

Unitarian Universalist Church of Arlington

Board of Trustees Meeting Minutes

January 15, 2019

Attendees

Board of Trustees: Al Himes – Chair, Linda Battaglini, Emily Goodin, Janice Morris, Hieu Nguyen, Chad Ohlandt, Andrea Ryon, Art Stevens, Warren Wright

Officers: Amy Shepherd – Secretary, Peter Vitaliano – Treasurer

Guests: Rev. Terasa Cooley, Walter Clark – Ministerial Assistant, Tamara Srader – Chief Administrative Officer

Other Attendees: Kit Barton, Paul Blackburn, Becky Ross, Stephanie Thomas

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

The Board Chair called the meeting to order at 7:31pm. Rev. Terasa shared *That Rock*, with Board members sharing reflections on the reading for a brief check-in.

Consent Agenda

Minutes of December 6, 2018 meeting

Treasurer's Report

2018 Audit Report

Board member Linda Battaglini moved to approve the Consent Agenda, Art Stevens seconded the motion. Motion was APPROVED.

Executive/Senior Minister Update

Rev. Terasa Cooley provided an update and began by asking whether the Mid-Year meeting was necessary this year. She noted that there are a lot of meetings underway and scheduling/space is an issue. The Board discussed the purpose of the meeting, noting that it provides an overview of what it takes to accomplish things in the church today. The intent is to help members of the congregation understand the reporting structure of the church, and ask whether they have new ideas or thoughts about that. This will be good information for the governance task force.

A Board member noted that although there might not be a fully developed governance plan by the Annual Meeting, there will be significant information and updates to provide.

A Board member also emphasized the importance of having this be a leadership meeting where people in the church have an opportunity to participate in church leadership.

Discussion included the point that there is a lot currently happening, and if this meeting is not held, then how can the Board clearly communicate all the different activities on governance, leadership, transition, search, etc.?

The Board discussed whether to call the meeting a leadership meeting, or whether it might broaden participation if it was instead titled by the content of the meeting. The meeting can provide an update from each committee and staff that would like to present, and then have more of a governance focus for the remainder of the time.

There is space on February 2nd, or it might be later in February. Linda, Art and Terasa will meet and propose an approach for the meeting to be considered by the Board.

Operations Update

Tamara Srader noted that she will send the standard report after the meeting. Her big focus lately has been safety. She is doing some evaluations of different safety mechanisms, their ROI, and possible grant funding in partnership with others to cover the cost of some of these possible initiatives. She also updated on some recent substantial gifts to the church.

8th Principle Congregation Meeting / Vote (ATTACHMENT)

Over the past month since the Board update from the 8th Principle Task Force, the survey was conducted, and other activities of education and information have occurred. Rev. Carlton Smith came and tabled after service, the Task Force members met with folks at Goodwin House, and the Task Force has had conversations internally about what it would mean to implement the 8th Principle.

The Task Force thinks that setting the date will motivate those who say they need more information to actually come to some of the educational meetings and get more information. There are many people who are very interested in what it will mean to adopt the Principle and how we will go about implementing it going forward.

The Board discussed what it would mean to run a vote as a congregational meeting, since there are many procedures that must be followed, including notice, vote counting, a parliamentarian, etc. Since we are having the mid-year meeting in late January/early February, then we probably don't want to have a congregational meeting shortly thereafter as that is unlikely to have strong participation.

A Board Member asked whether there would be time for discussion in the meeting. The Task Force noted that there would be an open forum for discussion, with an up or down vote on adoption after that discussion.

Rev. Teresa noted the benefits of styling this as a covenant style meeting, with a facilitator, rather than a debate focus. How can we approach this as a way to build community? What can we build as a community?

Walter Clark, Ministerial Assistant provided an overview of what happened at Richmond, where there was a lot of conversation around the Principle, and noted it was presented as a covenant style communication and meeting.

A Board Member asked what it would mean for UUCA to adopt the principle, and whether it should be an amendment to the Bylaws. Should it instead be something that the Board adopts and then the congregation affirms?

The Board discussed how Green Sanctuary was implemented and whether there were lessons to be learned through that process.

