

**Unitarian Universalist Church of Berkeley Board of Trustees Meeting  
Wednesday, April 6 2022**

**Meeting Conducted via Zoom Video Conference**

**Minutes – Approved**

**ATTENDEES**

Voting members: Michael Armstrong, Bill Brown, Randall Hudson, Elaine Miller, Beth Pollard, David Roberts, Cordell Sloan, Helen Tinsley-Jones

Absent: Pier Ho

Ex officio members: Rev. Michelle Collins, Tess O’Riva (Executive Director), Selene Fabiano (Secretary), Lenore Ralston (Treasurer)

Visitors: Karen Elliott, Jean Gleason, Anne Greenwood, Lynn Hammond, Don Klose, David Lingenfelter, Jane Lundin, Anita Mermel, Larry Nagel, Susan Singh, Marta Tobey, Grace Ulp

A quorum being present, the meeting was called to order by Beth Pollard, president, at 7:04 p.m. Lenore Ralston did the chalice lighting and reading, we checked in, Randall Hudson read the Board covenant, and Michael Armstrong read the land acknowledgement.

**CONSENT AGENDA**

**A motion for the following (Motion by Dave Roberts/Seconded by Helen Tinsley Jones) passed unanimously:**

- Approve agenda
- Approve Board Meeting minutes of March 2, 2022
- Accept monthly Executive Director report
- Accept monthly Treasurer’s report
- Approve Finance Committee recommendations on committee description in the Governance Manual

**Minister’s Report:** Rev Michelle

- In-person services have started and have gone off with fewer bumps than anticipated, thanks to many fabulous volunteers.
- There will be an egg hunt on Easter Sunday

- The Opening Task Force (OTF) has been meeting weekly for several weeks. Great Music Sunday
- The online attendance for Sunday services is staying steady; approximately 47-57 people have attended online each week since in-person services began.
- Healthy Congregations Workshop – 20 people attended.
- Conflict Transformation Workshop – 27 people will have attended by 4/7, including most of the Freestone Committee members.
- There have been some requests for a shorter (1.5 hour) version of the Conflict Transformation workshop for folks who can't do a whole-day workshop. Rev. Michelle will work on putting this together in the next 2 months.
- Freestone Town Hall Information & QA meetings. There will be 3 meetings: The first is on Sunday 4/10 (in person and online line); the 2<sup>nd</sup> is on 4/12 (zoom only); and the 3<sup>rd</sup> Town Hall will be on Sunday 4/24. The link for accessing the meeting online will be in the Week Ahead. Rev. Michelle extended kudos to the Freestone Committee for the tremendous amount of work they have done in gathering information for these meetings

Several board members expressed appreciation for the Healthy Congregation and Conflict Transformation workshops.

## **LISTENING**

### **Announcements:**

**1<sup>st</sup> electronic poll for forming the Ministerial Search Committee (MSC) :** An electronic poll is currently being held for the congregation to propose names of members who they think are well-suited to be on the MSC. This first poll will continue through April 13<sup>th</sup>. The Board is encouraging everyone to spread the word so that as many church members are involved in this selection process. More information about the entire process for forming the MSC is discussed in the 3<sup>rd</sup> Information/Action Item below.

**Report from Board listening presence:** Bill Brown was the listening presence for March and was not contacted by anyone. Dave Roberts attended the Zoom Coffee Hour last Sunday and reported there was concern from some of the people at the meeting as to whether the Zoom Coffee Hour would continue, as several people had come to depend on it.

## **INFORMATION/ACTION ITEM**

### **FY2022-23 Endowment Payout Recommendations from the Endowment Committee**

Endowment Committee Co-Chair Anita Mermel explained how pursuant to the Governance Manual, the annual endowment disbursement is 4% of the fair market value of each endowment fund. The method for determining fair market value is the average of the previous 13 quarters ending December 31 of the year previous to the fiscal year of the expected payout. Anita explained that the 13-quarter average is used to even out the vagaries of the stock market and allow a steadier stream of income, without huge variation from year to year. Under some circumstances, an additional 0-1.5% payout can be considered. Anita shared that it is best not to take out the larger 5% when the market is low, as that would result in selling a larger number of shares. Per their report, the endowment committee will reconvene in May to consider whether

the prevailing market conditions merit an additional draw of 1%.

