serve our congregation, our committee needs to spend significant time asking the right questions of the congregation (in both survey and conversation form), listening carefully to their answers, and telling the story of our church in a thoughtful and compelling way. The deadline for posting our Congregational

Record--the narrative of our congregation designed to engage potential ministers—is expected to be around Thanksgiving. In the case of Rev. Aaron’s search, the document was 126 pages long. We believe this process must be intentional rather than rushed to make sure that we get it right. A one-year search would entail a marathon run to meet deadlines, especially since much of the planning cannot be done until September because of congregational and MSC schedules.

5. Rev. Walker emphasizes the importance of the extra time to build trust rather than rushing into the discipline of tasks and deadlines. As our search in 2003-5 demonstrated, searches fail to find a settled minister not only because a lack of appropriate candidates but also because of lack of consensus in the search committee and the congregation.

We acknowledge that some members of the congregation are concerned about taking an additional year for the search beyond what was initially indicated by the Board following Rev. Aaron’s resignation. We understand the desire to move forward and call a senior minister sooner, but we believe that a two-year search gives us the best shot at attracting our number one choice and the best shot of strong congregational consensus in support of the MSC’s candidate.

We are confident that UUCA will grow stronger in the interim period, as demonstrated by the strength and vitality of the congregation during the past six months and our response to Rev. Beth’s ministry. We anticipate that solid leadership will continue under the aegis of our Interim Senior Minister Rev. Terasa Cooley.

The UUA Settlement Handbook advises “Nimbleness, yes; haste, no.” We agree.

We look forward to working closely with the Board as the search goes forward.

Frank Corsoro

Sally Determan

Allen Keiswetter

Kelly Kohl

Bee Moradi

Betsy Rosenblatt Rosso

Sarah Yue

TEMP. SR. MINISTER'S BOARD UPDATE

The Rev. Beth Miller

6/19/18

- The small groups to discuss change that I offered have been largely unsubscribed. I've cancelled all but the one on 7/26 and that one has 6-7 signed up. I think this is a sign that folks are doing pretty much okay and don't feel a need for this right now - good news.
- As you know, the Summer Challenge Campaign has kicked off and I'm committed to helping and promoting. Bruce is on the agenda to update you on progress. I am very hopeful that UUCA will raise the funds to hire the second minister soon after Rev. Terasa's arrival. I encourage each of you to participate as best you are able.
- The Worship Associates team and I, after consulting with Rev. Terasa and getting her go ahead, have identified candidates and I am recruiting New WAs to fill out the team. We have three recent resignations due to commitments to the Search Committee and CPE and don't want to leave the team short as the Interim Minister arrives.
- Sarah Masters and I have scheduled a New UU class for July 18. The last one was May 23 with about 35 in attendance. I find it encouraging that we need another one already, and during the summer slow down.
- I have agreed to help the 8th Principle Task Force develop their strategy and set a timeline to educate and encourage the congregation to adopt it. Their retreat is July 8th after church.
- I'm taking a week of vacation to attend the International Affairs Conference at Star Island off the coast of Portsmouth, NH, July 21-27.
- My last day with you is Sunday, July 29, and I leave to return to MA on July 30.