Rev. Teresa discussed the implementation of the seven principles in the 1980s – they were discussed and adopted by UUA but not put into the Bylaws of the church. She noted that the 8th Principle is a commitment we are making as a congregation and a direction to UUCA regarding making this a priority.

The Board discussed the purpose and meaning of the vote and how it should be implemented through governance or a congregational commitment, how the meeting would be conducted and what it would mean if it did not pass, how would we re-educate and raise it again but not too early, likely not for another year. A Board member raised either putting it in the strategic plan and or put it in the end statements.

Warren Wright made a motion: To proceed with a congregational meeting in March (tentatively the 31st) in order to vote on the adoption of the 8th Principle Resolution. The Board will form a small group to work with the 8th principle task force to finalize the resolution and return to the February Board meeting for approval of the final resolution.

Janice Morris seconded the motion. The Chair called for discussion, and there was none. The motion was APPROVED.

Audit/Monitoring Committee Update

The Board Audit/Monitoring Committee members discussed the plan for the process for reviewing the treatment of staff and performance evaluation of the Senior Minister. The proposed plan is a Senior Minister self-evaluation, then a staff review of the self-evaluation. This is a 360 like process, where the Senior Minister would select three individuals to rate his or her performance. The goal is to have a clear process that facilitates discussion. The Sr. Minister would set goals and objectives for the year, and then as part of this evaluation those goals and objectives would be reviewed.

A Board member raised the importance of documenting things for future Board Members. Rev. Teresa suggested there are more safeguards that would help the policy, for example, that the minister suggests five people to review him or her and the Board picks three.

A Board member suggested that the Board have some input on what the minister selects as the goals for the coming year. The Board discussed ways that the Board can be in a conversation with the Minister about the needs of the congregation.

The Chair noted that this is an introduction to this topic, and that it will be discussed more at the February Board meeting.

Board Members should send any comments to the committee members in the next week so that revisions can be made by the next meeting.

Stewardship Update

Rev. Terasa noted that they had a very energizing meeting around stewardship, and what pieces can we ask different folks to engage with. She noted that they would like to have a sustainers meeting to show appreciation for those folks, and requested that the invitation come from the Board.

The campaign will kick off on March 3rd. They would also like to have a “We Are The Church” event wrap event at the end of the campaign.

Appreciative Inquiry Update

Rev. Terasa noted there is a lot of energy around this, and that the desire is to do something for the whole congregation, likely in a worship setting. The Board discussed the possible pricing of consultant work to support this.

Focus on the inquiry is about who do we want to be as a community. Then when we have that, then it sets up both the capital campaign and also the minister search.

Strategic Plan Progress Review

Rev. Terasa noted that she and Tamara will put together a budget and track that budget to the ends and the strategic plan.

Communications Schedule (Emily Goodin)

Emily Gooding provided an update on the most recent Connections input from the Board, and offered to help advertise the February meeting.

9:39 Adjourn Regular Meeting

UNITARIAN UNIVERSALIST CHURCH OF ARLINGTON
RESOLUTION TO ADOPT THE EIGHTH PRINCIPLE

WHEREAS, The Unitarian Universalist Church of Arlington [UUCA] since its inception has stood for promoting awareness of oppression and anti-racism through specific actions including supporting the integration of Virginia Schools following the U.S. Supreme Court's 1954 Brown v. Board of Education decision and spending decades since then with some degree of attention to racial justice issues through activism, workshops and awareness trainings; and

WHEREAS, In the course of this work and increasingly over the last several years, UUCA has opened its eyes to implicit racial bias, complicit racism, and the existence of systemic white supremacy and that through Allyship and Living the Pledge workshops, congregants have increased their understanding of and their intention to work against racism in the wider community and within UUCA; and

WHEREAS, In the recent past, it has also become clear that Unitarian Universalism as a denomination still has work to do to make our faith, its organizations, and our congregations truly anti-racist; and

WHEREAS UUCA understands that the effort to dismantle racism and oppression must start within ourselves and our congregation and understands that Black Lives of Unitarian Universalism have requested that all UUs advocate for the adoption of an 8th Principle by the Unitarian Universalist Association that commits UUs to "journeying toward spiritual wholeness by working to build a diverse, multicultural Beloved Community by our actions that accountably dismantle racism and other oppressions in ourselves and our institutions."