**Based on the 4% calculations, the endowment committee recommended the following payouts for FY 2022-23:**

Board Designated Endowment (General Endowment Fund):	<b>\$35,705</b>
Kay Davis Permanent Endowment:	<b>\$ 5,588</b>
Pooled Donors Permanent Endowment (UU Church of Berkeley):	<b>\$ 2,825</b>
Building Maintenance Permanent Endowment:	<b><u>\$ 2,171</u></b>
Total, per current policy, 100% to Ladd Griffith Fund:	<b>\$46,289</b>

Per current Board policy, the total disbursement would go to the Ladd Griffith Building Fund; however, Anita noted that with the exception of the Building Maintenance Permanent Endowment, the decision of where the other endowment fund disbursements can be allocated is unrestricted and may be determined by the Board.

In response to a question about the building fund, it was stated that the Ladd Griffith Building fund was started by congregants who wanted to be sure that money was put aside for building maintenance, and anyone can contribute to it. Several of the COVID-related building improvements came from Ladd Griffith fund.

The board expressed big thanks to the endowment committee for their work.

**2022-23 Priorities: Discuss draft areas of Board emphasis and related priorities, for adoption on May 4**

Beth began this discussion by stating that the board needs both to think about what they want to accomplish and to consider the realities of the budget. The evaluation/strategic planning subcommittee of the board (Michael, Bill, Helen, and Rev. Michelle) shared their ideas about what had been accomplished this past year vis a vis the board's priorities ,and what areas of emphasis have been initiated by the Board and therefore include in the 2022-23 list.

Helen shared a graphic, adopted by the Board last year to express its 2021-22 priorities, which showed the following 5 overlapping areas of priority: Spiritual Care and Growth, Fighting for Justice, Stewardship and Sustainability, Engaging with Change, and Connections with the Larger Community. Helen shared that this graphic was aspirational and goal-oriented and that it didn't specify how these goals would be operationalized.

The following points were made in the discussion about priorities:

1. The graphic was seen by some as a flower that represented all the things we are trying to create as a beloved community. Some of the petals are emphasized more or less in a given year.

2. It's important to recognize that UUCB is in a much more stable position now than it was 3 years ago, thanks to the PPE loans and the investment in the campus have improved UUCB's financial position.
3. COVID made it hard to address certain priorities like spiritual care and community connections. It's important to focus on programs that support those things in the coming year.
4. During the last 2 years, the Minister's Discretionary Fund helped many families in financial, emotional, and spiritual need.
5. Perhaps the 2 areas of Connections with the Larger Community and Fighting for Justice could be combined.
6. All priorities are supported. The challenge is to find cost-neutral ways to address them.
7. The graphic was seen by some as a boat propeller, and that all of the blades are needed to move forward.
8. The next step is to flesh each of these priorities out.
9. There's a lot to do and we may have to do it in phases as re-entry is going to take some time.
10. Some concern about the potential costs associated with the "enhance our virtual footprint" area of emphasis.
11. These areas of emphasis are relatively short-term items. Would like to see them change from year to year due to progress in the areas. Helen noted that some items had changed from last year due to progress that was made.
12. Need to consider longer-term items. The strategic subcommittee will consider "What does longer term strategic planning look like for the board going forward?"

**Plan:** The subcommittee will take these comments to heart and come back next month with recommendations

**2022-23 Budget: Executive Director presentation of draft 2022-23 budget, for Board discussion and direction; Board action at May 4 meeting for May 22 congregational meeting**

Huge thank you to Tess for creating the rough-draft/preliminary budget.

Key points from Tess' presentation of the draft budget:

1. This is the general fund operating budget and doesn't include capital projects.
2. The budget is heavily informed by actual income and expenses from this year current, and is based on current stewardship projections. Contributions that go to bldg. funds/endowment funds are not included.
3. The revenue in the draft budget is lower than it was in last year's budget because we will not be receiving any more PPE loans.
4. The draft budget contains a deficit of approximately \$126,000
5. One source of increased costs is to pay for the sound engineers and IT consultant (for expanded livestream). Strong demand to have 2 sound people at the Sunday service.
6. Largest expense is for salaries which includes filling three positions (rental coordinator, Director of Family Ministry, and facilities assistant)
7. To make the budget easier, some line items have been rolled together into fewer categories.

8. Some increased expenses (e.g. advertising for rentals/events, and rental coordinator) should help to generate more income.
9. The \$15,000 expense for the Search Committee is based on estimate from the UUA and would include the cost of flight and hotel for ministerial candidates and partners. The hope is to do some of the work virtually.
10. Rebate from PG&E for our solar panels is now capped at \$1500, rather than the former \$5000 cap.