NOW, THEREFORE, BE IT

RESOLVED, that the Unitarian Universalist Church of Arlington [UUCA]:

adopts as its 8th principle as follows:

[We, the members and friends of the Unitarian Universalist Church of Arlington covenant to affirm and promote]:

journeying toward spiritual wholeness by working to build a diverse, multicultural Beloved Community by our actions that accountably dismantle racism and other oppressions in ourselves and our institutions; and

RESOLVED, that the Unitarian Universalist Church of Arlington (UUCA)

Urges the Unitarian Universalist Association to adopt this 8th Principle.

**Resolution of the Board of Trustees of the
Unitarian Universalist Church of Arlington
(February 19,2019)**

WHEREAS, The UUCA Board of Trustees has called a special congregational meeting on March 31, 2019 to vote on the adoption of the 8th Principle; and

WHEREAS, Article IV, Item 6 of the bylaws of the Unitarian Universalist Church of Arlington permit the UUCA Board of Trustees to authorize absentee balloting for congregational meetings; and

WHEREAS, The UUCA Board of Trustees would like to ensure that all members have access to vote on the adoption of the 8th Principle; now, therefore be it

RESOLVED, The UUCA Board of Trustees authorizes absentee voting for the special congregational meeting on March 31, 2019; and be it further

RESOLVED, The Senior Minister (executive) shall instruct staff and volunteers to distribute absentee ballot no later than March 20, 2019; and be it further

RESOLVED, The Senior Minister (executive) shall designate staff and volunteers to collect absentee ballots prior to the start of the meeting; and be it further

RESOLVED, Only ballots received prior to the start of the meeting shall be accepted as official votes to be counted.

**Report to the Board of Trustees
Rev. Dr. Terasa Cooley
Interim Senior Minister
February 19, 2019**

Appreciative Inquiry

The Transition Team and Allen Keiswetter met with our two AI consultants last week and outlined an exciting plan for our AI service on March 10 and started plans for the workshop sessions on March 24 and April 6. Those will address questions of how we wish to be together as a community and how to be in relationship with the larger community.

The question for the worship service will be "How can my spirit grow here in this community?" We will begin with three speakers making short testimonials about how they might answer that question as a way of modeling for folks what they could explore. Everyone will be given sticky notes and can write their own response and then move into conversation with others. As the stickies are generated 'runners' will pick them up and bring them to the chancel for Adi to make the graphic recording. The recordings will be displayed in the Center following the services and in the next few weeks as well as a means of continuing the conversation.

Walter will make some videos of people answering the first question as a way of getting people excited about the process.

Stewardship

The Annual pledge drive planning is coming together well. You will have seen that Bill Fogarty has taken the lead in organizing the sustainers gathering on the 2nd - we hope all of you who are in town will be able to attend. There are already over 30 positive responses.

Janice has helped put together the communications that will go out and Mary Ann has created graphics to support it. There will be food at the first service on the 3rd.

The campaign will conclude on March 24 with an all-congregation party from 5pm - 9pm. Bruce Reider is organizing this event. We will have performances from the blue grass band that is a new tenant of ours, a dinner, a 'bake-off' and a dance party led by the same DJ as last year.

Testimonials about giving have been lined up for the first 2 Sundays and I am still working on the following 2.

I think this series of events auger well for a successful campaign!

Music Director Search

I have assembled a music director search committee consisting of Peter Vitaliano, Dana Cook, Wendy Jessop, Walter Clark, Warren Wright, Y'lon Dozier, and Zoe Lachow. We had our first meeting on Tuesday night and outlined our process. First is the task of posting the position which we hope to have done by the end of February. We'll be holding listening sessions, much as the Governance Team has, with various constituencies to learn people's hopes for the next director. We hope to audition finalists in May and make a choice at that point.

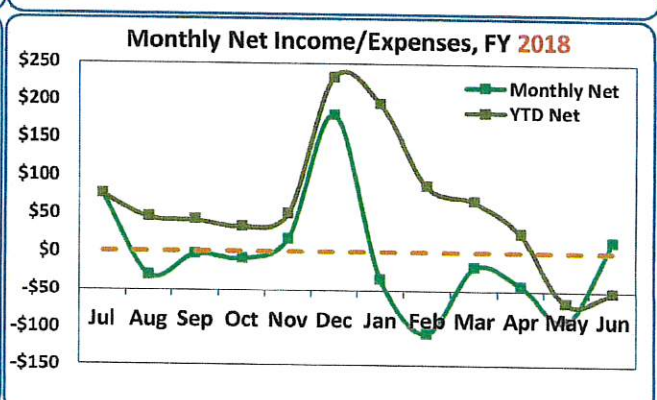
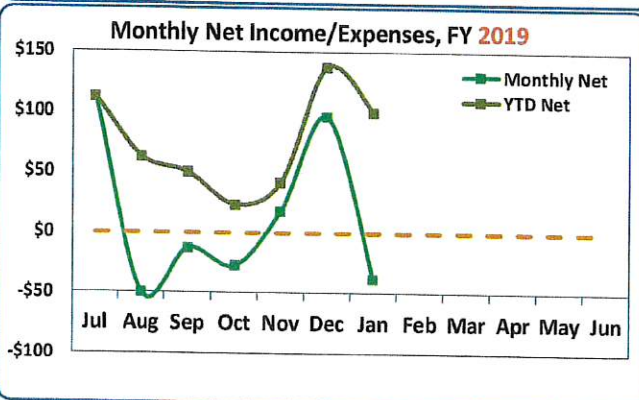
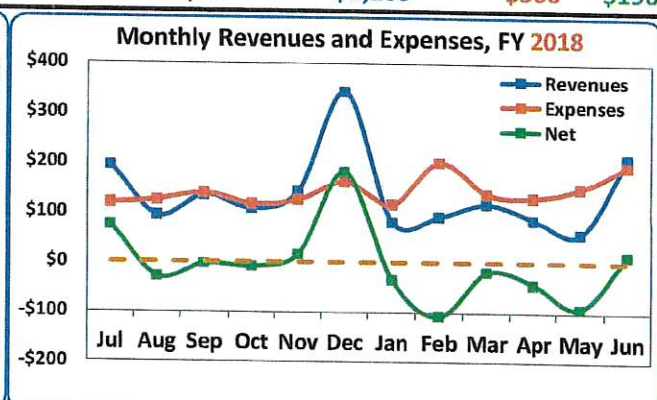
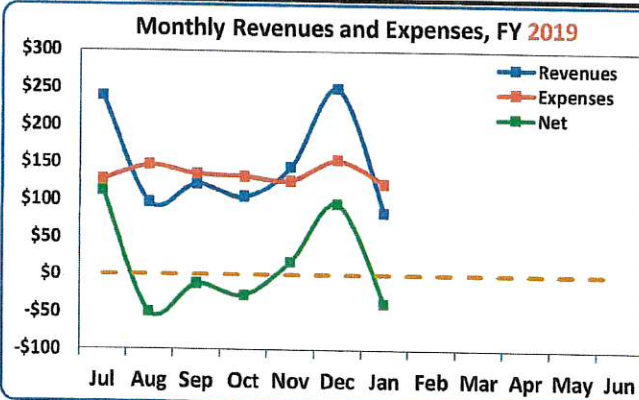
Report of the Treasurer
 UUCA Board of Trustees
 February 19, 2019

Fiscal Year 2019 to-Date Operating Results – Highlights for first seven months, July-January – Further details in last two pages below

- YTD revenues were \$1,041 K: \$101 K ahead of budget but \$62 K below last year.
- YTD expenditures were \$941 K: \$31 K under budget but \$35 K above last year.
- YTD net revenues over expenses were \$100 K: \$100 K over budget but \$96 K below last year.