### **Board discussion about the draft budget**

1. We will need to close some of the gap between income and expenses, as we can't accept a budget with a \$120,000 deficit.
2. Aim is to avoid cutting items that would affect UUCB's ability to generate revenue. Important to hire a rental coordinator sooner than later.
3. The projected revenue for rentals/events may be too conservative. (In non-COVID years, the average annual rentals/event revenue was \$60,000; however, we've made improvements to the facility and there is a lot of pent-up desire for events.)
4. Cordell introduced the idea of reinstating a UUCB Fundraising Committee and agreed to spearhead it.
5. If we need to cut salaries, it would be better to cut hours rather than pay rate.
6. Consider allocating some of the endowment disbursement into the general fund rather than the Ladd Griffith building fund. Downside is that deferring maintenance results in greater costs down the road.
7. We need to approve a budget in 30 days and we want it to be a realistic budget. Small adjustments (e.g. possible increase in revenue from music events) are helpful but won't make enough of a difference to get closer to a balanced budget. Similarly, the work of a fundraising committee won't happen quickly.
8. Consider a less-than-full-time Director of Family Ministry (maybe 32 hours).
9. Consider sharing costs/resources with other congregations that are nearby.
10. Question about whether we should go to the congregation and press more heavily on the need for pledges, or do we need to rely less heavily on pledges as younger families join the church.

Beth's synthesis of discussion: There is a combination of optimism re: increased revenue (in rentals and possibly fund-raising) and a recognition that some cuts will be needed. Uphold fair wages, cutting hours rather than pay rates if those savings are needed. Ideas to be considered: utilize some of the general endowment earnings rather than allocating to the building fund, get a rental coordinator underway soon to secure rental income for next year, find a fundraising team, and shift some expenses to use surplus funds from the current year.

**Plan:** Tess will talk with the Finance Committee to get specific about where some trimming of the budget could occur.

Thanks to Tess for all her hard work and the creativity she brings to budgeting.

## **Update and recommendations from the Board Subcommittee shepherding the establishment of the Ministerial Search Committee (Helen, Pier, David)**

Helen and Dave reviewed the process that has been put in place to form a Ministerial Search Committee (MSC).

1. First electronic poll. All members are asked to nominate people who they think would be good members of the MSC. This is not a final vote, just a gathering of nominations. This poll is currently going on and will close 4/13.
2. Once Pier provides the list, Members of the Board of Trustees and members of the nominating committee will contact all church members who have not yet voted to encourage them to vote and/or get their input directly. Helen provided guidelines for phone calls (see below).
3. After the first poll concludes, Pier will tally the nominations and provide the board with a list of the 20 individuals who were nominated most often.
4. 4/16 9AM Executive session board meeting to confirm a list of top candidates to contact to ask about their interest/availability, and provide them with information about the commitment expected for MSC members
5. April 17<sup>th</sup> a “look out for” announcement will be sent re the second poll/final vote.
6. At a 4/22 or 4/23 executive board mtg, the board will review the final list of 12-14 candidates, do a balancing to achieve representation and diversity.
7. 4/24 Sunday service, announcement of the results will go out.
8. Second poll: Congregation will vote to select the committee members. Final election voting will start 4/26 and go through 5PM on 5/2. Each congregant can vote for up to 7 committee members.
9. 5/4 Board has one more opportunity to deliberate on the results and makes the final balancing/decision and determines the date for notifying those who were elected/selected.

Big thanks to Helen, Dave, Pier. Pier did a great job putting together the surveys. Her efforts have been creative and really useful.

Helen asked board members to email the committee if they see corrections that should be made with the timetable/process for forming the MSC.

Note: once the committee is formed, the board still has responsibilities that are outlined in the Settlement Handbook.

## **BOARD COMMITTEE/TASK FORCE/LIAISON REPORTS**

**Stewardship.** Dave reported that publicity about the stewardship campaign has been done. Dave and Patrick have looked at all pledges made so far and measured those against what the same individuals gave in the previous year. Some pledges are up, but many are down. We won't be able to match last year's pledge amount. Total pledges are down about 10%. The current projection for pledges for FY22-23 is \$450K.

## **ADJOURNMENT**

## **UPCOMING EVENTS AND BOARD RESPONSIBILITIES**

April Listening Presence: Dave

Executive session board meeting on 4/16 at 9AM.

Next Regular Board Meeting: May 4, 7PM

Respectfully submitted,

Selene Fabiano, Secretary