UUCA Operating Revenues, Expenses and Net Revenues
Fiscal Year 2019, with Comparisons
Thousand Dollars

	Fiscal Year 2019, Actual			Fiscal Year 2019, Budget			Fiscal Year 2018, Actual		
	Revenues	Expenses	Net	Revenues	Expenses	Net	Revenues	Expenses	Net
Q1	\$458	\$408	\$50	\$403	\$416	-\$14	\$426	\$383	\$42
Oct	\$105	\$132	-\$27	\$136	\$140	-\$5	\$109	\$118	-\$9
Nov	\$144	\$126	\$18	\$131	\$136	-\$4	\$143	\$126	\$17
Dec	\$250	\$154	\$96	\$136	\$140	-\$5	\$343	\$162	\$181
Jan	\$84	\$121	-\$37	\$136	\$140	-\$5	\$82	\$117	-\$36
YTD	\$1,041	\$941	\$100	\$941	\$972	-\$32	\$1,103	\$906	\$196



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

UUCA Operating Reserves - January 31						
Thousand Dollars						
Designated Accounts	General Operations	Restricted Replacement Reserves	Total Operating Reserves	FY 2019 Expenditure Budget		Months of Reserves
				Annual	Bimonthly	
\$172	\$188	\$61	\$421	\$1,651	\$275	3.1

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 operating budget must be balanced. At the end of January, the operating reserves totaled 3.1 months of the Congregationally-approved Fiscal Year 2018-19 annual expense budget of \$1,651 K. Accordingly, the operating reserves were in compliance with Executive Limitation 4.6.2 as of the end of January.

Endowment Fund

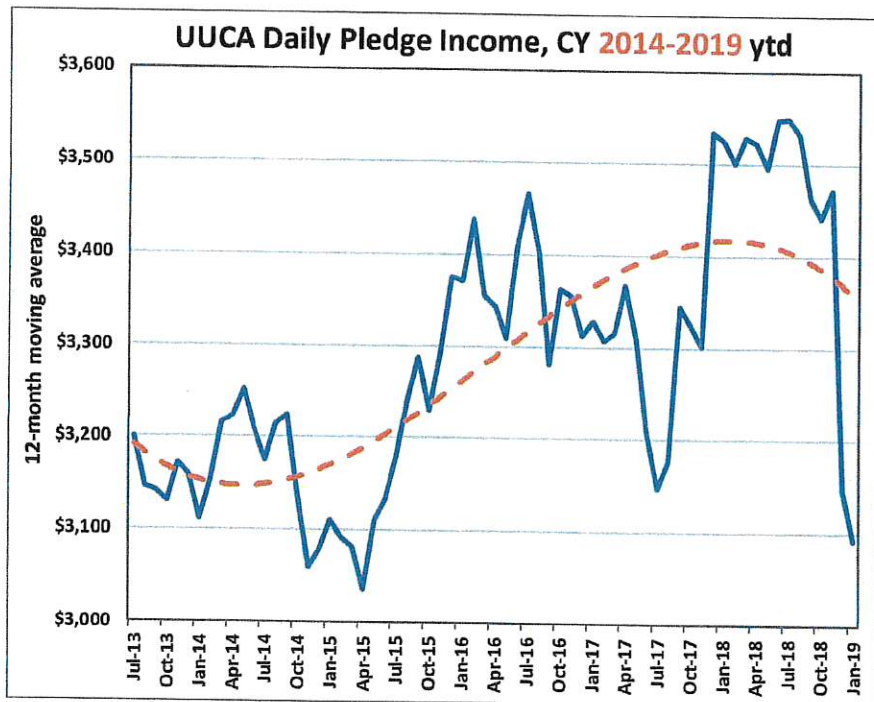
The assets of the **Endowment Fund** at the end of January totaled \$781 K in liquid assets invested in 12 Vanguard mutual funds, which are managed by the Executive in consultation with the Investment Committee. This was \$49 K more than the Endowment Fund's liquid assets at the end of December, one month previously. The assets of the Endowment Fund at the end of January represented 47 percent of the Congregationally-approved Fiscal Year 2018-19 expense budget of \$1,651 K. 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 out of compliance with Executive Limitation 4.8.4, even under the exception clause, as of the end of January.

Long-term Liabilities

The balance of the **mortgage** was \$3,078 K at the end of January, at which time the Church's ratio of total liabilities to total assets was 0.43. This substantially overstates the Church's effective debt to assets ratio because the asset values on the Church balance sheets are stated on a cost basis, and are considerably lower than the current market value of the Church's land and buildings.

Trends in Pledge Income

Monthly pledge income increased significantly in December 2017 and, for the eight subsequent months, through August, sustained itself, on a 12-month moving average daily basis, at or above \$3,500 per day. It dropped below this level during September through November, although remaining at historically-high levels. But since then, the December 2017 record level for this statistic has not been included in the 12-month moving average calculation, which dropped it back to a level more representative of the pre-2018 period. This analysis includes income from additional pledges for the recent Summer Challenge.



Estimated FY 2019 Year-end Results

For the past several years, UUCA has always operated at a deficit of revenues over expenses during the second half of its fiscal year, and for the past two fiscal years, it has ended the fiscal year with such a deficit for the entire year. During the last five months of the past three fiscal years, expenses have exceeded revenues by \$168 K to \$248 K, including, in some cases, transfers from the Endowment Fund. Based on this experience, the current fiscal year could finish with an operating deficit of between \$62 K and \$148 K. At the end of January, the Endowment Fund balance represented 5.6 months of budgeted expenses and the operating reserves balance represented 3.1 months of such expenses.

Fiscal Years:	2016	2017	2018	2019
	<i>thousand \$</i>			
YTD Net Revenue-Expenses 1/31	\$201	\$89	\$196	\$100
YTD Net Revenue-Expenses 6/30	\$34	-\$73	-\$52	
<u>1/31 - 6/30 change in YTD Net Revenue over Expenses</u>				
Actual	-\$168	-\$162	-\$248	
<u>6/30/2019 projected YTD Net Revenue over Expenses</u>				
Maximum				-\$62
Average				-\$93
Minimum				-\$148
<u>Endowment Fund balance 6/30</u>				
Actual	\$709	\$838	\$796	
Months of Expenses	5.8	6.0	5.7	
<u>Reserve Funds balance 6/30</u>				
Actual	\$270	\$189	\$221	
Months of Expenses	2.2	1.4	1.6	

Peter Vitallano, Treasurer, UUCA

001 Unitarian Universalist Church of Arlington, VA
Fiscal Year Beginning 7/1/2018
Budgeted Financial Statement for Period 07 January 58.33%
REVENUES

Description	Actual for Period	Actual YTD	Budget Annual	Var. Actual to Annual Budget %	Actual for Period Last Year	Actual YTD Last Year
GENERAL OPERATING FUND RECEIPTS						
PLEDGES & CONTRIBUTIONS						
Special Contributions	2,720.00	10,421.99	25,000.00	41.69	445.00	7,475.00
Special Contribution Non-Tax	5,425.00	114,874.99	.00	.00	-13,175.00	30,597.09
Pledges -- Prior Pledge Years	260.00	22,652.68	.00	.00	83,955.93	934,855.35
Pledges 2018-19	45,494.01	661,633.23	1,137,524.00	58.16	.00	.00
Summer Challenge One-Time Gift	70.00	39,673.55	.00	.00	.00	.00
Residual Capital Campaign Pled	.00	944.00	5,000.00	18.88	.00	3,200.00
Plate - Share The Plate	7,827.75	62,559.35	120,000.00	52.13	.00	.00
Plate - February	.00	.00	8,000.00	.00	.00	.00
TOTAL PLEDGES & CONTR	61,596.76	912,759.79	1,295,524.00	70.45	71,225.93	976,127.44
FUNdraising						
Services Auction	.00	11,986.62	21,000.00	57.08	-10,725.00	26,350.05
Miscellaneous F/R	220.00	892.50	2,000.00	44.63	.00	522.96
New Initiatives Fundraising	.00	611.46	5,000.00	12.23	.00	-521.18
Mistletoe Mall	.00	4,672.11	4,000.00	116.80	.00	3,981.77
Grocery Scrip Sales	.00	.00	1,500.00	.00	-191.00	481.50
TOTAL FUNdraising	220.00	18,162.69	33,500.00	54.22	-10,916.00	30,815.10
RENTALS						
Parsonage Rental	850.00	5,950.00	11,000.00	54.09	850.00	5,950.00
Pre-School Rental	4,838.00	14,514.00	22,500.00	64.51	2,360.20	11,801.00
Weddlngs etc.	15,912.01	73,224.50	160,000.00	46.77	17,920.80	74,009.75
TOTAL RENTALS	21,600.01	93,688.50	193,500.00	48.42	21,131.00	91,760.75
ACTIVITIES RECEIPTS						
Music/Theatre Contributions	.00	2,967.79	5,000.00	59.36	.00	.00
TOTAL ACTIVITIES RECEIPTS	.00	2,967.79	5,000.00	59.36	.00	.00
OTHER RECEIPTS						
Interest Income	471.77	10,131.77	4,500.00	225.15	123.60	1,277.41
Endowment Fund Transfer	.00	.00	60,000.00	.00	.00	.00
Refreshments	146.50	1,490.14	2,500.00	59.61	276.50	1,757.01
Gains/Losses on Stock	.00	1,597.00	.00	.00	.00	-19.05
Flowers	.00	20.00	.00	.00	.00	.00
Miscellaneous Income	.00	400.14	2,500.00	16.01	.00	1,000.00
TOTAL OTHER INCOME	618.27	13,639.05	69,500.00	19.62	400.10	4,015.37
TOTAL OPERATING RECEIPTS	84,035.04	1,041,217.82	1,597,024.00	65.20	81,841.03	1,102,718.66

001 Unitarian Universalist Church of Arlington, VA
Fiscal Year Beginning 7/1/2018
Budgeted Financial Statement for Period 07 January 58.33%
Revenues and Expenses Summary Report

Description	Actual for Period	Actual YTD	Budget Annual	Var. Actual to Annual Budget %	Actual for Period Last Year	Actual YTD Last Year
REVENUE -- GENERAL OPERATING FUND						
4099 Pledges & Contributions	61,596.76	912,759.79	1,295,524.00	70.45	71,225.93	976,127.44
4129 Fundraising Revenue	220.00	18,162.69	33,500.00	54.22	-10,916.00	30,815.10
4139 Rental Revenue	21,600.01	93,688.50	193,500.00	48.42	21,131.00	91,760.75
4159 Program Revenue	.00	2,967.79	5,000.00	59.36	.00	.00
4199 Other Revenue	618.27	13,639.05	69,500.00	19.62	400.10	4,015.37
TOTAL REVENUES	84,035.04	1,041,217.82	1,597,024.00	65.20	81,841.03	1,102,718.66
Staff	87,334.17	608,142.88	1,007,963.85	60.33	83,574.65	626,299.75
Church Office	102.78	29,667.94	58,584.00	50.64	5,388.14	35,090.98
Ministry & Worship	2,090.46	12,101.93	30,020.00	40.31	1,494.00	10,241.27
Children & Youth Ministry	137.03	10,296.53	22,950.00	44.87	1,135.55	9,109.07
Member Support	399.45	8,842.87	21,500.00	41.13	448.32	6,291.29
Communications	442.98	1,904.92	9,050.00	21.05	139.00	3,739.91
Faith in Action & Outreach	5,650.21	43,656.69	86,000.00	50.76	.00	406.09
Our Wider Movement	.00	19,800.00	39,600.00	50.00	.00	18,000.00
Buildings & Grounds	9,933.18	98,856.92	187,030.00	52.86	9,817.91	89,292.15
Mortgage	15,407.10	107,849.70	188,000.00	57.37	15,407.10	107,849.70
TOTAL EXPENDITURES	121,497.36	941,120.38	1,650,697.85	57.01	117,404.67	906,320.21
*****SUMMARY*****						
TOTAL REVENUE	84,035.04	1,041,217.82	1,597,024.00	65.20	81,841.03	1,102,718.66
TOTAL EXPENDITURES	-121,497.36	-940,906.58	-1,650,197.85	57.02	-117,404.67	-906,331.92
NET	-37,462.32	100,311.24	-53,173.85	-188.65	-35,563.64	196,386.74